

Interest.....	12,062	12,447
Discount and exchange.....	5,631	2,824
Q.M.O. & O. interest.....	305,024	306,210
Railway subsidies.....	9,415	8,353
Miscellaneous receipts.....	39,555	17,041
Trust funds.....	74,876	28,941
Sales of inscribed stock.....	—	31,771
Miscellaneous.....	95,908	105,968

Totals... \$4,995,118 \$4,778,130

EXPENDITURES.

	1904.	1903.
Public debt.....	\$1,607,902	\$1,577,583
Legislation.....	233,705	202,432
Civil government.....	273,915	272,437
Administration of justice.....	628,835	605,858
Public instruction.....	463,390	452,074
Colonization.....	136,000	110,500
Public works, ordinary.....	136,519	103,099
Public works, extraordinary.....	50,500	65,443
Agriculture.....	247,850	234,162
Lands, mines and fisheries.....	213,802	217,051
Lunatic asylums.....	365,825	353,825
Reformatory schools.....	58,650	60,000
Charities.....	45,210	45,210
Charges on revenues.....	179,783	128,291
Miscellaneous services.....	121,417	133,401
Montreal Exposition Co.....	36,130	3,824
Trust funds.....	35,022	100,744
Miscellaneous.....	54,533	54,715

Total... \$4,892,012 \$4,720,647

Excess of Receipts... 103,106

THE INVESTMENT ADVANTAGES OF COMBINED CAPITAL.

A passage in the lecture delivered by Mr. F. C. Oviatt before the University of Pennsylvania, states clearly one of the investment advantages possessed by insurance companies in their accumulated capital, and the aid given to the material development of a country by such accumulations.

Life insurance plays an important part as an economic factor in the material development of the country. In modern life accumulated capital is a great power. One hundred thousand men each possessed of \$1,000 of capital can only avail themselves of investments of the thousand-dollar class. This limitation cuts out many excellent investments from the individual possessed of small capital. He sees something which promises good returns upon the money, but the sum required is so large that his one thousand dollars is a negligible factor. The 100,000 men cannot be brought together at the time when this investment offers itself, so it has to be passed over to the man of large capital, who is fitted for handling such investments. Everyone who has had small sums to invest has experienced this difficulty, and has, no doubt, often asked himself how the small investor can be placed on a par with the large investor; has asked how the really choice investments which result from the development of the country can be placed to his hand in available shape. This important economic function is admirably performed through the medium of life insurance. The company gathers twenty dollars here and fifty dollars there, a hundred dollars there and a thousand dollars in still another place. Soon a large volume of money is ready for investment. With a hundred thousand dollars, or five hundred thousand dollars, or a million dollars, the company can go into the money markets and buy securities of the very highest class.

The men who desire to borrow money for the de-

velopment of business interests know that, if their security is first class, life insurance companies are ready to lend them money. By this means the man who has fifty dollars to invest in a given year insures its earning the same rate of interest upon the same safe security as can be obtained by the man with a million dollars to invest. It is hard to overestimate the value of this to the community. The investors know that the life insurance companies have money to invest, and so they offer them the securities they have to sell. Opportunities that would never be offered the individual are offered the insurance company.

No other medium for the investment of savings equals that of the life insurance company. There are, of course, other forms. Many persons patronize the savings banks. The savings bank, however, operates in a limited territory, and is not open to persons in small and medium size communities. The life insurance company, however, offers the same advantage to the farmer as it does to the resident of the metropolis. The man who, after he has sold his grain, his potatoes, his live stock, has a hundred dollars to invest, can do it just as satisfactory as the man who does business in the heart of the financial district of a great city. Then, again, this man who lives in a out-of-the-way place can time his life insurance investments so as to meet the time when his money is ready to invest.

He sells his property at about the same time every year, and he can have his premiums made payable at that time. If he is delayed a month or six weeks in receiving his money, the insurance company is willing to extend his time of payment. The life insurance company is, therefore, peculiarly well fitted in dealing with all kinds of people in all sections of the country and under all circumstances. In a sentence, the company accommodates itself to the needs of its patrons. It is always ready to help a man save his money and secure its highest earning power.

Another side of this power of accumulated capital is to be found in its aid in the development of business. The investments of a life insurance company are to be found in all parts of the country. They include all kinds of safe and profitable investments. The man who desires to borrow a thousand dollars on a first mortgage finds the company ready to do business with him. The man who plans the erection of an apartment house finds that when his plans are completed that the insurance company is ready to finance the investment up to the limit of wise financiering. The country, bank which has a larger capital than its citizens, can purchase, can sell its shares to the insurance company. The railroad company planning to improve its property can sell its bonds to the insurance company. The municipality bonding itself for park improvements, additional water supply and other municipal improvements, requiring the use of money for a long period of years, always expects a goodly amount of its bonds to find their way into the strong boxes of life insurance companies. So the life insurance company brings together the different persons and corporations who need to borrow large sums of money and the great multitude of individuals who have small sums to loan upon terms that are satisfactory to both. Were it not for the life insurance company, it would be difficult to collect these small sums and make them available for development purposes. There is scarce a great enterprise which has not had the use of some of the money of the small investor by reason of the wonderful development of life insurance.