

The War Budget. The British Army estimates issued on the 2nd inst. give the expenditure for 1900-1901 as £61,500,000, or, in currency at par, \$299,500,000. The details are stated thus:—

Normal estimate.	£21,778,000
Permanent additions to Army	1,925,000
Measures for home defence.	6,228,000
War expenditures.	31,569,000
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	£61,500,000

The "home defence" item is for temporary services. The war outlays are stated to be "based on the assumption that the full field force will be in South Africa till 30th September, a reduced force after then, no estimate is included of cost of transporting troops home, gratuities on demobilisation, or terminal charges." The probabilities are that these extras and others will add another £20,000,000, or \$97,336,000 to the Army estimates. The ordinary expenditure of Great Britain in 1900-1901 is regarded as likely to be £117,536,000, and the extraordinary, or war outlay, £37,797,000, making a total of £155,333,000, or, in currency, \$756,471,000, which equals \$18 per head of the population of the United Kingdom for the whole year, or 34 cents per week. We do not anticipate the people of the old land being seriously oppressed by such a burden!

British Beer Duties. The possibility that the duty on beer may receive marked attention from the Chancellor of the Exchequer in the next Budget is exciting brewery shareholders to such a pitch that one of them has actually written to the newspapers recommending the great breweries to form a close combine, and make the consuming public pay any increased duty on the popular beverage. Although the talked-of tax is only \$2.50 per barrel—an increase slightly in excess of two cents per gallon—so enormous is the consumption that the addition to the tax is expected to realize about \$22,000,000.

The excited shareholder above referred to points out that if the increase is emphasized at the per gallon rate, it will burke agitation on the part of the consumer, who will, naturally, not expect his glass or pint to be affected by so indivisible a sum. Hence the suggestion of united action on the part of the breweries to raise the price, as a means of making the masses sing once again:

Blow the eyes of those who tries,
To rob a poor man of his beer.

Incidentally, it is pointed out by this furious critic of those who preside at the British revenue headquarters that spirits and wines, as well as aerated waters and all temperance beverages, in which he seems to have no interest, will remain untouched. However this storm in the "poor man's drink" may terminate, somebody will have to pay, pay, pay, for the present war.

INSURANCE AND ACTUARIAL SOCIETY OF GLASGOW.

The monthly meeting of this society took place 22nd ultimo, in the hall of the Philosophical Society of Glasgow, Bath Street—Mr. David L. Laidlaw, Glasgow manager of the North British and Mercantile Insurance Company, being in the chair. There was a good attendance, and, after the ballot for the election of four new members, the president introduced to the meeting Mr. H. J. Pearce, F.F.A., secretary in Glasgow of the Edinburgh Life Assurance Company, who read a paper on "Life Office Valuations and Division of Surplus." Mr. Pearce stated that life office valuations had frequently formed the subjects of papers in actuarial journals. These papers, however, generally dealt with some particular and theoretical point in connection with a valuation, and students frequently have difficulty in defining the real principle which governs a life office valuation. The object of Mr. Pearce's paper was to show on broad principles the different forces which have to be considered in a valuation, and generally to show the proper point of view from which life office valuations should be considered. Life office valuations are made for different purposes, the three principal being (1) proof of solvency, (2) transfer of business, (3) distribution of surplus, and different bases and methods of valuation (*i.e.*, rate of interest, mortality tables, and formulæ) are employed to attain these different objects. That is to say that the bases of valuation which would be employed in valuation for proof of solvency would be quite different from that employed in distribution of surplus. In the case of valuation for distribution of surplus a still further selection of the bases of valuation has to be made—as certain bases of valuation are non-applicable to meeting the requirements of certain methods of bonus distribution. This was one of the chief points of the paper, to show that the method of valuation is largely governed by the bonus system of the office. From this it is clear that no comparison of the relative reserves of life offices should be made from the standpoint of solvency. The solvency of nearly all British life offices is now established beyond question, and the applicableness of the method and bases of valuation chosen for the purposes of meeting the requirements of any particular bonus system should form the point to which to direct criticism. The paper then dealt with the two leading methods of valuation—(1) net premium method, (2) gross premium method—and the three principal methods of distribution—(a) uniform bonus, (b) compound bonus, (c) contribution method of distribution. It was then shown that the adoption of certain bases of valuation was more expedient for the fulfilment of these bonus systems. The effect on reserves by selection and expenses was shown, and some interesting points in connection with new business and its effect on reserves and surplus were discussed. At the close of the address a very hearty vote of thanks was accorded Mr. Pearce for his valuable paper, which, it was pointed out, would be of the greatest assistance to students preparing for the actuarial examinations.