one-third went for expenses of conducting the companies. That is to say, 32.08 per cent. of the total premium income and 25.46 per cent. of the total income was thus absorbed. So much should not be necessary. Half the amount is found sufficient for the purpose by companies in Great Britain, and we do not see how Canadian companies should need double what they find ample. Different elements that enter into various phases of the business make it unfair to apply the same test to all, namely, the percentage of expenses to income. But out of twenty companies we may take half, and compare their ratio of expense. The newer companies are at a disadvantage in such a comparison, and industrial companies must necessarily be at greater expense. Still we compare the older and larger companies as under, giving total income and total expenses, and noting the percentage in each case. They are placed in the order of their gross amount in force:

	Total income.	General expenses.	Percentage of expense to income.
Canada Life	$4,293,689	$921,600	21.46
Sun Life	4,561,798	1,098,971	24.09
Mutual of Canada	1,725,308	300,095	17.38
Confederation ..	1,702,799	331,402	19.46
North American .	1,504,063	395,406	26.28
Manufacturers ..	1,659,197	394,645	23.78
Great West	796,209	221,877	27.86
Imperial	708,975	228,105	32.15
Federal	617,853	171,006	27.67
Dominion	206,763	50,127	24.24

The Great West and the Imperial, being younger companies, must be expected to have a larger ratio of expense than older ones. The like may be said of the Excelsior and the Home Life, which are not in the above list. The London would probably show a smaller ratio but for its large share of industrial business. Of the ten companies listed above, the average expense is 24.43 per cent. of the total income. The lowest being 17.38, and the highest 32.15. The question is not unnatural why the expenses of the Canada Life are larger than those of the Mutual Life, or the Confederation Life, both of which are younger companies. The still larger ratio of the Sun is to be accounted for, we presume, because it does business in so many distant parts of the world where its Canadian competitors have not penetrated. It is to be remembered, besides, that the Canada, the Confederation, the Imperial, the Manufacturers, the Mutual, the North American, and the Sun all do business outside the Dominion, and this adds to their expense ratio. We happen to know that the managers of some of our life companies are very desirous to lower their ratio of expense, but the fear of losing business appears to deter them from any decisive step in reduction of commissions, and what not. The present is a good time to make resolves in the direction of economy where economy is needed.

ENGLISH JOINT STOCK COMPANY LAWS.

Notwithstanding the many amendments which have been made in recent years in the British statutes regarding joint stock companies, there are still a great many needed, if we are to judge from several of the speeches which were made at the autumnal conference of the Incorporated Society of Accountants and Auditors in Sheffield last month. The basis of the present laws on the subject was, we believe, laid as far back as 1862, but since then, from time to time many serious defects have been discovered, which have been remedied so far as the wisdom of Parliament could direct. As recently, however, as the year 1900 it was realized that a thorough over-hauling of the regulations was still highly necessary.

Companies much over-capitalized, burdened with a goodwill account out of all proportion to their capacity to earn profits, and left by their founders in numerous instances with insufficient working capital, continued to be launched, and the shares subscribed for by a too-confiding investing public. There being no need to disclose in detail exactly what the company was formed to purchase, this over-capitalization was rendered simple; hence we read of nearly a million of money being realized as the profit of the promotion of one scheme. Companies, too, were re-formed, a million pounds or so added to their capital and offered to the public, who, fascinated by a popular name or article, subscribed for the shares, never pausing to think that they were buying the same concern carrying on the same business, with possibly a slightly-increased turnover, but certainly not enough to justify the amount of increased capital. Another serious defect was the power possessed by directors of companies to proceed to allotment, with manifestly not enough money to successfully carry on the business—a defect productive of much loss to the investor.

The Act of 1900 certainly did much to minimize these evils; it served also to reduce very considerably the number of companies launched. But even it did not render the regulations perfect from an investor's point of view, as was set forth in an address to the conference by Mr. A. E. Woodington, of London. For instance, he stated that, while the object of ordering the filing of returns by allotment, and of notices of statutory meetings, etc., was to enable a shareholder to see exactly what has been done with the money subscribed, and what amount is left to provide working capital for the business, this object was by no means always attained, the reports being sometimes issued in such a way that, though meeting the letter of the law, they were altogether lacking as a means of real protection for investors.

Another matter taken up by the gentleman before mentioned, was the qualification of directors by a direct holding in their company. In his opinion, this is a provision which does not mean a great deal. It is held, of course, that a substantial stake in any undertaking is the best guarantee of fidelity to the company's interests. But a compulsory investment by a director of, say, £500 in a company which has a capital of half-a-million or more, does not guarantee fidelity any more than it does competency or business ability. Another matter which is becoming of serious importance is the personal liability of directors. Numerous actions have been taken in recent years for non-disclosure of material facts in prospectuses, and many with success. Considering the difficulty of deciding what may ultimately prove to be material, responsible men are often deterred from accepting office.

Mr. Woodington makes a plea for the simplification of the whole code of laws regulating joint stock companies in England. It has been generally recognized that the status of the law in that coun-