

results in leaving the minimum amount of money idle in people's pocket's. In both countries, by the use of cheques for the payment of the smallest debts, and the consequent extensive development of the clearing-house, we have conserved loanable capital to a much greater extent than in most other countries, but there are some interesting differences in the attitude of banks towards deposits in the two countries.

THE BANKS' DEPOSITS.

"In the United States, National and State banks, with exceptions which we need not discuss, do not pay interest on deposits, and this fact is often announced as something sound in principle. The man who has saved a small sum is thus left largely to the savings bank. The savings bank is often managed by trustees who naturally invest these deposits only in such bonds and mortgages as involve the least risk and the least trouble in reinvestment. In the crowded east this is well enough, but even there everyone cannot reach a savings bank. In other parts of the country the savings bank lends part of its deposits in ordinary commercial banking because the money is more needed for that purpose than for mortgage loans or local issues of bonds. It is possible in the large centres to sell mortgages and bonds created in smaller places, but it is not so easy to obtain commercial loans in that manner. It is true that the note-broker exists to obviate such difficulties, but he can only help the well-established borrower, whose less important brother borrower must obtain help at home or not at all. That the machinery for securing every deposit available is not sufficient seems to be evident from the success of your postal savings system."

Sir Edmund pointed out that in Canada the chartered banks held about ninety per cent. of the deposits. While the Canadian bank was as unwilling as the United States bank to pay interest on an ordinary current account, it was willing to take any deposit, literally from \$1 upward, upon the terms of its savings bank department and pay interest thereon. The deposits with the two kinds of savings banks carried on by the Canadian Government had increased only forty-five per cent. in twenty years, while the deposits of the chartered banks had increased 500 per cent. He argued that, therefore, through the system by which the small depositor in a remote village could secure the obligations of a great bank, and the branch system as applied also to lending money, a most excellent public service has been created for the securing of loanable capital and its equitable distribution. If the small amounts of deposits gathered in Canada by the special savings banks and the mortgage loan societies represented all that was available for land banking as compared with commercial banking, the situation would be far from satisfactory. The lending of money on farm and other classes of real estate was fortunately well organized.

Concluding Sir Edmund said: "My main purpose in addressing you is to urge—not merely because modern democracy is sure to demand it, but because from any point of consideration it is the wisest course—that we bankers in the study of whatever reforms are necessary in the respective systems under which we work, think of our business as a more or less

public service for the conduct of which we are somewhat responsible to the community in which we live as well as to our shareholders."

LONDON & LANCASHIRE LIFE AND GENERAL ASSURANCE ASSOCIATION, LIMITED.

After the exceptionally important year 1910, which was marked by numerous and far-reaching developments on the part of the London and Lancashire Life and General Assurance Association, Limited, 1911 presents itself as a period of that quiet and uneventful but steady progress which is, after all, the most effective for the building up of a financial organization. The Association will celebrate within the next twelve months its jubilee, and the indications are that some time ago, the staff set to work to make a particularly fine showing on the organization's fiftieth birthday. Some of the results of this resolve are to be seen in the newly issued annual statement for the year 1911, and no doubt, an even more effective display will be made in the jubilee balance sheet.

Established in the Dominion in 1863, the London and Lancashire Life, as it is widely called, has become fully as well-known in connection with its life business in Canada as in Great Britain. In 1910, the Canadian management of the Association was assumed by Mr. Alex. Bissett, who had been previously for over a quarter of a century associated with the London and Lancashire Life, and it may be noted that the chairman at the recent annual meeting held in London made a special point of congratulating the Canadian branch upon the excellent results which were achieved last year. Doubtless, under Mr. Bissett's efficient direction and with the excellent organization of the Association throughout Canada, the London and Lancashire Life will continue to occupy a prominent position in the Dominion, and largely increase its operations. The London and Lancashire Life's Canadian interests are on a large scale. At December 31 last, its assets in Canada totalled \$5,010,395.

Regarding the Association's life business during 1911, new business amounted to \$4,092,505, showing the considerable increase of \$800,000 over 1910. There was a total new premium income of \$150,833 against \$146,576 in 1910. The total net life premium income was \$1,623,450, also an increase over that for 1910. Claims by death, with bonus additions, amounted to \$717,153, and were well within the expectancy; while matured endowments with bonus additions were \$489,342. After payment of all outgoings, the life and annuity fund showed an increase of \$513,433, thus raising it to an aggregate of \$13,409,745. The total assets of the Company now exceed \$14,500,000. To complete the tale of these satisfactory figures, it may be said that the expansion of the year in the life business has been accompanied by a reduction of 1½ per cent. in the expense ratio—a "very pleasing feature" as the chairman remarked at the annual meeting.

It will be seen that on the whole an excellent year's work was done by Mr. W. Eneas Mackay, the skilful general manager and secretary, who is well known in Canada, and his staff, both in Great Britain and elsewhere. The prospects for equal success this year are undoubtedly bright.