

In accordance with the charter of this company its industrial accounts and ordinary accounts are kept separately. Every item of expense which is directly chargeable to the ordinary department is so charged, and all items of a general character such as rents and officers' salaries are apportioned between the two departments.

Our gain and loss exhibit for the year 1908 on the total ordinary business while showing a loss of \$623,479.48 on loadings as compared with expenses, shows a gain from interest over that required to maintain the reserve of \$832,794.19 and a gain from mortality of \$1,204,922.94. There were other gains and losses, such as a loss of \$1,648,111.33 on account of dividends paid to certain mutual policies issued prior to January 1, 1907, but the two principal items of gain to which we wish to direct your attention are interest and mortality. The total surplus standing to the credit of the ordinary department at the end of 1908 was \$3,197,462.17.

In the ordinary department is included the intermediate branch out of which participating intermediate policies for \$500 each were issued prior to January 1, 1907. Taking the non-participating business exclusively in the ordinary department and which outside of the intermediate branch constitutes practically all of our ordinary business, we showed a surplus at the end of 1908 of \$991,718 after deducting \$370,000 for depreciation in the cost of stocks and bonds over the market value.

Pardon the length of this letter, but we consider it important that you should know that no expenses are paid out of the industrial department which are not properly chargeable to the business of that department.

Yours truly,

J. M. CRAIG,
Actuary.

EXTRACT FROM 'LONDON ADVERTISER' HANDED TO COMMITTEE.

LIFE ASSURANCE BILL: BENEFIT OF FREEDOM.

Prof. Irving Fisher, of Yale University, and president of the committee of one hundred on national health, recently delivered an address before the association of life insurance presidents, on the economic aspects of lengthening human life. His first sentence was: 'Concerted action by life insurance companies to lengthen human life would mark, I believe, one of the greatest steps, if not the greatest step, ever yet taken toward the improvement of human longevity.' His facts and arguments are very interesting and practical.

After pointing out that human mortality does not follow a nearly invariable law, but is very much affected by the hygienic state of the community, he gives some statistics. In India, the duration of life for males is 23 years, and for females 24 years, being less than half the span of life in the advanced countries of Europe. Europe itself has probably doubled in the last 350 years, and is today lengthening more rapidly than ever. The life tables for different periods for England, France, Prussia, Denmark, Sweden, and Massachusetts, show that during the seventeenth and eighteenth centuries life lengthened four years per century, while for the first three-quarters of the nineteenth century, it was at the rate of nine years. At present in Europe it is lengthening at the rate of seventeen years per century. In Prussia, the rate is twenty-seven years, while in Massachusetts it is fourteen years.

Sanitary conditions affect the length of human life; the insured poor have a mortality rate 50 to 80 per cent higher than the insured rich or well-to-do. 'A fall of the death rate always promptly follows sanitation.' 'Human life in America could by the adoption of hygienic reforms already known and entirely practicable, be lengthened by over one-third—that is, over fifteen years.' He then points out that the degrees of preventability or postponability of death due to various causes of death in America are very large. 'It shows that over a third of all deaths which now occur could be prevented—that is to say, deferred.' As to the practical effect, 'actuaries' tables show that a reduction of one-third in mortality would enable the premium to be