

through calling loans. The extra high interest rates increase their profits.

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After the liquidation of the past few weeks the New York market has settled down to comparative calm. The Supreme Court's decision in the Reading case, representing as it did, only a partial victory for the Government, did not affect public sentiment as greatly as did the decision in the Union Pacific case. It is to be hoped that the incoming Wilson administration will take some other method of safeguarding the interests of the public from the giant corporations. The Taft-Wickersham plan of "unscrambling eggs" through breaking up the combinations by means of legal actions, is highly sensational but it entails great unsettlement and confusion on business, increases the expenses of operation and management of the dissolved companies, and as yet it cannot be said to have benefited the consuming classes to any great extent. Perhaps Mr. Wilson's plan of lowering the tariff will accomplish ten times as much without creating nearly so much disturbance.

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Money rates in Canada are unchanged. Call loans are 6 to 7 per cent. as heretofore. The year is nearly ended, and many borrowers are hoping that the tension will relax sensibly with the advent of 1913. It appears reasonably certain that after the first week of January Wall Street will not be drawing Canadian funds to New York by means of bidding high interest rates. The Dominion notes circulated by the banks for harvest currency, should be coming back to them in January, and when this cash is restored to the bank reserves the situation should be easier all round. The resumption of the business of issuing Canadian securities in London is another satisfactory development. Our municipalities and provincial governments are beginning to recognize the fact that their bonds will have to bear higher interest rates to make them acceptable to the overseas investment public.

HIGHER WHOLESALE PRICES.

The Department of Labour's index number of Wholesale Prices rose approximately one point in November, standing at 134.3 as compared with 133.1 in October and 129.4 in November, 1911. The advance was due chiefly to higher prices for fish, textiles, hides and leathers, fuel and lighting, while Ontario grains, dairy products, metals, lumber and miscellaneous building materials were slightly upward, with western grains, cattle and beef, paints and oils, downward. As compared with the same month last year, grains and fodders, fruits and vegetables, were lower, while animals and meats, dairy products, fish, textiles, hides, leathers, boots and shoes, metals, fuel, house furnishings, and miscellaneous commodities were higher than in 1911. In retail prices, coal, wood, butter and eggs were upward; potatoes also were higher in Ontario, while there was a downward movement in flour, sugar, prunes and evaporated apples.

THE MERCHANTS' BANK MEETING.

Apart from the excellence of the report presented at the annual meeting of the Merchants' Bank held on Wednesday, the proceedings included several features of more than passing interest. On the recommendation of the directors, it was decided to change the Bank's financial year, so that it will in future close on April 30, instead of November 30, the annual meeting to take place on the third Wednesday in May. The reasons for this change will commend themselves. As was explained by Mr. E. F. Hebden, the Bank's able general manager, November 30 is inevitably more or less the high-water mark in banking advances in Canada, when the crop has to be moved and converted and all other business lines are running at high pressure. The end of April is a more convenient and more desirable time, since a closer survey and scrutiny of the business can then be made, owing to lower balances, much of the fall and winter business having run off. Apart from this sound business reason, Mr. Hebden mentioned another, which we venture to think will be widely commended, the fact that there will be less strain upon the staff at a time of year when they are necessarily fully occupied with the increased demands of ordinary business. In this respect there is suggested an attitude of consideration for the staff, which is bound to react favorably upon the Bank in an increased feeling of loyalty and desire of good service.

Another important step taken at Wednesday's meeting was the extension of the board of directors from nine to twelve and the subsequent election of three new members. The change was a desirable one in view of the growth of the Bank's operations and the extension of its interests, and in Messrs. A. B. Evans, George L. Cains and Farquhar Robertson, the Bank has secured three prominent and experienced Montreal business men whose services cannot but be of great value to the institution. While the Bank's board sustained much-deplored losses during the past year in the death of Mr. Charles M. Hays and the retirement of Mr. Jonathan Hodgson, owing to advanced age, the Bank remains assured, with the continuance of Sir H. Montague Allan as president and Mr. K. W. Balckwell as vice-president, of experienced and wise direction.

As indicated briefly in our last week's issue, the past year has been a highly prosperous one in the Bank's history. The net profits for the twelve months ended November 30, amounted to \$1,338,845, showing the handsome return on the average paid-up capital of 20.6 per cent. The profits show an increase of practically \$160,000 upon those of 1911, which were \$1,179,581 or 19.66 per cent. upon the paid-up capital. No better evidence of skilful management and great prosperity could be had, and the general statement is witness that these are united with a wise conservatism that is steadily progressive. Including \$560,760, premium on new stock, and \$58,878 the amount brought forward from last year, the total amount available on this account is \$1,958,483. Of this amount, the ten per cent. dividend absorbs \$649,005; \$560,760 premium on new stock and \$450,000 additional is transferred to rest account, making this account \$6,410,760 or over 95 p.c. of the paid-up capital, \$100,000 is written off bank premises account, \$50,000 is contributed to the officers' pension fund and the increased balance of \$148,718 is carried forward.