

WESTINGHOUSE REPORT.

Annual Report Records Gains in Earnings—Canadian Property Has Been Successful.

According to the report of the Westinghouse Electric and Manufacturing Company, just issued, the year ended March 31, was the most favorable in the company's history, notwithstanding the fact that a new high record of earnings was established in the previous fiscal period.

The report concludes by stating that no dividends will be paid on the assenting stock at the present time, but that when conditions lead the board of directors to feel that a different attitude can safely be assumed, the question will be reconsidered and determined in the light of such change.

Increases in Earnings.

The gross earnings totalled \$38,119,312, an increase of \$8,870,630 over the previous year and the net income \$4,881,105, a gain of \$1,820,441. The profit and loss surplus was \$5,964,224.

The balance sheet, as of March 31 last, compares with the previous year as follows:

Assets—	1911.	Changes.
Property and plant.....	\$17,692,146	+Inc. \$2,717,517
Sinking fund.....	445	—Dec. 182
Investments.....	24,034,636	—Dec. 3,171,710
Cash.....	6,634,677	—Dec. 406,274
Cash on deposit to pay interest coupons.....	27,340	—Dec. 63,955
Cash on deposit to pay pfd. dividends.....	941	+Inc. 920
Notes receivable.....	2,946,551	—Dec. 820,365
Accounts receivable.....	9,494,731	+Inc. 325,228
Due from subscribers for capital stock.....	53,929	—Dec. 356,311
Working and trading assets.....	14,321,474	+Inc. 427,879
Patents, charters and franchises.....	6,074,985	—Dec. 8,620
Insurance and taxes paid in advance.....	120,822	+Inc. 120,822
Deferred charges.....	993,333	+Inc. 43,333
Total assets.....	\$82,395,510	—Dec. \$1,192,718
Liabilities—		
Preferred stock.....	\$ 3,998,700	
Assenting stock.....	36,694,588	—Dec. \$25,900
Non-assenting stock.....		—Dec. 600
Funded debt.....	22,607,000	+Inc. 280,246
Collateral notes.....	6,720,000	—Dec. 2,000,000
Real estate mortgages.....	228,200	+Inc. 228,200
Long term notes.....	1,383,650	—Dec. 3,500
Notes payable.....		—Dec. 100,000
Accounts payable.....	2,545,675	—Dec. 54,480
Interest, taxes, etc., not due.....	572,803	—Dec. 1,124
Pfd. dividends pay. April 15.....	139,955	+Inc. 139,955
Advance payments.....		—Dec. 48,905
Unpaid pfd. dividends.....	940	—Dec. 69,557
Real estate mortgages, etc.....		—Dec. 183,000
Reserve.....	1,630,774	+Inc. 350,672
P. & L. surplus.....	5,964,225	+Inc. 295,277
Total liabilities.....	\$82,395,510	—Dec. \$1,192,718

Chairman Mather says that the British company's income has long been insufficient to pay the expenses of its operations and upkeep of its patents. During the last two years the book value of this property has been written down by over \$1,273,000, leaving its book value on March 31 last at \$500,000. Further depreciation of this item, he says, must be considered.

Operations of European Companies.

Operations of the French company have also been unprofitable, although it earns and pays its interest charges. Dividends have been paid by this company but once—in 1908—on record. The debentures of this company are carried on the Westinghouse's books at \$1,430,731 and the preference shares are likewise carried among investments at cost \$896,536, and the ordinary shares at \$1.

The Italian company has not produced results quite up to expectations owing to the delay by the Italian Government in improving its railway lines, so that the company is now looking to the open market for orders for electrical apparatus to keep its works in operation.

The Russian company has also been a losing proposition, the aggregate losses in its operations to date having been in excess of \$1,800,000, while there are other losses not yet definitely ascertained, due to the actual value of the Moscow plant and the price paid for it and the depreciation occurring since the property was acquired, not yet entered on the books.

The Austrian company has so far proven measurably profitable, and the shares owned by the Westinghouse may safely be considered worth their book value.

The Canadian Westinghouse property has been uniformly and increasingly successful and has paid dividends regularly since 1893 at the rate of 6 per cent. per annum with an extra 1 per cent. paid in 1910. Shares of this company may be considered worth in excess of their book value.

