

It is not on record that any life insurance company ever fell away and died on account of excessive death losses, produced by lapses. But in the case of assessment societies, heavy lapses usually follow each increase of the assessments, and therefore mean that the young and healthy lives are getting out, while the old and sickly remain. This is not mere assertion or theory. Proof of it is found in the history of the following associations, of which there is no parallel among regular companies. We give their former large membership and light deaths in contrast with the latest figures available, embracing eleven years, from 1890 to 1900. The first line refers to 1890, the last to 1900:

| Chosen Friends, Indianapolis. | | Knights of Honor, St. Louis, Mo. | | American Legion of Honor, Boston. | |
|----------------------------------|---------------------------|-------------------------------------|---------------------------|--------------------------------------|----------------------------|
| Member- ship. | Death Cost per \$1,000 | Member- ship. | Death Cost per \$1,000 | Member- ship. | Death Cost per \$1,000. |
| 39,492 | \$15.11 | 137,753 | \$13.23 | 62,111 | \$11.80 |
| 39,074 | 14.90 | 135,213 | 14.34 | 62,407 | 12.72 |
| 37,958 | 15.58 | 132,499 | 15.63 | 61,355 | 15.60 |
| 37,644 | 15.53 | 127,023 | 16.30 | 60,544 | 16.40 |
| 37,892 | 17.00 | 123,354 | 17.15 | 56,060 | 16.00 |
| 37,779 | 16.24 | 115,212 | 18.30 | 53,210 | 18.40 |
| 29,571 | 18.78 | 96,633 | 19.30 | 36,028 | 19.00 |
| 26,133 | 19.04 | 89,679 | 23.00 | 21,315 | 26.00 |
| 24,433 | 17.61 | 82,256 | 24.30 | 19,119 | 30.20 |
| 21,928 | 19.61 | 66,863 | 28.40 | 16,894 | 32.00 |
| 20,797 | 20.40 | 59,932 | 28.10 | 11,160 | 40.00 |

The significant circumstance as to these and many other such cases is the contrast between the figures of a dozen years ago, and those of the present time, showing decline in membership and increase in death-cost:

| Names of Societies. | Member- ship. | Death Cost. | In- crease. |
|---------------------------------|------------------|----------------|----------------|
| Chosen Friends—Was once..... | 39,492 and | \$15.11 | |
| Chosen Friends—Is now..... | 20,797 and | 20.40 | 33% |
| Knights of Honor—Was once.... | 137,753 and | 13.23 | |
| Knights of Honor—Is now..... | 59,932 and | 28.10 | 120% |
| Am. Legion of Honor—Was once | 62,111 and | 11.80 | |
| Am. Legion of Honor—Is now.. | 11,160 and | 40.00 | 300% |
| Bay State Beneficiary—Was once | 18,831 and | 5.83 | |
| Bay State Beneficiary—Is now... | None and | 14.50 | 150% |
| Covenant Mutual—Was once..... | 45,322 and | 6.50 | |
| Covenant Mutual—Is now..... | None and | 16.17 | 150% |
| Mass. Benefit Assn.—Was once.. | 51,940 and | 8.80 | |
| Mass. Benefit Assn.—Is now.... | None and | 19.60 | 125% |
| Southern Tier Masonic—Was once | 4,087 and | 15.00 | |
| Southern Tier Masonic—Is now. | 1,758 and | 24.00 | 60% |
| United Friends—Was once..... | 22,503 and | 7.74 | |
| United Friends—Is now..... | 7,343 and | 22.50 | 175% |

One-half of the above societies have already disappeared into the "has been," and the rest of them are rapidly getting there. All travel by the same road. There is no exception. No side-path to salvation has been discovered though ardently searched for. A few societies think they have discovered such a "way out," in adopting what they call the "stipulated premium" plan, and others are trying, might and main, to accumulate what they improperly call a "surplus." A few have thrown their assessment ideas to the winds, and are trying to reorganize on the regular reserve basis of the so-called old liners. In the latter case heavy "liens" are being charged up against the certificate, reducing its face value by about one-third, and five per cent. interest has to be paid on the lien, besides the increased assessment.

This is substantially the way by which the Mutual Reserve Fund, of New York, is trying to prolong its existence. The result is watched with deep interest, many authorities believing such a change next to im-

possible. Certainly the Mutual Reserve Fund has proved itself an immense miscarriage in Canada, in the fact that while two years ago it had in force \$29,398,974, all it could report in force, December 31st, 1900, was \$15,295,500, having thus lost in two short years certificates for \$14,103,474, which is close upon one-half of its entire membership of two years ago. And this in the face of that other fact, viz., that it fell heir to the \$2,117,750 which the Covenant Mutual, of Galesburg, had in force in Canada on December 31st, 1899. That Galesburg assessment concern, a few years previously, had \$4,655,125 on its books in Canada; and the Provincial Provident, of St. Thomas, Ont., had \$13,062,250 in force in 1895, but the Mutual Reserve, of New York, now holds all that is left of both Covenant and Provident. In other words, the New York concern had, of its own in Canada at one time, or took in from two other societies, as follows:

| | |
|---|--------------|
| The Mutual Reserve Fund in Canada..... | \$35,188,974 |
| The Covenant Mutual in Canada..... | 4,655,125 |
| The Provincial Provident Institution..... | 11,906,450 |

| | |
|--|--------------|
| Total by the three societies..... | \$51,750,549 |
| All that is left of them, Dec. 31, 1900..... | 15,295,500 |

Amount that has disappeared.....\$36,455,049

And the prospect is that there will be little left, next year, of the fifteen millions, except what is held by a few uninsurable people. The Mutual Reserve's death list, last year in Canada, was \$262,000, or nearly \$20 per \$1,000, while in 1896, with \$35,188,974 in force, it was less than \$10 per \$1,000.

In concluding this indictment of the assessment system, it only remains to be noted that when a healthy certificate holder drops out, he leaves practically nothing behind to help provide for the sickly ones. But in a life insurance company this is different. There is nothing to send healthy lives out, as a rule, and all of those who choose to go out, leave what is called a "surrender charge" behind, which is large or small, according to the system under which his policy is issued. This protects the company from loss.

MODERN WEALTH.

The great consolidations of capital, which have been effected during the past few years, have brought prominently forward the expansion of the United States in wealth and prosperity. Indeed, so much attention has been paid to this recent phenomenon in the growth of our southern neighbor, that it has more or less blinded our eyes to the fact that the United States is not the only country in which there has been a wonderful accretion of wealth. Mr. Charles A. Conant, in "The World's Work," points out that other countries have not been much behind the former in the rapidity with which wealth has been accumulating during recent years. The aggregate saving deposits in European banks during the year 1900 he estimates at about nine billion dollars, while in the United States they amounted to about two billion, four hundred million dollars. In Great Britain, in the year 1880, the aggregate deposits in all the banks were two billion, six hundred million dollars, while on June 30th, 1900, they amounted to four billion seventy million dollars,