

must have some effect upon the two centres which are supplying the bulk of the funds—London and New York. There is every probability that the dimensions of the drain will reach larger proportions before long.

CANADIAN BANKING PROFITS. III.

It will be noticed that the balance of profits carried out for one year does not correspond with that brought in for the next. The explanation is that in nearly every year until 1909 there were a number of banks that changed the date of their fiscal year ends; and in their cases a broken period of a year would intervene between the full year statement published in one year and that issued in the next. Also the amalgamations and failures that have occurred have affected the balances forward.

The tendency of the bankers to build up the balance in profit and loss account is clearly shown. The aggregate of the balances has grown from \$1,506,481 in 1903 to \$4,994,433 in 1909.

Though the ordinary earnings exceed those for 1908, when the \$325,000 recoveries by the com-

merce and Nova Scotia referred to in the second article, are added to the total, they fall short of the 1907 earnings by some \$800,000. It is remarkable that in the last four years no appreciable increase has occurred in the earnings. The amount of premiums on new stock issues is considerably larger than in 1908, but is far below the high record established in 1906. The indications are that 1910 will see an improvement in this respect.

Every year there is a substantial margin of ordinary revenue over the dividends paid. The dividends do not take up more than from 60 to 66 per cent of the current profits. Premiums on new stock issues, of course, go into the rest accounts almost invariably.

The amounts applied to premises vary somewhat according to whether the year is prosperous or the reverse. Thus the heaviest appropriations were made in the banner year 1907.

The rate of earnings upon total resources tends steadily downwards; while that on capital and on capital and rest has declined since 1907. No doubt, this is largely due to the competition amongst the banks in putting facilities at the disposal of the public.

In the table that follows a comprehensive view of the banking policy as regards the disposition of profits for a series of years is given; also a comparison of the percentages of earnings back to 1903, and of the growth of the total resources and proprietors' funds.

DISPOSITION OF PROFITS.

	1909.	1908.	1907.	1906.	1904.	1903.
Balance brought in.....	\$ 4,260,767	\$4,522,929	\$ 2,180,917	\$ 2,736,039	\$ 2,270,595	\$ 1,596,481
Earnings.....	12,951,690	12,817,774	13,755,789	12,104,703	10,153,828	9,530,674
Premiums new stock.....	1,708,918	469,075	2,789,677	6,371,151	591,380	5,097,376
	\$18,221,375	\$17,809,778	\$18,726,383	\$21,211,893	\$13,015,803	\$16,225,931
Dividends.....	\$ 8,293,044	\$ 8,090,616	\$ 8,131,598	\$ 7,208,963	\$ 6,228,803	\$ 5,761,903
Added to Rest.....	3,595,653	3,494,694	4,176,966	9,943,089	3,496,125	7,610,683
Applied to Premises.....	1,456,469	1,355,718	1,758,300	1,331,982	*97,707	* 615,094
Written off—Depreciation, etc.....	285,000	376,000	179,534	271,386		
Contributions—Pensions, etc.....	296,776	231,166	220,518	189,533	129,847	115,577
Carried out.....	4,994,433	4,261,584	4,309,467	2,266,940	2,263,321	2,092,674
	\$18,921,375	\$17,809,778	\$18,726,383	\$21,211,893	\$13,015,803	\$16,225,931

*In 1903 and 1904 the amounts written off for depreciation, etc., were included with the appropriations applied to premises' account.

PERCENTAGE OF EARNINGS.

	1909.	1908.	1907.	1906.	1904.	1903.
On Average Capital.....	13.51	13.95	14.49	13.98	13.07	13.05
On Average Capital and Rest.....	7.59	7.89	8.37	8.23	7.91	8.03
On Average Total Resources.....	1.23	1.41	1.47	1.45	1.56	1.63

COMPARISON OF PROPRIETORS' FUNDS AND TOTAL RESOURCES.

	1909.	1908.	1907.	1906.	1904.	1903.
Average Capital.....	\$ 93,437,945	\$ 92,543,865	\$ 94,945,190	\$ 87,920,049	\$ 77,771,384	\$ 73,107,484
Average Capital and Rest.....	168,349,840	163,566,349	164,424,032	149,263,819	128,503,516	118,818,637
Average Total Resources.....	1,025,920,764	916,245,586	939,239,392	847,537,380	* 648,875,208	* 586,162,981

*In 1903 and 1904 the figures represent the total of Average Capital, Rest, Circulation and Deposits; in the other years the Average Total Assets.