AMONG THE COMPANIES

C. E. NEILL,
General Manager Royal Bank of Canada.

CIVIC INVESTMENT & INDUSTRIAL CO.

Earnings of Civic Investment and Industrial (Montreal Power) continue to show steady growth as indicated by the November figures.

Net earnings for that month were $520,863 compared with $495,116 in October, a gain of $25,747. The surplus available for dividends amounted to $437,-974 compared with $412,358 for October.

The November proportion of dividend calls for $213,-042 leaving a surplus of the amount which the company is earnings applicable to the payment of dividends is almost double the requirements of the current 4 per cent rate.

For seven months of the company's fiscal year to November 30, the net amounts to $5,343,573, while surplus available for dividends amounts to $2,551,-659. The surplus for dividends in the last statement issued which was for a nine month's period amounted to $2,486,009. It will thus be seen that for seven months the company is considerably ahead of those figures for the seven month's period.

SHAWINIGAN WATER & POWER CO.

The Shawinigan Water & Power Company will show an increase of about 25 per cent in gross earnings and the surplus balance after charges an increase of about 8 per cent for the current year, according to figures given out in connection with the sales of its new $4,500,000 two-year six per cent notes.

Gross for 1917 is officially estimated at $2,905,204, an increase of $579,332, and surplus after charges at $1,460,038, an increase of $106,302. The estimate is based on the known results of ten months business and the probable results of November and December.

The balance after charges, before making any appropriation for depreciation reserve, would equal about 9.7 per cent earned on the stock, against 9 per cent earned on the full $15,000,000 outstanding at the end of 1916.

It is announced in connection with the new note issue that the proceeds will be sufficient to complete the construction work now in progress and to pay all present floating debt. The new construction and floating debt represent improvements and enlargements of hydro-electric and other properties, which are described as a "vital factor in the prosecution of the war by the United States and its allies." As a result of the expenditure represented by the notes, it is stated that very substantial increases in net earnings are assured.

Comparisons of 1917 and 1916 earning figures as given by the company, with two months of the 1917 figures estimated, follow:

	1917.	1916.
Gross	$2,905,204	$2,325,872
Net and taxes	2,154,364	1,897,994
Charges	694,326	544,208
Balance	1,460,038	694,326

The new notes are convertible into stock at any time at the rate of $110 in notes for each $100 in stock. This feature of the issue explains the reason for the special meeting called early in November, when the directors were given authority to issue $5,-000,000 new stock, when deemed advisable.

DOMINION BRIDGE.

A sharp contraction is shown in the profits of the Dominion Bridge Co. for the year ended October last. The net available for distribution amounting to $1,-186,436, against $2,762,280 in 1916, a decrease of $1,-575,844. The percentage earned on capital stock was 18.2 against 42.5.

But it is well to note in this connection that, while the profits are smaller than in either of the two years immediately preceding, they are larger than in any year prior to 1914-15, and a showing of more than 18 per cent earned for shareholders, after depreciation, would be considered exceptionally good, if judged by any other than the inflated standards of the past two or three years of war profits.

The only deductions from net earnings, apart from dividends, are $300,000 transferred to special reserve against inventories and $82,620 transferred to investment reserve.

President Johnson intimates that there is some doubt as to whether the present 10 per cent dividend of the company will be maintained. The reasons he gives as follows:—

The general increase in the cost of labor, material and supplies involves much larger cash investments in all contracts in progress, payments for munition work are now being in part deferred, and new legislation as regards business profits taxation may be expected. These conditions and the great uncertainty as to general business conditions after the war has ended make it essential that your company maintain a strong cash position, and it is not clear that dividend disbursements at the present rate should be continued. This will be a matter for the serious consideration of your incoming board of directors."

The balance sheet shows that plant additions made during the year cost $534,667, while investments in other companies increased $183,718. This, with an increase of nearly $700,000 in the net amount expended on uncompleted contracts and an increase in accounts receivable, explains an increase of upwards of a million dollars in current liabilities. Temporary loans of $1,150,000 have been contracted.

