accounting,) that no room for doubt, or possibility of misunderstanding should exist in the Accounts of THE CANADA.

The one item, namely, Half-yearly and Quarterly Instalments of Premiums, £3,304 9s. 4d. was correctly included as an asset, and does not correspond with any item in the returns of British offices. With them, assurances by Half-yearly or Quarterly payments are assurances for similar terms. In this Company all assurances are for one or more *years*, and the Premiums payable by such *instalments* as the assured may from time to time select; thus, as credit is merely granted upon the security of the Policy, the receipt of these deferred payments within nine months is certain, save in the contingency, (which may be covered by a very small percentage) of the withdrawal of a policy; in case of death, they are deducted from the Policy.

The other item consists of the half-premiums, credited for seven years on half-credit Policies, £1,998 13s. 6d. This sum brings interest so long as the Policy is kept alive, but is only secured to the Company by deduction, in the event of death or by the continuance of the Policy beyond the seven years term, when the full premium is payable. It is necessarily retained as an asset in the returns, but is never included in the valuations, the option remaining with the assured to discontinue the Policy, when that proportion of this fund is written off.

These explanations will also show how the item in the Expenditure of "£262 16s. 7d. for Premiums on Policies discontinued (written off)" arises.

He proceeded to explain the distribution of the balance of £35,130 13s. 10d. amongst the various funds of the Company, viz: