

New York are above the level of call money in London, but the difference between time money on this side and in Europe is hardly such as to tempt an extensive flow of capital this way. It is very likely that the beginning of gold exports would suffice to stiffen rates for money in New York, especially if the financial markets assumed that the loss of gold was due largely to the disappearance of the United States' favourable balance of foreign trade, to which we referred last week. Any material hardening of interest rates in New York would have its effect upon our home money market. An increasing number of the Canadian banks use the New York call loan market—some five institutions lending there in 1909 for the first time.

In the meantime call loans here now range from $4\frac{1}{2}$ to 5 p.c.; and monetary conditions are quiet and satisfactory. The factor of supreme importance just now is the prospective movement of British capital to this country. That movement has already had a notable effect upon the position of our banks and upon the country's trade. It is to be hoped that an increase in the volume of the stream will not lead to unwise expansion or speculation on our part. If it does we shall surely have to pay the price, and we may find the process of paying extremely disagreeable.

From the principal entry ports come reports of record-breaking collections of customs revenue during February. That speaks of an expanding rate of importation of foreign goods during the summer and fall.

SOME SECURITY ISSUES.

Among recent Canadian issues at home and abroad have been the following:

	Amount.	Market.
City of Calgary $4\frac{1}{2}$ p.c. Debs. at 103 $\frac{1}{2}$, due 1930-1940.....	\$ 1,627,000	London
Grand Trunk Pacific 4 p.c. Deb. Stock at 92 $\frac{1}{2}$, redeemable 1936 at 105...	5,000,000	"
Canada Cement Co. 6 p.c. 1st Mort. 20 year Sinking Fund Gold Bonds at 100.....	1,027,500	"
Dom. Govt. 3 $\frac{1}{2}$ p.c. Stock at 99, redeemable at par 1950, or after 1930 at option (refunding).....	20,000,000	"
British Columbia Fruitlands.....	870,000	"
Prov. of Manitoba 4 p.c. Debs., due in 1947.....	1,000,000	"
Ocean Falls Co. 6 p.c. 1st Mort. Bonds at 97.....	1,500,000	"
Gt. Northern Ry. (for St. Paul, Minn., and Manitoba extension) 4 p.c. 1st Mort. Bonds at 98.....	10,000,000	"
Canadian Car and Foundry 6 p.c. Bonds at 102 $\frac{1}{2}$	2,350,000	London, U.S. and Canada
Sterling Coal Co. 6 p.c. 1st Mort. Bds., with 50 p.c. stock bonus.....	1,750,000	Canada
Western Electric 1st Mort. 5 p.c. Gold Bonds at 99.....	5,000,000	U.S. & Can.
Carrage Factories, Ltd., 6 p.c. Gold Bonds.....	300,000	London
Amal. Asbestos 6 p.c. Bonds at 92, with 25 p.c. pref. and 25 p.c. com. bonus.....	7,103,000	London, U.S. and Canada
Montreal $4\frac{1}{2}$ p.c. St. Louis Debs.....	600,000	London

Sir Edgar Speyer, Bart., speaking in Toronto this week before the Canadian Club, stated that for 1910 the indications are favourable to the investment of a large amount of British Capital in Canada. He estimated that about \$200,000,000 had been so placed in 1909.

"A very fine record," commented Sir Edgar, "but it won't be the record in a very few years, because Great Britain is prepared to invest more money, and so am I."

CANADIAN BANKING PROFITS, I.

Latterly THE CHRONICLE has presented each year an exhaustive analysis of the earnings of the chartered banks. To-day it presents the first of a series of three articles dealing with the results for 1909. This article deals particularly with the earning power of the banks and compares the achievements of each institution in 1909 and 1908. The average capital, average capital and rest, and average total resources have been calculated from the monthly returns to Government. In the case of each bank the average is for the twelve months of its fiscal year. The rate of dividend paid in the fiscal year has been added to the table, and by comparing the dividend rate with the rate per cent. of earnings upon average capital something may be learned as to the margin of safety above the dividends. The rate per cent. of earnings upon average capital and rest indicates what has been earned, according to the official declarations, upon the whole funds of the proprietors. It is to be noted, however, that the funds of the proprietors carried in the form of profit and loss balance have been increasing steadily, and if they continue to do so it will be necessary to take them into the calculations. The column of percentage of earnings to total resources gives some indication as to the money market and rate of discount situation, inasmuch as it shows what the banks claim to have made on the whole bulk of the funds operated by them.

In presenting these results in previous years THE CHRONICLE has always warned its readers that the profits as shown represent merely what the respective managements claim to have made. That warning is repeated in the present instance. There are many different grades of management. One bank will value its assets with extreme conservatism and will, before publishing its profits, make the most complete provision for losses probable and possible. While another may have its loans and properties valued at high figures and its management may optimistically and lightheartedly consider that there will be no losses. Discrimination of this sort is something which the reader must exercise for himself. The table of earnings and percentages follows, over page: