LLOYDS MAY PURCHASE SOME ESTABLISHED BANK IN CANADA.

Sir E. Walker and Sir F. Schuster on Our Banking System—New Companies Registered.

(Cable Correspondence by special arrangement with The Montreal Star).

London, June 9.—Financial authorities say that the new issue market is more congested than at any time within the last five years. Municipal issues are especially suffering.

The journal "Canada" says that Canadian municipalities are now paying the penalty of a method peculiar to the Dominion, of selling securities under the hammer to the highest bidder, instead of appointing financial agents here to issue their securities at a right price, which is not necessarily the top price.

June 9.—The Western Canada Trust, Limited, has, on behalf of the purchasers, authorized Parr's Bank to shortly receive applications for $1,000,000 7 per cent. cumulative preference shares in the Steel Company of Canada, Limited.

June 9.—Mr. Docker's reply to Sir Wilfrid Laurier regarding the Quebec bridge appears in the press to-day, and sets out the detailed facts, in which he assumes that Sir Wilfrid Laurier is unable to prove that, while competition was called for, the contract was placed without it.

He declares that the board of engineers, behind whom Sir Wilfrid shelters, did report that the four tenders, of which Mr. Docker's company's tender was lowest, were in order.

Only after new members had been added to the board was the tender of the St. Lawrence company accepted, though it was one million dollars more. Furthermore, the contract was made for a bridge of the type and for a purpose which was definitely excluded from the conditions of the tender.

Mr. Docker, who stands high in the business world here, adds: "I complain on behalf of the business community of this country, which has directly or indirectly found $400,000,000 of the money for the development of Canada, with, I am sure, some hope of reciprocity. It had been our purpose to establish works in various parts of Canada, but the circumstances attending this tender have put an end to such a project, and will doubtless have a like effect on other companies which have held similar ideas."

Canadian Pacific Railway Supporters Are Enthusiastic.

June 12.—Canadian Pacific Railway supporters on the Stock Exchange became intensely enthusiastic Saturday when the shares got within one point of the 250 goal.

Dealers laughingly admitted that they were choked with orders to sell at that figure.

The Financial Times says that many shareholders in other concerns devoutly wish the record-breaking movement would switch off Canadas for a while and give other shares a turn, but adds that with the suspension of the Birkbeck Bank drawing such painful attention to the depreciation in high-class stocks, it is refreshing to find one share at least showing a new record high price.

To-day's new Canadian issues were the Toronto Suburban Railway Company £540,000 4½ per cent. first mortgage debentures at 93½, and E. P. Heaps & Company, Limited, £300,000 5 per cent. first mortgage bonds at 95 for the development of British Columbia real estate.

The Prince Rupert Hydro-Electric Company intends to issue $2,500,000 5 per cent. bonds and $3,000,000 common at 92½, with 40 per cent. bonus of common stock.

New Companies Registered.

June 9.—The prospectus is advertised of 150,000 7 per cent. cumulative preference pound shares of the National Land Fruit & Packing Company, to operate 9,115 acres of orchard lands in the Niagara, Georgian Bay, Lake Huron, Lake Erie and Ontario districts. The president is Mr. Pollman Evans, president of the Union Life Assurance Company. Other directors include Hon. George Foster and William German.

The Pall Mall Gazette finds fault with the inadequate information in the prospectus, and says that fuller and better details might have been given whether legally necessary or not.

New companies registered here include the Porcupine Goldfields of Canada, registered May 30th, with a capital of £50,000 in 4 shilling shares, formed to operate in Porcupine on the basis of an agreement with W. L. Malcolmson and V. W. Davies.

Another new company registered is the Dominion Townlots, capital £21,000, to handle an option on Regina land, making an agreement with R. S. Bond.

Application has been made to the London Stock Exchange to list £50,000 Canadian Collieries 6's and 11,850 £1 shares of Marconi wireless.

