

from the original thousand men, must naturally be vastly greater than would have been the case, in proportion to the number of men insured, if the whole thousand men had remained insured."

This means heavy claims and heavy claims mean profits, few and small. This authority also points out that the substantial profits made by some insurance offices came from a very large turn over, and represent but a very small percentage on that turnover. Since lapses mean a lessening instead of an increasing of the turnover, it follows that they mean a lessening instead of an increase of profits. Moreover, "every person who becomes a lapsed policyholder becomes unfriendly to insurance," which tends to make less business or to make an increase of business (and increase of profits thereby) more difficult and more costly.

## Affairs in London

*(Exclusive Correspondence of The Chronicle.)*

### The Depreciation in Gilt-Edged Securities—How Lloyds Bank Expansion is Viewed.

The question of the depreciation of gilt-edged securities cropped up in the House of Commons on Thursday, in connection with some questions on the Birkbeck Bank failure. The Chancellor of the Exchequer was very indignant at the suggestion that the failure of the bank is to be attributed to "Lloyd Georgian finance." He asserted that the depreciation in the securities of the Birkbeck Bank, according to information he had received from the bank's accountant, was to be attributed to the Boer War, when a Conservative Government was in power. The statement was greeted with roars of laughter by the Opposition benches. It is difficult to believe that the Chancellor of the Exchequer is serious in this matter, although he clearly lost his temper over the assertion that the fall in high-class stocks is due to the recent legislation of the Radical Government. The extent of the depreciation is becoming extremely serious. Since 1896 Consols have fallen over 33 points; Great Western Railway 4 p.c. debenture stock has fallen 51 points; North Eastern 3 p.c. debenture stock 43 points; London and North Western debentures 31 points. During this period foreign securities have advanced several points, some American railroad bonds having advanced as much as 15 and 20 points. I quite believe that if the Opposition pressed for a Commission to inquire into the causes of the present depreciation of gilt-edged securities, they would receive the strong support of not only the wealthy classes of the country, but also of bankers, insurance institutions, friendly societies and the great bulk of the middle class, which represents the saving class of the country. Whether the depreciation be due to the Boer War, to "Lloyd Georgian finance," or the unattractiveness of British stocks, it is certain that it is becoming a very grave question to all who have capital locked up in such securities.

### LLOYDS BANK AND FOREIGN AND COLONIAL BUSINESS.

The important decision recently come to by the directors and shareholders of Lloyds Bank to seek power to extend the bank's operations to the colonies and foreign countries may lead to vast developments in English banking. I have often commented in this letter upon the growth in number

of the branches of foreign and colonial banks established in London, and it is doubtless this increase which has directed the attention of the directors of Lloyds Bank to the possibility of getting some of this business by opening branches abroad. Banking opinion upon the new departure naturally differs. Conservative members of the profession do not view it with satisfaction, and think that money received on deposit at home should not be sent abroad to be used in enterprises outside of the country. There is little doubt, however, that if the foreign and colonial business of Lloyds' Bank grows, the present move will be generally followed by other banking institutions. There is, of course, no suggestion that the movement is in any way one of retaliation in connection with the way in which foreign and colonial banks have competed for business in this country. It appears to be merely an awakening to possibilities of banking expansion.

LONDONER.

London, E.C., June 17, 1911.

## Personals

MR. A. G. DENT, of Liverpool, general manager of the Liverpool & London & Globe, is expected to visit Montreal during the coming week. He was in Chicago a few days ago on his way from the Pacific Coast.

MR. J. J. M. PANGMAN, of Burnett & Co., and vice-president of the Montreal Stock Exchange, has left Montreal for London. Important results in the way of investments in Canadian securities are expected from his trip.

MR. HAMILTON FISHER, of Fisher & DesRosiers, stockbrokers, has returned from Porcupine, where he spent the last six months. He speaks confidently of the permanence of the Camp, but states it is one which only wealthy companies can operate as expenses to properly extract the gold will be high.

WE REGRET to learn of the demise at Sherbrooke, Que., on June 17, of Mr. Charles O. Palmer, at the age of about 70. Mr. Palmer was for several years connected with the Guardian Assurance Company, but retired in March, 1908, on a pension. Many friends in insurance and other circles will regret to hear of his death, and we associate ourselves in sympathy with the bereaved family.

MR. L. GOLDMAN, managing director, North American Life Assurance Company, of Toronto, visited Montreal during this week. He states that the North American Life is in a flourishing condition. Mr. Goldman also recalled to us the fact that the North American Life and THE CHRONICLE started their careers simultaneously. The North American Life commenced business and THE CHRONICLE's first number was published on January 1, 1881. Both have grown somewhat since then.

MR. F. J. COCKBURN, superintendent of branches, Province of Quebec, for the Bank of Montreal, was recently entertained to dinner at Quebec, where he has been local manager of the Bank of Montreal for a number of years. Hon. L. A. Taschereau presided, and other prominent Quebec men were among those present. Mr. A. E. Nash is Mr. Cockburn's successor as Quebec manager of the Bank of Montreal.