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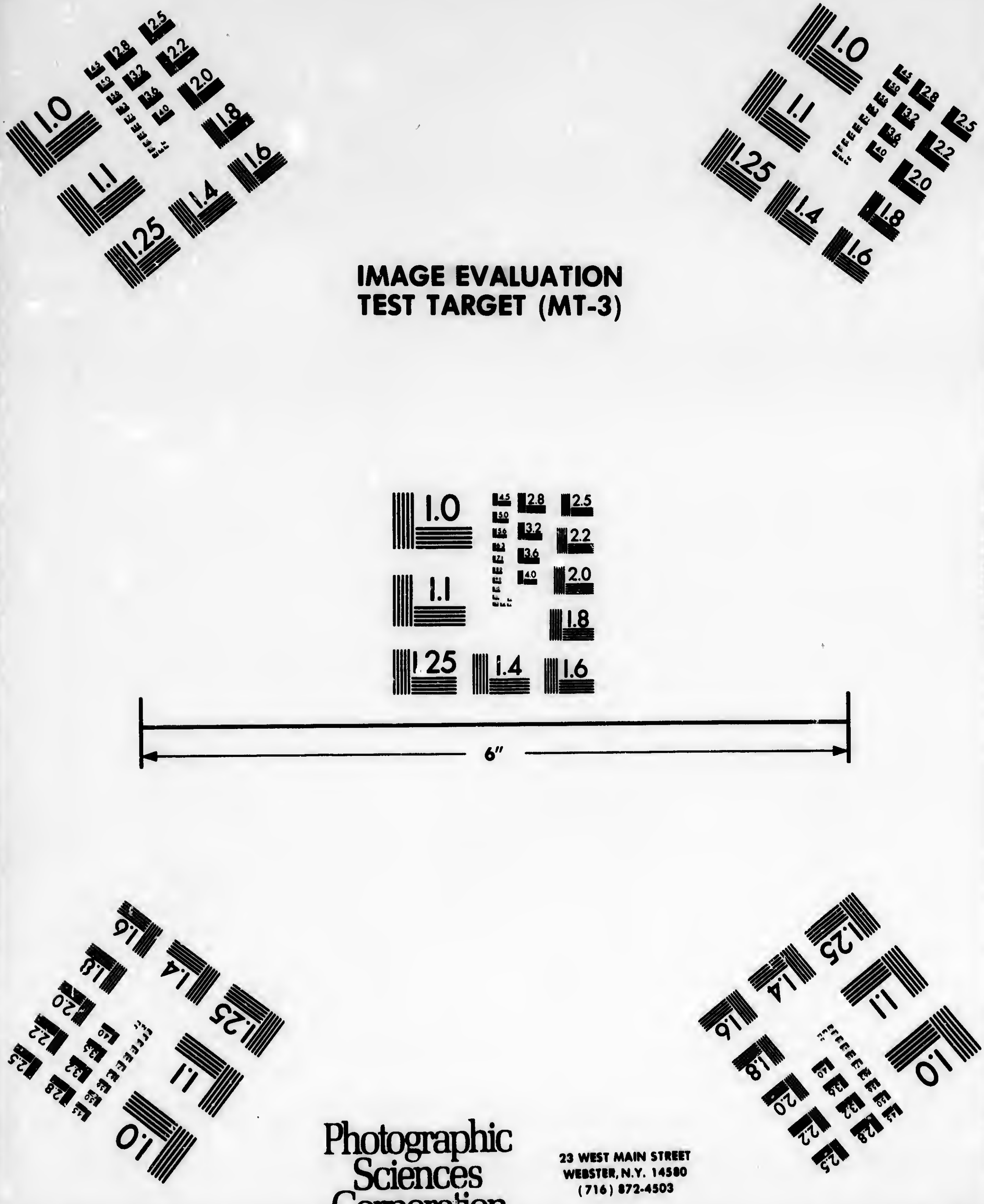

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LIFE ASSURANCE.

"MUTUAL" vs. "STOCK."

A REPLY,

BY

J. W. MARLING,

GENERAL AGENT CANADA LIFE ASSURANCE COMPANY

HALIFAX, N. S.

"Facts are chiels that winna ding
And daurna' be disputed."
—BURNS.

HALIFAX:

"NOVA SCOTIA PRINTING COMPANY."

1870.

[From the New York "Times."]

"The value of statements relating to assets as a test of Life Insurance solvency is subject to very important qualifications. The bare statement of amount insured and amount accumulated, of itself *proves nothing.* The sufficiency of the reserve is not proved by the mere mention of its amount. Whether it equal the amount called for to render a company absolutely safe, depends upou calculations which only an actuary can undertake. The best authority to be accepted as a conclusive witness must be independent of the company. He should be able to say, and he should say, whether the reserve pertaining to each branch of the business is equal to the requirements of that branch, and to do this satisfactorily, he should attest in detail the adequacy of the accumulation, or expose its insufficiency. When this information shall be furnished, and not until then, the public will have some means of judging with some confidence of the relative standing of companies which invite their support. *In the meantime they are not seldom the victims of a delusion rendered possible by a confused display of figures.*"

One of the leading English writers upon such subjects, Mr. C. J. Bunyon, of the Norwich Union Company, says:—"There is one form of account to which there can be no question, and that is the Annual Balance Sheet detailing the assets, which must be intelligible to every man of business. To persons unskilled in acturial calculations, such an account, coupled with the certificate of a compctent Actuary, as to the sufficiency of the cnumerated assets to meet the liabilities is the only real evidence of stability which can be offered. (*See Balance Sheet Canada Assurance Company.*)

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See Balance

30th April, 1869,

ASSACHUSETTS

LITIES.

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itstanding Policies nuities - -	668,124.91
d profits awaiting - - -	12,537.63
ged for accumulation	454.56
pril, 1869 - -	198.43
l at 30th April, 1869	35.45
s - - -	$806,350.98
- - - -	- 181,789.91
	$988,140.89

NG, General Agent.

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Cash Balance Sheet of the Canada Life Assurance Comp

Based upon the Report of the Hon. Elizur Wright, Late Insurance (

ASSETS.

Dominion Stock - - - - -	$50,000.00	
Montreal Consolidated Fund - -	21,200.00	
Debentures—City, Town, County, Township and Harbour -	354,656.75	
Mortgages on Real Estate - -	293,264.95	
Gas Company Stock - - -	3,040.00	
Bills Receivable - - - - -	1,643.68	
Loans on Policies - - - - -	29,800.80	
" on Debentures and Stock -	3,300.00	
Savings' Bank Account - - -	1,027.21	
Real Estate - - - - - -	116,192.19	
Current int. accrued on Debentures -	10,123.47	
		884,249.05
Deferred and half-credit Premiums secured Policies - - - - - - - -		74,709.27
Office Furniture - - - - - - - -		1,648.71
Cash on hand and in Bank - - - - - -		7,382.05
Cash and Renewal Receipts in course of transmission by Agents and others, (and since paid)		39,870.34
		1,007,859.42
Deduct amt. held in reserve, contingent on losses		19,718.53
		$988,140.89

Shareholders (
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Claims under
payment, (al
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Cash Profits u
Re-assurance

Surplus Fun

Head Office, Hamilton, Ont., Nov. 1869.

