

banks be rendered possible only through Act of Parliament, and with this proposal I am in accord. At the passage of the Bank Act, 1900, there were 36 banks, the average capital of which was \$1,863,000. There are now 24 banks, the average capital being \$4,700,000. By the same progression there is due to be 17 banks in 1923, with an average capital of \$10,308,000.

"By a goodly number of banks of moderate size the interests of the public are best served, such banks are often the strongest in times of stress, and their actions are not as likely to raise public resentment as are those of the gigantic corporation. The number of banks should not be further reduced, particularly as it is becoming almost impossible to establish new banks in face of the competition of old and widely established institutions; in fact, the placing of a limit on the size of any one bank may be worthy of attention.

EMERGENCY CIRCULATION.

"The emergency circulation clauses of the Bank Act should be eliminated. They should not be required, their introduction having been brought about through necessity caused by over-inflation, and their existence in the Act tends towards inflation. A bank should be prohibited from circulating another bank's notes, which prohibition would restore daily redemption, without which the elasticity of bank note circulation is impaired."

"The Bank Act should prohibit the loaning to any one customer of more than a reasonable percentage of a bank's capital, to avoid a rock on which so many banks have met shipwreck.

In reply to questions put by members of the committee, Mr. McLeod stated that he was not in favor of local banks. With regard to the capital necessary for starting a bank, he thought that \$500,000 was a small sum to start with as a bank must have branches and it takes four or five years before the institution can make profits. He stated that he was in favor of the rental value of bank premises being put down at a nominal value.

At yesterday's meeting of the committee, Mr. McLeod gave further evidence, discussing at length the subject of bank inspection. Replying to the chairman he stated that he suggested the general managers appoint a board of inspectors with a chairman, that these inspectors would report to the chairman; and that the information, unless absolutely necessary should never be communicated to the Canadian Bankers' Association, save through the Minister of Finance. The Board would act in an advisory capacity as to loans, etc. If its advice were not heeded, the Minister should be advised. He added that if the Finance Department would accept the responsibility, it would be well to make the approval of the Minister of Finance necessary to the appointment of inspectors by the board. Inspection once a year, he thought would be sufficient. Bank inspection would not eliminate the possibility of failures.

During the first quarter of 1913 railroad and industrial corporations in the United States announced new securities representing a grand total of \$611,570,000, as compared with \$750,892,000 last year, a decrease of \$139,322,000. Of the aggregate, the railroads were responsible for \$268,372,000.

COST OF LIVING STILL GOING UP.

The newly-published annual report on wholesale prices in Canada, compiled by the Department of Labour, shows that while last year saw a new record in the height of wholesale prices, no immediate change in price tendencies is foreshadowed, though at the end of the year, the rapid upward movement of the autumn appeared to have spent its force.

"High as was the general level," the report opens, "reached in 1911 by wholesale prices in Canada—the highest probably within the present generation—a still further and pronounced advance took place during 1912. Taking the 287 representative articles included in the record of the Department of Labour the rise in 1912 over 1911 amounted to 6.5 per cent.

"These figures," the report goes on, "probably minimize to a degree the practical bearing of the increase on the cost of living, inasmuch as they were reached averaging all the commodities on an equal basis, whereas some of the most notable advances of the past year were in foods, fuel and other articles of great importance in domestic consumption. A calculation which assigns to the various groups their approximate relative weight from this standpoint shows the rise in 1912 to have been well over 9 per cent. In retail prices the advance was approximately 5.8 per cent.

"For the years prior to 1890 no comparable data have been assembled; in 1882-4 prices were higher in Canada, but it would be necessary probably to go back to the first quarter of the decade, 1870-1879, when the level was very high both in Europe and America, to find conditions to parallel those of 1912.

"Within the period for which definite information has been collected (1890-1912)," it is added, "at no time have prices approached the level of 1911-12, save perhaps in 1907, when, however, the highest point was still considerably below that of 1911-12."

"As to the outlook," the report concludes, "no immediate change in price tendencies was foreshadowed at the close of 1912, though the rapid upward movement of the autumn appeared to have spent its force. In general, two leading influences appeared in opposition: the prevailing trade prosperity and the growing restriction in the supply of money, flowing in part from the disturbed political conditions in Europe." The monthly report of the Department of Labour for March shows that the general range of wholesale prices at that time had fallen off a couple of points from the figure of the end of the year.

The Travelers of Hartford has just adopted a scheme providing for salaried employees, in addition to their present compensation, life insurance of \$500 on the completion of three years of continuous service, with an additional \$100 for each year in excess of three years, the maximum amount of insurance in any case to be \$2,500. Employees, who from old age or failure of health from any cause except vicious habits are disabled and unable to render further service, will be pensioned, no one to become eligible to such pension unless he shall have rendered five years' continuous service, and no pension to exceed one-half the compensation received at the time of retirement and none to exceed \$3,600 a year.