

of the company to pay the amount of their policies at maturity. Indeed, we would go further and say that, there never was a time in the history of the world when it was more essential that the public should have the protection afforded by life assurance. These are days when speculation is rife, when fortunes are rapidly made and lost, which conditions render it incumbent upon all prudent persons to make provision for those dependent upon them by taking out a policy of life assurance. The public should not be led away by the wild statements and babblings of a few irresponsible and ill-informed writers, many of whom are endeavouring to gain notoriety by making unjustifiable statements in regard to the position of some of the life offices. That there have been extravagances no one can gainsay; but what business can be named where extravagances have not existed? Taken on the whole, there is perhaps less of it in connection with the business life assurance than in that of any other enterprise. It may be desirable to enact more stringent laws which will hedge around expenditures and investments even more rigorously than in the past, but we believe the business of life assurance will be all the better because of the investigation which is taking place, and that it will become more popular in the future when the public more generally realize upon what an impregnable financial basis the business of the leading life assurance companies is built.

INTERESTS EARNINGS OF THE LIFE COMPANIES TRANSACTING BUSINESS IN CANADA IN THE YEARS 1901. 1902. 1903. 1904.

INTEREST EARNINGS, TABLE OF GREAT VALUE; PRINCIPLE TO BE OBSERVED IN INVESTING LIFE COMPANY FUNDS; THEY CONSTITUTE THE MOST SACRED OF TRUSTS; HOW INTEREST ON ASSETS ARRIVED AT, MEAN ASSETS IN YEARS 1882 TO 1904; PERCENTAGES OF INCREASE, LIST OF INTEREST RATES REALIZED SINCE 1882, MOVEMENT TOWARDS INTEREST RATES BEING EQUALIZED.

In our issue of 27th October last, we published a table showing the interest earnings and the rate of interest realized on the mean assets of the life insurance companies actively transacting business in Canada for the years 1901, 1902, 1903, 1904.

A table of a similar kind has been prepared specially for and published by THE CHRONICLE for many years. These statistics always excite great interest, never more so than this year. Our brief comments thereon have been republished by other journals and honourably acknowledged.

It cannot be too often nor too emphatically affirmed that the business of a life assurance company is not to make profits on handling securities. If, in the process of investing funds as they accumulate, it may be deemed advisable to sell some security in order to acquire a preferable investment, there can be no valid objection to such a course. But, to buy securities for speculation, to take the risk of loss as well as the chance of gain is a form

of business which is so far outside its legitimate sphere as to be reprehensible in the management of a life assurance company.

The very essence of life assurance is the element of trusteeship. The contributors to the business income of a life company are not in a position to watch over its affairs. They pay in their premiums annually, or semi-annually in confident reliance upon those funds being so utilized as to produce the financial results necessary for the fulfilment of the company's contract. As, upon such fulfilment, there depends in so many cases the livelihood of widows, orphans, or others for whose benefit the life assurance was provided, the confidence placed in the company by a policy-holder constitutes the most sacred of trusts, so sacred indeed that a breach of it is a heinous crime.

Consciousness of trusteeship, in this sense, should never be lost by investors of life assurance funds.

To find the amount of interest earned we took the amount of cash reported as received for interest, rents and added thereto the amount of due and accrued interest and rents for the given year and deducted from the total the due and accrued interest and rents as they stood at the close of preceding year. This process yields the amount of interest realized on the Mean Assets for the current year.

A critic thinks that, to the interest so ascertained ought to be added any profit made on the sale of securities, also the excess value of the securities over their value in preceding year. Such a view would find no favour amongst managers who have any experience, or knowledge of finance. Between interest on securities and profits made by handling them there is a vital distinction, the obscuration of which would be liable to have dangerous results.

The following table shows the respective amounts of the Mean Assets of the Canadian, British and American life companies transacting life assurance business in Canada for year 1882 to 1904, both inclusive, with the exception of 1892.

MEAN ASSETS IN YEARS 1882 TO 1904.

Year.	Canadian Companies.	British Companies.	American Companies.
1904.....	\$82,113,536	\$88,637,066	\$1,409,249,677
1903.....	73,718,614	81,660,873	1,289,212,763
1902.....	66,386,980	74,741,094	1,185,750,271
1901.....	59,619,026	71,957,717	1,079,782,871
1900.....	53,614,037	69,010,667	944,892,664
1899.....	48,305,718	66,115,202	902,371,835
1898.....	43,542,782	63,480,923	828,275,007
1897.....	38,632,394	60,902,916	760,804,884
1896.....	34,975,292	58,306,238	694,195,465
1895.....	31,788,542	53,400,280	650,941,478
1894.....	28,865,297	52,133,744	598,812,109
1893.....	25,780,051	50,601,181	550,977,744
1891.....	20,564,585	48,151,219	467,305,630
1890.....	18,399,884	46,646,409	426,916,057
1889.....	15,772,891	44,603,450	399,642,574
1888.....	13,643,784	41,467,000	345,694,681
1887.....	12,127,378	41,081,395	319,869,221
1886.....	10,874,424	39,956,950	294,870,691
1885.....	9,606,245	2,847,994
1884.....	8,500,972	36,743,103	255,604,706
1883.....	7,507,884	238,872,362
1882.....	6,577,778	226,515,787