

gan business as the former, and continued as such for three years, during which it reached what you call "its greatest degree of prosperity in 1883." Nevertheless in February, 1884, it originated, published, and adopted, with the approval of its policy-holders, the "natural system of life insurance."

Under the "Natural System" the thousand and one advantages in canvassing enjoyed by a young "post-mortem assessment" concern during the low death-rate of early days were deliberately foregone. The fact was honestly and honorably faced that the full natural average cost must be paid by everybody in advance, to secure equity as well as safety. Under these circumstances our new business, while it fell off from the point reached in 1883, was yet recruited from a more solid and thoughtful section of the public, our lapse rate became the lowest in Canada with one exception, and the equity and security enjoyed by all was rendered beyond question. During the past two years the failure of the Maritime Bank and the issue of the "foot-note" in the Government report have, of course, been taken full advantage of to limit our success in new business.

Advertising to your remarks on capital stock, guarantee fund, &c.—The act of incorporation of the association authorized a loan from the shareholders of \$50,000 cash, to be deposited with the Receiver-General for its license, and made it imperative upon the directors to pay off this loan so soon as they were in receipt of certain funds to do so. This provision of the act was followed and the necessary amount raised in this way without resorting to any further direct call on capital stock than was at first contemplated and paid up. This loan was termed a "Guarantee Fund."

When the directors, in accordance with the act, were in a position to repay this cash loan, those shareholders who had contributed the loan determined to invest so much of it, as a further call upon capital stock, as would increase the paid-up capital to \$30,000, thus converting so much of this temporary loan into an increased permanent guarantee.

Referring to your remarks on actuarial reserve, &c., this association does not pretend to be a company of the ordinary "level premium" sort, or to lay aside an actuarial reserve after their manner or for their reasons. Its business is to give insurance, and insurance only, without the incumbrance of banking for profits, dividends, reserves, and surrender values which may never reach the hands of the insured, but for which he must liberally pay in addition to the cost charged for pure insurance.

It is only such insurance that the association provides, and for which the insured is required to pay the cost in advance, without having to pay any additional sum for the privilege accorded the companies of continually reducing their liability on the amount of insurance professedly carried by them, but an ever-increasing amount of which is really self-insurance that the insured is required to, and does, carry for himself.

Under term-insurance such as is provided by the Natural System of life insurance originated and practised by this association, the cost of insurance paid in advance is equivalent to and represents the actuarial reserve, or the cost required to re-insure the amount at risk. Does any mutual level-premium company profess to hold, as an actuarial reserve, any more than is sufficient to re-insure the amounts at risk? And if, by reason of an excess of premium receipts, it holds a surplus above the actuarial reserve, is not this the result of taking more money from the insured than the cost of carrying their risks?

The actuarial reserve required of level-premium companies represents simply the cost of reinsuring obligations for which they have been paid in advance, or, in other words, it is the accounting for money in the hands of the company the property of the insured who placed it there. If, then, this association accounts, as it has always done and will continue to do, for all funds of the policy-holders placed in its hands, what more is required of it?

As regards the financial standing of this association, it has not an obligation for which it has not received in advance and holds cash the equivalent of an actuarial reserve, viz., the cost of re-insuring.

The association, apart from the policy-holders, does not speculate in the question of this cost, and takes no remuneration to cover any margin for such speculation. Its axiom

is "The cost of insurance must be paid by the insured," and its business is to see that that cost is collected in advance, and paid into its mortuary fund. The payments to this fund have always been adequate to meet all claims upon it, with a sufficient surplus to re-insure all risks.

Besides the above obligation, the association is required to deposit in the hands of the Government security equivalent to the payments by the insured into its "Safety Fund." This obligation has been discharged by the payment of the sum of \$50,000 into the hands of the Receiver-General for the security of the insured.

The association has of late been subjected to the previously-mentioned disadvantages, caused by no fault of its own, in prosecuting its canvass for new business. These disadvantages are now passing away. Its mortuary fund is well furnished with the full equivalent of an actuarial reserve. The men who direct and control its operations are of the highest character and business standing in their communities. The president and vice-president of the association are respectively president and vice-president of the Board of Trade of this city, and the other directors fill similarly high positions in the confidence of their fellow-men. No innuendo, open or covert, will lie against these gentlemen except where advantage may be taken of the fact that they are not known.

In conclusion, permit me to express my regret that in a paper having the influence of THE MONETARY TIMES the association should be referred to as apparently in default in any way, or as not entitled to the confidence of the public, or respect in the business community.

I am, sir, yours respectfully,

CHARLES CAMPBELL,

Secretary.

St. John, N.B., 11th Oct., 1888.

DATING GOODS FORWARD.

Editor MONETARY TIMES:

SIR,—Your correspondent "Viator" is evidently one of those shrewd business men that are pretty sure to attain success in their business enterprises; and if he will permit me I will show him why he and capable men like him should refuse dating ahead.

It will be evident to all that if the able and solvent retail men do not get their goods dated ahead the less able and financially weaker men will not. Now, if instead of asking for dating ahead "Viator" got the lowest net cash price, and refused to have forward dating, the wholesale dealer could readily control the weaker purchaser and refuse to give to him what the stronger men did not accept nor ask for. Then if only weak men asked for long terms the natural inference would be that they could not pay promptly. Their credit would depreciate, with the ultimate result of their being squeezed out of business, leaving the capable and sound business man master of the field. Hence I hold that it is the direct interest of every such man to strengthen the wholesale merchants' hands in the effort to stamp out the vicious habit of dating forward, and help them to shorten by every proper means the undue expansion of credit. Nothing will do this so effectively as the solvent and strong men refusing long terms, but getting lowest cash quotations.

