balance of $37,162 to be carried forward at credit of profit and loss.

On such a result of the operations of last year the shareholders of the Royal Bank and the general manager, Mr. Edson L. Pease, are to be congratulated. The immediately available assets of this highly prosperous and progressive bank stand at $18,398,-913, which exceeds by $3,500,000 the deposits bearing interest, and equals about 70 per cent. of the total deposits. In this feature the Royal Bank stands in a very prominent position of strength.

That the Royal enjoys such a degree of public confidence as to have raised the deposits to $26,-435,600, which is over 8 times the paid-up capital, an exceptionally high proportion, is the fruit of conservative management which the depositing classes are not slow to recognize and appreciate. In 1905 the deposits rose from $21,945,144 to $26,435,658, an increase of $4,490,514.

The circulation at close of 1905 stood at $2,820,-791, over a month after the maximum had been reached. This figure is near to the limit.

The current loans and discounts advanced in the past year from $15,418,166 to $17,511,571, the addition made being $2,093,405.

The Royal Bank of Canada, under the present management, has risen to a front place in the ranks of Canadian financial institutions.

MODERN LIFE INSURANCE.

ITS DEVELOPMENT AND PRESENT PROBLEMS.

An Address on the above topic was delivered on 20th ult., before the Massachusetts' Reform Club, Boston, by Mr. Gage G. Tarbell, second vice-president of the Equitable Life Assurance Society, New York.

The address opens with a brief allusion to the antiquity of the life insurance principle, and its adoption in America. The following are the more interesting passages in Mr. Tarbell's Address:

The New York State Insurance Department was established in 1859, and at the close of that year there were fourteen companies reporting to that Department.

The growth of life insurance was then continuous and rapid until about 1870, when there were seventy-one old line life insurance companies reporting to the New York State Insurance Department, forty-one of them being New York State companies, and thirty companies from other States. These seventy-one companies had outstanding insurance of $2,-023,000,000. During the following year, however, companies began to go out of existence, and kept going out of existence until there were only twenty-nine companies left doing business in the State of New York in 1881; and it was not until 1886 that all the companies doing business in the State of New York showed as much outstanding insurance as they had before the set-back. This great set-back to life insurance was largely the result of three things: First, the great increase in the number of companies during the late sixties, which were organized for money-making purposes and officered by inexperienced and untried men. Second, the financial panic of 1873. Third, the ruinous competition between companies in the extravagant distribution of dividends.

I think perhaps the marvelous and unexampled growth of life insurance companies from 1859 down to the present time, which includes the fifteen years of depression, can best be understood by the following comparison.

The fourteen companies reporting to the New York State Department at the close of 1859 had about $141,500,000 of insurance in force, about $20,-500,000 of assets and about $5,000,000 of surplus. On December 31 last, the forty-two companies reporting to the New York State Department showed insurance in force of over $12,081,000,000, assets of more than $2,454,000,000, and surplus of over $357, 000,000. Thus it will be seen that the increase of assets of the companies reporting to the New York State Department from 1859 to 1904 was nearly 12,000 per cent., and the increase in surplus nearly 7,000 per cent. During the same period the increase in the assets of all the railroads in the United States was only about 1,100 per cent., while the material wealth of the United States from 1860 to 1900 had increased less than 500 per cent.

This unparalleled growth certainly tends to show that the great business of life insurance must have been on the whole very well managed. However, when we consider that the percentage of increase of life insurance during the past forty-five years has been ten times greater than that of our railroads and twenty times greater than the material wealth of our country, with human nature the same as it has been for thousands of years, perhaps it is not to be wondered that the management of the business was not altogether perfect, as it would surely be too much to expect that life insurance should prove in this respect an exception to all other kinds of business.

There has not been a single failure of an old line life insurance company during the past ten years. On the other hand, I am advised by R. G. Dun & Company, that during the past ten years there have been more than 120,000 commercial failures with liabilities of nearly $1,540,000,000; more than 1,000 bank failures, with liabilities of $250,000,0000; and more than 150 railroad receiverships involving nearly 20,000 miles of railroad and stock and bond issues to the extent of more than one billion dollars. What a contrast, and what an opportunity it affords for reflection, especially at a time when the public mind is in danger of being grossly misled in the opinion it is forming of our life insurance companies.