

to be upward rather than downward. The following tables will furnish simple facts as to what the companies have been able to realize on their investments in the immediate past, and will prove to be interesting to all parties. The method for arriving at the results indicated has been used in all our previous interest calculations, and we believe it to be the correct method. It is this: For the Canadian companies we use the Dominion Insurance Report, and for the American companies the New York Report, to ascertain the mean amount of ledger assets at market value. To the cash income from interest, rents, etc., as shown in the reports, we add the accrued and overdue interest for the year, under consideration and then subtract the overdue and accrued interest of the preceding year. The remainder is the interest of the current year earned on the mean assets. Following is the record of the Canadian companies:—

CANADIAN LIFE COMPANIES.

Company.	Rate 1892	Rate 1893	Rate 1894	Rate 1895	Mean Amount of Assets, 1896	Interest earned, 1896.	Rate 1896.
					\$	\$	
Canada Life.	5.33	5.37	5.10	4.47	16,123,069	758,672	4.70
Confederon	4.94	4.75	4.50	4.33	5,265,443	233,677	4.44
Dom. Life	5.21	5.24	5.27	5.23	207,805	11,500	5.53
Federal Life	7.43	6.95	6.40	5.78	455,298	26,119	5.73
Great West.	5.03	5.56	5.12	4.55	235,163	11,009	5.10
London Life	5.70	5.72	5.63	5.70	533,445	30,383	5.69
Manufacturers	4.80	5.12	5.12	5.06	1,000,267	40,165	4.91
North Amer.	5.80	5.28	5.36	4.83	2,288,866	108,259	4.73
Ontario Mut	5.06	5.77	5.83	5.08	3,032,056	163,427	5.45
Sun Life	5.38	5.83	5.76	5.13	5,422,547	251,154	4.63
Temp. & Gen	4.93	4.84	4.90	4.67	410,433	19,203	4.68
Totals....	5.37	5.35	5.24	4.68	\$34,975,292	\$1,665,558	4.76

It will be observed that several of the above companies show a slight increase in the rate of 1896 as compared with the preceding year, one only showing any marked decrease, while the average rate of all the companies shows an increase which, though not large, is a gratifying indication, and suggests that the low point of 1895 having been reached, the swing of the pendulum may now be the other way. Following is the record of the American companies, which presents little variation in 1896 from the former year:—

AMERICAN LIFE COMPANIES.

Company	Rate including profits on investments 1892	Rate including profits on investments 1893	Rate including profits on investments 1894	Rate including profits on investments 1895	Mean Amount of Assets, 1896	Interest earned, 1896.	Rate 1896.
					\$	\$	
Aetna Life...	5.17	5.29	5.20	5.25	43,090,940	2,394,266	5.56
do with profits.....						2,301,227	5.57
Equitable...	4.30	4.32	4.46	4.27	204,267,393	8,029,525	4.38
Germania...	5.01	5.12	5.02	5.02	21,116,414	1,057,190	5.00
Mutual.....	5.02	4.87	4.77	5.23	222,311,286	10,108,929	4.55
do with profits.....						10,557,726	4.75
New York...	4.91	4.97	4.70	4.58	175,606,184	8,121,374	4.63
Prov. Sav'gs.	4.94	4.91	5.38	4.98	1,702,550	90,447	5.04
Travelers L...	4.24	5.42	5.66	4.90	16,207,450	796,521	4.91
Union Mut.	4.35	5.14	4.04	4.99	6,067,903	314,375	4.72
United Stat.	4.95	5.00	4.98	4.70	7,135,339	343,952	4.82
Totals....						32,136,679	4.65
With profits....	4.83	4.74	4.72	4.88	698,105,465	32,612,437	4.67

From the above it appears that the American companies experienced a decrease from 1895 of about one-fifth of one per cent. on the general average, though

there was an actual increase made by six of the nine companies, a decrease by only three. This statement is based on a comparison of interest earned, leaving out "profits" for the two years. In the above table all the figures include for the four years in the left hand columns "with profit" rates, which affect three companies, the Equitable, the Travelers and the Union Mutual, which, in 1895, were figured "with profits," and which, in 1896, reported none on sale of securities, etc. The Mutual Life shows a decrease, profits eliminated for both years of 0.54, or a little over one-half of one per cent., while the decrease of the Germania was merely nominal, 0.02 per cent. It is the decrease of the Mutual Life that affects the average, though, as before stated, six of the companies had an increase. In considering the above rates, which are based on market value of assets, instead of cost or par value, for both the Canadian and American companies, it should be remembered that, if the interest were calculated on the basis of cost value of assets, the rate would be considerably increased. The extent to which the inclusion of market values affects the problem as regards the American companies may be seen from the excess of market over cost value each year for the four years given below:

Company.	Excess, 1893.	Excess, 1894.	Excess, 1895.	Excess, 1896.
	\$	\$	\$	\$
Aetna.....	622,804	653,993	662,115	574,572
Equitable....	944,704	2,466,105	3,093,308	2,796,863
Mutual.....	4,190,857	5,423,051	6,467,408	6,675,887
New York....	4,084,413	4,676,261	5,110,811	5,876,275
Union Mut....	69,118	71,756	88,114
United States..	11,379	41,685	43,240	88,301
Totals.....	\$9,854,157	\$13,329,613	\$15,448,665	\$16,100,912

We pass now to the experiences of the three British companies transacting an active business in the Dominion, based on the figures found in the home office reports of these companies, from which we obtain the same factors as used in the treatment of the companies in the above tables; i.e., the mean assets are obtained by deducting from gross assets for each year all outstanding premiums and accrued and overdue interest, the interest factor being found by deducting from combined interest received, accrued and overdue, the accrued and overdue interest of the preceding year. Following is the result:—

BRITISH LIFE COMPANIES.

Company.	Rate 1892	Rate 1893	Rate 1894	Rate 1895	Mean Amount of Assets, 1896	Interest earned, 1896.	Rate 1896.
					\$	\$	
British Empire.	4.13	3.92	4.35	4.61	12,401,171	497,410	4.00
Lon. & Lanc.	4.59	4.38	4.20	4.23	5,389,077	230,655	4.28
Standard Life...	4.16	4.00	4.20	4.00	40,513,082	1,643,092	4.06
Totals.....	4.19	4.09	4.34	4.10	\$8,306,238	2,371,157	4.08

* In the above we have included \$31,810 income tax refunded and profit on exchange. * Estimated for 1896.

The British Empire took over the "Positive Life" as on Jan. 1st, 1896, complete data not being obtainable, the figures given in the above table are a very close approximation. It should be said that the "Positive's" investments being in very high class securities necessarily mean a low rate of interest. This is the cause of the reduction in the rate of the British Empire. It will be seen that these companies have a combined experience for 1896, which shows a slight decrease in the rate of interest as compared with the previous four years.