STAPLETON CALDECOTT.

Toronto, 23rd October, 1888.

STOCKS IN MONTREAL.

MONTREAL, Oct. 24th, 1888.

STOCKS.	Highest.	Lowest.	Total.	Sellers.	Buyers.	Average.
Montreal	230	226½	589	229	228½	226
do. ex-d.	225½	223	1202			222
Ontario	130	125	151	127½	125	127
Peoples	107	105½	22	104	103½	108
Molson	175	162½		169	153	138
Toronto	213	209	130			211
Jac. Cartier	95	90	198			
Merchants	140	138½	102	140	138½	139½
Commerce	120½	119½	1120	120½	119½	117½
do. ex-d.	118	117	100	117½	117	
Union		91½			91½	93
Montreal Tel.	96	92½	2423	95	94	93½
Rich. & Ont.	56	54	1865	56	55½	50½
City Pass.	202½	197½	20			240
Ges.	211½	209½	2171	210½	209½	200
Gas ex-d.						
C. Pacific R. R.	57½	56	425	57	56½	52
N. W. Land.	64½	62½	500	64½	62½	45

FIRE RECORD.

ONTARIO.—Otterville, Oct. 9th.—Barns of W. O. Ravelly here burned with the season's crops and a lot of implements. Loss \$3,000; insurance \$800.—Picton, 9th.—Mottashed's grocery store burned; insured in Phoenix \$1,750 on building and \$1,400 on stock. The building was owned by W. Ross.—Iona, 9th.—The large barn of C. Henderson destroyed by fire, with about 250 bushels of wheat, 500 bushels of oats, hay, implements, etc.—Toronto, 9th.—Graham's publishing house gutted by fire; loss \$5,000; partially covered in the London & Lancashire and Royal.—Fire on the 10th destroyed the barn and contents of W. Haines, township of Hullett; loss \$1,800. Insurance \$450 on barn in the Huron and Middlesex, and \$900 on contents.—Stratford, 11th.—The barn and contents of Alexander Reid, Mornington, destroyed by fire. Insured in the North British and Mercantile for \$1,000.—Southampton, 11th.—The woolen mill owned and occupied by Routh Bros. entirely destroyed by fire. Loss about \$5,000.—West Winchester, 13th.—Hugh Christie's woollen mills totally destroyed by fire. Some wool and finished stock saved. Loss from \$5,000 to \$6,000; no insurance.—Galt, 13th.—Fire destroyed a two-storey building owned by W. Lapsley. The lower storey was occupied by Noyes & Patchett, manufacturers of knitted goods, who lose their stock and machinery, valued at \$3,000. Lapsley's loss is about \$1,500; no insurance.—Ottawa, 12th.—The residence of Andrea Lasalle, Dalhousie street, destroyed by fire; cause, lamp exploding; loss, \$1,000; no insurance on contents. House, owned by Baskerville Bros., insured for value.—Toronto, 16th.—Fire broke out in the long shed on Geddes' wharf this afternoon. The shed and contents were destroyed, the wharf damaged, and the steamer "Chicoutimi" scorched. Insurance, \$5,000 in Fire Insurance Association; \$2,500 each in Commercial Union and Mercantile.—Tp. Huntingdon, 15th.—Barns of J. Lancaster burned. Loss about \$900. Insured \$700 in Watertown Agric.—Ottawa, 19th.—George Ashfield's fancy goods store damaged \$12,000; insured \$8,000.—New Hamburg, 20th.—Stable and contents of F. Merner destroyed; loss \$600; not insured. Stable and frame house of Mrs. Ritz consumed at same time; loss \$1,000; insured.—London, 17th.—Wm. Heaman's store damaged \$800.

OTHER PROVINCES.—Point DuChene, N. B., Oct. 13.—Irving & Sherard's building destroyed by fire together with the stock; insurance about \$1,700. Mrs. Gratton's hotel burned; no insurance. E. McDonald's dwelling, bakery and shop, and also the post-office, destroyed; insurance, \$700. Mrs. McLellan's dwelling and shop burned, with John McDonald's hotel. McDonald's barn and crop also destroyed. Insured for \$1,200.—Montreal, 9th.—Fire destroyed a wooden stable on Fulford street, with four horses, two carriages, and the sheds adjacent.—Moose Jaw, 9th.—Fauqueler's livery stables destroyed by fire. Loss, \$4,000. Six horses were burned to death.—Nanaimo, B. C., 15.—Fire broke out in No. 1 Level, Southfield Mine, Vancouver Coal Co. All the men have been got out safely. The fire is at or near the bottom of the air-shaft, not far from mouth of the slope. A large number of men are thrown out of employment for a short time.

Commercial.

MONTREAL MARKETS.

MONTREAL, Oct. 23rd, 1888.

BOOTS, SHOES, AND LEATHER.—Boot and shoe travellers have now in a good many cases gone upon the road with spring samples, and in some days or weeks we may speak of results; sorting orders continue to come in fairly, and the prolonged wet weather has induced an increased demand for long boots. In leather, business is fairly maintained at the improvement noted a fortnight ago; stocks are getting into better shape, and the feeling of the trade seems to be that the turn of the tide has set in. New York and Boston markets are very firm for sole, and there has been a rise of 5c. in union leather there. We quote:—Spanish sole, B.A., No. 1, 23 to 25c.; ditto, No. 2, B.A., 19 to 20c., No. 1, ordinary Spanish, 21 to 22c.; No. 2, do., 18 to 19c.; No. 1, China, 18 to 19c.; No. 2, 17 to 18c.;