

AMONG THE COMPANIES

BACHE & CO. RETIRING.

In a letter to his clients, Mr. J. S. Bache of J. S. Bache & Co., brokers, New York, states that owing to war conditions the office in Montreal, which has been open for thirty years, has become unprofitable, and will be closed. Mr. Bache says that he regrets severing such long established relations. The private wire of the firm will be discontinued August 15, and the office will be kept open until the first of September for the convenience of clients in arranging their affairs.

CANADA STEAMSHIP LINES PAYS YEAR'S DIVIDENDS.

The directors of Canada Steamship Lines have carried into effect the financial programme outlined by the president some weeks ago, and have declared in advance dividends on the preferred for the current year in three instalments.

This means in effect that the management have in their treasury at the moment funds to pay the full year's preferred dividend, and that this will be distributed as follows: 2 1-3 per cent on August 1; 1 1/4 per cent on January 2, 1918. All arrears were cleaned up some time ago.

The 2 1-3 per cent payable on August 1, it was explained some time ago, is the regular 1 1/4 per cent with a fractional addition for a month some time back for which the shareholders had not received a dividend.

The fact that the preferred is disposed of for the full year will turn attention to the common stock on which a contribution has commenced to rank among the early probabilities.

Last month considerable activity developed in the common which rose from 36 to 45, and the advance was associated with gossip concerning the likelihood of a distribution on the common. Since the stock relapsed into a state of quietness after being the big feature for some time it has eased to 41, but extremely little stock has been offered and finds a ready market indicating the underlying strength.

SIX MONTHS EARNINGS OF C. P. R.

The June and six months' earnings of the C. P. R. are the largest in the company's history, although rising costs of operation continue to absorb a good part of the gain in gross revenues.

As the fiscal year of the company now terminates on December 31st, instead of June 30th, the six months returns now available give the results of the first half of the current fiscal year, instead of for the last as formerly. They show a gain of \$8,345,054, or 13.2 per cent in gross earnings as compared with the first six months of 1916. But operating costs increased \$6,949,339, or 16 per cent, so that the increase in net fell off at \$1,395,715 to a gain of 7.1 per cent.

Gross and net earnings of Canadian Pacific for the six months ending June 30th in each of the past eight years are tabulated below:

| 6 Months. | Gross. | Net. |
|------------|--------------|--------------|
| 1917 | \$71,356,776 | \$20,997,448 |
| 1916 | 63,011,721 | 19,601,733 |
| 1915 | 42,927,084 | 13,901,050 |
| 1914 | 54,528,660 | 15,114,491 |
| 1913 | 65,869,508 | 19,114,723 |
| 1912 | 60,753,175 | 18,827,994 |
| 1911 | 48,380,154 | 14,083,121 |
| 1910 | 45,063,976 | 13,770,080 |

June figures of the company were about \$800,000 less in gross and about \$600,000 less in net than those of May. But as compared with June, 1916, gross stood 13.9 per cent higher, and net 6.1 per cent higher. The lower ratio of the gain in net is explained by the increase of 17.5 per cent in operating costs.

In June, 1916, operating costs absorbed about \$68.90 out of every \$100 received from the public; in June of this year they absorbed about \$71.20. Back in June, 1912, it was only \$66.10.

June figures, gross and net, over a period of eight years offer the following comparisons:

| June. | Gross. | Net. |
|------------|--------------|-------------|
| 1917 | \$13,556,979 | \$3,915,906 |
| 1916 | 11,892,609 | 3,689,633 |
| 1915 | 7,512,034 | 2,678,031 |
| 1914 | 10,054,421 | 3,335,625 |
| 1913 | 11,674,430 | 3,627,755 |
| 1912 | 11,311,397 | 3,846,601 |
| 1911 | 9,479,650 | 3,024,671 |
| 1910 | 8,807,817 | 2,717,916 |

DIRECTORS CHOSEN.

Nicholas F. Brady, president of the New York Edison Company; J. E. Aldred, senior member of the firm of Aldred & Company, and Arthur V. Davis, president of the Aluminum Company of America, have been elected directors of the Merchants' National Bank, New York, to fill vacancies.

Raymond E. Jones, agent of the Royal Bank of Canada in New York, and a director of the Merchants' Bank, will assume his duties as vice-president on August 1.

Ex-Senator Burton, of Ohio, will continue as president of the institution.

The Merchants' National Bank is the institution of which interests associated with the Royal Bank of Canada acquired control recently.

WESTINGHOUSE RECEIVES CASH FOR BIG ORDER.

Last week the Westinghouse Electric & Mfg. Company, New York, received \$9,000,000 in cash from the British Government on account of munitions and \$3,000,000 more, the balance of the \$12,000,000 due, will be received by next week.

These payments are those which were referred to by Chairman Tripp, in the annual report recently issued, when he said: "In addition to current collections the item of accounts receivable will be reduced by a cash payment of over \$11,000,000 from the British Government on account of munitions, which will be due on or before July 10 next.

As of March 31, the date covered by the annual report, the Westinghouse Company had notes payable, bank loans, etc., of \$15,100,000, part of which the company has been paying off as collections have been made. Cash holdings of the Westinghouse March 31, totalled \$12,625,573, and cash and receivables were \$50,318,717 (in addition to inventories of \$31,934,594), compared with current liabilities of \$25,616,820.

NET TOTALS OF INT. MARINE, \$26,027,295.

The International Mercantile Marine Company sets forth in the first annual report since the receivership, more details of its exceptional prosperity in 1916, were presented to the shareholders at the annual meeting on June 4.

