

## BANK ACTS AND TRADE TREATIES.

subject to the approval of the Minister of Finance, shall be eligible to serve as auditor under the Act. Provision is also made that the Minister of Finance may appoint an auditor to inquire specially into the affairs of a bank, his remuneration being payable out of the consolidated revenue. A new provision is that negligence as well as criminal intent in the issue of false or deceptive statements constitutes an indictable offence. Loans may be made by banks to farmers on the security of grain, and quarterly returns must be made to the Minister of Finance giving particulars of all interest and discount rates charged.

**Central Gold Reserve.**—An important feature is provision for the creation of a central gold reserve. In addition to their special power of issuing, during the crop-moving season from September 1 to the end of February, additional note circulation to the amount of 15 per cent. of their unimpaired paid-up capital in reserve,—for which privilege they pay interest at the rate of 5 per cent.—the banks, under the new Act, have the right to issue note circulation against gold deposited in a central gold reserve, held by four trustees, of whom three are appointed by the Bankers' Association with the approval of the Minister of Finance and one by Minister of Finance himself. It is provided that the Minister shall from time to time, and not less frequently than twice in each year, cause an inspection and audit of the gold coin and Dominion notes held by the trustees to be made by officers of the Department of Finance.

**Quebec Savings Banks.**—The Quebec Savings Banks Act 1913 (chapter 42) renews until July 1, 1923, the charters of the Montreal City and District Savings Bank and La Caisse d'Economie de Notre Dame de Québec, and in 73 sections provides for their regulation and control. The Act contains provisions for an annual shareholders' audit as in the case of the Bank Act (chapter 9).

**New Treaty with Japan.**—On July 17, 1913, the period of two years, during which a customs tariff with Japan was continued in force pending the negotiation of a new commercial treaty between Canada and Japan, was due to expire<sup>1</sup>, and on April 10, 1913, the Japanese Treaty Act (chapter 27) was assented to. Under this Act the treaty of April 3, 1911, between the United Kingdom and Japan was sanctioned and declared to have the force of law in Canada, subject to two provisos: (1) that the treaty or act should not repeal or affect any of the provisions of the Immigration Act and (2) that Article VIII of the treaty relating to the products of the United Kingdom and Japan respectively should be deemed not to apply to Canada.

**Trade Agreement with West Indies.**—Following a suggestion made by the Canadian Minister of Finance (the Hon. W. S. Fielding) in a report to the Committee of the Privy Council on August 31, 1908, His Majesty, on the recommendation of the Imperial Government, appointed on August 9, 1909, a Royal Commission to inquire into the present conditions and future prospects of trade between Canada and the West Indian Colonies and to suggest measures for promoting closer trading relations between them. The Commissioners were Lord Balfour

<sup>1</sup> See Canada Year Book, 1911, p. xv.