MONEY AND MAGNATES

The Old Order Changeth

EXPRESS companies in the United States have had a long and prosperous run, but parcel post has made a change. There are four chief companies, and their earnings ending June 30th, 1912, were as follows:—

	Gross Earnings.	Net Income.
Adams Express Company	$34,191,955	$1,877,428
American Express Company	43,714,874	2,813,259
United States Express Company	21,131,508	233,228
Wells-Fargo & Co.	32,465,970	3,441,674

It will be noted that the weakest of these four companies is the United States Express Company. It is therefore not a great matter of surprise that this company has decided to go out of business. The late E. H. Harriman bought more than 22,000 shares of the company's stock from the Adams and American Express Companies, and his estate is said to hold close to one-half of the total issue of 100,000 shares. President Roberts states that the competition of parcel post, especially the increasing of the weight of a parcel to fifty pounds, has made competition from his company impossible. The order of the Interstate Commerce Commission, which entailed a lowering of rates to the extent of 16 per cent., was the final straw. The directors have therefore decided to wind up the affairs of the company and effect a dissolution.

In time the Canadian parcel post must have an effect upon the earnings of Canadian express companies. As these earnings decline, the general earnings of the railways, who own these companies, will be affected. There is, however, this difference. The railways will, in a measure, be compensated by increased payments from the Post Office for carrying the mails.

The Paper Trade

PAPERMAKING companies in Canada are doing fairly well, although the Canada Paper Company is still something of a disappointment, and the Toronto Paper Company and Spanish River have difficulties of their own. The Riordan Pulp and Paper Company has just issued its report for the year, showing profits of $309,679, which is a slight increase over the previous year. The capitalization amounts to seven million dollars, consisting of a million and a half bonds, one million preferred, and four and a half millions of common. No dividend was paid on the common, but there is a profit and loss surplus amounting to $157,307. Current liabilities show an increase of $896,000, and bonds to the value of half a million dollars will be issued to supply more working capital.

The Canada Paper Company owes its preferred shareholders five and a half years' back interest, and it now proposes to compromise by the payment of twenty-one per cent., which is equal to three years' interest. Ninety per cent. of the shareholders have already accepted this plan. There is over a million of common stock outstanding, and the prospect of a dividend on this is very remote.

An Exceptional Industrial

MOST industries had a hard time in 1913, but the Canadian General Electric was a notable exception. Its net earnings amount to $1,336,310, which is about fifteen per cent. on the common stock. But this is not the best of the forthcoming report. Patents, contracts and good-will, previously estimated at five hundred thousand dollars, were wiped out. Further, a special survey of the company's physical assets by the Canadian appraisal company has justified a net increase in the assets by nearly a million and a half, bringing the total up to a few thousand short of ten million. Thus the directors were able to pay 8 per cent. during the year, in addition to increasing the assets, the surplus, the profit and loss account, and the amount reserved for depreciation.

During the past year the General Electric took over the Allis-Chalmers-Bullock Company of Montreal, and the Stratford Mill Company.

The surplus earnings, after paying the eight per cent. to its shareholders, amounted to $559,675, or an extra seven per cent. on the common stock. This is indicative of conservative and efficient management.

Banks of Two Countries

PEOPLE who are fond of drawing comparisons between this country and its neighbour, will be interested by the report of the Comptroller of Currency of the United States, which shows that chartered banks in this country increased both their capital and their assets more rapidly during the past year than did the National Banks of the United States. Previous to 1910, the boot was on the other foot. Since that year the average capital increase of Canadian banks has been 13.2 per cent. Total assets during the same period increased 18 per cent. The figures for the United States were, respectively, 3.7 and 8.6—a material difference.

On the other hand, profits in the United States are higher than in Canada. In 1913, the net earnings of the national banks over the line were $160,980,000, or 15.3 per cent. on average capital, 9.1 per cent. on capital and surplus combined, and 1.5 per cent. on average total assets. For the same year Canadian banks earned $18,323,000, equal to 16.4 per cent. on average capital, 8.37 per cent. on capital and surplus combined, and 1.2 per cent. on average total assets. While Canadian banks paid out only 64 per cent. of net earnings in the form of dividends, the American banks distributed 74 per cent. of earnings and among stockholders. Canadian banks have made a practice of making more provision for building up surpluses and writing down premises, thus strengthening their financial position.

The Week in Canadian Markets

LAST week's stock market was pretty much a repetition of the previous week, but the fluctuations were more violent. There was very little optimistic feeling. The investors who made January a notable month seem to be very cautious people; they insist upon having bargains. Nevertheless, it is quite evident that investment buying is steady and continuous. This is the general opinion in New York, and Canada seems to be under the same spell.

Brazilian opened up the week with sales at 83 to 84; Tuesday it was a little higher, and touched 85. By Thursday it was selling ex dividend at 81. On Saturday it closed at 82¼, thus showing a net loss of about a point for the week. Rogers Common was the other spectacular feature. This stock has