

British Banks in 1917

Most of the leading British banking institutions have made their financial statements for 1917, and the record in nearly every case is one of increased profits.

It will be observed from the table given below, in which profits and dividends are compared, that in nearly every case the former were appreciably larger than in 1916, but that in only three instances was this increased prosperity reflected in larger dividends:

	1917			P. C.
	Profits.	Div.		
Barclay's	£1,182,142	*26		
Capital and Counties	x396,776	14		
Lloyds	1,463,126	18½		
London City and Midland	1,967,716	18		
London County and Westminster	1,271,067	19		
London Joint Stock	612,104	10		
London and Provincial	303,277	19		
London and Southwestern	311,912	17		
Manchester and Liverpool	441,641	17½		
National Provincial	1,214,712	16		
Parr's	575,906	19		
Union of London and Smiths	593,370	10		

* Including a bonus of 2½ per cent. x Year.

	1916			P. C.
	Profits.	Div.		
Barclay's	£1,111,043	17½		
Capital and Counties	x215,511	14		
Lloyds	1,283,798	18½		
London City and Midland	1,636,068	18		
London County and Westminster	1,069,706	18		
London Joint Stock	548,648	10		
London and Provincial	299,551	19		
London and Southwestern	307,986	17		
Manchester and Liverpool	403,898	17½		
National Provincial	1,179,444	16		
Parr's	508,363	18		
Union of London and Smiths	610,478	10		

x Half year.

The profits of the Capital and Counties Bank for 1916 cannot be given, since the financial year in 1916 ended on June 30, and not, as is now the case, on December 31. In the next table are shown the appropriations made to contingency and reserve funds this year as compared with the amounts set aside for depreciation in 1916, and the sums carried forward are also shown:

	Contingency and reserve funds.		Depreciation.
	1917.	1916.	
Barclay's	£350,000	£500,000	
Capital & Counties	100,000	
Lloyds	400,000	520,000	
London City & Midland	500,000	632,501	
London County & West	460,000	319,000	
London Joint Stock	200,000	271,600	
London & Provincial	150,000	110,000	
London & South Western	160,000	150,000	
Manchester & Liverpool	50,000	100,000	
National Provincial	x350,000	698,000	
Parr's	x300,000	x200,000	
Union of Lond. & Smiths	250,000	
	200,000	400,000	

* To contingency account. † To reserve. x Taken from reserve.

	Carry forward.	
	1917.	1916.
Barclay's	£186,373	£120,938
Capital & Counties	204,067	87,291
Lloyds	289,464	107,205
London City & Midland	733,785	243,538
London County & West	184,599	182,291
London Joint Stock	125,428	50,324
London & Provincial	53,348	42,571
London & South Western	54,391	55,479
Manchester & Liverpool	139,914	102,141
National Provincial	182,932	98,221
Parr's	384,733	184,179
Union of Lond. & Smiths	209,303	82,543

This year, for the first time since 1900, the banks have had no depreciation in investments to provide for.

The most striking feature of the accounts of the banks, however, is the expansion shown in deposits, which are compared in the subjoined table:

	Deposits, Dec. 31.	
	1917.	1916.
Barclay's	£129,067,901	£107,290,830
Capital & Counties	58,646,453	52,295,649
Lloyds	174,068,047	151,368,307
London City & Midland	220,551,768	174,620,724
London County and West	142,267,948	117,269,704
London Joint Stock	57,979,280	48,919,598
London & Provincial	35,961,877	30,512,945
London & South Western	38,664,148	30,651,525
Manchester & Liverpool	40,592,886	38,115,549
National Provincial	112,597,468	100,218,765
Parr's	68,631,321	60,700,462
Union of Lond. & Smiths	62,818,387	55,231,863

	Cash, Dec. 31.	
	1917.	1916.
Barclay's	£24,526,865	£23,983,218
Capital & Counties	12,174,496	11,194,837
Lloyds	34,684,836	38,115,549
London City & Midland	44,110,354	47,973,086
London County & West	25,197,729	32,385,400
London Joint Stock	11,087,649	9,391,198
London & Provincial	7,438,393	6,946,131
London & South Western	7,648,035	7,821,223
Manchester & Liverpool	6,185,093	5,325,209
National Provincial	17,294,994	16,450,066
Parr's	12,713,526	13,256,755
Union of Lond. & Smiths	13,542,445	13,928,760

The average increase in deposits for the twelve banks was about £15,000,000.

It will be observed that, while increases in deposits are general, an increase in cash holdings is recorded in only seven instances, a fact which may be attributed to increased holdings of Treasury bills and also of money on special deposit with the Bank of England. In a few instances the amount of Treasury bills is shown separately. The proportion of small holdings to deposits varies considerably, but in the case of the London Joint Stock Bank the proportion of Treasury bills to deposits is over 31 per cent.

RAILWAYS REPLY.

Ottawa, February 22.—The C.P.R., G.T.R., G.T.P., and Canadian Northern have submitted their replies to the Government on the appeal against increased passenger rates. The railway commission had authorized a general increase of fifteen per cent. Against this decision, there was an appeal to the Governor-in-Council by the Province of Manitoba and the Winnipeg Board of Trade, the United Farmers of Ontario, the Western Retail Lumbermen's Assoc., the Canadian Credit Men's Assoc., and the Canadian Council of Agriculture. After the hearing of argument, the Cabinet adjourned the hearing till March 1. At the same time, it was announced that the increase would be suspended till March 15.

