

THE LONDON & LANCASHIRE LIFE.

The London and Lancashire Life and General Assurance Association, Limited, has for many years occupied a leading position among the group of British life offices which actively transact business in Canada. Not only does the life business of the Company in the Dominion occupy an important position relatively to its whole business, but the London & Lancashire Life has further linked itself to Canada by very large investments of its funds, its total assets in Canada at December 31st last exceeding \$6,000,000. Occupying a respected position in the Canadian life insurance field, the Company possesses throughout the Dominion, a widely-spread and matured organisation, and under the present management of Mr. Alex. Bissett, who has been associated with the Company's Canadian affairs for a period of over 30 years, a business of considerable proportions is transacted. The Company has the advantage of a most influential Board of Directors in Canada, composed of Messrs. Andrew J. Dawes, President National Breweries and Director Merchants Bank; E. F. Hebden, Managing Director, Merchants Bank; H. B. Mackenzie, General Manager, Bank of British North America, and E. C. Pratt, General Manager, Molsons Bank.

1915'S RECORD.

While in recent years, the London & Lancashire Life has added to its activities fire and other forms of insurance, its main operations are still naturally concerned with life insurance. The circumstances of last year were, of course, extremely unfavorable to the British life companies, both on account of the restriction of their field through the war, and of the disarrangement of the companies' staffs. A falling-off in the new business in comparison with previous years is only what was to be expected, particularly in view of the fact that every precaution was taken to eliminate "war risk" from the new business. As it was, new policies issued totalled \$2,928,060, of which a substantial proportion, as above noted, came from the Canadian field. A new premium income of \$111,118 was produced by the new business, the total net life premium income being \$1,949,394. Interest and dividend receipts raised the total income of the life department to \$2,701,190. Death claims were naturally affected by the war, the claims made upon the Company including \$188,610 directly attributable to this cause. Total death claims, with bonus additions, were \$1,182,937, and in addition endowment policies with bonus additions matured to an amount of \$628,395. After payment of all outgoings, the life and annuity fund showed an increase of \$228,751, thus raising it to an aggregate of \$19,747,194. One particularly interesting feature of the accounts, indicating, especially under the circumstances of last year, very careful management, is an actual reduction in management expenses of about \$58,000, the saving in the life department alone being over \$27,000.

TOTAL ASSETS.

The total assets of the Company now stand at \$22,090,817, of which a large proportion, as already stated, are invested in Canada, the interests of the London & Lancashire Life throughout the Dominion having been largely increased in recent years. It was mentioned at the annual meeting

that the investments of the Company in British Government securities last year had been increased from under \$60,000 to over \$1,600,000, the increase having been almost entirely accounted for by re-investment of the proceeds of approximately four-fifths of the Company's American securities which have been sold, in conformity with the wishes of the British Government. The remaining American securities still held have been offered to the Government under their deposit plan. At the time of the annual meeting, no fewer than 180 members of the staff were in active service. Four and a valued director killed in Gallipoli, had made the supreme sacrifice.

THE BUSINESS WAR TAX.

The first practical intimations regarding the new Canadian business war tax have been received by Canadian corporations and firms "suspected" (in official language) of being liable to the new war tax on business profits, in the shape of requests for returns on prepared forms of various financial particulars regarding themselves, including bonds, paid-up capital, unimpaired reserve and profits. These returns are expected back at Ottawa about July 1st and it is anticipated that the assessment notifications will be sent out about September, while payment is expected in November.

As will be in recollection, the new tax is 25 per cent. of all profits in excess of 7 per cent. on the paid-up capital of incorporated companies and 25 per cent. of all profits above 10 per cent. on the paid-up capital of firms, individuals and partnerships. Amendments to the Act in the course of its passing through Parliament provided that "an incorporated company may include as part of its capital, its actual unimpaired reserve or accumulated profits." Suitable provision is made for calculating capital for the purposes of the tax in the case of companies abroad, for which Canada is only one of many fields of operations.

It is impossible to generalise in regard to the incidence of this tax upon the insurance companies. It is to be remembered, however, that all companies are entitled to deduct any amounts paid for British or Allied war taxation from the amounts for which they would be liable under this Canadian taxation, and the insurance companies and the banks are also entitled to deduct amounts paid in the 1 per cent. war tax on premiums and 1 per cent. war tax on circulation respectively imposed by the Budget of 1915. Doubtless, a number of knotty points will have to be settled before a good many of those taxed know exactly for what they are to be held liable.

A DANGEROUS ECONOMY.

The sub-committee of the Montreal Board of Control, which is trying to find ways and means of reducing the City's expenditure, is recommending that vacancies as they occur in the Fire Department be not filled. This innovation needs to be carefully watched. Any steps which would have the effect of reducing the efficiency of the City's Fire Department would form a very poor sort of economy. The sub-committee can find lots of opportunities for real economy in a good many other departments less essential than the Fire Department.