

AMONG THE COMPANIES



JOHN GALT,

The President of the Union Bank of Canada, which has just closed a most successful year.

ASSETS OF UNION BANK OF CANADA NOW EXCEED SUM OF \$153,000,000.

Large Volume of Business is Responsible for Bank's High Earning Capacity. Deposits and Current Loans in Canada Increased During 1918 — Liquid Reserve is Still Strong.

Continued growth of assets a feature of the annual report of the Union Bank of Canada for the year ending November 30th, 1918, which has just been made public. It is evident, however, that this growth would have been yet larger, but for the occurrence of the Victory Loan payments just before the making up of the balance-sheet, which have caused in all the Canadian Banks a considerable shrinkage of savings deposits. In the case of the Union the savings deposits are actually five million dollars less than in 1917, but this loss is more than made up by other classes of business, so that the total assets at the close of 1918 are nine and three-quarter million dollars more than a year ago.

These assets now total \$153,181,451, and are responsible for the very large earning power of the Bank. The profits for the year, after deducting war tax, appropriation for pension fund, and sundry charitable and patriotic donations, were \$744,675, which is at the rate of more than 8.8 per cent on the combined capital and Rest Account of the Bank.

Mere growth of assets does not add materially to a bank's profits if the new assets have to be kept in liquid form. But the Union Bank has found it possible during 1918 to add very considerably to its funds in active employment. Current loans in Canada, which are the measure of the Bank's service to the business community and the chief source of its profits are now 74 millions of dollars, an increase of over 15 millions in the year and of 25 millions in two years. In spite of this expansion in loans, the liquid assets still amount to the respectable total of \$72,368,327, and represent more than 51 per cent of the public liabilities.

With current loans thus increased, it is not surprising to find that profits were much larger than last year's. They amount to \$824,175 as compared with \$763,464 in 1917 and \$651,184 in 1916. But in both of the last-named years the profits were subject to a deduction of \$150,000 appropriated for meeting contingencies or depreciation of assets, whereas no such appropriation is necessary this year, and the directors were therefore able to make the first addition to Rest Account since the war began. This



C. E. NEILL,

General Manager of the Royal Bank of Canada.

addition of \$200,000 brings the Rest Account up to \$3,600,000. A further appropriation which really represents money put back into the business is that of \$75,000 for writing down of bank premises.

Past experience has shown that the reduction in savings deposits caused by a big national loan flotation is purely temporary. It is therefore reasonable to assume that the savings deposits of the Union Bank, like the other items of its business, will again assume an upward tendency in a few months. With such growth of assets and with the continued release of liquid funds for more active employment and having in view the aggressive and enterprising policy which has characterized the Union Bank in recent years. It is reasonable to conclude that the Bank is destined for a period of even more brilliant success and greater service to the community.

DOMINION BRIDGE CO., LTD.

Discussion at the annual meeting of shareholders of the Dominion Bridge Co., Ltd., held in Montreal on the 8th instant, brought out the fact that of the profits of \$2,477,009 for the year ended October 31st last, \$1,100,000 came from the Quebec Bridge contract.

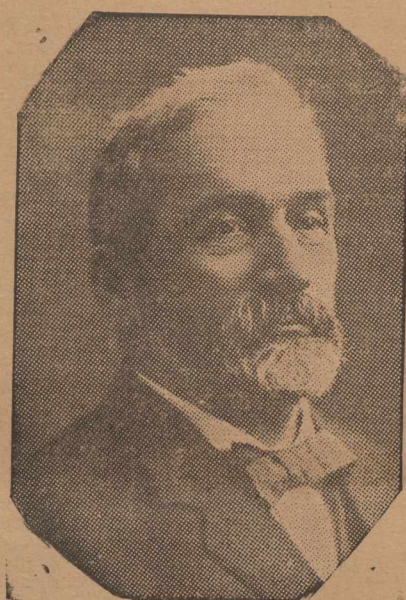
It also appeared in replies to other questions that a sum of about \$770,000 had been received from the Quebec Bridge contract since the company's books were closed for the last fiscal year, and that a further balance would be coming to the company in the final settlement.

This important information, clearing up questions which naturally suggested themselves when the statement was issued early in the day, showing a large increase in earnings in the face of the reduction in the dividend last winter, was elicited largely by a series of questions by Mr. Gordon Strathy.

Total profits for the year amounted to \$2,477,009 against \$1,360,533 in 1917. As provision for the war tax is included in accounts payable, the tax had evidently been deducted before bringing forward profits. Large increases in reserve for doubtful accounts and for depreciation made total deductions \$611,291 against \$174,097 a year ago, leaving \$1,865,717 as net earnings, equal to 28.7 per cent on the capital stock, against \$1,186,436, or 18.2 per cent earned a year ago.

Comparisons of profits and loss figures for three years follow:

	1918.	1917.	1916.
Profits	\$2,477,009	\$1,360,533	\$2,776,390
Less:—			
Directors	\$14,460	\$14,110	\$14,100
Interest	41,344	30,330	*
Bad debts	151,015	6,555	*
Depreciation	404,472	123,101	*



R. T. RILEY,

Well-known Western Financial Figure, and Vice-President of the Union Bank of Canada. The 54th Annual Statement of this Bank just published shows substantial profits.

Total deduction	\$611,291	\$174,097	\$14,110
Net earnings.. ..	\$1,865,717	\$1,186,436	\$2,762,280
Dividends.. ..	520,000	747,500	1,300,000
Balance	\$1,345,717	\$438,936	\$1,462,280
Reserves	382,620	588,107
Balance	\$1,345,717	\$156,316	\$874,073
Previous balance.. ..	1,679,590	1,623,274	749,100

Profit and Loss \$3,025,307 \$1,679,590 \$1,623,274

Current assets were increased and current liabilities reduced out of the large profits of the year. Net working capital rose to \$3,183,514 against \$1,797,449 a year ago. The position in this respect at the end of each of the past three fiscal periods was:

	1918.	1917.	1916.
Assets	\$5,079,613	\$4,398,258	\$3,804,795
Liabilities.. ..	1,896,099	2,600,809	1,546,425
Working capital	\$3,183,514	\$1,797,449	\$2,258,370

Comparisons of leading items of the balance sheets of 1918 and 1917 follow:

ASSETS.

	1918.	1917.
Plant	\$ 4,375,534	\$ 4,265,645
Investments	2,658,999	3,164,590
Cash	284,648	463,337
Deposits	141,225	112,680
War bonds	46,290
Other bonds	199,000
Due from work	1,074,362	1,366,033
Accs. rec.	2,029,386	1,202,772
Inventories	1,304,700	1,253,434
Insurance, etc.	16,719	47,860
Total	\$12,130,866	\$11,876,355

LIABILITIES.

Capital stock	\$ 6,500,000	\$ 6,500,000
Reserves	625,016	1,011,513
Accounts payable	1,570,014	1,288,309
Dividends payable	130,000	162,500
Bank loans	196,084	1,150,000
Mortgage	84,442	84,442
Surplus	3,025,307	1,679,590
Total	\$12,130,866	\$11,876,355

The president in his report after referring to the difficulties of the year says, in part:

The new department for the manufacture of marine boilers has been filled with orders and it became necessary to increase its capacity. The assembling building on the west side of the property has been extended and fitted up for this purpose as well as