The appeal against the increase was supported by a number of other organizations.

C.P.R. MEMORANDUM.

All the railway companies asked that the appeal shall be dismissed. The C.P.R. takes up the allegation that the increase would impose an additional burden of \$40,000,000 a year on the people of Canada, and that of this \$20,000,000 would go to the C.P.R. The C.P.R. replies:

"The most careful estimate made by the traffic, operating and financial officers of the C.P.R. is that, had the rates become effective on the date fixed by the order of the Board of Railway Commissioners, the increase in gross revenue to the C.P.R. during the calendar year 1918, based upon the tonnage of 1917, would be approximately \$13,000,000."

The estimated increase is made up as follows:—
Estimated freight increase

Passenger traffic manager estimates that by ignoring B.C., local business, military coolies and interline will be....

..... \$2,500,000

Total

..... \$13,946,000

If board order had been effective on

February 1, the eleven months would

have equalled

..... \$13,016,000

If rates are made applicable from March

15, increase this year will be

..... \$11,622,000

It must not be forgotten, the C.P.R. memorandum

proceeds, that this increase is based entirely upon

the continuance of the gross business of the com-

pany at the high level of 1917, when the company's

gross earnings were the largest in its history.

CASH INVESTMENT OVER 800 MILLIONS.

The C.P.R. memorandum proceeds:

The company's surpluses are due entirely to its

low capitalization and not to excessive earnings.

The position of the company is such that its revenues

do not reflect the actual return on its capital in-

vestment, due to the fact that large amounts have

been invested in cash in its properties which are

not represented by outstanding securities.

The memorandum adds that cash investment in the C.P.R. exceeds \$800,000,000. The par value of bonds, debenture stock, preference stock, common stock and equipment obligations is given as \$570,000,000, leaving \$230,000,000 in vested in cash, not represented by security of any kind. Net earnings of the company for the calendar year 1917 are declared to be about \$46,000,000, or 5½ per cent on cash invested.

"At the present time," the memorandum continues, "the return on the amount invested is less than the actual value of money in the open market."

"The petitioners suggest the taking over as a war measure by the Government of the organization and financial control of the railways as a fighting unit under one system."

"It is difficult to characterize the suggestion in moderate terms. Even if the facts were as the petitioners state them to be, the solution would amount to confiscation and destruction of the property, credit and organization of the C.P.R."

"The petitioners assume that under Government administration or control more efficiency could be developed and more service received from the property of the C.P.R. than under its present administration of Government ownership and operation. With proper deference to the views of the it is contended that neither theory nor experience justifies such an expectation. The suggestion made would not bring about co-ordination, co-operation and efficiency, but would be a temporary seizure by the Government of the property and assets of the shareholders of the C.P.R. in order that money belonging to them might be devoted to the maintenance and financial assistance of the unproductive railway to which the country had fallen heir."

The memo adds that there is nothing in the War Measures Act to authorize any such step.

The memorandum of the Grand Trunk, the Grand Trunk Pacific and the Canadian Northern takes up in turn the points advanced by the petitioners and argues that there should be no interference with the ruling of the Dominion Railway Board.

BRANDRAM-HENDERSON, LIMITED.

The annual meeting of Brandram-Henderson, Limited, was held at Halifax February 20th. The old board of directors was re-elected. The financial statement submitted, and which we publish in detail in this issue, showed that the company had enjoyed a most successful business year, the total manufacturing and trading net profits being \$221,429.52.

At the end of last year the balance of profits carried forward amounted to \$349,464.80, and this, added to the figures given above, made a total of \$570,894.02 to the credit of Profit and Loss account. The deductions from this latter amount as per the statement, were as follows: Bond interest paid and accrued \$22,528.93; dividend on preferred stock paid and accrued \$35,000; reserve for depreciation \$7,500; reserve for special depreciation \$10,000; sinking fund for redemption of bonds \$15,600; dividend on common stock \$29,100; war tax (including part of previous year unassessed) \$31,917.67; patriotic donations \$7,062.50; making total disbursements of \$158,709.10, and leaving a balance carried forward of \$412,184.92.

The directors recommended, and the shareholder's meeting assented to a dividend of 4 per cent on the common stock, payable 1 per cent quarterly on March 1st, June 1st, September 3rd and November 30th; to shareholders of record one month prior to dates of quarterly payments.

An interesting feature of the Directors' report was with reference to expansion in the company's operations. It stated that in order to satisfactorily develop British Columbia business, it was found desirable to establish a depot in Vancouver; and owing to the strong sentiment in favor of provincial organization, a separate charter had been secured to do business in the name of Brandram-Henderson, of B.C., Limited, Brandram-Henderson, Limited, have thus completed sales arrangements for the entire Dominion, with distributing points at Halifax, St. John, Montreal, Toronto, Winnipeg, Edmonton, Calgary and Vancouver. Mr. Henderson made a reference to the establishment of a Marine Paint Specialties branch, which is under its own manager. This was decided upon and effected in June last, in order to deal more effectively with the greatly increasing demands for technical paints and sundries for ship-building purposes.

Brandram-Henderson, Limited, have now had a number of most successful years, and the one just closed seems to have been one of the best.