Branch Office for Lower Provinces:

25 Prince Street, HALIFAX, N. S.

J. W

ife Assurance Company, on the 30th April, 1869,

er Wright, Late Insurance Commissioner of Massachusetts

	LIABILITIES.	
	Shareholders Capital - - - - - -	-$125,000.00
	Reserve required to meet all outstanding Policies and Profits thereon, and annuities - -	668,124.91
	Claims under Life Policies, and profits awaiting payment, (all since paid) - - - - -	12,537.63
	Due Depositors on money lodged for accumulation	454.56
	Cash Profits unpaid at 30th April, 1869 - -	198.43
	Re-assurance premium unpaid at 30th April, 1869	35.45
	Total Liabilities - - - -	$806,350.98
249.05		
709.27		
648.71	Surplus Fund - - - - - - - -	181,789.91
382.05		
870.34		
859.42		
718.53		
140.89		$988,140.89

J. W. MARLING, General Agent.

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MUTUAL *versus* STOCK.

A PAMPHLET on Life Insurance, under the above title and bearing the imprint of "R. W. Gale, General Agent of the Equitable Life Assurance Society of the United States," having been put in circulation here, the following observations are offered in reply, together with some remarks concerning the principles, operation, and results of Life Assurance as now practised.

The extracts from the paper under consideration are copied *verbatim* from the pamphlet.

The publication under notice owes its origin to the organization of a Life Assurance Company in the United States, having its chief office at Washington. D. C., which it was designed to counteract, and to which alone the strictures it contains have any pertinence. Had the remarks been confined to this Company, or the circulation been restricted to its original field, others would have no cause of complaint; but as a use has been, and is now made, of these statements foreign to and beyond their original design and scope, and as they are utterly untenable, it is fitting that the public should be disabused of the false impressions which such writings tend to create.

The pamphlet is addressed "To the Bankers and Capitalists of the United States," and is designed to represent the scheme of Mutual Life Assurance, "as a means of securing long, reliable, and profitable investments for surplus funds," as distinguished from Life Assurance in a Proprietary Company, and it is alleged that "The former may be made available for accumulative investments to the fullest extent, while the latter cannot, except in a very limited way."

The author "describes the two systems and their distinguishing features," as follows:—

"In the *Stock* or *Proprietary* system of Life Insurance, ALL *the profits made by the Company in the business are divided among the* STOCKHOLDERS."

"In the *Mutual* system ALL *the profits are divided among the Policy-Holders themselves.*"

It will be shewn that these statements, when applied to Life

Insurance as existing in this country, are highly delusive and at variance with the truth.

It is rather difficult to arrive at the meaning of an author, or to apprehend what he is trying to say, when we find the statements as to profits in Stock Companies so contradictory, even in consecutive sentences. For instance :—

1. "In the *Stock* or *Proprietary* system of Life Insurance ALL *the profits made by the Company in the business are divided among the* STOCKHOLDERS." (Page 2, line 5.)

2. "Stock Companies reduce their premiums about 25 to 30 per cent only." (Page 2, line 20.)

Three lines afterwards,

3. "The dividends of the Stock Companies remain fixed,"

4. "In *Stock* Companies on the other hand, the premium is never reduced by dividend or otherwise." (Page 3, line 5.)

5. "The profits resulting from the above margins in "Stock" Companies are immediately paid to Stockholders." (Page 3, line 15.)

With reference to the first of these statements,—this may be true of the Company which the pamphlet under review was designed to write down, but it is NOT TRUE in the case of our own, or British Companies, whose published tables give the person proposing to be assured, the option of doing so either with or without participation in profits,—these Companies usually returning to their policy-holders seventy-five per cent. of their surplus, whereby many of their policies are in time increased in value to more than double the original amount, and in some Companies these are *guaranteed* to double themselves in a given time. There are many living witnesses to the truth of this, even in this city, who hold policies of largely increased value, and the published examples of similar policies are within reach of everybody who is inclined to investigate the subject.

The next statement is as follows :—

"In the *Mutual* system ALL *the profits are divided among the* POLICY-HOLDERS THEMSELVES."

A little enquiry into the workings and constitution of Companies under the name of "Mutual," will not be out of place, in order that their merits may be better understood, shewing that the advantages are not always in favor of the Mutual,—and the following extracts from authorities are cited in support of this. The reader will judge for himself how far the term "Mutual" is applicable in the case of many Companies bearing the name, the quotation being from the New York State Reports, 1868.

"The Union Mutual had an unpaid note capital of $100,000, upon which, *without receiving* any interest, the Company pays an interest generally of three, and not exceeding six per cent. per annum." These unpaid notes since retired by payment to the makers of $100,000 in cash, out of the funds of the Company.

The Ætna Life, at same date, had a capital paid up of $60,600; unpaid $89,400. During the years 1852-67, the stockholders received an interest dividend of six per cent. per annum, amounting to $3,636 on $60,600, *and a profit dividend of* $169,368 *including one and a half per cent. on participating premiums from September* 1861, *to January* 1868, *and in* 1868 *their stock was quoted at* 550 *per cent.*

The Ætna's newspaper advertisements states that it is PURELY MUTUAL. *Entire profits divided among policy-holders, &c., &c.*, while their Prospectus (see 1867) reads as follows:—It is a STOCK COMPANY, issuing policies upon the participating as well as non-participating plan. *It gives to the insured these advantages over a purely Mutual Company, &c., &c.* Judging from these counter statements, it would appear to be a little "MIXED."

The Phœnix Mutual, at same date, with a paid up capital of only $16,000, divided among their stockholders six per cent. per annum on capital, and no less than $70,560 as *profit dividend,* between the years 1854 and 1867.

