

from Manitoba, peas from Cariboo, and hops from Waterloo. The Truro Condensed Milk is there, and hygienic food from Lachute, Montreal baking powder and Halifax spiced feed. The Department of Agriculture has, besides, a collection of cereals drawn from every part of Canada.

Nova Scotia, New Brunswick, and British Columbia show well in Class 66, which includes fish and meats; canned salmon, canned lobsters, finnan haddies cured and tinned, kippered herrings, there are a dozen exhibitors besides one or two of meats. The festive blue-berry, the classic maize, and the old familiar baked beans go from Fredericton to tickle the palates of the burghers of Antwerp; while evaporated vegetables canned at Canning in the apple-blossoming valley of the Annapolis are the only other lonely residents in class 67. Gooderham & Worts exhibit their whiskies, so do Walker & Sons, and Joseph Seagram, while the Cosgrave Company show ale and stout.

The Canadian Pacific Railway Co. has taken great pains to make a most attractive picture of the character and resources of the country by means of paintings, obelisks and an object-lesson in the shape of a model farm in the grounds near La rue Hornes. Flour, potatoes, grain, grasses, coal from the Galt Mine, wood, game and minerals, all are to be seen. On the whole, the exhibit reflects credit upon the exhibitors and those who arranged their wares. It cannot fail to attract much notice from the residents of Northern Europe to this country.

THE MUTUAL RESERVE FUND LIFE ASSOCIATION.

SECOND ARTICLE.

Another peculiar feature of this association is that, once in five years the so-called reserve fund is divided among existing certificate holders; that is they receive a bond representing their share. In other words, the reserve is divided, and yet kept. If the certificate holders lives and persists in paying for another ten years, he will be entitled to a share of what may then be on hand, which share is applied to the payment of his assessments. It is from this source alone that the sinking fund is to be provided in order to make the certificates paid up after fifteen years. If, in the meantime, an insurer dies, his share goes into the general fund. If he fails to meet his payments, extra assessments, etc., he forfeits his bond; so that in any event, the only resultant benefit from the alleged division of the reserve fund is, after fifteen years, a paid up certificate. This reserve fund is placed at \$100,000 or more properly speaking, it is stipulated that "the reserve fund above \$100,000 and in excess of sums represented by outstanding bonds may be applied to the payment of claims in excess of the American experience table of mortality &c." Thus the reserve fund cannot be touched to meet death losses until the claims exceed the American experience of mortality, and then only such portions over \$100,000 as are unallotted under these convenient bonds.

We have seen, within the past month,

that though the reserve fund is held on to, the certificate holders may be called upon for increased assessments. In the May number of *Our Society Journal*, the organ of the M. R. F., the reserve fund is stated at \$315,619.63, but notwithstanding this large amount held in reserve, the certificate holders have been called upon to pay double assessments! The reserve may not improbably reach millions, but so long as the death rate does not exceed the American experience of mortality, not a dollar can be taken to pay losses. It is, in addition, not sufficient that the American experience of mortality is reached in any given year; the death rate must exceed that experience for a period covering the entire history of the company.

How is this reserve fund obtained? What tables are used in arriving at the requisite amount, and what will be the probable effect of a large increase in such a fund? We have already shown how distant are the prospects of any portion of it ever reaching the pockets of the certificate holders. Under a regular life insurance contract, the moment that a man insures the liability of the company to pay the amount of his policy begins, and provision is made to meet it.

As the insured grows older, the greater become his chances of dying, therefore the amount of the sinking fund should be increased. This is just what old line life insurance companies do. When a liability is assumed, preparations are at once made to meet it; and if five years should elapse without a loss, the liabilities of the company are greater at the end of that term than if it had been paying its full share of losses annually. Why? Because the policy holders are all living, and are growing older, and so much nearer the time when they will, and must die. Had ten per cent. of them died during that time, the company's liability would have been just this proportion less. How is it that when a person enters the "Mutual Reserve Fund," the theory is curiously enough maintained by this concern, that there is no liability on his account? Hundreds may enter, but still there is no liability so long as all live; yet if ten, whose claims are for say, \$100,000, die, the contradiction is presented of a present liability of \$100,000, according to the contention of no liability under its certificates. But, without giving any reason for it, the sum of \$33,333.33 is added to this \$100,000, making \$133,333.33 to be assessed for, and collected. Of this sum 25 per cent., or the added \$33,333.33, is set aside as a reserve fund. On what grounds? Has the death of these men increased the company's obligations? On the contrary the obligations are less than they were before. The reserves of a regular life company are calculated by scientific methods and on a basis of experience; the so-called reserve of the M. R. F. A. is arbitrarily fixed as if by "rule of thumb."

Through the death of a number of members and the consequent settlement of their claims, the liabilities, from a common sense, and from a mathematical standpoint, are reduced. What then creates the necessity for its reserve?

What contingency has arisen which it is intended to cover? How can it be shown that the payment of these matured claims makes it necessary that the \$33,333.33 already referred to should remain in the hands of the company after the claims are paid? What relation do these deaths bear to the lives or the claims of the surviving members? None whatever. Nor is there any relation between its reserve fund and the liabilities due to the remaining certificate holders. It simply indicates the amounts which have been paid by members on account of death claims. It may be asked, is not this reserve some security that claims will be paid? In what way is it a security? Do not the rules of the company stipulate that until the American experience of mortality is exceeded the reserve fund is not available for the payment of death claims? Is it not also arranged that even if this rate of mortality is exceeded the bonds alluded to cover almost all the reserve fund for the greater part of the time, and that after these bonds are exempt there is a further sum of \$100,000 freed from any liability on account of death claims. So that, until the American experience of mortality is exceeded, the members must go on paying one-third more than is necessary to meet claims for the sake of putting away a reserve in which, as we have shown, they are never likely to have any interest.

Again, it is asked, by some, is not the very same thing done in ordinary life insurance companies? We answer emphatically, no. In most of the latter the policy holder can obtain a paid up policy, or a surrender value, thus getting a return of his over-payments. Another feature—and it would seem to be a safe one for the promoters—is that this reserve is put in the hands of a trust company and is not held by the "Mutual Reserve Fund." This is pointed to as an evidence of the extraordinary care taken by the directors to make everything 'secure.' Most men managing financial institutions think that the money they control is as safe in their own hands as in those of any other set of men. The directors of the "Mutual Reserve Fund" hold different views and probably they know best.

PINE LUMBER AND HARD WOOD.

The trade in pine lumber, while it cannot be called active at the moment, since the holiday season of July and August is almost always a slack one, is fairly maintained, and the views of holders are quite firm as to prices. The stock of dry pine is very limited and there is good reason to think that all the first class wood will be wanted. The American market appears to be steady and the home demand fair, but for export there is less request. Spruce is plentiful and the feeling there weaker.

The solution of the labor difficulty between the master builders and their laborers will bring a much-needed relief to the building trade of this city. Still the loss sustained by the suspension of work for six weeks will not be recovered during the present season. The quotations we give below are for first quality inspected lum-