ADOPTION OF ROOT AMENDMENT.

What It Will Add to the Agreement—Mr. Root's Explanation of His Action.

The adoption of the Root amendment by the American Senate last week will insert the words "and when the President of the United States shall have satisfactory evidence and shall make proclamation that such wood pulp, paper and board, being the products of the United States, are admitted into Canada free of duty" at the end of the second section of the bill. This makes section 2 read as follows in the form in which it has now been adopted and reported by the Finance Committee:

Admitted Free of Duty.

"Pulp of wood mechanically ground; pulp of wood, chemical, bleached, or unbleached; news print paper, and other paper, and paper board, manufactured from mechanical wood pulp or from chemical wood pulp, or of which such pulp is the component material of chief value, colored in the pulp, or not colored, and valued at not more than four cents per pound, not including printed or decorated wall paper, being the products of Canada, when imported therefrom directly into the United States, shall be admitted free of duty, on the condition precedent that no export duty, export license fee, or other export charge of any kind whatsoever (whether in the form of additional charge or license fee or otherwise), or any prohibition or restriction in any way of the exportation (whether by law, order, regulation, contractual relation, or otherwise, directly or indirectly), shall have been imposed upon such paper, board, or wood pulp, or the wood used in the manufacture of such paper, board, or wood pulp, or the wood pulp used in the manufacture of such paper or board, and when the President of the United States shall have satisfactory evidence and shall make proclamation that such wood pulp, paper and board, being the products of the United States, are admitted into Canada free of duty."

Senator Root's Explanation.

Senator Root makes the following statement concerning the effect of his proposition:

"Schedule A of the agreement contains 'articles, the growth, product, or manufacture of the United States to be admitted into Canada free of duty when imported from the United States, and reciprocally articles, the growth, product, or manufacture of Canada, to be admitted into the United States free of duty when imported from Canada.'

"Under that schedule heading are enumerated a great number of articles: Live animals, poultry, wheat, rye, oats, corn, etc., etc., and among the articles enumerated under that heading are 'pulp of wood, mechanically ground; pulp of wood, chemical, bleached or unbleached; news print paper and other paper, and paper board,' so that news print paper and pulp are included in the enumeration of the articles which are to be admitted into Canada free of duty when imported from the United States and admitted into the United States free of duty when imported from Canada. Now the bill contains no provisions whatever, by way of conditions or otherwise, no reference whatever, to the free admission of these articles into Canada when imported from the United States, and it is the object of this amendment to cure this omission.

Meaning of the Agreement.

"It seems to me that the meaning of the agreement is: First, that ultimately there shall be reciprocal free admission; that the free admission to our country of such pulp and paper as are enumerated shall be conditioned upon the removal of export duties upon exportations into Canada of our paper and pulp of that description; not its removal from the particular articles, piece by piece, but from pulp and paper of the kind enumerated; and that, conversely, the Canadian proviso is that paper and pulp of that description—to use the same words, 'Such wood pulp, paper or board being the products of the United States' shall only be admitted free when we admit them free."

COBALT ORE SHIPMENTS.

The following are the ore shipments, in pounds, from Cobalt for the week ended June 9th: Chambers-Ferland, 63,200; Buffalo, 56,590; Nipissing, 64,920; McKinley-Darragh, 64,060; Trethewey, 71,400; Cobalt Lake, 55,980; Hudson Bay, 63,600; Crown Reserve, 49,670; Right of Way, 67,680; Hargreaves, 60,000, total, 617,100 pounds, or 308.5 tons. The shipments since January 1st are now 21,863,120 pounds, or 10,931 tons.

In 1904 the camp produced 158 tons, valued at \$316,217; in 1905, 2,144 tons, valued at \$1,437,196; in 1906, 5,129 tons, valued at \$3,900,000; in 1907, 14,040 tons; in 1908, 25,700 tons; in 1909, 29,751 tons; in 1910, 34,041 tons.

A board of trade has been organized at Donald, Alta., with the following officers: Hon president, Mr. Smith; president, Mr. I. N. Haviland; sec-treas., Mr. L. W. Bell; board of directors, Messrs. J. R. Graham, E. E. Ullman, D. A. Hines, C. Ottison, L. R. Olson.