With reference to the Atlantic Mutual, article 3, sec. 1, of its charter provides that the corporate powers shall be vested in a board of trustees of not less than six *nor more than nine persons,* each to hold not less than ten shares of the *capital stock,* and a *majority of these to be citizens of the State of New York.* Respecting the return for the capital thus employed, article 5, section 2, provides that there shall be first paid to the stockholders within 30 days after the annual valuation, 7 per cent. upon the amount of the capital; next, one-fifth of the surplus shall be placed to the credit of the stockholders every year, upon which one-fifth they are also to receive 7 per cent. interest annually. Then, out of the remaining four-fifths a deposit shall be reserved of $100,000 to be used upon the retirement of the capital stock, after which the residue (?) of the four-fifths shall be placed to the credit of the policyholders, *which credit shall be represented by scrip.* Article 6, sec. 4, provides that the *scrip and credit to policy-holders shall be exhausted in the payment of the liabilities of the Company before the capital stock shall be impaired, and the scrip issued shall contain a provision to that effect,* (that appears to be truly mutual). Lastly,—art. 6, sec. 1,—when the sum thus accumulating to the credit of stockholders (interest being paid thereon all the while at 7 per cent.)

shall *equal the par value* of the original stock, and there appear to the satisfaction of the Superintendent of the Insurance Department, that there is sufficient besides to provide for all other liabilities, the stock may be retired (but not until a law be passed for that purpose) *by paying the stockholders the amount thereof and the accumulation equal in amount to the original stock*—that is to say, the stockholders receive all their stock back at par, interest thereon every year at 7 per cent. until retired, interest upon the fund accumulating to their credit, and finally the fund itself, amounting to no less than 100 per cent. upon their money, or 14 per cent. interest on their original capital until its retirement by payment of double the money. Every dollar of this $100,000 has to be paid out of the premiums of the policy-holders, who have likewise to pay 7 per cent. interest upon the money thus contributed by them, until withdrawn by legislative enactment.

Of the Equitable Life Assurance Society of New York, the Commissioners for Massachusetts, in their Reports, page 156, say, "It is *essentially a perpetual Stock Company*, though by its constitution, under the general Act aforesaid, (Act 1853) its Directors *may*, by a three-fourth vote, authorize policy-holders insured for life to the amount of $5000, to vote personally, (not by proxy.) in the election of Directors,—*owners of* FIVE SHARES *or more of* CAPITAL STOCK, *only being eligible.* The annual interest of capital is limited to seven per cent., and once in five years each policy-holder is to be credited with an 'Equitable Share' of the surplus.—(Division now made annually). The rest appears to be left to the shareholders."

Compare the above with the assertion "That the 'Mutual' Companies are conducted for the benefit of the POLICY HOLDERS."

Again :—

"If the charters of such stock companies are examined, it will be found that it is the capital stock which is cared for and protected, and that the surplus funds, or necessary accumulation for the protection of the risks carried is overslaughed; the money makers thus, in their anxiety to protect themselves, wholly disregarding the truly paramount rights of the policy-holders—which shows the utterly selfish nature of the scheme." (Page 4.)

"The State of New York has provided, since 1849, that no Life Company should be formed in the State until a guarantee capital of $100.000 should be put up by the promoters of the Company; but this amount of guarantee fund is only designed to cover the preliminary operations of the Company. Very soon the $100,000 is displaced by the insurance reserve accumulated from the premiums paid by the insured; and in all well organized Companies the interest on the stock is limited to its own earnings." (Page 5.)

It is a great pity to spoil a good story, but a reference to the example of a "Mutual," having its head quarters in the very capital of the State of New York, (see page 5,) will shew that the very objections urged against the Proprietary Companies applies with equal force to the so-called Mutual, and that the displacement of stock and limitation of interest exist only in the fertile and fanciful brain of the writer.

In view of all this, it is well said by the Massachusetts Commissioners, "That the somewhat frequent adoption of the term 'Mutual' by Companies having a specific and permanent guarantee capital, and not redeemable at the pleasure of the assured, implies a well-grounded belief that the word has a peculiar charm with the public."

Even purely Mutual Companies are not as some would have us believe, necessarily the best managed, or the safest, or the most profitable.

Hon. Wm. Barnes, Superintendent of the New York Insurance department, says, in his report for 1868:—

"It does not always follow, as is sometimes supposed, that a purely Mutual Company is the most profitable to the insurer. Mixed Companies, or those substantially Mutual, may, by superior skill and other advantages, actually make the largest dividend of surplus."

"Every Mutual Life Insurance Company is exposed to two opposite dangers, *over accumulation* on the one hand, by which the earlier members may be defrauded to enrich the later ones, and *excessive dividends* by which the earlier members, are benefitted to the injury of the later, and perhaps to the bankruptcy of the Company."—*Mass. Reports*, *p.* 14.

So much for the *name* "MUTUAL."

The next observation calling for notice, is to effect that:—

"Experience has fully demonstrated that the Annual Dividends in well managed Mutual Companies have been nearly or quite one-half, or 50 per cent. of the premiums paid, while Stock Companies reduce their premiums about 25 or 30 per cent. only."

This last remark directly contradicts the allegation previously quoted, that "ALL the profits are divided among the stockholders."

In treating of the question of DIVIDENDS, we shall note what a Company *can* do and what a Company *cannot* do, quoting authorities on the subject, and shewing—what old and successful Companies say,—what Government authorities say, and—what Actuaries and others say upon the subject.

1. What old and successful Companies say:—

We select as representatives of their class, two of the oldest purely Mutual Insurance Companies in the United States, who have certainly done as well by their policy-holders as any, (to say nothing of doing better.)

The New England Mutual, whose *dividends paid to policy-holders exceed the amount of their death claims*, remarks in a late annual report:—"It is not out of place at this time to reiterate what has often been alluded to in previous reports concerning the delusive anticipations of large returns of surplus, or, as they are frequently mis-called, 'profits,' or 'dividends.' A Mutual Life Insurance Company returns to its members the over-payments that have been made; every member is charged with the risk he has run, and his proportion of the expense of conducting the business; he is credited with his share of the gain upon mortality and per-centage of expenses, and the excess of interest which his funds—deducting cost of insurance—have realized, and this is all he can equitably claim. Our members will therefore see that no anticipations of *enormous dividends, large profits, &c.*, can by the very nature of things be realized. To urge insurance upon any member of a community by means of promises which can *never* be fulfilled, is a *gross fraud*,—and the Directors of this Company request that if any Agent or Solicitor acting on their behalf, is found guilty of such a dereliction of duty, the fact may be brought to his notice that his services may be dispensed with. If Companies would combine to frown down this growing evil, less forfeitures would ensue, and the business done through Solicitors become more reputable, in some respects, than it now is."

The Mutual Life of New York, the largest in America, says:—"The dividends of this Company are simply the RESTITUTION OF SURPLUS PREMIUMS in the proportions overpaid by each person." In other words, if a person pays 100 dollars for a policy of Assurance, and it is found that 80 dollars will cover the risk, the surplus 20 dollars are restored to him. If it suit his fancy to suppose he is getting 20 per cent. for his outlay of 100 dollars, no one has a right to complain of his arithmetic. There is "nobody hurt."

2. What Government authorities say:—

The Hon. Elizur Wright, late Commissioner of Insurance for Massachusetts, delivers his opinion on this subject, under date of 1st June, 1867, as follows:—"If tables of mortality and arithmetical logic are worthy of any confidence, it cannot be believed that even with *moderate expenses*, dividends as high as thirty per cent. can be maintained without interest higher than six per cent., or profits from forfeiture."

