

production will continue until there is no more coal left. There is always the possibility of men's inventive genius discovering a substitute for coal, or devices for considerably curtailing its consumption. One thing is certain. The figures given show that Great Britain's coal supply is not practically inexhaustible.

One of the leading electricians of the day has expressed his confidence in electricity materially reducing the consumption of coal, as well as that the fuel-power in coal will be greatly increased by more scientific processes of combustion being adopted in the future.

THE DROUTH.

Although there is a variation in the estimates as to the extent of the damage done in what is known as the "Corn belt" in the United States by the unprecedented drouth of this month, the injury done is doubtless very serious. The stocks of the railways, which derive a considerable traffic from the transportation of corn and from the business it creates, have been and are considerably depressed. The "New York Commercial Bulletin" reports the situation as follows:

"From apparently the most reliable advices the greatest crop damage thus far has occurred in the States of Kansas, Missouri, Southwestern Iowa and South and Southeastern Nebraska. If, in the somewhat irregular parallelogram formed by these four States, there were described a diamond by diagonal lines, the enclosed area would, in a rough way, designate that portion of the corn belt which has apparently suffered the most serious damage. In Northeastern Iowa, for instance, it appears that the rains have been more abundant, and the same also appears to be true of North and Northwestern Nebraska. Southwestern Kansas is a wheat rather than a corn territory, while Southeastern Missouri is a heavy grain producing section, the country there being rather rougher than in the other portions of the State. Chief among the great railroad systems which enter the drouth area just described are the Atchison, Union Pacific, Missouri Pacific, Rock Island and Missouri, Kansas & Texas." Happily, the wheat crop in Kansas is expected to be very heavy. The effect of the drouth will be to seriously injure the whole cattle raising business of the South and West. The cereals crops abroad are far from promising, so good prices are likely to be received next year, which will benefit Canada and be a partial compensation for the disaster caused by the drouth.

SURRENDER VALUES.

It is the opinion of The Finance Union that the tendency of the present day to make surrender values large is to be deprecated, and that there is no need to make them larger than they have hitherto been.

Our contemporary says: "We hold that the object of life assurance is not to enable a man to accumulate money, withdrawable at will, but

to make provision for his dependents in the event of early death. It should, therefore, be the aim of those responsible for the management of the business to encourage the assured to continue their policies until maturity, and to discourage their discontinuance as much as possible. There can be no doubt that the increased rate of mortality which prevails among lives which have been assured for five years and upwards is to some considerable extent due to the lapsing and surrender of policies on healthy lives. Those who remain are a deteriorated mass as a whole, and the long lives will suffer in the matter of business from the withdrawal of the other healthy ones. The amount given to policyholders for the surrender of their policies ought to be determined after due consideration, not only of this point, but of the equally important fact that those who withdraw have to be replaced by the office at an expenditure far greater than the cost of retaining them on the books, thus causing a loss to the common fund. These two considerations apply with peculiar force in the case of a mutual society; and, in the case of a proprietary company, a third may fairly arise, *i.e.*, loss of prospective profit, although probably competition with mutual offices would relegate this point to the background.

"There is less need for great liberality in the matter of cash surrender values than there was in years gone by. Life policies of any considerable standing are eagerly bought as an investment, whilst offices are only too glad to advance money on their own policies, when they have a substantial reserve value, and at a lower rate of interest than they formerly charged. To meet the case of those who must or will withdraw, especially those who, through misfortune, are unable to continue their assurances, and who should be dealt with in the most liberal spirit possible, we strongly advocate the granting of fully paid-up policies for such a sum as represents an equitable share in the present funds of the office. A simple rule, which can be applied by any one, and is as equitable as any rough and ready plan that can be devised, is, in the case of a whole-life policy, to make the amount of the paid-up policy equal to the total premiums paid up to age fifty-five, plus one half of the premiums paid after that age, in addition to any subsisting reversionary bonuses; whilst, in the case of an endowment assurance, such a proportion of the sum assured as the number of premiums paid bears to the number originally payable, plus any subsisting bonuses, forms an excellent rule. Such a paid up policy fulfils, as far as possible, the original object of the assurance; if the life is a good one the remaining policyholders do not suffer by the withdrawal of his share of the funds, whereas, if the life is a bad one, his representatives will derive as much benefit from his past payments as circumstances will permit. If ready cash be an absolute necessity the office will advance its full value, or, if the amount be sufficiently large, the paid up policy for reduced amount can be sold. The objects which we submit should be aimed at, *viz.*, to give as little inducement as possible to any policyholder to surrender his assurance for ready cash, and to protect the continuing policyholders from loss, if he must or will discontinue, are attained to the fullest extent possible by the system of fully paid-up policies in lieu of cash surrender values.

"The above remarks refer, of course, to ordinary life business. Cash surrenders in the case of industrial assurance business are, in our opinion, inadvisable in the interests of the assured, and fraught with considerable risk to the office. On the other hand, fully paid up policies should be given to policyholders of any standing who are unable or unwilling to continue their payments."

THE CANADIAN TEAM AT BISLEY, though not successful in carrying off any of the big prizes, did very well all round. Their individual winnings amounted to £42 4s 0d, and those won for the Team £395 8s 0d, so their shooting must have been first class to have secured prizes aggregating £437 12s 0d or \$2,170. The marksmen of the old country have an advantage over those of Canada in the greater number of days fit for rifle practice,