

"We find ourselves again in the midst of conditions as to call loans at the New York Stock Exchange, which are nothing less than barbarous. I cannot for a moment believe that, while at times, under existing methods and conditions, money is liable to advance beyond the legal rate of interest—I cannot, I say, for a moment believe that it is necessary for the rate of interest on demand loans at the Stock Exchange to advance on a single day from 6 to 7 p.c. in the morning to 25 to 30 p.c. and higher in the afternoon. It must be in the long run destructive of the best interests of the country, and there must be means, even if they are difficult to find, to better regulate such a state of affairs. Such means may be actual methods or moral methods.

"It is stated, for instance, that one of the prominent—and I do not hesitate to say so because it is stated with much emphasis—that one of the prominent financial institutions in this city, which is a large loaner of money makes it a rule when money in the morning is only 6 or 7 p.c. to call its loans, and to wait until the rate has advanced, which it naturally does in consequence of large calls, to consent to loan its money again.

"Such methods are reprehensible and ought to be corrected by moral pressure and moral means; but there must be actual means, which possibly is the Clearing House and possibly is the Stock Exchange itself."

It is to be observed that Mr. Schiff did not give the name of the institution which he charged with manipulating the money market in what can only be characterized as a disreputable and dishonourable manner. Whether such practices are really followed by any "prominent financial institution" in New York, we do not pretend to say, but we feel safe in saying that New York is about the only important national financial centre in which such a thing would be possible. The conditions prevailing in New York at least make such a practice possible.

It is easier, however, to recognize an evil than to prescribe an effective remedy. A number of suggestions have been made, something like a boycott of the offending financial institutions by the brokers who with their clients are the principal victims has been proposed, and again it has been suggested that a joint committee should be formed, composed of officers of the Clearing House and representatives of the banks and the Stock Exchange, to meet daily to determine the requirements of the situation and to fix a reasonable rate for money which all banks should agree to accept as the renewal rate for the day.

The situation is at least aggravated by the inherent defects of the United States currency system

which fails to adjust itself to the varying requirements of the country from time to time. That the Secretary of the Treasury has shown excellent judgment in the means he has taken to ameliorate the situation is universally admitted, but the opinion is no less general that the whole financial interests and credit of the country, should not be for ever at the mercy of the judgment of any one man, no matter how able or conscientious he may be. The volume of currency in the United States should adjust itself as it does in Canada automatically to the ever shifting requirements of the market.

CANADIAN BANK OF COMMERCE.

The statement of the result of the business of the Canadian Bank of Commerce for the year ending 30th November, 1906, which is issued in advance of the annual meeting to be held on the 8th January next, should be extremely gratifying to the shareholders, and, indeed, be satisfactory to the country at large. The net profits realized, after providing for all bad and doubtful debts, amounted to the very handsome sum of \$1,741,125, over 17 p.c. on the capital, and equal to 12 p.c. of the combined capital and rest account. The amount is \$364,958 greater than last year, and is the highest figure in the bank's record to date.

The net profits supplemented by the amount brought forward from 1905, of \$58,872, made the total amount available for distribution \$1,799,997 and was disposed of as follows:—Two dividends for the year at the rate of 7 p.c. per annum and a bonus of 1 p.c. absorbed \$800,000; written off bank premises, \$341,435; transferred to Pension Fund (annual contribution), \$30,000; subscription to San Francisco Relief Fund, \$25,000; transferred to Rest Account, \$500,000 (raising that to \$5,000,000 or 50 p.c. of the capital) and carrying forward \$103,562.

The deposits including accrued interest amount to \$87,152,537 an increase of \$12,779,046, which is remarkable. The current loans and discounts are \$79,303,228, an enlargement of over \$15,000,000 which is also very remarkable in view of the number of new banks competing for business.

It is evident from these figures that the affairs of the bank are conducted in a masterly manner under able management. General Manager, B. E. Walker, and Assistant General Manager, A. Laird, are to be congratulated.

The Montreal branch continues to make good progress under Mr. F. H. Mathewson, the local manager, who is deservedly popular with the banking public.