

\$90.00 in all. The approximate comparative values of these items at the end of a twenty year term is, therefore, as follows:—

A reduction of 10 per cent. in expense of securing business	\$ 6.62
A reduction of 20 per cent. in same.....	13.24
A difference of 1 per cent. in the interest earned by the company, about.	45.00
The usual saving in mortality due to selection, about.....	60.00
Additional saving in mortality if business be on deferred profit plan.....	30.00
Total saving in mortality.....	90.00

It will be seen that a reduction in initial expense, highly desirable though that be, is of minor importance to policyholders compared with other sources of profit. The saving in mortality which a company experiences because of the superior quality of lives assured under deferred profit policies, is alone sufficient to offset twice over the additional initial expense complained of. A saving in one department is of course no justification for extravagance in another, but their relative importance should be understood, and no one factor should be enlarged and distorted through a magnifying glass, while other factors are belittled. Do not suppose from this that I underestimate the value of strict economy. That point is of prime importance, but nothing is really gained by shutting our eyes to other facts.

Attempts to legally regulate the operating details of any business are rarely successful and rarely reduce the cost. What may be saved in one direction is usually more than lost in another, and life assurance is no exception to this rule. If every company is required to publish such details as will make clear to the public just what profits they pay on every form of policy and furthermore exactly what provision they have made for profits on policies not yet matured, a rivalry will result as to which office can do the best for its policyholders, and this competition will have more effect in increasing profits than any restrictive measure.

But strange as it may appear, the very limitation of expense imposed by the Armstrong law would, if adopted in Canada, result in an immediate increase in the premiums charged by Canadian companies. This is one of the unexpected results which are apt to result from radical legislation of any kind. If the amount which a company may expend be based in whole or in part on the loadings, or margins, contained in its premiums, so that a company which charges high premiums may expend more than one which charges low premiums, the result is almost certain to be an increase in the premiums charged. To penalize companies which charge low premiums and reward those which charge more can have but one end. The premiums charged by Canadian companies are at present lower than those of the leading American offices, but it is practically certain that if the limitation of expense proposed by our commissioners were passed in Canada, one of the first results would be that all Canadian premiums would be raised to at least the American level, for the Canadian companies would have to do