The same authority, in his Massachusetts report, says:—"There seems to be a constant effort on the part of many Companies to make persons who are solicited to take policies believe that they are sure to get half their premiums back again in the shape of dividends. Their advertisements often unqualifiedly boast of, and promise dividends of fifty per cent. on the premiums paid. *If such a thing had really been done by them, many of these Companies would now be hopelessly insolvent.* They are, fortunately, quite otherwise. What has really been done is this: fifty per cent. of a premium paid three, four, or five years ago, is returned to the policy-holder *who has persisted* in paying his annual premiums; *to those who have in the meantime discontinued, nothing.* Fifty per cent. payable at the end of four years, assuming legal interest, is not quite forty per cent.; and when it comes to be paid, it is probably forty per cent. of only about two-thirds of the premium received in the year to which it pertains,—that is, it is 26·66 of the premiums paid. and more than that may be returned to some member, if others are defrauded! Why bring about both public and private misapprehension, by ignoring *time*, which is money in this case, and sinking out of sight all who lose their dividends by discontinuance?"

3. What Actuaries and writers on Insurance say:—

The *Insurance Monitor* for November, 1869, publishes a chart compiled by an eminent actuary, Mr. D. P. Fackler, exhibiting the true dividend-paying ability of each of the forty-one Mutual Life Insurance Companies doing business in Massachusetts, computed by the government standard adopted by that State, which shews that twelve of these, have NO SURPLUS, *but are labouring under a diminution*, and of the remainder the surplus varies from 1·73 to 31·11 per cent., and has been accumulating during periods varying from one to four years.

Mr. DeGroot, Actuary of the United States Life Company, says:—"The profits of a Company arise in these ways,—fewer persons may have died than the number charged for in the net premium; the money lost may have been below the average; a higher rate of interest may have been realized than the calculations pre-supposed; the marginal additions received during past year may have exceeded the expenses. In all these cases *time* is essential to the developement of profit.—Future margins and future profits do not exist in present value. *It is clear that no profit or loss can be realized by the mere act of issuing a life policy, until time has run, and certain events have been declared for or against the Company.*"

Taking from the New York State reports the first two exampl of Companies doing business in Canada, we find the following figures

Example 1st.

Atlantic Mutual Life Assurance Company.

Aggregate amt. of Liabilities, including paid-up stock to Dec. 31, 1868..	$390,408.
" " all Assets, except future premiums................	378,414.
Deficiency of Assets as compared with Liabilities.................	$11,994.

Example 2nd.

Equitable Life Assurance Society.

Aggregate amount of all Assets, except future premiums, of which $4,479,196.00 or 58 % were received in 1868....	$7,721,077.
" " Liabilities..............................	7,009,389.
Surplus..	$711,688.

Total Premium receipts for year ending Dec. 31, 1868, $4,479,196.00, shewing surplus for division among policy-holders *of less than* 16 *per cent. on premiu received.*

Judged by the Massachusetts standard their position is as follow (see last Mass. reports.)

	Atlantic Mutual.		*Equitable.*
Cash Capital............	$110,000	....	$100,000
Gross Income............	235,495	....	4,840,157
Gross Expenditures.......	128,403	....	2,538,018
Gross Assets............	302,234	....	7,721,077
Gross Liabilities..........	378,414	....	7,370,149
Surplus as regards policy holders	76,180	....	350,928
Deficiency as regards stock holders	33,820	Surplus as regards stockholders	250,928

The following extracts are given as specimens of the reckless state ments pervading the whole:—

"In disastrous times, however, if such should come, the Company has a right t use the undivided surplus premium to protect its obligations." (Page 3.)

Query—How can that be called surplus premium, which is require to protect the Company's obligations?

"The interests of the policy-holders in the *Mutual* Company are thus fully pro tected, while a large profit is earned for them." (Page 3.)

Large profit earned! How? by the use of the so-called surplus i paying obligations?

"In the *Stock* Companies, on the other hand, the premium is never reduced b dividends or otherwise. Such a Company will have no security in the way of su plus premium—aside from its reserves, if any—on which to fall back in disastrou times, *as all the profits will have been divided among, and already paid to, the holders the stock.*" (Page 3.)

If the Mutual Companies restore their surplus premiums, (as i claimed for them,) it is not easy to perceive what security beyond thei reserves *they* have to fall back upon in disastrous times.

"Observe now the practical working of the two systems: Mr. Ralph Price, the Vice-President of the "Equitable Life," of London, a purely *Mutual* Company, took a policy on his life for $5,000; at his death, his policy, with accumulated profits, amounted to $25,000. On the other hand, a person who insured in a *Stock* Institution at the same time, would have left to the beneficiaries under his policy, the mere face thereof, while the premiums which had been paid, with interest, would have far exceeded in amount the sum realized." (Page 3.)

The case of Mr. Price is frequently cited, but the material facts are not so well known as they ought to be. IT WAS NOT *because the Equitable was a Mutual Company* that so large an addition was made to this policy, which would have also increased had he been insured in a Proprietary one, but for the following reasons he paid: First, a high rate of premium, in other words, *he paid for a largely increasing policy.* Secondly, the Company in which he was insured conducted its affairs with economy, and was very successful in its investments. But, thirdly, and chiefly, *because he lived to ninety-two years of age.* More recently some of the older Life Companies in the United States have made large profits out of their Civil War, by *cancelling all policies held in the Southern States,* thus relieving themselves of a large amount of their liabilities, the value of which *they distributed* TONTINE FASHION *among their Northern policy-holders.*—but it was "*hard lines for the South,*" and they are not likely to meet with such a "dividend" again. (See page 15.)

No wonder Tontine dividends are large, the simple explanation of which is that those who hold on longest, get their own share, and a share which is not their own.

"The business of Banking, and the science of Life Insurance have nothing in common. Bankers and operators in the Public Funds should not intermeddle in the trusteeship business of Life Insurance." (Page 5.)

Opinions might differ as to the object or good taste of this remark, in a paper addressed "To the Bankers and Capitalists of the United States," but it would better serve the object in view to show why Bankers are unfit to "intermeddle in the trusteeship business" of Life Insurance. Is it meant that Bankers are unfit to be the depositaries of trust funds; if so, why? Who are more trusted, or more trustworthy? If this is not meant, then what *is* meant? If the writer had consulted the directories of Life Insurance Companies, he would find Bankers in nearly all of them, four for example, on the Board of the Equitable.

Examples illustrating the advantages to Policy-holders of the "Mutual" P[…] over the "Stock" Plan, from actual cases in Mutual Companies, taking o[…] the respective premiums charged by each Company.

ORDINARY LIFE POLICY.

"MUTUAL" COMPANY.

Cost of Insurance.

Age 31. Amount $5,000

23 years in force.

Annual Premium, $121.50

Amount of Premiums Paid.	Cash Value of Dividends.	Additions from Dividends.
$2,794.50	$1,944.17	$4,068.25

Amount of Premiums paid..............	$2,794.50
Less cash value of dividends............	1,944.17
Net cost of Insurance,	$850.33

Cost 17 *per cent on Policy.*

Average cash value of dividend on premium 69½ per cent.