Notwithstanding the foregoing the margin of working capital remains substantial at $1,797,449. That is $461,000 less than a year ago, but the showing is arrived at after deducting from inventories the special reserve of $300,000 established to provide against any sudden drop in the prices of materials. These, it is stated, had previously to the reserve provision been inventoried at well below cost or current market prices. The further precaution of the reserve provision therefore materially strengthens the company's position against any sudden adjustment in the steel market.

Liabilities.

	1917.	1916.
Capital stock	$6,500,000	$6,500,000
Reserves—		
Deprec.	386,704	386,704
Accidents	181,358	181,358
Insurance	56,786	69,287
Investments	386,663	304,043
Total Reserves	1,011,513	941,393
Accounts pay.	1,288,309	1,221,425
Dividend pay.	162,500	325,000
Bank loans	1,150,000	....
Mortgage	84,442	84,442
Surplus	1,679,590	1,623,274
Total	$11,876,355	$10,695,536

Assets.

	1917.	1916.
Plant	$4,265,645	$3,854,079
Investments	3,164,590	2,980,872
Cash	463,337	291,490
Deposits	112,680	115,354
War bonds	....	616,143
Due from work	1,366,033	701,780
Accounts rec.	1,202,772	1,076,486
Inventories	1,253,434	1,003,539
Insurance, etc.	47,860	55,788
Total	$11,876,355	$10,695,536

The report states that the subsidiary Dominion Copper Products Co., Ltd., has had a prosperous year and has good prospects for success. The Bridge Company's property between St. Joseph Street and the Lachine Canal has been leased to the subsidiary for a period of fifty years.

D. M. FINNIE,
General Manager Bank of Ottawa.

BANK OF HOCHELAGA.

Banque D'Hochelaga profits this year amount to $565,433, against $546,011 in 1916, being an increase of some $19,422 for the year. The percentage of net earnings to paid up capital is 14.13 against 13.65 in 1916. The profit and loss figures for the past two years are as follows:—

Profits and Loss Statement.

	1917.	1916.
Profits	$ 565,433	$ 546,011
Previous balance	42,711	40,622
Total	$ 608,144	$ 586,633
Less—		
Dividend	$ 360,000	$ 360,000
War tax	40,000	36,386
Premises	25,872	22,536
Patriotic fund	11,250	10,000
Belgium fund	1,000	......
Pension	5,000	5,000
Investments	120,000	110,000
Total deduction	$ 563,122	$ 543,922
Balance	45,022	42,711

ROYAL BANK REPORT.

New high records were made by the Royal Bank in the fiscal year ended November 30th.

Total assets have jumped to $335,374,186, an increase of $82,000,000 for the past twelve months alone. This increase in the one year is equal to the bank's total assets ten years ago, after thirty-five years of business. In the past two years the increase in assets has amounted to $137,000,000.

Deposits have increased $50,000,000 during the year.

Commercial loans in Canada show an increase of $16,000.00 for the year, largely due to the acquisition of the Quebec Bank.

The bank's deposit in the Central Gold Reserves has increased to $16,000,000 from $6,500,000, an increase of $9,500,000 during the year. The bank's holdings of Dominion and Provincial Government securities increased from $1,029,374 to $22,322,197 and the Canadian, Municipal and British, Foreign and Colonial Public Securities from $14,012,086 to $21,586,545, representing financial operations in connection with the war.

The total deposits now stand at $252,987,382 as compared with $200,227,595 a year ago and $154,976,327 two years ago. Of this total, deposits not bearing interest now stand at $70,498,667 compared with $59,-365,396, and deposits bearing interest $182,488,715, as against $140,862,199 a year ago.

The larger business handled has permitted of a substantial increase in earnings. The profits for the year amounted to $2,327,979, equal to 18.03 per cent on the capital as compared with $2,111,307 in the previous year. These profits added to the balance of profit and loss at the end of the previous year brought the total amount available for distribution up to $3,-130,325.