leagues. The president chooses his secretary. In case of a vote the board appoints two shareholding delegates as scrutineers. Each delegate signs the attendance register at each meeting with his name and the number of shares he represents.

Clause 35.—The minutes of the meetings are signed by the members of the board. Copies of or extracts from the minutes are signed by the president of the administrative council and by the director-general. In case of obstruction by the president the copies or extracts are signed in his room and stead by the vice-president or by two administrators.

Chapter VI.—Repurchase of Lines by the State or Abandonment of Working by the National Society.

Clause 36.—When a line is taken over by the State the price serves to reimburse, in totality if possible, if not in part, the investments in the shares in that line. The balance, if any, will be divided, the half to the shareholders, to be divided amongst them, and the other half to the National Society, to be invested in its reserve fund.

Clause 37.—When the National Society abandons the working of an unproductive line, and the group of shareholders directly interested takes over the working, the line is made over to that group, subject always to the right of the society to draw the amount of the subscribers' annuities. If the said group refuses to take over the working of the line the liquidation of its capital is proceeded with. The portion of the assets due to the holders of paid-up shares shall be paid to them; that due to the subscribers of annuities will be retained by the society, to be applied to partial reimbursement of the obligations taken over. The liabilities of these subscribers will be reduced in proportion to these payments. In each of these cases the National Society will be permitted to deduct the sums which it may have advanced to cover the expense of working.

APPENDIX III.

(Preliminaries omitted.)

AMENDING ACT OF 18th APRIL, 1898.

Preliminary Article.

The Government is authorized to approve the modifications appended to clauses 12, 24, 28, and 32 of the statutes of the National Society of Vicinal Railways.

Clause 12.—The society is administered by a council formed of a president and four administrators and by a general manager. The Government can increase the number of administrators to six. In that case it shall nominate the two new members for the first time. There is a supervising committee composed of nine members.

Clause 24.—The supervising committee shall be composed of nine members, elected and deposed by general meeting. Every province must be represented. The election of members is annual, and may be renewed indefinitely. Members shall record their attendance at meetings, the allowance for which is fixed by general meeting.

Clause 28.—Under the profits of each line there will be deducted to the profit of the shareholders of that line a title to the first dividend, thus: (1.) For the paid-up shares taken up before the 1st March, 1898, a sum equal to 4½ per cent. of the capital invested. (2.) For paid-up shares taken up since the 1st March, 1898—(*a*) If subscribed by public bodies, a sum equal to the amount of annuity which would be necessary to pay off the capital subscribed in ninety years; (*b*) if privately subscribed, a sum to equal a dividend determined by the administrative council, as long as this does not exceed 4 per cent. on capital invested. (3.) For shares not fully paid up a sum equal to the amount of the annuity due to pay up the capital subscribed. If the profits are not sufficient to pay the whole of these deductions they must be distributed, proportionally to the amounts of each, amongst the shareholders of the different categories. If there exist a surplus it will, after deduction of bonuses for the administrators and the general manager, be divided as follows: One-fourth for the constitution of a fund to provide for the extension and improvement of the line; three-eighths to the shareholders for a second dividend; three-eighths to the National Society to form a reserve fund to cover possible future losses and to permit of the extension and improvement of the system. The funds of special provisions (as above) of each line may be used for distribution in dividends, but not without Government sanction.

Clause 32.—Voting by ballot may be demanded by ten shareholders, and is obligatory in case of appointments or compulsory retirements. In order to secure secrecy of ballot no ballot-paper placed in the box shall represent more than 500 votes, the fractional vote below 500 being represented by ballots corresponding each to 100 votes, 50 votes, 10 votes, and 1 vote.
