

GREAT BANKING HOUSES MERGE ALL INTERESTS Traders Bank and the Royal Bank One of the Biggest Mergers on Record

With the formal approval by the shareholders of the offer made by the executive of the Royal Bank and accepted by the Traders Bank directorate at a recent meeting, will be consummated one of the greatest banking mergers in the financial annals of Canada. At the same time it affords another striking proof of the advantage, under a branch banking system of large institutions in competition with another bank with fewer ramifications.

Ten years ago there were in Canada 35 chartered banks showing a combined paid-up capital of \$69,733,761. After the Royal-Traders amalgamation the number of banks will have been reduced to 26, but the combined paid-up capital of all the chartered banks has nearly doubled, now standing at \$111,172,899. The authorized capital is now \$177,866 as against \$81,620,666 in 1902.

The combination is the third within a little more than a year. The first was the absorption of the United Empire Bank by the Union, the head office of the latter being removed from Quebec to Winnipeg. Only a few weeks ago, the Eastern Township Bank, an old institution with its head office at Sherbrooke, Quebec, was amalgamated with the Canadian Bank of Commerce. As a result the paid-up capital of the latter is only \$581,335 behind that of the Bank of Montreal.

HOW BIG BANKS COMPARE.

The following table shows the authorized and paid-up capital and rest of five largest Canadian banks, as given in the return of March 30:

Bank of Montreal.....	\$16,000,000	\$15,567,270	\$15,000,000	\$30,567,270
Can. B. of Commerce.....	25,000,000	14,982,935	12,486,348	27,469,283
Royal Bank.....	10,000,000	7,491,980	8,421,178	15,913,158
Imperial Bank.....	10,000,000	6,000,000	6,000,000	12,000,000
Merchants.....	10,000,000	6,457,710	5,400,000	11,857,710

THREE IN FIRST DIVISION.

The merger of the Traders with the Royal will make no change in the order of rank. The two banks stand at present as follows:

Capital Paid-up	Rest	Combined Capital and Rest
Royal— \$ 7,491,980	\$ 8,421,178	\$15,913,158
Traders— 4,354,500	2,500,000	6,854,500
		\$11,845,480
		\$10,921,178
		\$22,767,658

The most noticeable result of the merger will be that we will have three first-division banks in Canada, the Bank of Montreal, Commerce and Royal. They will be in a class by themselves. So far as combined paid-up capital and rest are concerned these three institutions will be far in the front of the Imperial, Merchants and the smaller fry which follow in order.

SHAREHOLDERS FARE WELL.

The shareholders of the Traders Bank have every reason to congratulate themselves upon the terms obtained. Royal Bank shares are now selling in the neighborhood of 135, while the merger price of Traders Bank stock will be 480, an increase of 30 points over prices ruling a couple of weeks ago, and an advance of 35 points since the first of the year.

The holder of 100 Traders shares will be asked to deposit them and receive in exchange 75 shares of stock in the Royal Bank.

The profit of the transaction to the holder of 100 shares of Traders stock is shown by the following calculation:

Value of 75 shares Royal at 235.....	\$17,625
Value of 100 shares Traders at 150.....	15,000

Profit in capital value of shares.....\$ 2,625
But the holder also gains in dividends:

Dividend on 75 shares Royal at 12 per cent.....	\$900
Dividend on 100 shares Traders at 8 per cent.....	800

Profit in annual dividends.....\$100
The Traders has heretofore been the lowest priced bank stock quoted on the Toronto Exchange, but the negotiations have caused such a boom that Union now occupies a cellar position at 160.

THE DIRECTORATES.

The directorates of the two banks are:
Royal—
H. S. Holt. (President).
E. L. Pease.
Wiley Smith.
Hon. D. Mackeen.
J. Redmond.
F. W. Thompson.
G. R. Crowe.
D. K. Elliott.
W. H. Thorne.
Hugh Paton.
T. J. Drummond.
Wm. Robertson.
Traders—
C. D. Warren. (President).
Hon. J. R. Stratton. (Vice-President).
W. J. Sheppard.
C. S. Wilcox.
H. St. Strathy.
C. Kloepfer.
E. F. B. Johnston.
K. C.

The Merchants Bank of Halifax, which name was changed to the Royal Bank of Canada by Act of Parliament in 1900, commenced operations as a chartered bank in the troubled days immediately following Confederation. In 1869 a co-partnership institution of the same name was reorganized as a joint stock company and a charter applied for and granted. The original authorized capital was \$1,000,000, but at first only \$500,000 was offered for subscription. Mr. T. C. Kinnear was the first President.

BACK IN 1869.

On October 1, 1869, the bank statement was as follows:
Paid-up capital.....\$300,000
Reserve fund.....20,000
Notes in circulation.....90,000
Deposits at call.....167,955
Deposits at interest.....116,700
Specie.....310,899
Current loans.....266,970
Total assets.....729,163

From this humble beginning, and under the guidance of conservative financiers, the bank has made steady progress until it is now within hailing distance of the Bank of Montreal, which commenced business in 1817, and received a charter in 1822. During the first 25 years of the bank's history, operations were confined almost entirely to the Maritime Provinces, but the succeeding decade witnessed an almost phenomenal expansion, extending not only over all of Canada, but reaching into other lands.

FIRST TO EXTEND.

