

of the bill brings the society under section 39 of the Dominion Insurance Act. Thus the Order is now practically under supervision the same as the other assessment societies reporting to the Dominion Government, such as the Mutual Reserve, Provincial Provident of St. Thomas, etc. The Minister of Finance has the power, upon the report of the Superintendent of Insurance, approved by the Treasury Board, to require a further deposit from the society until the total shall reach the sum of \$500,000. Every certificate, and all the literature used by the society, must have printed thereon, in a conspicuous place, in ink, of a color different from that of the ink used in the instrument, and in good sized type, the following words:

This society is not required by law to maintain the reserve which is required of ordinary life insurance companies

The words "assessment system" are also to be printed at the head of every policy, and also on all the literature and advertising matter of the Order. These precautions have been taken so as to prevent any misconceptions arising as to the nature of the contracts issued by the Order, which contracts are essentially different from those of the regular life insurance companies, in that for their ultimate payment they are entirely dependent upon the collection of assessments, and make no provision for a surrender value on discontinuance. The bill strictly prohibits the Order from granting any annuity, old age or endowment benefits. Thus the main feature, which has been prominently referred to in these columns and in other journals concerning the radical defects of the I. O. F., has been entirely eliminated.

It may be remembered that this serious defect in the Order's scheme of insurance received strong opposition from Mr. Wm. McCabe, F.I.A., managing director of the North American Life Assurance Company. Indeed, we believe that to his earnest and repeated protests must be attributed very largely the elimination of these benefits from the Order's certificate, for which a sufficient rate was not collected, and which Mr. McCabe mathematically demonstrated could not be realized. This gentleman over and over again pointed out what the Order could not mathematically refute, that the premiums it collected were inadequate for the benefits promised. And in assenting to the expunging of such benefits from the certificate, the executive of the Order have practically conceded that Mr. McCabe's contention was well grounded, and that their opposition was untenable.

The Society is now practically an assessment concern, seeking business on the lines of the Mutual Reserve (which as pointed out, has recently been compelled to raise its rates), depending upon assessments for the payment of claims upon it. Now that the Order has cut off one excrescence, it should profit by experience, and adopt rates of an adequate character, increasing with age, and sufficient to meet the contracts it issues. If it does not do this, there is no doubt that in the course of a comparatively short time it will be compelled to increase its rates, as the Mutual Reserve was compelled to do, and as the Order itself did for the older ages in London last August.

This, however, is not all, for the increasing of the rates by the Mutual Reserve is but a make-shift for the time being, as its past experience has proved. The only course open for the Foresters' society, if it desires to prosper, is to adopt rates graduated according to age at entrance, and increasing as age advances; otherwise it must collect a uniform level adequate rate, which latter, however, it has no intention of doing, for then it would have to conduct the business on the same basis as our regular insurance companies. Fraternal societies have done much to educate the public in the great benefits of life insurance, and while many

of them are founded on an imperfect or structureless basis, there is no reason why they should not reform their contracts by calling for an adequate rate, and thus offer trustworthy insurance for a fair equivalent.

WESTERN ASSURANCE COMPANY.

The Western made an addition to its net surplus in the year's business of 1894, but suffered last year, with an increased premium income, a still larger reduction of surplus than the gain mentioned. This result was not attributable to fire losses. In spite of the Toronto conflagrations of 1895, the ratio of fire loss was on the whole very little more than during 1894, mainly because of the moderate proportion of fire losses on United States business. Nor was the ocean marine branch of the business to blame for the untoward result of the year, since we are told that ocean marine yielded a fair profit. It was on lake and river underwriting that the great and exceptional outgo was sustained, the whole loss on marine business being \$440,000, where the marine premiums were \$615,000. The profits of the year on fire business were practically absorbed by the losses of the marine branch. If higher rates on the lakes cannot be secured, the discontinuance of inland marine business is foreshadowed.

The president of the Western makes a strong point against the pretensions of the advocates of municipal fire insurance when he points out that but for the wide distribution of the company's business in 1895, the Western would not have been able to make as good a showing as it did for 1895. "The absence of facility for making a wide distribution of risks of moderate amount . . . must be fatal to any scheme for municipalities assuming the fire risks upon the property of their citizens." Nor is it without cause that Torontonians are reminded that investors will be chary of investing in our municipal bonds if the city is to be burdened with the risks of a municipal fire insurance bureau—and the recurrence of such fires as those of last year—in addition to our present burdens, which are heavy enough in all conscience.

PORK AND PRODUCTS.

At the beginning of the month the dressed hog market assumed an appearance of great strength. Quotations advanced 40 cents a hundred-weight in sympathy with a fictitious advance in the markets of the United States. Trade was in consequence restricted. Packers had little confidence in the stability of prices, and a number of houses practically withdrew from the market, while so confident were holders in the situation that they were by no means eager to make deliveries. The European markets did not warrant an advance in America, and a consequent reaction in values has taken place. Europe purchased very heavily of products last autumn, when prices were unusually low. The protective policies of France and Germany have encouraged hog raising, which with an increase in England and an excessive production in Denmark, has resulted in a considerable surplus of stock on the other side of the Atlantic. It is unfortunate that Canadian packers realize less for their products than European manufacturers. The fault rests not entirely with the cure, but is partially due to deterioration while in transit. Prices have fallen to \$4.75 to \$5 per cwt. As is usual after a lull in trade, the offerings consist largely of heavy weights, and these packers are not anxious to secure even at a proportionate reduction in price.