

## THE GENERAL FINANCIAL SITUATION

(Continued From Front Page.)

in New York in their Saturday statement were able to show an increase of \$124,800,000 in surplus reserves—their aggregate of reserve being \$663,000,000; and the excess, \$171,900,000. Loans decreased \$66,900,000; reserve in Federal Reserve Bank increased \$128,800,000; and net demand deposits increased \$27,800,000.

The Federal Reserve Bank of New York, in its weekly statement reported a gain of \$102,000,000 in gold reserve, while discounts of commercial paper and advances made to member banks decreased \$124,000,000. It is to be noted that the Federal Reserve Bank notes outstanding now are \$612,200,000, as compared with \$229,200,000 on the corresponding date of 1917. With reference to the gold movement from Canada to New York in May, on account of the Canadian banks, it appears that most of the metal came from Central Gold Reserves. On April 30, 1918, the banks had \$19,710,000 gold in the Central Reserves, and the total had fallen to \$13,710,000 on May 31, 1918. The total amount on deposit in Central Reserves did not, however, change materially—the \$6,000,000 gold withdrawn being replaced by a like amount of Dominion notes.

### TRAFFIC RETURNS.

#### Canadian Pacific Railway.

Year to date	1916	1917	1918	Increase.
May 31	\$49,909,000	\$56,569,000	\$58,185,000	\$1,616,000
Week ending	1916	1917	1918	Increase
June 7	2,674,000	2,927,000	2,846,000	*81,000
" 14	2,920,000	3,165,000	2,914,100	*63,700
" 21	2,631,000	2,939,000	2,849,000	*90,000

#### Grand Trunk Railway.

Year to date	1916	1917	1918	Increase
May 31	\$22,162,815	\$24,274,445	\$25,560,375	\$1,285,930
Week ending	1916	1917	1918	Increase
June 7	\$1,147,091	\$1,333,194	\$1,383,669	50,475
" 14	1,113,418	1,348,185	1,541,392	193,207
" 21	1,152,446	1,441,424	1,621,993	180,569

#### Canadian Northern Railway.

Year to date	1916	1917	1918	Increase
May 31	\$12,669,200	\$15,564,600	\$16,562,700	998,100
Week ending	1916	1917	1918	Increase
June 7	\$1,107,091	\$906,700	\$843,100	*\$1,390
" 14	880,400	916,800	853,000	*251,000
" 21	744,300	911,400	916,300	4,900

\*—Decrease.

### LONDON & LANCASHIRE LIFE & GENERAL ASSURANCE ASSOCIATION, LIMITED.

The London & Lancashire Life & General Assurance Association, Limited, established in 1862, is one of the old British Life Officers which for the greater part of its long career was a life office pure and simple. In 1910 the London & Lancashire Life Assurance Company (as it was then called) following the lead of other important British Companies obtained powers to carry on every description of insurance (other than marine). Some judicious absorptions have since been effected and the company has made satisfactory progress in its new field of operations during the past few years.

The report for the year ending December 31, 1917, presented at the 55th Annual Meeting, indicates a success in each department. The company is naturally still mainly concerned with life insurance especially in Canada. In the life department new policies issued totalled \$4,526,548

as compared with \$3,156,005 in the preceding year, a substantial gain of \$1,370,543. The new premium income was \$242,246, as compared with \$129,350 in '916, a gain of \$112,896. The total income of the life department was raised from \$2,682,720 to \$2,919,350. The claims by death with bonus additions and including \$154,635 directly attributable to the war amounted to \$1,164,733, a very moderate increase of \$3,833 over 1913. An indication of careful selection of risks. Additionally to death claims endowment policies with bonus additions, matured to an amount of \$714,252.

After payment of all outgoings, and providing for depreciation in securities, the Life and Annuity Fund amounted to \$19,948,790. The company has more than doubled its holdings in British Government Securities, which now amount to \$4,314,971 as compared with \$2,153,170 in 1916.

Total assets have been increased by an amount of \$2,188,582 and now stand at \$24,668,447.

### Quinquennial Valuation.

The result of the valuation of the Life and Annuity business as at the 31st December, 1917, following the operations of the Association during the past quinquennium shows a net surplus of \$613,134. After making provision for the depreciation in the investments as well as the interim bonus paid to policyholders, etc., a net balance was left of \$92,353. In view of the present conditions, the directors considered it their duty not to divide any portion of this by the allotment of reversionary bonus to policies. This conservative policy is in line with the action of most of the other British Offices; and upon the return to more normal conditions it is confidently felt that correspondingly improved results may be anticipated. Had it not been for the extraordinary conditions of the times the surplus of the quinquennium would have been the largest in the history of the Association.

### The Company in Canada.

The London & Lancashire Life is better known in Canada than in any other field of its operations outside of England, having entered the Dominion in 1863 (55 years ago) and the important position occupied by the Canadian Branch, relatively to its whole business, is no doubt a source of much satisfaction to its energetic manager for Canada, Mr. Alex. Bissett, who has been connected with the company for nearly 35 years and under whose guidance the business has made steady and continuous progress. Policies new and taken up in Canada last year were \$1,277,458, a growth of \$95,807 over 1916, and \$201,807 over the year 1915.

The London & Lancashire Life has large investments in Canada amounting to over \$6,500,000.

The directors constituting the Canadian Board are prominent financial men in Canada, viz.: Andrew J. Dawes, President National Breweries and director Merchants Bank, Bell Telephone Co., etc.; 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.