Value of Policy in case of death, $9,068.25.

Future Premiums.

Annual Premiums to be paid, NOTHING.

Present annual cash income, available to the Policy-holder, increasing every year—$48.60.

As the premises will be shew[n] to be false, no comparison can b[e] made, and the example of t[he] stock company is therefore us[e]less.

In other words the example of the Mutual Company may be stat[ed] as follows :—

The person insured at age 31, for..................		$5,000 00
Has in 23 years paid in premiums	$2,794 50	
But the Cash value of his dividends being..	1,944 17	
Have reduced the cost of insurance to	$850 33	
Moreover, these dividends have increased his policy by the sum of.................................		4,068 25
His policy being now worth......................		$9,068 25

Upon which he has no more to pay. But this is not all : although onl[y] 54 years of age, his money has purchased for him not only a paid-u[p] policy for more than ten times its net cost, but in addition an annuity fo[r] life, commencing with $48.60, and increasing every year, being (t[o] begin with) nearly six per cent. upon the (alleged) net cost of hi[s] policy ! ! !

The statement is rather a good one, but it may be of service to examine it a little. The reader will observe that if this were the case, the policy-holder would have had his surplus returned in *all* the three methods named; whereas, the truth is that he has *the option* of the three. If he receives his surplus in dividends or profits during his life, it is clear he cannot have it in addition to his policy,—in like manner if he take the benefit of an addition to his policy, he cannot himself receive the surplus which *purchases*, or entitles him to that increase,—so likewise, if his premiums have been sufficient to exempt him from further payments and purchase an annuity, (though this last does not occur for many years, and only when high premiums have been paid,) it is equally evident that he cannot enjoy the advantage of an increased policy, or early returns of surplus. It is simply an insult to a man's understanding, to palm off upon him such statements as are contained in the foregoing figures.

Persons assured must perceive that if they do not contribute, collectively, such sums of money, as, with the accumulated compound interest, will enable a Company to redeem its policies as they fall in, there can be but one result, namely, failure. There *must be* a sufficient fund, or reserve, in possession of the Company to redeem these outstanding obligations, *every one* of which will become a claim sooner or later. The 1868 report of the Massachusetts Insurance Commissioners foreshadows the disasters which must arise to those Companies whose expenses absorb so large a portion of their cash receipts. In the case of the forty-four Companies doing business in New York State, these averaged in 1867, 28 per cent. of their *entire income*, so that it is out of their power to adopt a sound policy of funding steadily a sufficient sum year by year to meet these inevitable claims.

If A receives an "immense profit," he does so at the expense of B, C, and D, who in like manner must partake in what does not belong to *them*, and so on until "De'il tak' the hindmost."

There is no legerdemain or supernatural power over money in *any* Life Assurance Company, to enable them to do such extraordinary things. Let it be shewn *how* these results are aimed at, which will be more satisfactory than the publication of fancy figures at variance with facts, although purporting to be "*actual examples*."

We now come to the "actual example" of an "endowment" policy:—

ENDOWMENT INSURANCE.

"MUTUAL" COMPANY.

Endowment Payable at death or in 20 years.

Age 35. Amount, $10,000

Annual Premium $456.10

Amount of Premiums Paid.	Cash Value of Dividends.	Additions from Dividends.
$9,122.00	$3,879.05	$6,777.11

Amount of Premiums paid,........	$9,122.00
Less cash value of dividends..........	3,879.05
Net cost of Endowment,.............	$5,242.95

Per centage of Cost to amount of Endowment 52.42 per cent.

A few lines will dispose of this "actual example."

The pamphlet from which it is taken was published in 1868. At that date *there were not in the United States half a dozen Endowment policies twenty years old, and* NOT ONE *of* $10,000, and the statement is a pure invention—"*only that and nothing more.*"

Let us know where to find it, and there will be numbers found anxious to take similar policies.

The following remarks will shew that such results never have been, and never can be attained, and it is the veriest nonsense. (not to say worse,) on the part of an agent, to induce any policy-holders to expect them.

The Mutual Life, of New York, which stands at the head of all American Life Companies—in giving the *actual result of matured endowment policies*, says, "A number of policies of this class having matured during the past year, (1866,) have been paid to the owners. The sums so disbursed have proved a support for advanced age, or the foundation for successful business. The annual premiums which have been paid upon these policies could not have been very burdensome to the individual, and it is fair to presume that, in some instances, those premiums would not have been saved in any other way. When we add that the sums paid by the Company *equal the whole amount of premiums accumulated, at an average of nearly six per cent. compound interest*, besides the benefits of Life Insurance for a series of years, the argument in favour of an investment of this kind, *assuming that the experience of the future shall equal that of the past*, appeals almost inevitably to every insurable person who can spare even a small sum from his annual income."

Such is the testimony of experience, which is, as will shortly appear, at least as favourable as is likely to be realized in the future. Compared with the promises held out respecting endowment policies now-a-days, which are to be not only self-sustaining after a few years, but are also to yield an annual dividend in the meantime, these results are meagre and modest in the extreme.

See, also, N. Y. *Insurance Times*, Dec., 1869.

GOOD REPORTS.—We have often read with great satisfaction of the large returns that have been realized by persons holding Endowment Policies in some of our oldest Companies. They have realized in some instances 5 and even 6% on the money paid to the Company. We mean to say that the Company has acted in a two-fold capacity: first, they have given insurance for nothing; and secondly, they have as a saving's bank given 5 or 6% interest on deposit, and paid both deposit and interest at the maturity of the policy. This is admirable, but we believe seldom accomplished. *The circumstances which rendered such an achievement possible will probably never be realised again*, and it would be unsafe, perhaps, to state such facts as a pledge of future performances. WE SHALL NOT HAVE ANOTHER SOUTHERN REBELLION, AND THEREFORE NO MORE SLAUGHTER OF THE SURPLUS OF LARGE NUMBERS OF SOUTHERN POLICY-HOLDERS. *We have no more forfeiting policies, no opportunities for Confiscation.* This will tend to the increase of Equity to all, and *to the decrease of* EXCESSIVE RETURNS TO THE FEW.—(Compare this with the "actual example.")

ENDOWMENTS.—The payment of these Endowments which will mature considerably within the lifetime of the present generation, will put the resources of the companies to the first severe test, and it behooves them to husband well the necessary reserve fund, and not to fritter it away by excessive dividends or other improvidence.—*Mass. Reports*, 1868, *p.* 92.

Before placing these observations in the hands of the reader, we use the opportunity to add a few remarks as to what Life Assurance is, and what may, and may NOT be expected from it.

