

FIRE INSURANCE CHANGES PROBABLE

London and Lancashire Fire May Purchase Four Companies
Managed by Scott and Walmsley

The London and Lancashire Fire Insurance Company, Limited, has put in offers for the capital stock of the Queen City Fire Insurance Company (Joint Stock), the Hand-in-Hand Insurance Company (Mutual and Stock), the Fire Insurance Exchange (Stock and Mutual), and the Millers' and Manufacturers' Insurance Company (Mutual and Stock).

The terms have been accepted by the directors of the various companies and will be recommended to the shareholders.

The transaction will be completed provided sufficient stock of the various companies is handed in for transfer.

If the sale goes through, the London and Lancashire expect to retain the services of Messrs. Joseph Walmsley and John D. Chipman, as joint managers, and Scott and Walmsley, Limited, general agents, for the group.

The business will be conducted separately, but the policies will be guaranteed by the London and Lancashire Fire Insurance Company, Limited, security \$36,000,000, and Messrs. Walmsley and Chipman will have their own underwriting limits independent of the London and Lancashire.

The following are the chief particulars regarding the four companies which are to be transferred:—

Company.	Total liabilities (ex- Total Paid-up cept capital Net assets. capital. stock). at risk.			
Queen City (stock) \$	484,093	\$100,000	\$144,609	\$29,214,417
Fire Insurance Exchange (stock and mutual)	125,325	48,650	73,118	15,762,947
Hand-in-Hand (mutual and stock) .	227,635	100,000	97,742	19,503,158
Millers' and Manufacturers' Insurance (mutual and stock)	194,576	725,000	83,191	16,541,288
	\$1,031,629	\$968,650	\$398,661	\$81,021,810

The London and Lancashire Fire Insurance Company was established in 1861, with head office in Liverpool, England. It commenced business in Canada in 1880, and its head office in Canada is in Toronto, under the management of Mr. Alfred Wright. The authorized capital is £3,141,250, of which £3,132,825 has been subscribed and £313,282 has been paid up. The company has assets in Canada totalling over \$1,000,000. The net amount in force at the end of 1917 was \$113,289,383, yielding a premium income of \$1,200,450. In the course of the company's career it has already absorbed about 25 companies, including, some years ago, the Ontario Guarantee and Accident Company. The latter was combined with the London and Lancashire's accident department and formed into the London and Lancashire Guarantee and Accident Company.

CENTRAL CANADA LOAN AND SAVINGS

At the annual meeting of the Central Canada Loan and Savings Company on January 8th, the president, Mr. E. R. Wood, reported net earnings for the year of over \$203,000, which, together with a balance brought forward from last year in open profit and loss account, made a total amount available for distribution of \$276,898.12, which was disposed of as follows:—Payment of 10 per cent. dividend for the year, \$175,000; donations to Patriotic Red Cross and other funds, \$9,824; balance carried forward into 1919 in profit and loss account, \$92,074.12.

The total assets now amount to \$9,104,030.73, and the surplus security afforded depositors and debenture holders by this company is now over \$4,385,000.

ROYAL BANK'S EXPANSION

At the annual meeting of the Royal Bank of Canada held on January 9th, Sir Herbert S. Holt, president, announced an increase in the capital stock of \$2,000,000 to be allotted to the shareholders of record January 8th, at the rate of \$150 per share. In referring to this new issue, Sir Herbert intimated that, circumstances permitting, the policy of increasing the capital on attractive terms to the shareholders would be continued in future.

As a result of the vital importance to Canada that the foreign trade of the country should be extended to the greatest possible extent, the Royal Bank of Canada on January 9th, made the most important announcement of new branches that has yet been made by any of the larger Canadian banks. Following on a careful investigation extending over the past couple of years, the Royal Bank now announces that it will help to direct a larger amount of South American trade to the Dominion by the immediate establishment of important branches at Rio de Janeiro, Brazil, Buenos Ayres, Argentine and Montevideo, Uruguay.

As is well known in Canadian banking circles, no Canadian capital has been required for the extension in foreign countries by the Royal Bank, as the foreign deposits at every point have always greatly exceeded the foreign commercial loans.

In addition, the bank has concluded arrangements to open a branch at Paris, France, in order to secure for Canada a share of the commerce which is expected to develop as a result of the rehabilitation of Northern France and Belgium.

Mr. Edson L. Pease, the managing director, stated in his remarks to shareholders that it was necessary for Canada to extend its foreign trade to meet its liabilities, and that Canadian banks should assist in this. The foreign trade of Britain and Germany has been extended by the powerful assistance of the banks of the respective countries.

Sir Herbert Holt, the president, referred to the important part played by Canada in the war, and claimed that this country has a right to a large share of the reconstruction business in Europe. He estimated that the national debt would exceed \$1,800,000,000, and that, in addition, the country must provide an annual pension fund of \$30,000,000. He referred to the industries of the country as now firmly established. He said that Canada's Trade Mission in Europe would doubtless result in important contracts which, however, Canadian banks must help to finance. He pointed out that the war profits tax ceased to be operative at the close of 1918, and added that if labor is to be given its full opportunity capital which finds employment for it must not be hampered.

Mr. C. E. Neill, general manager, in referring to the annual statement, pointed out that the total assets of the bank amounted to \$427,512,981, an increase for the year of \$90,000,000, while the growth in deposits was no less than \$80,000,000.

He said that the liquid position of the bank is more favorable than it was last year, the percentage of liquid assets to liabilities to the public having increased from 53.9 per cent. to 56.59 per cent. From the standpoint of cash reserves, we are also stronger, the percentage of cash to liabilities to the public being 17.13 per cent., as against 16.36 per cent. the previous year.

The substantial growth in the bank's assets has resulted in a pronounced increase in earnings. Net profits for the year were \$2,809,846.24, being 10.19 per cent. on the combined capital and reserve, as compared with \$2,327,979.51, 8.82 per cent. on capital and reserve the previous year. The marked growth in the bank's general business is due to the activities in all branches of trade and increased value of agricultural production.

The Royal Bank of Canada has opened branches at Cupar, Sask., Lavoy, Alta., Round Hill, Alta., and Sargent Avenue, Winnipeg, Man.