

between Calcutta and Japan and most of the boats are comparatively new, with excellent passenger accommodations. The new steamer of the Japanese company will be put on this run in a short time.

It is reported that the Nippon Yusen Kaisha is planning to make call at a Java port for its Australian line, thereby competing with three well-established companies in the Java-Australian trade.

OSAKA SHOSEN KAISHA ISSUES REPORT FOR HALF YEAR, ENDING JUNE 30,

We publish herewith the balance sheet of the above semi-annual report:

Liabilities.	
Capital—660,000 shares of 25.00 yen each.....	Yen 16,500,000.00
Debentures	5,580,000.00
Insurance fund	1,309,913.00
Reserve fund	688,940.27
Repair fund	610,714.72
Sundry creditors	1,748,847.37
Amount brought forward from last term....	1,101,860.63
Net profit	993,594.90

Total Yen 28,533,870.89

Assets.	
Reduced book value of fleet.....	Yen 17,641,414.03
Launches, lighters, etc.	679,520.28
Land, buildings and furniture, etc.....	2,099,528.46
Investments	4,216,035.80
Coal and stores	239,631.93
Payments on account of new ships.....	356,843.44
Unexpired premiums	278,376.38
Loans and deposits	976,117.61
Sundry debtors	1,792,288.59
Cash in hand, at bankers.....	254,114.37

Total Yen 28,533,870.89

Proposed Disposition of Profit.

(As subsequently passed at shareholders' meeting.)

Profit for this term	Yen 2,615,594.90
To insurance fund (slightly over 5% per annum on the reduced book value of fleet).....	452,000.00
To repair fund (slightly over 6% per annum on the reduced book value of fleet)	542,000.00
To depreciation of fleet (slightly over 5% per annum on the cost of fleet)	628,000.00
	1,622,000.00

Net profit	993,594.90
To reserve fund	50,000.00
To directors' and auditors' fees.....	50,000.00
	100,000.00

Balance	893,594.90
Amount brought forward from last term.....	1,101,860.63

	1,995,455.53
Dividends (8% per annum)	660,000.00

Amount carried forward to next term.....Yen 1,335,455.53

TOKUGORO NAKAHASHI, President.

SEIKI TERANISHI, Vice-President.

ZENYEMON TOYODA,

KEIJIRO HORI,

JUNTARO YAMAOKA, Directors.

RINZO TANARA,

Duly audited and found correct,

SHOTARO SUGIMURA,

GYO NOMOTO,

RYOTARO HANTA, Auditors.

Osaka, July 4, 1912.

TRANS-PACIFIC SERVICE

The following extracts from "The Past and Present of the Osaka Shosen Kaisha," will be found of interest:

"The Osaka Shosen Kaisha controls quite a network of steamship services, reaching every nook and corner of Oriental waters, and it would be impossible for anyone to travel to any extent in that part of the world without availing himself of one or other of the steamers flying the house flag of the firm of Osaka Shosen Kaisha.

The improvement of the fleet, the increased attention given to the new line of the local service, etc., were pursued with such relentless zeal that at the close of 1906 there seemed to remain nothing but to start on the new enterprise, which had been, of course, the long-cherished plan of the present management.

Investigations were set on foot and vigorously carried out, as the result of which it was decided to inaugurate the trans-Pacific service, and the preparations with that end in view were pushed forward under the direction of competent officials.

At this stage, the largest of the company's steamers was "Shibetoro Maru" of 3,376 tons burden, but amongst the sea staff, there were old, well-trying captains valiant enough to steer into and buffet against the rough and angry weather of the winter Pacific with those small steamers. The ships were also sent out to Java, Rangoon and Calcutta, carrying young junior officers under command of veteran captains. The Japanese mariners are as steady, skillful and reliable as the first-class English captains, and the record of the Osaka Shosen Kaisha will prove this fact to the utmost.

While the personnel of the Osaka Shosen Kaisha was thus reinforced and trained for long distance voyaging, a ship building program was decided upon early in 1908 by the board of directors, and orders were placed with the Kawasaki Dockyards of Kobe, and with the Mitsubishi Dockyards of Nagasaki, to build six steamers of 12,000 tons displacement, of fifteen knots speed, to carry say 7,500 tons dead weight.

The steamers have been named "Tacoma Maru," "Seattle Maru," "Chicago Maru," "Panama Maru," "Mexico Maru" and "Canada Maru" in honor of the cities and countries with which the new enterprise will bear the closest relation, also special attention was given in selecting the names so that they might be easily remembered by travelers of all nationalities.

