



**2D SESSION, 3D PARLIAMENT, 12 VICTORIA, 1849.**

**BILL.**

**An Act to amend the Act relative to  
Savings Banks.**

**Received and read first time,**

**Second reading,**

**[350 Copies.]**

**Honble Mr.**

**S. Derbshire and G. Desbarats, Queen's Printer.**

156.

BILL.

An Act to amend the Act relative to Savings Banks.

2 **W**HEREAS the provisions of the Preamble.  
Act now in force for regulating  
Savings Banks in this Province, have been  
4 found insufficient to ensure the safety of de-  
positors, and it is therefore desirable that the  
6 said Act should be amended and its pro-  
visions enforced by proper penalties: Be  
8 it therefore enacted, &c.

and it is hereby enacted by the authority  
10 of the same, That for and notwithstanding  
any thing in the ninth section or in any  
12 other part of the Act passed in the Ses-  
sion held in the fourth and fifth years of  
14 Her Majesty's Reign, and intituled, *An*  
*Act to encourage the establishment of and*  
16 *regulate Savings Banks in this Province,*  
it shall not, after the passing of this Act,  
18 be lawful for the Trustees of any Savings  
Bank in this Province, to invest or lend  
20 any monies which shall be or come into  
their hands as such Trustees, (whether  
22 arising from deposits, or from the payment  
of any money lent by the Institution, or  
24 from the interest of such money, or from  
the sale of any stock or securities, or from  
26 any other source whatever) in any other  
way than in the public securities of this  
28 Province, or upon the deposit of such secu-  
rities to an amount at least equal to the sum  
30 lent, which securities, with all interest  
thereon, shall by virtue of this Act become  
32 the property of the Institution, if the sum  
lent be not repaid, with interest, at the time  
34 agreed upon, which shall in no case be  
more than three months from the date of  
36 the loan: Provided always, that nothing  
herein contained shall prevent the deposit  
38 of such sum or sums (not exceeding in any  
case one fourth of the total amount deposited

Monies depo-  
sited in Sa-  
vings Banks  
under 4 & 5  
Y. c. 32. to be  
invested in  
Public Secu-  
rities only.

Proviso as to  
monies re-  
quired for cur-  
rent expenses,  
&c.

Penalty on Trustees investing monies otherwise than as hereby provided.

in such Institution) as may be requisite to meet the necessary expenses and exigencies of the Institution, in any of the Chartered Banks in this Province, and subject to be drawn out upon demand: And if any sum or sums shall be invested or lent contrary to the provisions of this section, each of the Trustees in office at the time such loan or investment shall be made and not protesting against the same so soon as he shall be cognizant thereof, shall severally incur a penalty of \_\_\_\_\_ currency, and shall moreover be personally liable to each and every depositor for the amount by him or her deposited while such Trustee shall have been in office, and for the interest thereon, but the note, bond, security or evidence of debt given for the money so lent or invested in contravention of this section shall nevertheless be valid. 20

Section 12 not to apply to deposits made hereafter.

II. And be it enacted, That the twelfth section of the said Act shall not apply to any deposit made after the passing of this Act; but after that day any amount may be lawfully received by the Trustees of any Savings Bank on deposit for the use and benefit of any one depositor; any thing in the said section to the contrary notwithstanding. 28

Receiver General may issue debentures to Trustees for money received by him from them.

III. And be it enacted, That it shall at all times be lawful for the Receiver General of this Province to receive from the Trustees of any Savings Bank therein, any sum of money which such Trustees may have in their hands on deposit, and to issue and deliver to such Trustees, Debentures to a like amount bearing interest at the rate of six per centum per annum, and the principal and interest whereof shall be respectively payable out of the Consolidated Revenue Fund of this Province, at such periods as shall be appointed for that purpose by the Governor in Council and mentioned in such Debentures. 44

Surplus profits of Savings

IV. And be it enacted, That for and notwithstanding any thing in the ninth section 46

or in any other part of the said Act, no  
 2 surplus profits or interests, shall be appro- Banks to  
 priated or paid over by the Trustees of any belong to the  
 4 Savings Bank in this Province to any Province.  
 Charitable Institution or in any other way  
 6 than as hereinafter prescribed ; but from and  
 after the passing of this Act all such surplus  
 8 profits or interests shall belong to the Pro-  
 vince, and shall from time to time be paid  
 10 over to the Receiver General, and shall  
 make part of the Sinking Fund for the  
 12 reduction of the Public Debt.

V. And whereas monies deposited in  
 14 Savings Banks in this Province have been, Recital.  
 by the Trustees of such Banks, invested  
 16 otherwise than in the Chartered Banks and  
 Public Securities mentioned in the ninth  
 18 section of the said Act, and it is expedient  
 that so soon as may be practicable, the monies  
 20 so invested or loaned should be called in and  
 invested in the manner prescribed by this  
 22 Act ; Be it therefore enacted, that it shall  
 be the duty of the Trustees of each Savings  
 24 Bank in this Province, to call in and de-  
 mand payment of all sums loaned or invest-  
 26 ed by them or their predecessors in office,  
 on personal security (whether with or with-  
 28 out security by hypothec or mortgage of  
 real property, or by deposit of or lien upon  
 30 any Stock or Securities,) or in any other way  
 than in the Stocks of or upon deposit in  
 32 Chartered Banks or Public Securities as  
 mentioned in the said ninth section, within  
 34 next after the earliest time  
 when, by the agreement subsisting at the time  
 36 of the passing of this Act, with the party to  
 whom the loan was made, such payment can  
 38 be demanded ; and if such payment be not  
 made at such time as aforesaid, then it shall  
 40 be the duty of such Trustees forthwith to  
 bring such action, or institute such proceed-  
 42 ings in law or equity as may be requisite  
 for enforcing such payment, and to prose-  
 44 cute the same with all possible diligence  
 and despatch ; Provided always, that it  
 46 shall always be lawful for any such Trus-  
 tees, with the consent and approval of the Proviso.  
 Delay may be

Monies invest-  
 ed or loaned  
 on personal  
 security, &c.,  
 to be called in  
 and invested  
 as prescribed  
 by this Act.

granted with  
the consent of  
the Inspector  
to be appointed  
under this Act.

