

pending further borrowings by them in London. Probably enough the temporary loans of the municipalities at the banks at the present time amount to some millions. That this is the case is due, as has been previously stated in THE CHRONICLE, to the hope of many municipal authorities that they will be able to obtain better terms for their offerings in the London market a little later on. It is probable, however, that these municipalities have already received hints from their financial advisers that the sooner they liquidate these temporary loans the better. The demands of the commercial community will likely prove sufficient to absorb all the energies and resources of the banks this year and it is hardly desirable that the position should be further complicated by the action of various municipalities in speculating on the future of the London market for new issues.

As a result of the month's movements in Canadian deposits and loans, the banks have been able substantially to strengthen their reserves by the addition of over \$12,000,000 to the foreign call loans, bringing these up to almost \$116,000,000. Then there was also a substantial increase in the net foreign bank balances of over \$11,000,000 to \$45,883,946, so that the proportion of the banks' immediately available assets to their liabilities to the public has been raised to the normal May level of 25.52 against 24.27 in April.

HOME BANK'S REPORT.

At the annual meeting of the Home Bank held in Toronto on Tuesday, a satisfactory fiscal year ending May 31, 1912, was reported. Net profits were \$140,030, being about 11 p.c. on the paid-up capital. Dividend, three quarterly payments being at 6 p.c. and one at 7 p.c., the newly established rate, absorbed \$79,644; \$25,000 was transferred to rest and \$25,000 written off bank premises, and an increased balance of \$86,002 carried forward. Deposits increased during the year about \$800,000 to \$9,067,816. The total assets of the bank have doubled in the last five years and now amount to \$12,385,555, an increase over last year of \$1,330,685. Mr. Eugene O'Keefe, president, in addressing the shareholders observed:—

There is one feature, however, in the situation which is very regrettable, and that is the large and growing speculation in building lots in many of the towns and cities in the three Provinces. The speculation in these lots is not confined to the Northwest, but is quite extensive throughout the Province of Ontario, as many of our farmers and citizens are risking their hard-earned savings in this dangerous way. Its effects are felt by a steady withdrawal of deposits from the various Banks in Eastern Canada for the purchase of these lots. This unwarranted speculation can have but one ending, and it is to be feared the money thus invested in all probability will, in many instances, be totally lost.

The Board of Directors and the Officers for the term of 1912-1913, will be: Eugene O'Keefe, president; Thomas Flynn, vice-president; Directors: E. G. Gooderham, John Persse, W. Parkyn Murray, Thomas A. Crerar, John Kennedy, Colonel James Mason.

Colonel James Mason, general manager; J. Cooper Mason, assistant general manager.

ROYAL INSURANCE COMPANY, LIMITED.

Among the great British insurance companies, the Royal of Liverpool goes year by year serenely on its way. Managed throughout its career of nearly seventy years with ability and discretion, the Royal has long since attained to that happy condition of practical invulnerability to conflagration losses, which is only achieved by the largest and wealthiest of fire offices. Having demonstrated this fact by paying out \$6,250,000 at San Francisco, and then in the four following years restoring the ratio of its reserve to the level at which it stood prior to that disaster, as well as wiping out the draft upon the floating funds which the payment of losses entailed, the Royal in 1911 proceeded to strengthen its position yet further. Probably at no time in its history were the prospects for the continued success and prosperity of this great company brighter than they are now. With assets at the present time of over \$8,000,000 and a premium income of over \$28,000,000, the indications are that year by year the Royal will go forward, steadily extending the vast scale of its operations and increasing in wealth and resources. And while from time to time, the advent of conflagrations will bring heavy losses to fire underwriters, they can, to a great office of this kind, act only as a quite temporary retarding influence on the rate of progress.

FIRE DEPARTMENT.

The following is a comparison of the company's fire business for 1911 with that of 1910:—

	1910.	1911.
Premiums after deduction of re-insurances	\$18,956,026.94	\$19,240,264.20
Net Losses	9,369,250.33	10,240,225.97
Ratio of Losses to Premiums	49.4	53.2
Fire Fund at end of year	13,626,666.66	14,600,000.00

There is again an advance to a new high record in the amount of premiums received and it is merely a matter of a year or two, in the natural course of events, before the Royal's fire premiums reach the great total of \$20,000,000 per annum. Losses are somewhat higher than in the immediately preceding years at 53.2 per cent. of the premiums received, but in view of the apparently not altogether satisfactory experience of the British fire offices generally in 1911, the figures returned by the Royal are favorable. While 1911 was not marked by a conflagration of importance, the fire offices encountered an exceptionally large number of fires of moderate size, the phenomenon not being confined to any particular field but being apparently world-wide.

After meeting all losses and expenses of the year, the Royal returns the substantial underwriting surplus for 1911 of \$2,019,801. Of this surplus, \$973,333 is transferred to the Fire Fund, raising that fund to \$14,600,000. Besides this fire fund, there is available to meet the obligations of the Royal's fire department, a reserve fund of \$7,786,667 and a profit and loss balance of \$4,977,666, making with the fire fund of \$14,600,000, a total of \$27,364,272, or over 142 per cent. of the premiums of 1911. It is a position of very great strength.

We reproduce the following table of the Royal's net premiums, net losses and loss ratio since the opening of the present century. It will be readily seen that since 1901 the fire premiums of the company have increased by over 63 per cent., while the normal experience of the company has been such as