The finishing touch for the enterprise was to make arrangements for good railroad connections from the Pacific Coast to the eastern cities of the United States. This, however, was a very difficult undertaking, as the existing railroads had the partner steamship lines of their own, and a newcomer was naturally elbowed out from the field in spite of laborious efforts. It was very fortunate for the company that at this time the Chicago, Milwaukee & St. Paul Railway Company started their new extension from Morbridge to Tacoma and Seattle, covering a distance of more than 1,900 miles, which this company pushed forward in spite of the panic of 1907, and planned its completion early in 1909, the natural consequence being that this railway company was looking out for a good ocean connection to the Orient.

This singular chance brought the steamship and railroad companies together, and the contract for the interchange of the traffic was agreed to and signed by both the companies in April, 1908.

It may not be out of place to mention here that this Chicago, Milwaukee & St. Paul Railway Company has always been renowned for its excellent passenger train service which it has conducted between Chicago, Milwaukee and St. Paul.

It is hardly necessary to enlarge upon the convenience and facilities afforded to passengers, shippers and consignees traveling or sending cargo from the remotest corner of Korea or of China to the interior points of the United States or of Dominion of Canada, on one through ticket or bill of lading, operated by one railroad and one steamship company in comparison to the forwarding of parcels where it is necessary for half a dozen local steamers to hand them over from one to another, and so on, carrying charges unknown to the man at the point of origin.

Although the liners are not equipped with palatial luxury of the Atlantic greyhounds, yet they have, besides a few cabins of clean and neat finish, a spacious steerage quarters to accommodate over one hundred and fifty souls. These quarters being located amidships, the third-class passengers on the rough Pacific winter would enjoy to their heart's content easy and comfortable sea travels, quite free from usual unpleasantness of quarter deck steerage beset with pitchings at full swing and with boisterous sound of gloomy looking steering gears and of rapid-going propellers.

As to cargo working, special equipments were provided to hoist a 30-ton piece without much ado, also fitted up

with water tight compartment to stow silk and other valuable goods.

It is more than two years since the first steamer "Tacoma Maru" sailed from Hongkong on July 3, 1909, making a very profitable initial trip across to connect with C., M. & P. S. R. R. at Tacoma, which was opened up for freight service on July 1, 1909, and for through passenger service on August 1, 1910.

Until the end of 1909, the service was conducted under the law of encouragement of navigation and bounty was granted by the government.

In the spring of 1909 the Deep Sea Line Subsidy Act passed the house of diet and the company entered into mail and subsidy contract with the Imperial Japanese government in effect on and after January 1, 1910, which entitles this company an annual subsidy grant of over 1,200,000 yen.

By the reinforcement of the fleet as above named and the terms of the Deep Sea Line Subsidy contract, the service underwent an augmentation from monthly sailing from both termini to fortnightly and punctuality of the sailing time and date is kept up to the best advantage of the supporters.

Amongst some notable features worth mentioning it is to be noted that although steamers are not planned to

develop a high speed to rival the crack steamers, yet they make such quick passage across the Pacific that they infallibly arrive at Tacoma one or two days ahead of schedule date and the connecting railroads are, in turn, breaking record by rushing raw silk train from Tacoma to New York in a little more than four days' time.

Taking advantage of the gain in time by their quick passage Manila, Nagasaki and Victoria were added to the usual ports of call, that is, Shanghai, Keelung, Moji, Kobe, Yokkaichi, Shimidzu and Yokohama.

Also freight and passenger connections to all Pacific Coast points were established by special agreements with the Canadian and American coasting boats, and parcel connections are made with the firm of Wells Fargo & Co. of world wide renown.

As the general public must be well aware, this enterprise of the trans-Pacific line was started at the worst stage of Orient-America trade and many pessimistic views were talked about regarding the disastrous destiny of this venture, but fortunately by the valuable support of the shippers, the enterprise turned out to be a very promising one and the company is endeavoring by sheer dint of force to improve the management to vouchsafe the best service that we can work out to the esteemed supporters."

