tors of the Metropolitan Montreal Benefit Society of Montreal decided to place that society into liquidation, we agreed to accept, upon liberal terms of admission, such of their members as desired to join our Association, provided they could pass a satisfactory medical examination and be accepted by our Medical Board. Thus the members of these two societies were received by us on terms satisfactory to the board, and would have been gladly received by any other benefit association or any life insurance company upon equally satisfactory terms.

We are not responsible for the mishaps of these societies, or for the causes that led to their liquidation, no more so than one bank should be held responsible for the misfortunes and failure of another.

All monies belonging to the Association are deposited in bank, as provided by the by-laws, by the secretary-treasurer, who has given ample bonds for the faithful discharge of his trust. That money so deposited can only be drawn out by warrant of the secretary-treasurer and countersigned by the president, and paid out by order of the directors. According to our plans a reserve for future contingencies is put by from the collections received from each assessment. As time advances, and deaths become more frequent, this will amount to a very considerable sum.

In reference to the investment of this reserve, we quote from our annual report of last June to the members :—

"Your directors were anxious to afford as much security to the members as could possibly be obtained, and, with this view, they have rinduced such legislation as to provide for the recognition of ou Association by name and nature in Assembly Bill 139, to which we refer you. Under the provisions of that Bill the affairs of the Association fall under the supervision and inspection of the Government who audit and report annually upon the condition of such Associations as ours. It is also provided by the Bill that our reserve fund, can be deposited in trust with the Provincial Government, for the security of all certificate-holders, wherever they may reside. To give effect to this provision, the directors have passed a resolution making it a standing rule that the reserve fund, for every five thousand dollars set aside, shall be invested in Federal bonds, and deposited as aforesaid."

The Honorable Ministers of the Quebec Government will corroborate the statement that we endeavored to induce the Legislature to make the trust deposit provision of the Bill, *mandatory;* but, in view of the varied interests of the large number of small benefit societies in this Province incorporated under the same general law, it was deemed best by the Legislature to make this provision *permissive* only.

But, by the unanimous vote of our members at their annual meeting, last June, the investment of the reserve fund, as provided for by the resolution of the directors, was incorporated in the constitution and by-laws, and made this mode of investment as binding as possible.

Under Assembly Bill 139 the supervision and inspection by the Provincial Government is rendered *imperative.*

A year ago our affairs were examined into and inspected by Mr. Walton Smith, inspector of insurance, and his report is in the hand of the Quebec Government. He will (next month), in obedience to the law, make another examination and inspection of our affairs. His report will appear in the public documents.

We think our members and the public will derive more true and definite information from the *Official* Report made by this honest and efficient officer than from articles written by those who may form their opinions and make their assertions from statements made to them by prejudiced men who are particularly interested in rival institutions.

Our business for the last three months has amounted to over two millions of dollars in risks, with the addition of 825 new members, and our prospects for the future are most encouraging. Our last assessment was paid with great unanimity.

In view of the unjust statements made, and articles written and circulated to injure us, we would ask our agents to renew their efforts in behalf of the Association, and we would urge upon our members to aid and assist us in every possible way.

This is a free country, and any of the citizens of Canada have the right to band themselves in a society (well regulated by wise laws); so unite together for specific ends, help each other in the day of advertity, and provide for those dependent upon them in case of death.

They have the right to choose whatever plans and means *they* may deem best, most economical and convenient to effect these purposes. And that man, monopoly or corporation, who, from selfish motives and by false or inconsiderate statements, endeavors to destroy public confidence in such associations, and who tries to bring discredit and financial ruin upon them, is an enemy to humanity, society, and its holiest trusts:

We enclose you herewith a circular recently issued by the President of the Mutual Reserve Fund Life Association of New York City. You will perceive that there seems to be a general conspiracy to break down (if possible) assessment associations and societies.

