

The Chronicle

Banking, Insurance and Finance

ESTABLISHED 1881.

PUBLISHED EVERY FRIDAY.

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10 ST. JOHN STREET, MONTREAL.

Annual Subscription, \$3.00 Single Copy, 10 cents.

MONTREAL, FRIDAY, AUGUST 2, 1918

THE GENERAL FINANCIAL SITUATION.

(Continued from Front Page)

ed to the Canadian railways as from the 1st August synchronised this week with the issue of C. P. R.'s June statement, calculations from which indicate that while gross revenues expanded during the half-year to the largest total in the history of the company, net earnings were sharply reduced by the continued rise in operating expenses. While in the six months, January to June, gross revenues from C. P. R.'s railway earnings amounted to \$72,012,286, an increase of \$655,509 over the preceding maximum of this half-year, operating expenses were \$57,305,301, a growth of \$6,945,673 over the preceding maximum, and in a proportion to 79.6 per cent. to gross revenues compared with 70.6 per cent. in the corresponding period of 1917. This with slightly increased gross earnings, net earnings for the half-year are \$6,290,464 less than in the first six months of last year. The new increase in rates which approximates 20 per cent. above the schedule recently in force, is intended to meet the larger disbursements arising out of the application of the McAdoo wages schedule, and will remain in force at least for the duration of the war. However, monthly reports to the Government from the three larger railway systems are provided for, so that should the earnings of the companies under the present order be greater than the sum required to meet increased costs and permit transportation to be properly and efficiently carried on, the appropriate reduction in the rates fixed shall be made.

BANK OF NEW SOUTH WALES.

A profit of approximately \$1,393,920 is disclosed in the 135th half-yearly report of the Bank of New South Wales, held at the chief banking house, Sydney, New South Wales, on May 28th last, after providing for bad and doubtful debts, fluctuations in the value of securities, etc. The usual quarterly dividend at the rate of ten per cent. absorbed \$488,108. The sum of \$375,000 was added to reserve fund, which now totals \$14,385,000, with a paid-up capital of \$19,524,300. The total assets of this great institution now amount to over \$300,000,000. When the war broke out, the officers of the Bank of New South

Wales numbered fewer than seventeen hundred, of whom a heavy percentage were beyond military age. Of the remainder, more than seven hundred heard and obeyed the call of "King and Country," and of these seven hundred, more than one hundred have laid down their lives for the Empire of Great Britain and her Allies.

DURATION OF THE WAR.

There are few or no persons at the present time who, recognizing the hazardous character of attempts to prophecy, are willing to set a fixed date for the ending of the war. Those who are willing to try to approximate the date usually say, "not before the close of the year 1919." The interesting thing is, however, that, no matter what date may be tentatively set for the ending of the hostilities, it is now almost universally recognized that, regardless of the close of the campaign, war conditions which are of chief interest to the business public, will continue for a long time. It is being further noted with no little force that the conditions growing out of the war in relation to food supply and taxation are not likely to terminate for a good while after the contest ends. No one, of course, knows how soon the troops would be dismissed after their landing here, or how many would be kept in permanent service for a time. Even if they should be disbanded as fast as they get back, it would still be true that the food question would continue to be serious and would have to be dealt with on a war basis for a good while, both while they were on their way home and while they were being re-absorbed into industry. In the same way, it is now conceded by members of the Ways and Means Committee, there will be a continuing burden of taxation at a very heavy rate for a long time after the close of the war.

TRAFFIC RETURNS.

Canadian Pacific Railway.

Year to date	1916	1917	1918	Increase
June 30 ...	\$61,252,000	\$69,575,000	\$70,213,000	\$638,000
Week ending	1916	1917	1918	Increase
July 7 ...	\$2,616,000	\$3,101,000	\$2,787,000	*314,000
" 14	2,728,000	2,867,000	2,688,000	*179,000
" 21	2,641,000	2,950,000	2,644,000	*306,000

Grand Trunk Railway.

Year to date	1916	1917	1918	Increase
June 30 ...	\$17,271,848	\$30,501,564	\$32,518,724	\$2,017,160
Week ending	1916	1917	1918	Increase
July 7 ...	\$1,155,029	\$1,297,003	\$1,500,596	\$203,593
" 14	1,211,303	1,379,293	1,515,442	136,149
" 21	1,140,226	1,358,019	1,496,180	138,161

Canadian Northern Railway.

Year to date	1916	1917	1918	Increase
June 30 ...	\$16,073,400	\$19,621,200	\$20,591,800	\$970,600
Week ending	1916	1917	1918	Increase
July 7 ...	\$85,100	\$902,300	\$821,700	*80,600
" 14	874,900	935,600	854,100	*81,500
" 21	866,900	872,100	846,300	*25,800

*—Decrease.