

that "the statement shall be signed on behalf of the Board by the general manager and three, at least, of the directors." At first blush this seems reasonable, but in practice where will be found three directors who can possibly vouch for "a clear and full statement of the affairs of the bank, exhibiting on the one part the liabilities of the bank, and on the other part the assets and resources thereof." If the general manager is dishonest, and the innocent director signs as heretofore (being misled by the statements of the manager upon subjects with which he, the director, cannot possibly be familiar) the director will, if the statement contains any false or deceptive statement, be held to have wilfully made such false or deceptive statement, and shall be responsible for all damages sustained by any person in consequence thereof, even although the signature of such director appears or is stated or intended to express consent, approval or concurrence merely according to the best of his knowledge and belief.

The provisions respecting audit proposed by the new Bank Act are not generally considered satisfactory. The alternative propositions seem to be: (a) the shareholders' audit, above-mentioned; (b) Government inspection; (c) an inspection by an inspector appointed by the Bankers' Association. A bill by a private member proposes that the Minister of Finance may, at least once in every two years, have an inspection made of any bank by an auditor or inspector appointed by him for that purpose. This method is objected to by the bankers on the ground that whenever such an inspection is made it thereby injures the reputation and standing of the bank inspected. The Bankers' Association would undoubtedly prefer to be authorized to appoint an inspector who might examine whenever the association thought it desirable. The association would take the responsibility, and no reflection need be cast upon any bank, and if upon such inspection irregularities were found, the banks themselves would, in most cases, be able to call a halt, and, if necessary, force gradual liquidation, and thereby protect better the interests of the shareholders and creditors. The recent suspension of a