

SOVEREIGN LIFE ASSURANCE COMPANY.

The Second Annual Report of the Sovereign Life Assurance Company for year ending 31st December, 1904, must be regarded as satisfactory by the shareholders and policy-holders. A copy of the report appears on a later page in this issue.

During the past year 359 policies were issued for \$680,823 and 31 applications for \$37,665 were declined. The interest earned by the Company was more than sufficient to pay the claims to policy-holders.

The following table shows the progress made by the company in the past year:

	1903.	1904.	Increase + or Decrease.—
	\$	\$	\$
Net premiums.....	27,659	61,820	+ 34,161
Interest	2,079	5,582	+ 3,503
Capital stock and premiums...	111,956	123,756	+ 11,800
Total income.....	141,694	191,158	+ 49,464
Paid policy-holders.....		6,980	+ 6,980
Expenses	45,011	54,638	+ 9,627
Total outgo.....	45,011	61,618	+ 16,607
Excess of income over outgo..	69,683	129,540	+ 59,857
Reserves.....	31,522	77,326	+ 45,804
Total assets.....	111,222	245,650	+ 134,428
Surplus to policy-holders.....	79,700	168,324	+ 98,624
Assurance in force.....	737,300	1,282,623	+ 545,323

An excellent feature of the report is the strong reserves held by the company under its policies, the calculations being based on the New British Offices Mortality Tables with interest at 3 p.c. for participating and $3\frac{1}{2}$ for non-participating policies.

Mr. Hoover, president and managing director, is to be commended and congratulated upon his making the aim of the Sovereign Life to be, not securing a large amount of business of an ephemeral character, necessitating heavy expenditures, but such business as will be steady, progressive and permanent.

THE CANADIAN MANUFACTURERS ASSOCIATION AND THE PROPOSED MUTUAL FIRE INSURANCE CO.

For some time past the impression has been created that the above association contemplates the formation of a Mutual Company for the purpose of taking care of the risks of its own members. In the issue of THE CHRONICLE of January 20 and at other times, we pointed out the folly of this course and its almost certain failure. We do not suppose that our suggestion has had much influence with the Manufacturers' Association. Nevertheless, we are in a position to definitely state that no such organization is contemplated. Whatever may be the purposes of the Department recently created—and time alone will tell what they are—we should not look for much success unless the work is confined to that of a purely advisory

character. Apart from every other consideration it is doubtful if the banks upon whom the manufacturers so largely depend, would be satisfied to make advances on the security of a Mutual Company if formed by themselves or such other unlicensed or wildcat scheme as may offer cheap but unreliable insurance.

If the so-called Insurance Department will seek to reduce the tremendous fire waste in this country by improvements in the risks of its members and co-operation with the Fire Insurance Companies in raising the standard of municipal fire protection, they will be doing a service that will alike benefit themselves, the public, and fire insurance generally.

REVENUE AND EXPENDITURES OF THE UNITED STATES.

The Secretary of the United States Treasury in his report for 1904, estimates the revenues of the Government for the fiscal year 1905 as follows:

	\$
From Customs.....	263,000,000
From Internal Revenue.....	233,000,000
From Postal Revenues.....	159,472,060
From Miscellaneous sources, as, sales of public lands, profits on coinage, etc., bank taxes, etc., etc.....	45,000,000
Total Estimated Revenue.....	\$700,472,060

The expenditures for fiscal year 1905 are estimated as follows:

	\$
For the Civil establishment.....	138,000,000
For the Military establishment.....	122,000,000
For the Naval establishment.....	122,000,000
For the Indian service.....	13,000,000
For Pensions.....	140,000,000
For Interest on the Public Debt.....	24,000,000
For Postal service.....	159,472,060
Total Estimated Expenditures.....	\$718,472,060
Result, a deficit of.....	\$18,000,000

For the year ended June 30, 1904, the Total Revenue receipts were.....	684,214,373
Total Expenditures.....	725,984,945
Leaving a deficit of.....	\$41,770,571

This deficit was caused by an outlay of \$50,000,000 for right of way of the Panama Canal.

The movement of the Customs revenue is the feature of special interest to us in Canada. In 1904 the receipts were \$23,000,000 less than in 1903 owing to exceptional conditions. In 1903 the duties on iron and steel and manufactures thereof were \$17,000,000, and only \$9,000,000 in 1904, the native productive capacity in 1904 having been more equal to the demands of American consumers than in 1903. The abolition of the war tax on tea and the counter-vailing duty on sugar caused a reduction of \$2,300,000.