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## BANK ACT MACHINERY

The new bank act has been in operation nineteen days, but its machinery is not yet perfect. The first monthly statement of the banks to the government, on the revised form, will be made for the month of July, and published about mid-August. Mr. Wilkie, president of the Canadian Bankers' Association, has given notice that the association will meet next month to elect a panel of qualified auditors from amongst whom shareholders may elect an auditor for the examination of the affairs of the bank in which they are interested. This is according to the new bank act, and is, as is known, to meet the public demand for external bank examination.

Another feature of the bank act for which machinery is being provided is the establishment of the central gold reserve, a fund intended to create a greater elasticity of currency. Four trustees are to be named to have charge of the central gold reserves. Three of them will be selected by the Canadian Bankers' Association, with the approval of the Minister of Finance, and the fourth by the Minister himself. With these trustees a bank may deposit current gold and Dominion notes, or either, and obtain an equivalent count in currency. As long as the sum of the bank's notes in circulation in excess of its unimpaired capital is not greater than the amount of the deposit, the difference between the two amounts will belong to the bank and may be withdrawn. Banks will thus be able to issue their own notes to the amount of their unimpaired paid-up capital plus the sum which they have on deposit in the central reserves. The banks will still retain the power to issue during the crop-moving season, from September 1st to the close of February, emergency currency to the amount of 15 per cent. of their unimpaired capital. The remuneration of the four trustees and the cost of establishing and maintaining the

central reserves will be paid by the Canadian Bankers' Association, who will make rules and regulations regarding the custody and management of the fund. The central reserve will probably be established at Montreal.

## BOARD OF CONTROL vs. CITY COUNCIL

After carrying on the government of the city of Montreal for three or four years by means of a city council and a board of control, it begins to look as though another change will shortly have to be made. A number of aldermen apparently think that the citizens have a greater regard for them than for the board of control. One of them proposes to put the matter to the test by having a vote taken on the subject. There have been many clashes between the two governing bodies, notwithstanding the fact that some time ago an effort was made to have the duties of both defined. The result was that to the council was given the duty of legislation and to the board of control the duty of an executive.

The Citizens' League has begun again to show activity and conferences are being held to decide upon the most advisable course. Among other things, it is proposed to divide the city into five wards, each to be represented by four aldermen, and each ward to poll about 22,000 votes. Mayor Lavalee has expressed the view that there should be only one governing body in the city. There is a suggestion that the board of control should be increased to seven and that it should take over the entire work of governing the city. Against this, is mentioned the fear that undesirables might be appointed to the board, in which case, it is argued that it would be desirable to have a dual government. There is a strong probability that if the electors had to decide which governing body to retain, it would be the board of control rather than the city council.