Yours very truly,

A. DE MARTIGNY, *President.*
W. W. LYNCH, BEN. GLOBENSKY, *Vice-Presidents.*
L. H. MASSUE, JOHN L. CASSIDY, J. MCENTYRE, *Directors.*
M. BABCOCK, JOHN L. HARRIS, ARTHUR GAGNON, J. J. GUERIN, M.D., *Directors.*

PROVIDENT MUTUAL ASSOCIATION OF CANADA.

Circular No. 2. MONTREAL, October 15th, 1883.

To obtain new business for our Association, and to infuse annually into its veins sufficient new blood to insure average mortality, we employ good, capable and industrious Agents, and the best Medical Examiners.

The agents get a commission on the entrance fee—but bear their own expenses, and take their chances for success.

The cost for soliciting new business is restricted to the admission fee. The average entrance fee thus far has been $4 per $1000. We charge our members on an average of $2 per $1000 for annual dues for the *expense of administration.*

Whereas all moneys received from assessments are devoted to the sole purposes of paying mortuary claims, and endowments as they mature, at half and whole expectation of life.

Hon. Elizur Wright, of Boston, Mass., acknowledged to be one of the ablest and most distinguished Actuaries, has, under date of September 25th, 1883, written a letter to the Mutual Reserve Fund Life Association of New York city.

We extract as follows :—" As to the cost of obtaining business, let us see what it has been in the largest level-premium company in the world. I take the company's sworn reports from 1866 to 1880, inclusive, fifteen consecutive years. During this period it procured new business amounting to $585,088,037.65, and it spent on agents, in commissions, commutation of commissions and brokerages, $11,264,191.77. A part of this vast sum was undoubtedly paid to retain business already acquired. To learn *how much,* we must observe that at the beginning of the period the policies in force amounted to $76,823,672, and at the end of it to $306,002,164, an average of not quite $200,000,000, on which a renewal commission of 5 *per cent. on the premiums*—a good deal of insurance being "paid up"—could not well have required more than $4,000,000, leaving at least $7,000,000 to procure the $585,088,037 of new business, or $11.96 per $1,000 of the business acquired. But, outside of the $11,264,191.77 paid to agents during the fifteen years, it has paid for expenses, other than policy claims, $10,958,297.88, or on the average $730,553.33 a year; which, at an expense of $2 per $1,000 of risk each year, would have been sufficient for insuring an average of $365,276,000 during the time, whereas they have borne a risk of less than half that!

"Hence it appears, clearly enough, that you *cannot* expend for getting new business *half as much* as the Mutual Life does, nor *one-fourth* as much for conducting it.

"Yours truly,

(Signed), ELIZUR WRIGHT.

What Mr. Wright said, December 12th, 1882:

"On the whole, I think your plan deserves and will attain great popular favor. It will suit a large class of people better than any plan which includes large self-insurance with no reasonable rule of surrender, and unless the level-premium companies reform their absurd treatment of members wishing to retire, you must ultimately *get the whole of the business.*"

The admission fees and annual dues of the Provident Mutual Association of Canada are almost identical with those charged by the Mutual Reserve Fund Life Association of New York.

The Old Line Life Insurance Company referred to by Mr. Wright is not only the largest company in the world, but is one of the most economically managed companies doing business on the level-premium plan, their average expenses being less than one-half that of many of the old line companies.

Mr. Wright shows that the Mutual Life Insurance Company of New York has actually paid its agents' commissions on new business to the amount of $11.96 for each $1,000 of business obtained.

Like the Mutual Reserve Fund Life Association of New York, the Provident Mutual Association of Canada, in the language of Mr. Wright, "cannot expend for getting new business half as much as the 'Mutual Life of New York' nor one-fourth as much for conducting it."

Our Association, to secure new business, and in the organization of its branches and agencies throughout the Dominion, has, and must until the whole field is occupied, incur more than ordinary expense, and the rapid increase of the membership is in the common interest of all members.