

COLONIAL BANK CHANGES PLANS

May Not Use Canadian Charter at Present—Is London City and Midland Coming Here?

The unconfirmed report that the London City and Midland Bank, of England, will apply for a Canadian charter at the next session of parliament, and that it may have taken over the Colonial Bank's project, has aroused considerable interest here. While *The Monetary Times* has not yet received confirmation of this story, it is nevertheless quite true that the directors of the bank are rather disappointed to find that probably they will not be allowed to establish branches in Canada under the new charter which they have just obtained from the Imperial government. They did not expect to be allowed to issue notes, but they expected to be allowed to transact under their own name a similar business to that which Canadian banks transact in London and in New York.

Colonial Bank and Canada.

The Colonial Bank, with headquarters in London, England, decided about two years ago, to enter the Canadian field. In reviewing the year's business of the Colonial Bank at the annual meeting of the shareholders, the chairman, Mr. C. R. Gurney Hoare, stated in April, 1915, that the board of directors had made an application to the Canadian government to promote a bank in Canada. Every year the volume of business of the West Indies with Canada more and more tended to increase, and they had for some years intended to establish a branch there. In making application to the government they were met in so favorable a manner that the directors thought it desirable to take action at once, and though they were unable to act without authority from the British government, they felt their hands would be strengthened in their application for such authority if they showed how readily the proposal to open a bank had been received in Canada. Mr. A. R. Doble, of Montreal, was later appointed as the bank's representative in Canada.

London City and Midland's History.

If the London City and Midland Bank decides to assume a more active rôle in regard to Canadian financing, the event will prove of interest. It is the largest British bank and is well known as an institution, taking a leading part in the policy of amalgamation that has been so marked a feature of the British banking system during recent years. Originally, the bank was a purely country one, being known as the Birmingham and Midland Bank, which was formed in 1836 with a paid-up capital of £50,000 only. For nearly half a century, as the London Statist relates, the bank pursued the even tenor of its way as a Birmingham concern, and it was not until 1885 that the number of branches open, touched double figures. It is since 1891 that the bank has been transformed from a local institution to the position it now occupies, entry into London business being secured that year by the absorption of the Central Bank of London, Limited.

Since that time, by means of the various amalgamations that have taken place, the number of offices has risen rapidly. In 1891, the bank had 65 offices open for the transaction of business. By the end of 1900 the number was 316, and by the end of 1913, the number had been brought up to 845. The number is now about 1,066. Though the great increase has been chiefly brought about, as indicated, by the policy of amalgamation carried out, the number has also been augmented by new branches in various places. As an example of this it may be pointed out that during 1914 no fewer than 29 new branches were opened, apart from the number of extra offices secured by means of the absorption of the business of the Metropolitan Bank (of England and Wales), Limited.

Policy of Amalgamation.

To indicate the extent to which the amalgamation policy has been carried out, a list of the banks which have been amalgamated into the London City and Midland Bank is given: 1837, Birmingham and Midland Bank, Limited; 1851, Bate and Robins, Stourbridge; 1862, Nicholls, Baker and Crane, Bewdley; 1883, Union Bank of Birmingham, Limited; 1889, Coventry Union Banking Company; 1889, Leamington Priors and Warwickshire Banking Company, Limited; 1890, Derby Commercial Bank, Limited; 1890, Exchange and

Discount Bank, Limited; 1890, Leeds and County Bank, Limited; 1891, Central Bank of London, Limited; 1891, Lacy, Hartland, Woodbridge and Co., West Smithfield, London; 1892, Manchester Joint Stock Bank, Limited; 1893, Bank of Westmoreland, Limited; 1894, Preston Banking Company, Limited; 1896, Carlisle City and District Bank, Limited; 1896, Channel Islands Bank, Limited; 1897, Huddersfield Banking Company, Limited; 1897, North-Western Bank, Limited, Liverpool; 1897, Oldham Joint Stock Bank, Limited; 1898, City Bank, Limited; 1899, City of Birmingham Bank, Limited; 1900, Leicestershire Banking Company, Limited; 1901, Sheffield Union Banking Company, Limited; 1901, Yorkshire Banking Company, Limited; 1904, Nottingham Joint Stock Bank, Limited; 1908, North and South Wales Bank, Limited; 1909, Bradford Banking Company, Limited; 1913, Sheffield and Hallamshire Bank, Limited; 1913, Lincoln and Lindsey Banking Company, Limited; 1914, Metropolitan Bank (of England and Wales), Limited.

Though the paid-up capital has risen considerably during the past 30 years, the increase has been almost entirely due to the amalgamations that have occurred, and only once during this somewhat long period have the shareholders been invited to subscribe for fresh capital. The result is that whereas in 1885 the capital and reserve combined formed a proportion of 17.4 per cent. to the total liabilities, this proportion at the end of 1915 had fallen to 5.3 per cent.

Last Year's Accounts.

The year 1915 proved satisfactory for the London City and Midland Bank, the net profit amounting to £1,130,976, as compared with £1,079,086 for 1914, the profits being shown as usual after transferring to inner reserves a substantial amount for the purpose of strengthening the institution. The dividend was maintained at 18 per cent., absorbing a sum of £745,803, and the whole of the balance, together with a large proportion of the carry forward, was utilized for writing down investments, etc. The amount transferred to investment account was £642,860, writing down all securities to the prices ruling on December 31st last, except war loans, which were taken at cost. A sum of £30,000 was transferred to bank premises redemption fund, and £20,000 to officers' pension fund, the amount carried forward being £113,598, as compared with £421,285 brought in. This latter sum, however, was abnormally large, being specially strengthened to meet any possible emergencies.

NEW COMPANY BUYS STANDARD IDEAL PLANT

The Standard Ideal Company's plant at Port Hope, Ont., as stated in the last issue of *The Monetary Times*, has been acquired by Mr. L. M. Wood, president of the Standard Chemical Company, and his associates, including Mr. W. D. Ross, Toronto; Messrs. Cluff Brothers, Toronto; and Mr. M. L. Davis. The new company's name is the Port Hope Sanitary Manufacturing Company, and its capitalization \$1,250,000. It will take possession at once, and in addition to carrying on the present line of business, it is stated, may engage in the manufacture of shells.

SIR FREDERICK WILLIAMS-TAYLOR HOME AGAIN

Sir Frederick Williams-Taylor, general manager of the Bank of Montreal, has returned to Montreal from his visit to England and France, where, in addition to his varied banking duties, he appeared as a witness in the Banbury banking case and paid a visit to the firing-line in France. Sir Frederick is always welcomed amongst British financiers, amongst whom he has been very successful in placing large amounts of Canadian high-class securities in past years. On reaching Moncton on the return journey Sir Frederick Williams-Taylor, a native of that city, was accorded a civic reception, in replying to which he remarked: "We Canadians are peace-loving and industrial, but we are a proud and virile people. In this great war we have thrown aside the implements of peace and taken, against our will, to those of war, and with the adaptability of the race from which we sprang we are writing incidents in this great encounter, of which neither the classics nor history produce any surpassing counterparts."