annuity, for the purchase of an annuity on the widow's life, according to the tables above-mentioned. The amount of the annuity which the widow will receive depends upon her age at her husband's death, and to provide for it, a net annual premium, equal to 50 per cent. of the premium for the husband's annuity, is deemed sufficient, or say $13.35, making the total net annual premium for both the husband's and the wife's annuity $40.05.

I understand that an annual allowance of twenty dollars is at present made for each child of a deceased minister, until it attains the age of sixteen. Although the aggregate annual claim upon the Fund for this purpose is not large, it is recommended that this payment be discontinued, it being difficult, if not impossible, to compute a premium with sufficient accuracy to meet this obligation.

As there are certain expenses connected with the administration of this Fund, an addition or "loading" of $10.00 to the net premium is thought to be ample and, therefore, the gross annual premium would be $50.05. Upon the assumption that all future claims will be paid according to the annuities in Table B., and that present claims will be scaled down to the same basis, this annual payment, I believe, is ample to provide for such annuities from this time forth, no account being taken of the deficit in the reserve which should now be in hand.

I have examined the valuation schedules prepared by Mr. Hilliard and tested individual cases of his computation, which satisfied me that his formulas for ascertaining the present liability under the Fund, and his calculations are correct. Taking the annuities at the amounts now being allowed to present claimants (which will be required to be reduced) and the annuities to be paid to future claimants, according to the new scale, the total liability is approximately, $2,317,000, and this amount should now be on hand, invested to earn at least 3 per cent. The amount actually invested is, I believe, but $270,000, so that there is a deficit of over $2,000,000.

The Fund is, therefore, insolvent, and while nothing short of making good the deficit mentioned will place it upon a sound actuarial basis, something can be done to check its rapid depletion, by providing for interest upon such deficit and by reducing the annuities as already mentioned. I understand that the total revenue for 1903 is, approximately, $100 for each active minister. As $50.00 is the premium required for future obligations, the remaining $50.00 should be used to create a Special Fund to take the place of the interest which would be received upon and added to the reserve above mentioned, if such reserve were in existence and properly in-