Suppose a person, age 30, wishes to effect an assurance on his life, for say $5000. The company with whom he deals, give him a bond (or policy) for this amount payable at his death, whenever that may take place. In order to enable them to do this, let it be borne in mind, that *they must be placed in funds for that purpose*, in other words, Life Assurance *costs the Company money.* If he pay for this bond or policy so long as he live, he has to pay such a sum every year as will, when improved at interest, not only equal the amount of his policy in a given number of years, (called the expectancy of life, or the average number of years which it has been ascertained persons of his age will live—in this case about $34\frac{1}{3}$ years), but a *further sum*, to contribute toward his chances of dying, or to pay the death claims within the period, otherwise the company would not only suffer the loss occasioned by payment of the bond, but that of the annual premium, payment which would cease at his death. If payments extend (not during life, but) for a limited number of years only, say from 10 to 30, or by a single payment, the calculation are adapted to meet the case; the longer the period over which the money is payable, the less will be the annual payment, but (if the life be an average one) the greater amount will be paid in the long run. The reader will understand that where the premiums are paid during the fewer years, the larger annual payment aided by the greater amount of interest receivable upon it, compensate for the shortness of the time through which it is paid, as compared with the whole life.

If an Endowment Policy is desired the bargain is a different one. In this case as distinguished from a simple life policy, the money is payable to the assured on a fixed day during his lifetime, or at his death, if before then, so that the company have to omit their long lives from the calculation altogether. For example, the same person, age 30, wishes to take out a policy *payable to himself at* 55 or to his heirs at his death, if sooner. It is obvious that his 55th birth-day is the *latest* day at which the company can be called upon for the money, besides which they run the risk of his dying at any intermediate time. Hence the increased premium payable on this class of policies, which are nevertheless considered among the most desirable, for in the case above noted, the holder would not only be 25 years older himself, but his children would be also 25 years older, and would probably be the less in need of this aid, while he might require it the more.

These are the policies most in use at the present day. There are other forms, such as short term assurances, payable only if the assured die within a given time, generally from one to ten years, useful during their duration as collateral security; survivorships, payable on the death of the first or second of two or three lives, applicable to partnerships, whereby the capital of a deceased partner may be covered by the policy, without impairing the joint stock of a firm, &c., &c.

Annuities are not much sought after in this country, being more adapted to a community like that of Great Britain, where small sums of money cannot be well invested, and where a low rate of interest prevails.

It will be readily perceived that a Life Assurance Company thus constantly issuing policies, *each and all of which will some day fall due*, can only do so, by steadily funding its receipts and the interest derivable therefrom; hence the necessity of a large reserve fund, regularly increasing with the age of the company. For the same reason, it is clear that security being the first object sought, the investments must be of that class which yield a moderate rate of interest only. The great impetus given to Life Assurance business of late years, has in many cases, led to an extravagant expenditure in order to obtain it, as will be seen by perusing the reports of various companies whose expenditures, have in some cases, been as high as per cent. on their cash income, which is thus commented on by Superintendent Barnes in his last report :—

EXPENSES.—There are to-day American Companies that have taken some of these steps on the road to financial ruin. The necessary reserves, are nominally at least, maintained, but the wasteful commissions, heavy expenses, salaries and extras, in divers forms, advances to agents on mere personal securities on anticipated commissions, the *declaration of excessive dividends*, based mainly on uncollected resources, the inordinate rates of unrealized to realised assets, all need reform, or entire revolution.

There are other vital and vastly more important questions underlying the practice of Life Assurance than "MUTUAL *vs.* STOCK?" which an intending policy holder will do well to have satisfactorily answered, namely :

IS THE COMPANY KNOWN AS BEING CAREFUL AND CONSERVATIVE IN THE SELECTION OF THE LIVES ASSURED?

The effect of the growing laxity in this respect, was thus spoken of and anticipated in the United States as long ago as 1864.

"The standard of medical selection seems to have been somewhat lowered as compared with former years. * * * Their is either little more than half the carefulness of selection there was, or else the companies have concluded to insure more hazardous risks. The relaxation in the medical selection—if such it is—does not seem to be confined to any particular company. The mortality experienced in 1864, in the first year, is about that of English offices, and with this relaxation of the standard of selection, or admission of hazardous risks, we may expect the mortality hereafter to approximate that of the Actuaries rate, instead of remaining as it now is, remarkably below it."

This prediction has been too well fulfilled, as will be seen by the following extract from a prominent New York Insurance Journal, Dec. 1869 :—

EXCESSIVE MORTALITY.—Several of our life companies are realizing an unprecedented mortality of their policy-holders this current year. Usually the number of deaths falls far below the number indicated by the experience tables. This year seems to be an exception, and the death claims come pouring in as though the old man with the scythe was having his year of plenty. How far this is due to circumstances beyond human control, and how far it is due to the inefficiency of medical examiners, are questions of serious import. We have no doubt, however, that in many cases improper relations between the examiner and the solicitor exist, and that doubtful cases, which ought in every instance to be rejected, are recommended as in all respects fit subjects of life insurance. More money is lost by incompetent or dishonest physicians than is paid for agents' commissions on premiums received. This leak ought to be stopped.

IS IT ECONOMICAL IN THE ADMINISTRATION OF ITS AFFAIRS? Quoting once more from the Mass. Reports of 1869 :—

It takes about twice as much of the income to do the business as it did in 1858, or, stating it in another way, if the business had been done the last year as cheaply as in 1858, it would have saved $6,000,000 to the policy-holders,—enough to make every dividend of surplus they received, more than half larger. To see the tendency of this increase of expense, we must also observe that while the per centages of expense have risen from ten and eleven per cent to eighteen and twenty per cent. respectively, *the per centage of surplus has fallen from* its highest point of forty-four per cent. in 1862, *to thirteen per cent. in* 1868. A Life Insurance Company has no power to coin money, and there is a limit to the capacity of its premiums. It cannot spend ten cents more of each dollar of premium for expenses, without having ten cents less for its reserve or surplus. Somewhere it will tell with certain, if not fatal effect,—if nowhere else, in the promised dividend to the assured.

If we are to assume that the rate of expense of ten years ago was reasonable and must admit that some increase is unavoidable, we shall still stop considerably short of justifying as reasonable the spending on an average of twenty cents of every dollar of premium, note as well as cash, for expenses; and the actual practice of some of the most successful companies, proves that it is wholly unnecessary The cost at which business is conducted at the present time, is not fairly or mainly due to any real necessity. It grows directly or indirectly out of an almost desperate struggle and competition for foothold and growth, one of the main causes of which we shall notice presently; and which have so pervaded and demoralized the whole business, that it is next to impossible for a company to grow at all, unless it joins in the race with a reckless indifference to the cost or the consequence.

The rock on which so many companies have been wrecked in England and towards which some of our own are inevitably drifting, is extravagance. We set up the beacon of warning, and wait hopefully for the day when economy will be the shibboleth that speaks success, and surely wins the confidence of the public. Meantime, if we are asked to designate the companies most likely to fulfil the trusts committed to them, we point, without a moment's hesitation, to those above all others which still retain this almost extinct virtue.

