## THE MERCHANTS BANK OF CANADA

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sion fund $50,000, contributions to Red Cross and other contributions $22,500, leaving an enlarged balance of $574,043 being brought forward.

The general manager, Mr. Macarow, sounded a note of broad optimism, based on the boundless resources of Canada, which justify confidence in the future. He referred to the importance of developing foreign trade to which Canada must look in large measure for the carrying and eventual liquidation of our war indebtedness.

### Increase in Capital Stock.

As already announced, the Merchants Bank will increase its authorized capital stock from $10,000,000 to $15,000,000, while there is no intention of issuing this capital in the near future, the directors consider it advisable to make timely provision well in advance of possible or probable requirements.

## THE LIVERPOOL & LONDON & GLOBE INSURANCE COMPANY, LIMITED.

The success which attended British Insurance Companies in 1918 was fully participated in by the renowned Liverpool & London & Globe Insurance Company

During the year under review this great composite office produced satisfactory results in every section, securing a total income after deducting re-insurances, of $36,824,073, as compared with $33,304,255 in 1917, a growth of no less than $3,519,818, and obtaining most profitable results in all departments. Such an eminently satisfactory statement is a high tribute to the ability and skill with which each department is conducted in whatever part of the world the Company operates, and congratulations are in order to General Manager A. G. Dent, who is now visiting this country.

### The Fire Department.

The fire department, which is a predominant factor in the business of the Liverpool & London & Globe, records a loss ratio of 48.80 percent. for 1918, following a loss ratio of 53.94 per cent. in 1917, and 54.68 per cent. in 1916. Net fire premiums increased from $17,787,050 to $20,303,885. This growth of $2,516,835 is very impressive, and is probably unequalled by any Company, whose reports have been issued this year. Expenses of management, commissions, contributions to fire brigades, and foreign State taxes absorbed $7,364,770. An increase of $1,316,860 over 1917. Included in the expense account, Foreign States taxes, it may be noted, amounted to $1,047,524, this item not within the Company's control, shows a constantly upper tendency.

After providing for these items, there is a surplus (including interest) in the year's trading of the fire account amounting to $3,560,725. Of this surplus $1,006,735 is carried to unexpired risk reserve, which now totals $8,121,555; a sum of $500,000 has been transferred to the additional reserve, which now amounts to $5,500,000, making the total Fire Reserve Funds $13,621,555, as compared with $12,114,820 in 1917. There is also maintained a General Reserve Fund of $5,000,000, which added to the balance of $2,053,990, carried to Profit and Loss, makes total funds of $20,675,545 available to protect fire policies, apart altogether from the large subscribed capital of which $1,327,625 has been paid up. The total assets of the Company has increased from $80,003,965 to $87,089,995.

### Accident Department.

In the accident department, which embraces personal accident, employers' liability, and miscellaneous insurance accounts, a combined premium income of $8,500,000 was secured, on which a profit of more than $1,379,000 resulted, including interest. The miscellaneous account continues the predominant factor in this trio.

### Canadian Branch.

The fire business of the Liverpool & London & Globe in Canada continues to be very extensive in keeping with its powerful financial standing. The Company is also one of the oldest established in the Dominion, and the policy of its management in adhering to a conservative practice of underwriting, based on experience rather than undue rapid expansion, is well known. The results from operations in 1918 of the Liverpool & London & Globe in Canada were very satisfactory, the loss ratio figuring at 49.62 per cent., following a loss ratio of 46.38 per cent. in 1917. Last year the total net cash received for fire premiums (including subsidiary companies) in Canada, aggregated $1,777,901. Of this amount the Liverpool & London & Globe received $1,405,866, the Liverpool-Manitoba $268,708 and the Globe Indemnity $103,327. The loss ratio ef tho two latter figuring at 41.47 per cent., and 47.83 per cent., respectively. Such results succeeding even more satisfactory results in the preceding year, would make it apparent that the underwriting is conducted with care and skill. The Canadian business of the Liverpool & London & Globe has shown conspicuous prosperity, under the management of Mr. J. Gardner Thompson, aided in recent years by Mr. Lewis Laing, assistant manager.

As is well known, a large casualty business has been conducted in Canada for some years through the medium of the Globe Indemnity Co. of Canada, under the management of Mr. John Emo. The premium income in Canada this department was last year increased from $557,274 to $649,815, with a satisfactory underwriting experience.

## TRAFFIC RETURNS

**Canadian Pacific Railway**

| Year to date | 1917 | 1918 | 1919 | Increase |
|---|---|---|---|---|
| May 31..... | 56,569,000 | $58,185,000 | $61,827,000 | $3,642,000 |
| Week ending | 1917 | 1918 | 1919 | Increase |
| June 7........ | 2,927,000 | 2,846,000 | 2,957,000 | 111,000 |

**Grand Trunk Railway**

| Year to date | 1917 | 1918 | 1919 | Increase |
|---|---|---|---|---|
| May 31..... | 24,274,445 | $ 17,909,748 | $23,633,447 | $5,723,699 |
| Week ending | 1917 | 1918 | 1919 | Increase |
| June 7........ | 1,333,194 | ........ | ........ | ........ |

**Canadian National Railways**

| Year to date | 1917 | 1918 | 1919 | Increase |
|---|---|---|---|---|
| June 7..... .. | ........ | $28,596,366 | $33,999,727 | $5,403,361 |