The Royal was the first Canadian bank to extend its interests to the West Indies, and the venture has proven a most happy and successful one. In 1903 the assets of the Banco de Oriente, of Santiago, were bought by the Royal, and in 1904 it acquired the Banco del Comercio, of Havana, Cuba. This same year the bank acted as agent for the Cuban Government in distributing \$31,000,000 among the Republic's army of liberation, and the following year it distributed \$30,000,000 more.

In 1906 the headquarters of the bank were transferred from Halifax to Montreal.

In 1910 the Royal acquired 35 branches where it formerly was unrepresented, and 10 branches at points where it already had agencies, by the purchase of the Union Bank of Halifax.

OVER 200 BRANCHES.

At present the bank has over 200 branches, distributed as follows: 31 in Ontario, 11 in Quebec, 16 in New Brunswick, 51 in Nova Scotia, 3 in Prince Edward Island, 4 in Manitoba, 12 in Saskatchewan, 9 in Alberta, 37 in British Columbia, 2 in Newfoundland, 1 each in Great Britain and the United States, and 24 in the West Indies. The Traders Bank has nearly 130 branches at favorable points throughout Canada, but has not the foreign interests which are such a valuable asset to the Royal. Its short history has been a successful and unsullied one.

Marine Losses Beat All Records

The liabilities of underwriters through maritime disasters for the first three months are the largest on record, the aggregate amount being near \$10,841,000. The loss in January caused by the more important casualties was \$3,212,500, and the amount for February was \$2,285,000. Then since the beginning of March there has scarcely been a day that has not witnessed a misfortune of one kind or another.

The sinking of the Oceana will probably cost Lloyds and the marine companies \$500,000, even if all the hullion is recovered; but between Land's End and Dover five other vessels were lost during the month, their insurance value being about \$600,000.

In addition, no fewer than eight steamers covered at Lloyds for a little over \$1,500,000 have been wrecked in different parts of the world, while there is serious anxiety as to the Australian inter-State liner Koombana, which is insured in the London market for \$500,000.

In all, during March twenty-two vessels were totally lost, and the value of ships and cargoes was \$3,633,500. To these totals must be added \$1,710,000, the value of five large steamers overdue and uninsurable.

While these losses are unparalleled in the history of Lloyds, they were but the precursors of the marine underwriters' huge loss by the foundering of the Titanic.

The Titanic was covered by marine insurance to the extent of about \$5,000,000. The insurance was placed with American and foreign companies and London and Liverpool underwriters; in fact, the marine insurance market of the world was practically exhausted in securing the amount required. About \$1,050,000 was covered with underwriters at Lloyds, London. As there are 626 underwriting members of Lloyds, the individual interests there are divided.

In addition to the amount on the vessel, Lloyds are heavily hit by insurances on the cargo, and on passengers' effects—jewelry, etc.—which will add very largely to the loss, while German transport companies lose about \$375,000 through reinsurance of the Titanic, and the White Star line is said to have retained \$750,000 of the risk on the vessel.

The underwriters have been hard hit, and after such a series of losses a revision of rates seems likely. Had the Titanic carried gold in large quantities, the result would have been an immediate raising of rates, as was the case on the England-to-India route in consequence of the recent loss of the Oceana in the English Channel with several millions of silver on board.

The South Porcupine Board of Trade charter has arrived and a meeting of the Board will be held shortly for the election of officers under the new regime and to name delegates for the various meetings of the Associated Boards of Trade.

TEMISKAMING FARMING WILL BE ENCOURAGED

Stock-Raising and Vegetable Growing Experiments to be Introduced

A general plan for the improvement of agriculture in the north country, and particularly in Temiskaming, is under consideration by the Department of Agriculture. Mr. Wm. Bailey, Assistant Deputy Minister of Agriculture, has just returned from Temiskaming, and it is probable that as a result of his visit steps will be taken to demonstrate the stock raising and dairying possibilities of the district. The department is considering the question of placing a herd of high grade cattle upon the Government experimental farm at Monteith, where a considerable area of land has now been cleared and rich pasturage afforded.

Of more immediate importance is the decision of the department to encourage the raising of standard potatoes in Temiskaming. Potatoes have been one of the most productive crops of the north, but their market value has been lowered by the lack of uniformity in the varieties produced, making it difficult for dealers to secure any quantity of any one variety. The department has recognized the need of restricting production to a few of the most valuable grades, and to that end four varieties are to be grown on the farm at Monteith. The seed secured will be distributed among the settlers.

Experiments are also to be conducted as to the best soil for potatoes and other crops, as well as into the different fertilizers required for various soils.

Harry Thaw may Secure Freedom

That Harry K. Thaw will be out of Matteawan within ten days was declared to be certain by attaches of the State asylum for the criminal insane.

Dr. Russell, head of the asylum medical staff, was asked what he intends doing. He said that he will make his report on his return to Carmody on Wednesday.

"What will you recommend in Thaw's case?" was asked.

"I will tell only the court," he replied.

"Thaw and his friends have said that you will report that he had now recovered from his insanity and that, anyhow, he is harmless and could safely be discharged. Will you say whether that is true or not?"

"I will report faithfully the condition, but cannot indicate what that report will be," replied the doctor.

A close friend of the Thaw family offered to bet \$500 against \$100 that Thaw will go free.

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