accumulation year after year of money to meet those claims. Let me give you an illustration. If you did not require the stock company to do that, after awhile, when claims began to get too big, it would drop out, they would not be paid; if you did not require the mutual company to maintain those capitalized reserves they would come in and assess themselves for only enough money to meet current payments, and then, when they got too large, they would drop out and you would not get your future payments paid, and if you let the employer run along with his own insurance and not charge up against himself the present value of the amounts he was going to have to pay in the future, his balance sheet would not be the correct one, and he might be insolvent, and he likely might go to pieces and the claims would not be paid. So you see under any kind of voluntary system, whether it be absolutely voluntary or not, you can't get away from that capitalized value method. But just the moment you conceive of this as a scheme for public relief you can see that the system of setting up capitalized values is simply wild and that there is no justification for it. There are two arguments brought forward why it should be done; one of those arguments is, that, while it is true that the current cost is cheaper at the outset and for a number of years to come, in the long run it will be more expensive. There are two things to say about that. In the first place, if it were not possible to prevent accidents to a large degree, and reduce their number and seriousness, it is true that the mere summation, the mere adding up of the amounts of money which the employer would pay during the period of fifty or one hundred years would look smaller on the capitalized value method than on the other. But when you figure up your capitalized value at only three and a half or four per cent. interest at the outset, and you remember had those industries been able to keep it in their business it would have earned anywhere from six to twelve per cent., I don't think you have made any money in the process. But that is not all about it. As compared with the choice of companies and setting up the capitalized value method, it is not, and cannot be, even at its highest point, nearly as expensive as the insuring in these stock companies, which, as I have pointed out to you, adds about one hundred per cent. to the real cost. The leading actuary in this line in Germany has made calculations which I have here with me showing that if the volume of wages did not increase at all during a long period of years the current cost method would cost less for seventeen years. It would then pass the other slightly, and by the time it reached its full equilibrium at the end of some sixty years it would be about fifty per cent. higher than the cost for that time of the capitalized value. Remember the difference between eight per cent. for expenses and one hundred per cent. and you see fifty does not look big at all even on that basis. But that is also modified by