Proviso.

Rules, regula-  
tions, &c.  
contrary to  
this Act re-  
pealed; and  
those hereaf-  
ter made to be  
submitted for  
approval to the  
Inspector  
General.

Savings Banks  
not to allow  
more than  
per cent  
interest.

person or persons appointed as hereinafter  
mentioned to inspect such Savings Bank, 2  
and upon such terms as to further security  
or otherwise as such Trustees and the said 4  
person or persons shall agree upon and  
approve, to grant further delay to any party 6  
to whom any such monies shall have been  
loaned as aforesaid, and the period to which 8  
such delay shall extend, shall thereafter be  
deemed, for the purposes of this section, 10  
the earliest time at which the payment of  
the monies to which it shall relate can be 12  
demanded; and provided also, that nothing  
in this Act shall be construed to prevent 14  
the Trustees of any Savings Bank from  
demanding payment of any such monies as 16  
aforesaid, at an earlier period than that at  
which they may be bound to demand the 18  
same under this Act.

VI. And be it enacted, That so much of 20  
any the rules, orders and regulations of any  
Savings Bank, made and fyled under the said 22  
Act before the passing of this Act, as shall  
be inconsistent with the provisions of this 24  
Act, shall be and is hereby repealed and  
made null and void; and from and after the 26  
passing of this Act no rules, orders and re-  
gulations of any Savings Bank, nor any 28  
amendment of any existing rules, orders  
and regulations, shall be fyled by any Clerk 30  
of the Peace, or shall have any effect under  
the said Act, unless the same be first sub- 32  
mitted to the Inspector General of Public  
Accounts, and by him approved and con- 34  
firmed, and it shall be his duty to approve and  
confirm the same provided they be not in- 36  
consistent with the said Act or with this  
Act. 38

VII. And be it enacted, That after the  
passing of this Act it shall not be lawful 40  
for the Trustees of any Savings Bank to  
pay or agree to pay upon any deposit whe- 42  
ther made before or after the said time, a  
greater rate of interest than per 44  
centum per annum, under a penalty of  
currency, for each payment of, 46

or agreement with any depositor to pay, a greater rate of interest.

VIII. And be it enacted, if any Treasurer, Manager, Director or other officer of any Savings Bank, shall with or without the knowledge of the Trustees thereof, make any loan or investment, payment or agreement, contrary to the provisions of this Act, he shall thereby incur the same liability and penalty, to be recovered in the same manner, as any Trustee would incur by the same act, but this shall not exempt any Trustee cognizant of such act from such liability and penalty.

Penalty on other officers than Trustees contravening this Act.

IX. And be it enacted, That it shall be lawful for the Governor of this Province, from time to time, and when he shall deem it expedient, to appoint one or more persons to inspect all or any of the Savings Banks in this Province; and each such person shall, during the time for which he shall have been appointed, have full power and authority to inspect and examine all books, accounts and securities, regulations, agreements, papers and documents of or concerning any such Savings Bank, which he shall deem it necessary to inspect and examine, in order to ascertain the true state of the affairs of such Savings Bank and whether the requirements of the Act hereby amended and of this Act have or have not been complied with, and shall thereupon report fully to the Governor; and such report and all the information obtained by any such officer or person shall be deemed confidential so far as he is concerned, and shall not be by him communicated to any party except only to the Governor through the Provincial Secretary, but the Governor in Council may publish or make known such report or information or so much thereof as he may deem expedient, or may adopt such proceedings in consequence thereof as he may deem most for the public benefit: and if any Trustee, Director, Manager or Officer of any Savings

Governor may appoint persons to inspect Savings Banks: powers of such inspectors.

The Governor only may publish such report, &c.

Penalty for obstructing

such inspectors, &c.

Bank, having in his possession or control any book, account, security, regulation, agreement, paper or document of or concerning such Savings Bank, shall upon being thereunto requested, at any time during ordinary office hours, refuse or neglect to produce the same or to allow it to be inspected and examined by any person appointed as aforesaid, he shall for each such neglect or refusal incur a penalty of currency.

Interpretation clause.

X. And be it enacted, That the words "Savings Bank" in this Act, shall apply to and include any Savings Bank or Institution in the nature of a Savings Bank with regard to which rules, orders and regulations shall have been deposited with any Clerk of the Peace, as required by the Act hereby amended; and the words "Public Securities of this Province" shall mean any Debentures issued under the authority of any Act of the Legislature of this Province, or of either of the late Provinces of Lower or Upper Canada, and the principal and interest whereof are made a charge upon or payable out of the consolidated Revenue Fund of this Province; and if with regard to any Savings Bank or Institution as aforesaid, the provisions of the said Act shall not have been complied with so as to entitle the same to the benefit of the said Act, the parties establishing, conducting or managing the same, shall be personally liable as having established, conducted and managed the same as partners and on their private account; and all penalties imposed by this Act shall belong to Her Majesty for the public uses of the Province, and may be recovered with costs by civil action, in any Court having jurisdiction in civil cases to the amount.

As to Savings Banks established without complying with the said Act 4 & 5 V. c. 32.