

and others. A series of mercantile failures, or a poor harvest, dangerously affects a bank's position. The mercantile world, including banks, live on confidence and credit among men—

"That away,
Men are but gilded loam or painted clay."

The pendulum of life assurance investments has a long swing, a swing so long and regular as to produce average results in investments, similar to average results in mortality. The pendulum of banks and commerce has a short swing, a swing so short as to produce at times a jerky, zigzag motion, ending in a stop. The sudden squall that brings the white-caps on the sea of banking and commercial finance is only indirectly felt by life assurance finance, which lies undisturbed beneath the turbulent waters on the surface. Thus it happens that in Canada, while Canadian banks have on several occasions been compelled to wind up, no regular Canadian life assurance company has ever gone into liquidation.

During the great financial crisis of 1857 there were about 5,000 mercantile failures in the United States, with total liabilities of over \$290,000,000, but during that year all the life companies stood firm. Even during the eventful period of 1873 to 1878, when so many men and institutions went to the wall, there was no cause, save that of bad management, to which any life insurance failures can be traced. Thus well-managed life insurance companies, looking banking institutions in the face, can say: *Banks may come and banks may go, but we go on forever.*

These facts and considerations should lead persons seeking the safest, and at the same time the most profitable investments, to give preference to those benefits which only a life assurance company can offer.

Moral Obligations.

No man who embarks in ordinary business and is dependent upon its success for his income is safe without life assurance. From a moral standpoint he has no right to risk the maintenance, comfort and happiness of his wife and children upon the hazards of any business enterprise. Nine times out of ten such enterprises fail, and with their failure go the fortune, the prospects and hopes of those who have trusted to them.—*Spectator.*

HOW TO SELECT A LIFE INSURANCE COMPANY.

EXPERIENCE is an expensive school to attend. We gain wisdom by the mistakes of others. The history of life insurance is paved with the errors of people who, in selecting a company in which to insure their lives, acted neither on good advice nor the dictates of prudence. A few hours' investigation, or the advice of an experienced person would have saved them not only grievous disappointment, but financial loss and distress in after years.

How is it that so many good people make such woeful mistakes in selecting a Company? We know of some good business men who have made large contracts with inferior life companies, involving the loss of hundreds, if not thousands of dollars to their heirs, and yet in their own line of business such men rarely made a loss.

In one case a wealthy merchant insured in a third-rate company because a friend of his was an agent of the company. Result—at his death his family received \$3,000 less in profits than they would have received if their parent had selected a first-class company. Was not this robbing one's heirs? Was not this moral culpability?

In another case, when about taking out a \$50,000 policy in a first-class company, the wealthy applicant listened to the insinuations of a rival company's agent, who spent his time in misrepresentation in lieu of explaining the few merits of his own weak company. Result—a \$50,000 policy in the weak rival company, which involved the loss of \$4,500 in profits alone, as compared with the first-class company.

Such instances could be related by the score, and yet they could have been nearly all avoided. How?

Our answer is, *by the observation of a few fundamental principles which every intending assurer should know.*

1. *Select a company* whose age, success, popularity and reputation for fair dealing are matters of history. New brooms sweep clean; so likewise do most young companies, but present competition renders it impossible for a young company to give as good results as a first-class old established company. Don't be misled by a few years' mushroom growth, or a temporary