

The leading figures of this year's annual statement in comparison with that of 1911 are compared in the table below, it being premised that last year, the deposit account was enlarged by a temporary deposit amounting to nearly \$6,000,000, which was distributed in December and January:—

	1912.	1911.
Capital paid-up	\$ 6,747,680	\$ 6,000,000
Rest	6,410,760	5,400,000
Circulation	6,861,496	6,351,230
Deposits not bearing interest	17,349,321	25,897,925
Deposits bearing interest	44,322,561	36,239,679
Total liabilities to public	70,809,749	70,470,083
Specie and legal	6,876,527	7,808,107
Call Loans in Canada	5,209,327	3,854,845
Call Loans Abroad	4,002,970	9,091,613
Total of Quick Assets	27,627,441	31,863,472
Current Loans and Discounts	53,374,825	47,411,949
Total Assets	84,116,907	81,928,961

The striking changes in the loan account are the withdrawal of \$5,000,000 from foreign call loans, and an increase of practically \$6,000,000 in current loans and discounts. This is excellent evidence of the manner in which commercial demands are being met by the Bank, and it is satisfactory in this connection to note that Sir H. Montagu Allan spoke in a vein of pronounced optimism in regard to conditions in the West, which he has recently visited. That the Merchants' Bank will continue to take an important part in further developments, there is every indication. Its capital is now in process of enlargement, and it is well served in its staff, among whom Mr. D. C. Macarow holds the important position of manager at Montreal.

THE REVISION OF THE BANK ACT.

IMPORTANT INNOVATIONS.

1. Auditors to be appointed by the shareholders and paid by the Government.
2. New safeguards in regard to organisation of banks to protect subscribers.
3. Annual statements and monthly returns to be elaborated.
4. Penalties upon directors and officers for negligence in regard to false and deceptive statements.
5. Banks to have the right to issue additional circulation against gold.
6. Consequent establishment of a central gold reserve, probably in Montreal.
7. Banks permitted to make loans to farmers upon security of grain and to ranchers upon security of cattle.
8. In case of bank mergers, consent of Minister of Finance to be obtained to agreement between board of directors before submission of agreement to shareholders.

The new Bank Bill, introduced by Hon. W. T. White, Minister of Finance, and given its first reading in the House of Commons on Tuesday, contains no very startling changes from the existing Act. What appear at first sight to be the most important innovations are summarised above. Pending further study of the details of the bill, only some of its leading features can here be briefly discussed. The Minister of Finance appears to have obtained an ingenious solution to the vexed question of bank audit and inspection. The fact that the auditors are to be appointed by the shareholders tends to lessen the very real danger of any system of government inspection, that the impression may get abroad that the government by its inspection guarantees the solvency of any bank, while the fact that the auditors are to be paid by the government secures their independence of control by the bank management. It

remains to be seen whether the Government will have any power of veto of the shareholders' appointment, supposing, for instance, that shareholders of some bank appointed to the auditor's position someone not technically qualified for it.

The present facilities for circulation are to be supplemented by allowing the banks to issue further notes beyond their existing ordinary and "excess" circulation, this new circulation to be issued against a deposit of gold. The use of this new facility will entail the establishment of a central gold reserve to be located probably in Montreal and held by four trustees of whom three will be appointed by the Bankers' Association and one by the Government. As with the present "excess" circulation, there will be no profit to the banks on this circulation, and for this reason it is possible that some of the banks may be chary of making use of it, as they have been equally chary of using the existing "excess" circulation.

The new provision in the case of bank amalgamations, that the consent of the Minister of Finance must be obtained to the agreement arrived at by the directors of two banks, before the same is submitted to the shareholders, imposes a great responsibility upon the Minister. It will be for him to decide apparently if the amalgamation is in the public interest and to forbid it, if, in his judgment, it is not. It suggests also that he is open to have his decision, whether for or against an amalgamation, challenged in Parliament by the opposition. But the provision does not touch apparently another method of bank centralisation—the purchase by financiers closely connected with one bank of a controlling interest in another bank, so that although nominally individual banks, the policy of the two would be under the same control. We do not say that this is likely to happen in Canada in the near future, but merely point out that there are other ways of "merging" than out-and-out amalgamation.

The anticipated changes with regard to banks' loans to farmers on grain held in store by them and to ranchers on their cattle appear in the bill, and both the banks' monthly returns to the Department of Finance and their annual statements are to be elaborated. Bank officers and directors are to be made additionally responsible for negligence in regard to the issuance of statements—a provision suggested doubtless by the revelations following one or two recent failures.

MANUFACTURERS' CAMPAIGN AGAINST FIRE WASTE.

Addresses by Mr. Franklin H. Wentworth in Montreal and Toronto—Montreal Manufacturers make Recommendation for Propaganda.

Mr. Franklin H. Wentworth, secretary of the National Fire Protection Association, of Boston, Mass., has given this week addresses to the Montreal and Toronto branches of the Canadian Manufacturers' Association, on the subject of the fire waste. At Montreal, on Tuesday evening, Mr. Wentworth's address was followed by the passing of a resolution directing the Council of the Association to form a sub-committee to act with other bodies in the city for the purpose of establishing a committee to open a propaganda to stir up public interest and to get