

\$8,200,000 in cash to report. Their surplus thus increased about \$5,000,000 and it stood at \$36,378,000 at the week end.

BELIEF IN EASY MONEY.

The securities market in New York also has been reactionary during the week, partly owing no doubt to the change of attitude on the part of London, Paris and Berlin. There continues to be a strong belief on both sides of the Atlantic that the easy monetary conditions will last until autumn at any rate, and that prices of securities on the whole will work consistently upwards throughout the year. The *London Statist* repeatedly presents that view of the case and expresses the opinion that it will be many years before the low prices of the past year are again seen. Of course, if the speculative investor accepts this as correct the reaction this week would represent a satisfactory opportunity to get "abroad" advantageously. There is no doubt that many long sighted speculators have been thus taking advantage of the developments of the week. The money market is such as to induce the brokers to welcome the propositions of clients desirous of operating on the long side. No difficulty is experienced in arranging for the necessary banking accommodation; and the spread or margin between the call loan rates of the New York banks and the rates applying generally to customers' debit balances is wide enough to give the brokers a good profit.

CANADIAN SPECULATION IN WALL STREET.

It is said that there has been some demand for New York funds in Montreal and Toronto arising from recent purchases of New York stocks by Canadian speculators; but as a general rule the Canadian brokers borrow in New York to carry the purchases of their clients—so the margins are all that have to be remitted to New York when a buying movement in Wall Street is initiated by Canadians. On the other hand when the big New York houses lend money to our brokers against active Canadian stocks the movement of funds this way is more pronounced.

MR. H. A. RICHARDSON ON THE OUTLOOK.

Speaking at the recent annual meeting of the shareholders of the Bank of Nova Scotia, Mr. H. A. Richardson, general manager, remarked:—"A reliable estimate has placed the value of all field crops for 1913 at about \$525,000,000. Between last harvest time and the close of navigation on the great lakes—about 90 days—grain was moved out of the West to the value of \$100,000,000 and the money turned back into the usual channels of business. That was a notable achievement, and illustrates the potential wealth of the Dominion. If, as appears likely, immigration continues in its present volume, there is no reason why our progress should not be steady and regular; but we should guard against trying to force the pace. Caution in this respect in the past would have prevented the unfavorable reception that some Canadian borrowers have met abroad during the year."

BANKING PROFITS IN CANADA

In 1913 there was a considerable fall in the grand total of net profits and premiums on new stock issues subject to the disposal of the boards of directors. In 1912 the total was \$35,283,191; and in 1913 it was \$29,597,441. The falling off occurred in the premiums on new stock issues; these amounted to \$5,114,307 in 1913 as against \$12,249,335 in 1912. It is necessary to bear in mind that the two big bank amalgamations effective in 1912—the Commerce-Eastern Townships, and the Royal-Traders—accounted for a large amount of the premiums on new stock in that year. Thus the Commerce reported \$2,642,180 and the Royal \$5,503,812, a large part of which followed as a result of amalgamation. In 1913 the Bank of Nova Scotia reported premiums on new stock \$2,161,854—\$1,790,000 of which represented the rest account of the Bank of New Brunswick, absorbed early in the year. Apart from that only four banks—Dominion, Imperial, Hochelaga, and Standard reported premiums in excess of \$400,000. Indications at present are that the item of premiums on new stock issues will be comparatively small in 1914. No large issues of importance have been announced so far, and the bankers show little disposition to increase capital stock under present conditions.

The dividends paid were \$750,000 greater than in 1912—the average rate was slightly higher, and it applied to a larger mass of capital stock. The amounts added to rest were \$6,500,000 less than in 1912—the difference being accounted for by the decrease in amount of premiums on new stock. It is to be noted that the rests of all banks (taken as a unit), are now nearly equal to the capital.

Appropriations for writing down premises, furniture, etc., in 1913 were practically equal to the 1912 appropriations. As the Merchants Bank profits were for a broken period of five months only, the usual appropriations for rest, premises, pension fund, were deferred to the next year-end. If allowance is made for a proportionate appropriation in this case the 1913 total would exceed that of the preceding year.

DEPRECIATION OF SECURITIES.

Although the appropriations for depreciation of securities and other assets are slightly under the total shown in the preceding year, there are more banks appearing in this column. In 1912 the Bank of Montreal appropriated \$1,000,000 and four other banks appropriated smaller amounts. But in 1913 eleven banks appear in the list. Most of the appropriations made by them were for the purpose of writing down securities, quotations for which have fallen in all parts of the world. In no previous year have the Canadian banks reported so large an amount appropriated for this purpose, but the Canadian appropriations represent only a small fraction of the

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