tion. This condition does not exist in the case of the Artisans, and as a result, lapse of business is fully compensated by released reserve, and no detriment to the persistent members will result from any ordinary or normal shrinkage in old business. Whatever injury might have been anticipated from the abnormal shrinkage due to readjustment, such anticipation is shown by the actual fact to have been without foundation, and we have the remarkable showing of a readjustment successfully made, without giving rise to adverse selection in the matter of mortality, with the business placed upon a sound basis, and an actual surplus earned while the process was going on.

If we deduct this $94,708 from the surplus of the Society shown at the end of 1912, namely, $153,592, we have an approximate showing of the surplus earned from the transaction of the business. independant of discontinuances, for the past year, namely, $58,884. It is to be noted that these figures do not take account of the loans on certificates which were not included in the assets, and which amounted at the end of the year to $11,177.

In my opinion, before the close of the year we should take into account a method of entering these upon the ledger, so that they will appear as ledger assets in future reports of the Society.

It is not necessary in this report more than to refer to the securing of the license of the Society in the State of New York. This matter has already been reported upon to your Board, but I call attention to the fact that under the strict administration of the New York Insurance Department, details of rates, readjustment and policy conditions were gone into with the utmost care, and so that, in fact, it constituted a critical re-examination of all these matters and the approval of them by the authorities of the one Department of the United States which, with that of Massachusetts, stands at the very head of the Departments in the matter of care and closeness of supervision. The fact that the Artisans Society is licensed