IS IT CAREFUL TO MAINTAIN ITS RESERVE UNIMPAIRED, AND OF WHAT CHARACTER ARE ITS ASSETS?

Once more, our attention is called to the significant remarks of the Massachusetts Commissioner, plainly indicating the danger into which some are driftng. He says, page xvii., Report 1869 :—

"We should not only transgress our rule, but probably render a doubtful service, if we attempted to comment upon, or account for, the standing of particular companies as shown in these important Tables, and the rise or fall of their per centages from year to year. An inspection of the Tables will show that twenty-one of the companies having a guaranteed capital, *do not make good their reserve, without calling in a portion of the capital* to make up the requisite amount of assets,—all but one of which have commenced business within five years, and fifteen ot them within three years. There is no company, however, which does not, with the aid of its cash capital, *now* furnish the measure of security to its policy-holders which our law has prescribed; our only fear need be in regard to its tendencies *for the future*,—whether the road it is travelling lies wholly within the domain of safety, or whether it leads outward and beyond Considered as Mutual companies, or excluding capital from assets, fifteen out of forty-six companies of more than one years' standing show a larger per centage of surplus, and *thirty-one a smaller per centage than the year before.* Counting capital as assets, all but seven of them show a smaller per centage; and *taking all companies together, the surplus is in either case three and a half per cent. lower than the previous year.* This, as we shall presently see, is a decline from still higher figures as we go further back in the Reports. It is obvious that *this retrograde cannot continue much longer*, without some of the companies touching the "low water mark," above which with a fair margin, is the line of safety."

NOTE COMPANIES.—A glance at the composition of the assets of these companies will suffice to show that not one of them could reinsure its risks with its cash or realised assets alone; yet many of their agents are in the constant practice of asserting that the notes taken for part payment of the premiums will always be paid by dividends, whereas in order to cover their liabilities they would be compelled to assess their notes from 15 to 75 per cent. of their amount.

Of these Notes the Mass. Commissioner in his Report in 1868, says:—

"If the policy-holder expects that he or his money, is not bound to pay these to the last cent, of principal and interest he simply allows himself to be deluded." Superintendent Barnes in his report 1868, p. 78, says:—"These notes are generally subject by charter to assessment."

"We are informed, and with some show of evidence, that at least one of the leading note companies is making a practice of paying all its death claims in full, with no deductions for notes except to the extent of the interest accrued; and that another company, which would make a poor show of assetts unless its notes were held to be as good as cash for the payment of claims, is incorporating this as an express condition in some of its policies. If this is true, it is not only a plain violation of equity as between the assured, but it gives the lie to all that has been said about the value and function of premium notes as assets; and, if persisted in, must ultimately endanger the stability of the companies. If a company were to adopt this practice as a general rule, and especially were to be bound by it in its policies, its premium notes ought to be rejected as assets against the premium reserve. It behooves the note companies, certainly as much as the cash companies, to be sure that they are just before they are generous. —*Mass. Report* 1869, *p.* lxviii.

The following is the official statement of the proportion which this class of assets, bears to the entire funds of the various companies doing business in Canada:—

Atlantic Mutual	43.14
Ætna	69.22
Connecticut Mutual	44.82
Phœnix Mutual	59.80
Union Mutual	54.06

One of these, the Ætna, with a paid up capital of some $60,000 had in 1867, made cash loans of nearly $70,000—of which its president figures for over $38,000, and other officers smaller sums, so that all the stock holders capital and 15 per cent. more has been held in their own hands and those of their friends. ("*Purely Mutual!!*")

Is it fair and upright in its dealings with its constituents, and in its statements to the public?

Enough has already been advanced to show that in some quarters there has been more ingenuity than ingenuousness displayed in placing the merits of Life Assurance before the public, and while all refuse to permit their agents to predict the future "dividends" to be received, yet this is too often completely neutralized in practice. The Equitable Life with great truth and force observes:—"Agents and companies who are over-eager to obtain business, sometimes, even at the expense of the truth, promise such dividends as from the very nature of the case no company can ever pay and remain solvent. The public would do well to look a little deeper than this."

These are some of the vital points to be considered, for it may well happen—and the present experience of many Companies is bearing unmistakable testimony to the fact—that the expenses which are now incurred in obtaining business, and the excessive mortality now prevailing, are fast impairing the dividend paying ability of even strong companies.

An appropriate conclusion to these pages will be found in the language of the late Commissioner of Massachusetts, who says:—"This literature of the Life Insurance Companies appears to us to need a strong infusion of frankness, to make it worthy of the high position they occupy, and the humane principles on which they profess to be founded."

Halifax, January, 1870.

CANADA LIFE ASSURANCE COMPANY,

(ESTABLISHED 1847.)

CHIEF OFFICE, HAMILTON, ONTARIO,

A. G. RAMSAY, F. I. A. & F. S. S.,

MANAGER.

The Canada Life Assurance Company, has especial claims upon the public of the Provinces, being a Home Institution, investing its monies in the Dominion, while the receipts of Foreign Companies are withdrawn from circulation here. It exercises a wholesome scrutiny in the selection of its risks, and the proportion of expenses is constantly diminishing. The Board of Directors have a personal interest in the well being of the Company, and its management is modelled on that of the best Scottish offices, which have a world wide fame for their solidity and thrift.

The tables are computed with a view of giving the assured as large a policy as is consistent with sound management and unquestionable security, and the returns of surplus by way of profits, will, it is believed, compare favourably with any institution. Annual returns are and always have been furnished to the Government. No agent of this company is authorized or permitted to promise or predict its future returns to its policy-holders, but the public will be able to judge for themselves of its position, by the statement subjoined, which is taken from a valuation of its policies by the Hon. Elizur Wright, of Boston, and computed upon its *net* premiums, disregarding the loading.

At 30th APRIL LAST the net valuation by Hon. Elizur Wright, of Boston, showed a divisible Profit Surplus of $181,790.

ASSETS, - - - - - - - -	**$988,141**
LIABILITIES - - - - - - -	**806,351**
SURPLUS, - - - - - - -	**$181,790**

Or more than a year's premium income, which will be distributed in 1870, with the addition of another year's surplus.

Its constantly increasing business bears witness to the confidence reposed in it by the public of Canada, and it has arrived at the satisfactory condition of being able to liquidate its death claims from its receipts on account of interest alone.

The Canada Life Company has already distributed to the representatives of its policy-holders, over $600,000 by way of death claims.

The aim of the Company is to afford every advantage to the assured, to accomplish the end of life assurance, not the least of which, in a life-long contract, is—that of being enabled, in case of need, to keep his policy afloat by means of a loan, so that even if in ill health, he is not under the necessity of surrendering his policy to the Company for its cash or paid up value, as he would be obliged to do in Foreign Companies.