The statement shows that the vessels directly owned by the company and the ships operated by subsidiary concerns, mostly British, earned a gross income of \$87,449,725, after the English excess profits tax had been taken. As the parent company considers as its gross income only the earnings of its own ships and dividends paid in by the subsidiaries, the actual gross obtained by the Mercantile Marine treasury was \$70,116,114, compared with \$55,364,167 in 1915 and \$45,620,556 in 1914.

The net profit earned by the various companies was \$26,027,295 a total less by about \$270,000 than the preliminary statement estimated and of this \$25,946,650 was turned into the treasury against \$17,341,027 the year before, and \$3,307,028 in 1914. This profit was reported after fixed charges amounting to \$3,698,025 had been met and was equal to slightly more than \$50 a share on the outstanding preferred stock.

In respect to expansion plans the report said:

"Since August, 1914, only a comparatively small amount of tonnage under construction has been delivered, owing to delays and difficulties brought about by the European war. The company and its subsidiaries now have under construction and ordered in Great Britain and the United States steamers of a gross tonnage amounting to 248,000.

"Although steamers have been lost through attack by enemy submarines and raiders," the report continues, "it is most satisfactory to be able to state that the entire fleet was operated throughout the year 1915, with the loss of only one steamer from ordinary marine perils. Grateful acknowledgement and appreciation is recorded for the protection afforded steamers by the British navy. The board also desires to express its deep appreciation of the very thorough manner in which the navy department of the United States supplied during the current year to each of the American flag steamers an efficient armed guard which enabled them to be operated with passengers, cargo and mails through the war zone."

DOMINION BANK REPORT.

In spite of the expected increase of well over \$4,000,000 in its investments in Dominion Government securities, the cash assets of the Dominion Bank, Toronto, on June 30th, were \$21,337,000, an increase for the year of \$5,114,000, and 25 1/2 per cent of liabilities to the public, as compared with cash assets of \$16,223,000, or 21 1/2 of liabilities to the public a year ago.

Quick assets of the bank, which include besides the securities of home Governments, British and foreign bonds, municipal debentures, stocks and call loans at home and abroad amounted to \$45,770,000, being 54 1/2 per cent of the liabilities to the public. This compares with \$37,204,000, which was 50 per cent of the liabilities on June 30, 1916. The increase in quick assets in the year was over \$13,000,000.

The statement shows that call loans in Canada were reduced almost \$2,000,000, and current loans, due largely to the recent rapid liquidation of grain credits, were on June 30, \$44,818,000, almost the same level as on that date in 1916. The total assets are up from \$88,000,000 to \$97,000,000. The statement also shows interesting changes in the volume of deposits, non-interest bearing deposits being up from nearly \$13,000,000 to over \$16,000,000, and interest-bearing deposits from \$54,109,000 to \$58,309,000. The total gain in deposits was \$7,280,000.

In spite of the fact that such a large percentage of the bank's assets are in the form of cash, earnings were well maintained in the six months. After the ordinary deductions, they were \$550,000, or at the rate of 18.64 per cent per annum, which compares with earnings of \$491,934 in the first six months of 1916, which was at the rate of 16.40 per cent. After deducting taxes of \$52,415 and a Patriotic Fund contribution of \$25,000, the earnings were \$481,866, or at the rate of 16.06 per cent.

The results for the first six months of the year compare with those of the same period in 1916 and 1915 as follows:

SIX MONTHS ENDING JUNE 30.

| | 1915. | 1916. | 1917. |
|---|-----------|-----------|-----------|
| Balance from previous year ending | \$284,316 | \$344,439 | \$363,442 |
| Six months profit | 463,054 | 491,934 | 559,281 |
| Deduct Government taxes .. | 42,660 | 46,715 | 52,415 |
| Total | \$704,710 | \$789,658 | \$870,308 |
| Deduct dividend | \$360,000 | \$360,000 | \$360,000 |
| Can. Pat. Fund | | 25,000 | 25,000 |
| Carried forward | \$344,710 | \$404,658 | \$485,308 |

The outstanding items of the mid-year balance sheet compare with the same items as contained in the annual statements for the year ending December 31, 1915, and 1916.

| | Year. | Year. | Year. |
|--|--------------|--------------|--------------|
| Liabilities— | 1915. | 1916. | 1917. |
| Capital | \$ 6,000,000 | \$ 6,000,000 | \$ 6,000,000 |
| Reserve | 7,000,000 | 7,000,000 | 7,000,000 |
| From prev. year | 344,439 | 363,442 | 485,308 |
| Total liabilities to shareholders | 13,525,489 | 13,544,382 | 13,666,815 |
| Circulation | 4,995,666 | 7,118,232 | 6,754,722 |
| Depos., int. bearing .. | 53,361,224 | 57,190,822 | 58,309,943 |
| Depos., non-int. bearing | 12,604,373 | 13,282,791 | 16,078,408 |
| Total liabilities | \$87,475,126 | \$92,866,692 | \$97,061,844 |
| Assets— | | | |
| Coin | \$ 1,626,964 | \$ 1,915,648 | \$ 1,965,199 |
| Government notes .. | 11,041,905 | 9,220,183 | 10,387,206 |
| Gold res. | | 1,500,000 | 1,000,000 |
| Can. Gov. securities .. | 755,150 | 612,273 | 5,490,561 |
| Municipal, British & Foreign securities .. | 1,167,263 | 7,500,764 | 7,573,013 |
| Other securities | 4,647,001 | 4,184,382 | 3,643,087 |
| Call loans at home and abroad | 6,166,359 | 5,577,403 | 7,726,131 |
| Cur. loans at home and abroad | 47,466,260 | 49,030,364 | 44,872,441 |
| Bank prem. | 5,616,000 | 5,482,351 | 5,512,222 |
| Total assets | \$87,475,126 | \$92,866,692 | \$97,061,844 |