June 13.—Much interest was created in Anglo-Canadian financial circles by Sir Edmund Walker's paper on Canadian banking before the Institute of Bankers' last night.

Especially surprising to many Englishmen was his assertion that though bank failures in Canada showed clearly that there was plenty of careless, unwarrantable banking, the loss to creditors in over 40 years had been only a trifle over two-fifths of one per cent. of the present liabilities of the banks.

Sir Felix Schuster, who also spoke, said he was surprised to learn that independent auditors were not generally employed in Canada.

He believed they were not only a great safeguard to the public, but of great value to the banking institutions themselves.

Lloyds May Purchase Some Established Bank in Canada.

June 13.—As already advised, Lloyds Bank here is securing powers to alter its constitution in order to permit it to open branches and auxiliary institutions in Canada, the directors being urged to avoid the heavy British income tax upon Canadian profits by making the Canadian institutions independent in a legal sense of Lloyds Bank, possibly by acquiring interests already operating in Canada.

The Financial News says: "The time is certainly come when the Colonial Governments will do well to consider whether they could not offer legal facilities to English enterprises so as to enable them to omit payment of the British income tax upon profits of the Colonial operations The tax itself is so iniquitous and excessively arbitrary that there need be no compunction about embarking upon some such policy as this. It would encourage enterprise in the Colonies, besides benefiting the investor at home."

French capital is being interested in Newfoundland oil. A number of submarine claims between Parson's Pond and St. Paul's Bay have been taken up.

Charing Cross Bank—Chartered Accountant on the Stand.

June 14.—The Charing Cross Bank inquiry still drags on at the Bow street police court, where Mr. Carpenter is charged with false pretences. The evidence is being taken of Mr. Pembridge, the chartered accountant, whose report after the investigation of the Atlantic, Quebec and Western Railway, and other Canadian properties, led to the prosecution. Mr. Pembridge said Mr. Carpenter always expressed the opinion that his Canadian enterprises were worth anything between two and five millions sterling.

AMERICAN BANKS SHOW SURPLUS AND UNDIVIDED PROFITS INCREASE.

Four of the largest national banks in New York city—the National City, the National Bank of Commerce, the First National and the Chase National—have just completed five years of prosperous banking, according to their reports to the Comptroller of the Currency in response to his call for condition of the banks as of June 7th. The National Bank of Commerce' surplus and undivided profits have only increased from $14,947,800 to $15,161,600. The National City has reported an increase of over $12,500,000 since May 20, 1907, and the Chase National from $4,827,000 to $8,440,000.

For a number of years prior to 1901, the First National Bank paid dividends of 100 per cent. annually on a capital of $500,000. In 1902, a dividend of 1900 per cent. was declared, the largest ever paid by a banking institution up to that time, for the purpose of increasing the capital to $10,000,000. On this capitalization, the bank paid a 20 per cent. dividend annually until 1905, when it was increased to 21¼ per cent. with an extra dividend of five per cent. In 1906, the rate was increased to 26¼ per cent. and in 1907 to 32 per cent.

A dividend of 100 per cent. was declared in 1908, which was never paid directly to the stockholders, but was used to organize the First Security Company, the stock of which was issued in the name of the stockholders of the First National and then trusteed to the bank. Since then two dividends have been declared, one on the bank stock amounting to 20 per cent. regular and eight per cent. extra, and the other on the First Security stock amounting to 12 per cent. This year, the bank stock was put on a regular 28 per cent. rate which added to the dividend on the security company, gives the stockholders a regular 40 per cent. dividend. On May 20, 1907, the surplus and undivided profits of the bank amounted to $19,749,500, and it reported in the same items on June 7, $20,906,700. The dividends in those five years, including the 100 per cent. extra, totalled over $22,000,000.

Mr. E. H. Laschinger, assistant deputy Postmaster-General, has tendered his resignation, severing his connection with the department on June 30th, in order to become a business associate of Mr. Cawthra Mulock of Toronto.