J. W. MARLING,
General Agent for Lower Provinces.

OFFICE :—
25 Prince St.,
HALIFAX, N. S.

OPINIONS OF THE PRESS.

"THE CANADA LIFE.—The report of the Directors of this Company, which will be found in another column, presents many features of a very satisfactory character; indeed, we think that a greater degree of jubilance than the management thought fit to exhibit might have been indulged in with perfect propriety. We are not prepared to go into ecstasies over success, but we are ever ready to do it justice.

The business of the company has been steadily increasing. Last year, the largest amount of life business done by any one company in Canada was secured by it. An increase of new business in one year of 84 per cent. in number of policies, and 105 per cent. in amount insured, is certainly not bad. While the policies have increased both in number and amount, the claims by death have decreased so that the interest on investments has paid the claims, and left seven thousand dollars to spare. The investments show a yield of over seven per cent. One may fairly prophecy that, with so small a mortality such fertility in the investments, and a steadily progressive business, the profits to be declared next year will be handsome.

Taking the statement as a whole, we think that policyholders will peruse it with great satisfaction. The lives have apparently been selected with care, or life in Canada must have a great deal in its favour. The number of lapsed policies appears to be small. Notwithstanding the competition which exists here and the comparatively limited field for operations, the Canada has every reason to congratulate itself on the results it has achieved, owing no doubt to the zeal of its agents and the ability of its Manager. As a Canadian Company we wish it the greatest possible success.

Were it not out of place to make invidious comparisons, we might show considerable that would tend to the advantage of the Canada, but as its agents are, doubtless, fully able and willing to do it themselves, we merely indicate the salient features of the report and express our confidence in the soundness of the Company."—*Monetary Times.*

"Canada Life Assurance—Amidst this uncertainty and distrust, it is a matter of some importance to have a clear idea of the standing and stability of the offices we have among ourselves. We cannot allow the public mind to be in doubt when facts are at hand every way calculated to inspire confidence; and very opportunely at the present moment a report has come into our hands respecting the Canada Life Assurance Company, which is highly satisfactory, and to which at least a passing allusion should be made. The Directors of this Company have apparently been anxious to satisfy both themselves and the public as to its stability and safety. With this view, they placed the accounts of the Company in the hands of Mr. Elizur Wright, of Boston, late Insurance Commissioner for the State of Massachusetts, whose entire independence of the Company, and high professional character, would give the greatest weight to any opinion he might offer. Mr. Wright, it seems, has made a careful valuation of every policy and annuity obligation of the Company, basing his calculations upon the net or pure premiums only, entirely disregarding as a source of income the margin or loading for expenses. As the result of such a severe examination, he reports a most satisfactory condition of things, from which it is shown that the Company has large surplus funds available for distribution as profit next year, along with what this year may add to it. This is highly gratifying to the Directors of the Company themselves, and must tend very largely to increase the confidence of the public at large. With such a Company there can be little risk; on the other hand there is the prospect of great advantage. The publication of Mr. Wright's judgment at the present moment is quite opportune.—*Hamilton Spectator.*"

"Canada Life Assurance Company.—The Annual Report of the Directors of this Company, that appeared in our columns yesterday, must be highly satisfactory to all concerned in the welfare of the Institution. The gross revenue of the Company for the past year from premiums on Life Policies was $164,670, and from interest on Investments $68,318. The total gross revenue of the year was $233,308. Out of this $34,657 was paid for working expenses; $76,733 was paid on policies become payable by deaths; $4,477 was applied in purchasing policies; $27,119 was applied to dividends, reserve for losses, reduction on values of property, &c.; and the larger surplus of $90,332 was carried to the Permanent Fund for the security of policy-holders. The extraordinary prosperity of the Company may be seen at once from this, that the total sum payable on Policies from deaths during the year ($61,300) was more than met from the interest accruing during the year on the Permanent Investment Fund. The *entire* receipts from Premiums ($164,670) after paying the working expenses and dividend of the year, were applied towards the permanent solidity of the Company.

As a natural result of this prosperous state of things, the business of the Company is rapidly increasing. Not fewer than 920 new Policies were issued during the year just ended, for the aggregate amount of $1,284,000. It is quite evident that, though our neighbors of the "ambitious little city" are a little behind in the matter of North Western Railways, they quite comprehend how to run a Life Assurance Company."—*Daily Globe, Toronto.*

"Canada Life Assurance Company.—We publish this morning the return made to the Government of the affairs of this Company. It is an exceedingly gratifying exhibit of the increasing popularity of the Canada; but the evidence it furnishes of its very great strength is also matter of sincere congratulation to its numerous policy-holders. It is hardly necessary to point out the very great advantages that accrue to Canadians from having retained in the country so large a sum of money as is necessarily held by these large Assurance Companies. Last year, as we learn by the returns recently made to the Government, a sum amounting to nearly one million of dollars was paid in premiums upon Life Assurance. It was admitted, which no one now pretends to question, that our Canadian Company offers equal if not superior advantages in point of security and low premiums. It possesses a very valid claim upon the support of Canadians, and ought to receive a very marked preference over foreign Companies."

"The Canada Life Assurance Company.—The Canada Life is without question one of the most prosperous and best managed Assurance Companies doing business in this country, while at the same time it is deservedly the most popular. Its financial condition, it will be seen by reference to the Government return, is all that the shareholders and policy-holders could reasonably desire. * * * * These figures furnish ample evidences of the constantly increasing business of the company, of the safety and soundness of the institution, and of the excellency of its management. There is one feature about this company which pre-eminently entitles it to public patronage in this country. It being a domestic institution, it retains a vast amount of money in the country, which, were the company a foreign organization, would inevitably be drained out of it, to be invested elsewhere, to the impoverishment of Canada. In conclusion, we cannot but congratulate both shareholders and policy-holders in the Canada Life on the very flourishing condition of the association."—*Ontario Paper.*

"The Canada Life Assurance Company has obtained from Elizur Wright a valuation of its policies and annuities to April 30, 1869, by the Carlisle Table at five per cent. He finds the reserve required, to be $668,124.91 ; taking this into the company's balance sheet, there is a surplus of $181,789.91. The calculation of Mr. Wright has, we understand, been based upon the net premium, disregarding the loading. The result is very satisfactory, and must tend to establish the confidence of the public in the Canada Life, and extend its rapidly-increasing business."—*N.Y. Spectator.*

CORRECTIONS.

Page 5, lines 18, 19, for "on capital," read "on $100,000 capital."

Page 7, line 15 from foot of page, for "to effect that," read "to the effect that."

Page 11, line 12, for "he paid : First," read "First : he paid."

Page 17, line 5, Ratio omitted.

N. B.—Taking into account all Companies, 54 in number, doing business in New York State in 1869, the AVERAGE of cash expenses to cash receipts (out of which alone these expenses are payable,) is 46.89 per cent ! !

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