

5½ to 6 p.c.; and loans on stocks and bonds are not easy to get. It is not at all likely that the suspension of the Farmers' Bank of Canada will have any very marked effects upon the financial situation. Bankers and all intelligent financiers had a pretty strong notion that the affairs of that Bank were not in good condition, for some while back. To say nothing about the price of the stock, several incidents have occurred, and were duly published in the daily press, which were quite sufficient to warn prudent men to avoid entanglement with the Bank in question. So its downfall came as no surprise to the financial community. And its operations being small it is not likely that the failure will prove disturbing. However, it comes just at the moment when the Canadian Parliament is dealing with the renewal of the bank charters, and it is just possible that it may influence legislation in some respects.

THE MERCHANTS' BANK MEETING.

In our issue of last week, we discussed in detail the excellent showing made by the Merchants' Bank of Canada in its annual statement for the year ended November 30, 1910. The net profits reached \$1,057,140, an advance of over \$200,000 upon those of 1909, and of more than \$300,000 upon those of 1908, when the net profits were \$738,597 only. This year's profits represent 17.95 p.c. upon the capital, as against 13.85 per cent. in 1909 and 12.30 per cent. in 1908. Of the total amount available, \$1,159,297, two dividend payments at a rate of 8 per cent. per annum, and two at 9 per cent. together absorb \$510,000. There is transferred to the reserve fund a sum of \$400,000, raising this fund to \$4,900,000, an amount equal to 81.66 per cent. of the paid-up capital. Similarly to last year, \$100,000 is written off the Bank Premises Account, and \$50,000 is contributed to the Officers' Pension Fund, leaving a balance of \$99,297 to be carried forward. Deposits by the public now stand at \$54,091,275, an increase of nearly \$6,000,000 over the 1909 total of \$48,208,416. Of these deposits, \$21,457,952 are at call and \$32,633,323, subject to notice. During the year, the Bank has decreased its foreign call loans, and increased both its Canadian call loans and current loans and discounts. Call and short loans in last year's statement stood at \$13,368,378, of which amount \$3,863,775 were Canadian call loans and \$9,504,603, foreign call loans. The figures in the newly issued statement are \$4,745,473 for Canadian call loans and \$8,135,770 for foreign call loans, making a total of \$12,881,243. Current loans and discounts (with time loans on bonds and stocks in

the United States) last year stood at \$36,109,938, and this year the single item of current loans and discounts is \$41,196,937. The Bank's assets now stand at \$71,600,058, against \$66,800,151 last year, and of this amount \$28,214,039 come under the heading of readily available assets.

With so satisfactory a statement, it is natural that Wednesday's annual meeting should have been marked by a note of general congratulation. The directors, in their report, while conservatively disclaiming the ability to make any confident forecast, were on the whole, optimistic as to the future. "A fair result is hoped for," says their report, "business being generally good at the present time. There is still much railway construction in prospect, and more and more land is coming under cultivation. The tide of immigration turned this way is altogether likely to continue, and, generally, prospects for the next twelve months' business may be considered as bright." And Sir H. Montagu Allan united his testimony to that recently given by other competent observers of Canadian conditions and expressed the welcome opinion that business all over the country is in a good position and that the prospects for next year are very bright.

Equally pleasant comment upon the position of the country was contributed by Mr. E. F. Hebden, the general manager, in his interesting address. Mr. Hebden made a particularly apropos reference to conditions in the West which we quote:—

Our far Western business has developed materially since last we came together. Healthy growth is evidenced generally, assisted by the influx of men and capital from Great Britain and the South; that entering from the latter quarter being supplemented by the best kind of practical experience, making it doubly welcome as a developing factor. We have learned a good deal of these Southern men, who, as a rule, are very competent, well trained agriculturists and ranchers, informed upon the latest methods of successful farming cattle and stock raising, making their potential value to us as a national asset incalculable. Wherever we have branches in the West we have numbers of these hardy pioneers sowing the seeds of prosperity all along the line. If they come in as Americans, to possess the land, they remain as law-abiding Canadians, models of industry and thrift.

So far as the Merchants' Bank itself is concerned, 1910 has been a notable year in one respect, in that the Bank has made a first appearance in the Maritime Provinces with its recently-opened branches at St. John, N.B., and Halifax, N.S. This gives the Bank a complete chain of branches from the Atlantic to the Pacific. The Atlantic coast field, as Mr. Hebden remarked, is new to the Bank, and the policy is to go slowly, although already the Bank has had much encouragement there. But whether further extensions will be made in the Maritime Provinces has not yet been determined. The Bank's cautious policy in opening branches is shown by the further statement of Mr. Hebden with regard to the question of branches generally. The Bank has not closed any during the year, but "one or two are under consideration,