But this attractiveness does more than merely increase the volume of business. The investment feature appeals to persons who do not feel the need of protection, and who have every confidence in their own prospects of longevity. These are the very best lives any company can get, and the mortality among them is surprisingly favorable. The rate of mortality is by no means similar under all plans, and is in fact favorable or unfavorable in direct proportion to the presence or absence of the investment feature. The experience of the Northwestern Mutual may be taken as an illustration:—

Term plan, actual deaths, 123.1 p.c. of expected, by Actuaries' table.

Life, without profits, actual deaths, 117.7 p.c. of expected.

Life, with profits, actual deaths, 83.7 p.c. of expected.

Limited Life, with profits, actual deaths, 70.2 p.c. of expected.

Endowment, with profits, actual deaths, 63.4 p.c. of expected.

This company also analyzed its deferred profit business according to the duration of the profit term, with the following results:

Deferred profit period, 10 years, 70.7 p.c. of expected.

Deferred profit period, 15 years, 62.2 p.c. of expected.

Deferred profit period, 20 years, 59.6 p.c. of expected.

A favorable mortality of course enables a company to do better for its policyholders, and the really wonderful results in this direction obtained on the deferred profit plan constitute a second and very important count in its favor.

But attractiveness and low mortality are by no means the only good points of the plan. I might enlarge on its power to reduce lapses by encouraging policyholders to persevere with their payments; its special equity when applied to under-average lives; and, perhaps more important than anything else, the fact that it is possible under this plan, and only under this plan, to make every policy bear its own expense without being a burden on others. Under the annual distribution system it is hardly possible to so arrange that the expense of securing new policies shall not have to be deducted in part at least from the profits of the old members, and by making annual distribution compulsory, the Armstrong law has simply clinched this injustice on the business. Under the deferred profit plan, when properly operated, it becomes a matter of indifference to the existing policyholders whether the new business be great or small. They get the full profits earned by them in any case. This feature is of special importance in Canada, for our population is rapidly increasing, especially in the Northwest, and our life companies should naturally expand at a more rapid rate than would be customary in older countries. Rapid expansion is impossible on the annual dividend system except with injustice to the existing policyholders, while the deferred profit system permits such expansion with perfect equity.

But notwithstanding these advantages, I am not blind to the other side. The deferred profit plan has in the past been subject to two evils. One has been the holding out of estimates which have not been fulfilled. The other has been the absence of any form of accounting. If companies