CANADIAN PACIFIC RAILWAY COMPANY'S ANNUAL REPORT FOR YEAR ENDED JUNE 30, 1912

To the Shareholders:—

The accounts of the company for the year ended June 30, 1912, show the following results:

Gross earnings	\$123,319,541.23
Working expenses	80,021,298.40

Net earnings	\$ 43,298,242.83
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Net earnings of steamships in excess of amount included in monthly reports.....	1,104,448.79
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	\$44,402,691.62
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Deduct fixed charges	10,524,937.49
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Surplus	\$ 33,877,754.13
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Deduct amount transferred to steamship replacement acct....	\$1,000,000.00
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Contribution to pension fund....	125,000.00
	1,125,000.00

	\$ 32,752,754.13
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From this there has been charged a half-yearly dividend on preference stock of 2 per cent., paid April 1, 1912.....

	\$1,258,333.32
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And three quarterly dividends on ordinary stock of 1½ per cent. each, paid January 2, April 1, and June 1, 1912.....

	9,450,000.00
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	\$ 10,708,333.32
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	\$ 22,044,420.81
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From this there has been declared a second half-yearly dividend on preference stock, And a fourth quarterly dividend payable October 1, 1912.....

	\$1,333,901.94
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on ordinary stock of 1½ per cent., payable October 1, 1912.....	3,150,000.00
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	\$ 4,483,901.94
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Leaving net surplus for the year.....	\$ 17,560,518.87
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In addition to the above dividends on ordinary stock three per cent. was paid from special income.

The following are the details of special income for year ended June 30, 1912:

Balance at June 30, 1911.....	\$2,702,205.20
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Interest on cash proceeds and on deferred payments for land sold	1,817,774.37
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Interest on deposits and loans	605,140.21
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Interest on Can. Pac. Ry. 1st mortgage bonds acquired	61,612.00
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Interest from Minneapolis, St. Paul & Sault Ste. Marie Ry. bonds	159,720.00
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Interest from Duluth, South Shore & Atlantic Ry. bonds	100,000.00
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Interest from Mineral Range Ry. bonds.....	50,160.00
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Interest from Toronto, Hamilton & Buffalo Ry. bonds	10,840.00
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Interest from Kingston & Pembroke Ry. bonds	13,320.00
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Interest from Dominion government bonds.....	182,500.00
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Interest from Ontario government bonds.....	48,000.00
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Interest from British consols	114,569.44
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Interest from Montreal & Atlantic Ry. bonds, and on other securities	174,311.88
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Dividend on St. John Bridge & Ry. Extension Co. stock	50,000.00
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Dividends on Dominion Express Co. stock.....	160,000.00
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Dividends on Minneapolis, St. Paul & S. S. M. Ry. common stock	890,645.00
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Dividends on Minneapolis, St. Paul & S. S. M. Ry. preferred stock	445,326.00
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Dividends on Alberta Ry. & Irrigation Co. stock	245,241.50
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Dividend on West Kootenay Power & Light Co. common stock	27,500.00
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Dividends on West Kootenay Power & Light Co. preferred stock	1,925.00
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	\$7,860,790.60
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Less—Payments to shareholders in dividends: September 30, 1911, January 2, 1912, April 1, 1912, and June 29, 1912.....

	5,400,000.00
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	\$2,460,790.60
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From this a dividend has been declared, payable October 1, 1912.....

	1,350,000.00
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Leaving net surplus carried forward.....	\$1,110,790.60
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The working expenses for the year amounted to 64.89 per cent. of the gross earnings, and the net earnings to 35.11 per cent., as compared with 64.77 and 35.23 per cent., respectively, in 1911.

Four per cent. consolidated debenture stock to the amount of £2,252,516 was created and sold, and of the proceeds the sum of £1,481,592 was applied to the construction of authorized branch lines; £300,000 was used for acquisition of steamships for Pacific Coast service, as authorized; £5,000 was used to acquire a like amount of your company's first mortgage 5% bonds; and the balance £465,924 was devoted to the acquisition of the bonds of other railway companies whose lines constitute a portion of your system, the interest on which had, with your sanction, been guaranteed by your company.

THE BUSINESS AND FINANCIAL OUTLOOK

Early next month the Wall Street banks will begin to gain cash once more, but it is probable that the return flow of currency this year will set in rather later than usual owing to trade activity through the west and south. The banks are now being called upon to make large advances to mercantile borrowers, for the country is doing a vastly greater business than it did at the close of 1911. The record of bank exchanges is highly significant since large gains over last year are now being reported throughout the United States. This shows that trade revival is widespread and that the country is doing a large and, in some lines, a very profitable business. The present indications