the investment public. A powerful bear party in New York appears to have taken advantage of the tight money, calling of loans by banks, and the merger decision, to attack the market. Stocks were sold in overwhelming volume and the price list fell from 10 to 15 points. As soon as this decline was well under way London seized the opportunity to repurchase the Americans previously sold by it. On nearly all of the very weak days London bought heavily. The total purchases are said to have amounted to some 400,000 shares—bought at lower prices than those at which they were sold a short time ago. Now the question is how will the New York bears come out of their enterprise? Will they win out in the end or will London win?

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Money market conditions in Canada are not changed. Call loans are still quoted at 6 p.c.; but it is said that some banks are charging 7 p.c. on new loans. There is little prospect of an improvement until after the turn of the year. The notice given by the Minister of Finance in the Commons of a resolution providing for payment of an auditor or auditors for reporting on banking institutions, is taken as an intimation that the new act will contain provision for compulsory audit of banks on behalf of the respective shareholding bodies. The banking fraternity is awaiting with much interest the introduction of the bill, so that they may learn the terms and conditions under which the audit is to take place. It is generally understood that the head office only will be examined by the auditors, their examination of the branches being based on the branch returns.

MERCHANTS' BANK REPORTS HIGHLY SATISFACTORY YEAR.

The profit and loss statement of the Merchants' Bank of Canada, issued in anticipation of the annual meeting, next Wednesday, December 18, is a document which shareholders will find highly satisfactory and one which must be distinctly gratifying to Mr. E. F. Hebden, the general manager. Profits of the year were $1,338,845, or 20.6 per cent. upon the average paid-up capital, an increase of practically $160,000 upon the profits of 1911, which were $1,179,581 or 19.66 per cent. upon the paid-up capital. In 1910 profits were $1,057,140 or 17.62 per cent. These figures afford convincing evidence both of great prosperity and of skilful management.

Of this year's profits, the ten per cent. dividend absorbs $649,005; $450,000 is transferred to reserve fund, $100,000 is written off bank premises, $50,000 is contributed to the officers' pension fund and the largely increased balance of $148,718, in comparison with $58,878 last year, is carried forward. The rest account has also been increased by the addition of $560,760 premium on the new stock issue, and this, with the transfer of $450,000 from the year's profits referred to above, makes this account $6,410,760, an increase of just over $1,000,000 from the total of $5,400,000 at which this fund stood a year ago.

NOVA SCOTIA—NEW BRUNSWICK BANK MERGER APPROVED.

Meetings of the shareholders of the Bank of New Brunswick and Bank of Nova Scotia held this week approved of the agreement announced some weeks ago by which the Bank of Nova Scotia will take over the Bank of New Brunswick. At the Bank of Nova Scotia meeting held at Halifax, N.S., on Wednesday, in addition to the passing of the necessary resolutions regarding the amalgamation, approval was given to the proposal to increase the authorised capital of the Bank from $5,000,000 to $6,000,000.

The terms are that shareholders of the Bank of New Brunswick shall be given share for share, together with a bonus of $10 per share. Provision is also made in the agreement for the retention of the employees of the Bank of New Brunswick and their enrolment on the pension list of the amalgamated institution.

The following are the leading figures of the two banks as at October 30:—

BANK OF NEW BRUNSWICK.

Capital paid up	$ 1,000,000
Reserve	1,790,000
Circulation	931,799
Total Deposits	8,471,118
Specie and Dominion Notes	1,002,643
Canadian Call Loans	1,043,082
Foreign Call Loans	400,000
Canadian Current Loans	8,317,858
Total Assets	12,607,646

BANK OF NOVA SCOTIA.

Capital Paid up	$ 4,527,280
Reserve	8,238,192
Circulation	4,128,829
Total Deposits	48,560,011
Specie and Dominion Notes	7,924,758
Canadian Call Loans	4,438,304
Foreign Call Loans	4,198,849
Canadian Current Loans	32,180,202
Foreign Current Loans	5,350,943
Total Assets	67,279,856

The result of the amalgamation will be to give the Bank of Nova Scotia assets of about $80,000,000, placing it fifth or sixth among the Canadian banks in this respect.

REASONS FOR THE MERGER.

A St. John paper reports that Dr. W. W. White, vice-president of the Bank of New Brunswick, in moving the necessary resolutions at Monday's meeting of shareholders, referred briefly to the history of the amalgamating banks. The Bank of New Brunswick was organized in 1820; the Bank of Nova Scotia in 1832. They grew side by side, but in time came to the parting of the ways. The Bank of New Brunswick was ultra-conservative in its policy—a fact of which he had no criticism to offer; the Bank of Nova Scotia took a different view, and sought fresh fields for business. These causes led to conditions which had been reached. Later on, the Bank of New Brunswick appreciated the situation, and saw they could not stand still; they must either increase or decrease. It was felt, although late in the day, that the bank should increase its branches and its capital. Dufficulty was met in increasing its capital. Opposition was met in every quarter. Thus it was that the present condition was reached. The bank was a victim of natural causes—the survival of the fittest. The bank has nothing to conceal. It has lost money, but it has not been ruined. It has become involved in litigation, the victim of dishonest practices which could not be guarded against.