METROPOLITAN LIFE'S MUTUALIZATION.

As announced last week the Metropolitan Life Insurance Company has decided to present to its policyholders a plan for the mutualization of the company. The Metropolitan Life is a stock company operating under a special charter. Most of the policies are non-participating. The capital of the company is two millions of dollars, divided into 80,000 shares of $25 each, and the dividends to the shareholders are limited to 7 per cent. per annum. The charter of the company provides that the net surplus derived from the business of the Industrial Department shall be added to the capital stock as additional security to the policyholders.

The plan presented has been unanimously approved by the directors. It is to be submitted to the stockholders at a meeting to be held on December 4. The meeting of policyholders to vote upon the plan is called for December 28. The holders of practically all the capital stock have expressed their approval of the plan. The plan provides for the acquisition of the capital stock at the price of $75 per share. Its adoption will call for the return to the stockholders of two millions of dollars, the share capital, from the assets of the company, and four millions of dollars from its surplus. The total surplus at the end of September, 1914, was estimated at over forty millions of dollars.

ADVANTAGES OF THE SCHEME.

President John R. Hegeman, in referring to the scheme, says:—

The advantages to be derived by the policyholders from the adoption of the plan include:

1. The absolute control of the management by the policyholders. At present, under the charter, two-thirds of the membership of the Board of Directors must be stockholders owning together a majority of the capital stock.

2. The safeguarding of the Company for all time against schemes for obtaining stock control and for using such control to exploit the assets and income of the Company. It is a grave peril to the interests of policyholders that the control of the stock may, through the death of those who are now stockholders and deeply interested in the welfare of the Company and otherwise, be acquired by men who would seek to manage the Company in their own interests and against the interests of the policyholders and the public. The retirement of the stock avoids that peril.

3. The conversion of all the non-participating policies, except those excluded in accordance with provisins of law, into participating policies. The savings and surplus will belong to the policyholders, and their distribution, except the part held for the security of the policyholders, will under mutualization be equitably made for the benefit of the policyholders.

POLICIES WILL PARTICIPATE.

The Company has in force over fourteen and a half millions of policies. Of these over fourteen and a quarter millions are non-participating, that is, the policy contracts give no rights to the holders to share in the savings and surplus. The remaining policies, about 220,000 in number, are either Intermediate policies issued between 1895 and 1907, or Special Class policies issued between 1898 and 1907, or policies issued by other companies assumed by the Metropolitan, all of which are kept in separate classes and which share in the savings and surplus earned by the respective classes, but do not share in the general savings and surplus. No dividends or bonuses have ever been declared upon policies issued in the Ordinary Department since 1891, except upon the policies comprised in the classes mentioned above, and there are no participating policies issued by the Company outstanding issued prior to 1891. There are over a million of policies in the Ordinary Department which have never shared in the savings and surplus and have no right by their terms to share in them. There are over thirteen and a quarter millions of industrial policies which depend for any benefits out of the savings and surplus upon the voluntary action of the Company in distributing bonuses and not upon the contract rights of the policyholder. If the plan proposed be adopted, all these policies will participate in the savings and surplus under equitable rules prescribed by the directors who will be elected by the policyholders.

A FAIR PRICE.

The directors of the Company believe that the price proposed to be paid for the stock is a fair one. The following are some of the elements that constitute the value of the stock in the hands of the present holders: The payment of the dividend of seven per cent. is assured from year to year beyond peradventure. The stock is therefore, practically speaking, a permanent seven per cent. investment, which gives it a market value much above par. It has an additional value because of the control which it gives of the constitution of two-thirds of the membership of the Board of Directors. Another additional element of value is the provison of the charter which adds the net surplus of the Industrial Department to the capital, even though it is added as security to the policyholders. Under these circumstances an addition of fifty dollars to the par value of each share as a consideration for surrender would seem to be entirely fair, just and reasonable. There is no doubt that a larger price could have been obtained by the present stockholders if they had been willing to sell to men seeking control of the Company for their own benefit; but that they have refused to do.

BANK'S ESTIMATE OF GRAIN CROPS.

The estimated grain crops for the present year in the Prairie Provinces, compiled by the Canadian Bank of Commerce, based on figures supplied by the deputy ministers of agriculture, shows the following figures:

	Acreage.	Yield. (Bushels).
Wheat	11,125,979	140,261,000
Oats	6,236,571	144,437,000
Barley	1,963,791	35,763,000
Flax	1,004,513	5,738,000
Total	20,230,854	326,199,000

Montreal Power's earnings for the six months ended October 31, are reported as approximately 8 per cent. higher than in the corresponding period a year ago, while surplus after operating expenditure and fixed charges shows a gain of about 7¾ p.c.

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Among the speakers scheduled at the annual meeting of the Association of Life Insurance Presidents to be held at New York on December 10th and 11th, is Mr. Herbert C. Cox, president of the Canada Life, whose subject is "The Increasing Need of Insurance for Women."