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the Fund, reducing the Circuit Assessments and increasing the Ministerial Subscriptions. The readjustment resulted in a net increase of about \$2,000 in the annual income, yet the next year, the year the change went into effect, there was a deficit of \$6,400. In the following year a discount of 6 per cent. was made in the annuities, but the amount borrowed from the Permanent Fund was increased by \$5,000. Each of the seven years following the annuities were discounted by 10 per cent., yet at the end of July, 1903, the indebtedness to the Permanent Fund had increased to \$26,000. The General Conference of 1902 reduced the scale of allowance by 10 per cent., making it the same as the actual distribution of the previous seven years; it also increased the Circuit Assessment by 20 per cent. and the aggregate of Ministerial Subscriptions by about 10 per cent., thus providing an additional revenue of \$13,000. This has resulted in a succession of annual surpluses. In 1904 the surplus was \$7,800; in 1905 it was \$10,500; this year (1906) the surplus is \$12,670.68. The surpluses wipe out the \$26,000 deficit and leave a credit balance of \$4,753.40.

The Secretary of the Commission has prepared tables showing that during the past 20 years the average annual increase in the income of the Fund has been two and a half per cent., and during the same period the average increase in annuities has been three and a half per cent. The following percentages of average annual increases, covering the past 20 years, are of interest as illustrating the abnormal increase of annuities:

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| Increase in the population of Canada | 1½ per cent. |
| Increase in the adherents of Methodist Church..... | 1½ per cent. |
| Increase in the ministers of the Methodist Church... | 1½ per cent. |
| Increase in the income of Superannuation Fund..... | 2½ per cent. |
| Increase in the claims on Superannuation Fund..... | 3½ per cent. |

It is this disparity between income and expenditure that furnishes the problem with which we are compelled to grapple.

The abnormal increase is accompanied by an increasing proportion of claimants as compared with ministers in the active work. The proportion of widows to ministers in the active work is practically the same in England, Australia, and Canada, there being one widow for every six and a half active ministers.

The proportion of superannuated to active ministers varies, and is as follows:—

Australia, one to seven.

British Prim. Meth., one to six and three-quarters.