

people will return the shrug of the shoulders which does not mean enthusiastic compliance.

To study the matter satisfactorily, however, it is necessary to examine a little more closely the basis of the promoters' belief in this high-sounding proposition. So far as one can judge, they are going to stake their prospects on a novelty—on the "new-born gaud" of keeping open day and night. We would not mention this detail of a bank's domestic economy had it not been for the fact that this apparently is the whole reason and crux and apology for the proposed new bank's very existence. Now, novelty is a good enough thing in its place, but most emphatically it is not a thing that *wears well*, and an innovation that costs more than it is worth is hardly a plan that will commend itself to sensible shareholders.

The plan proposed would not be so risky and chimerical if a day and night bank were actually needed by one business man in a hundred. But is such an institution needed in Toronto? We know it is the fashion of some people to sneer at anyone who does not immediately take hold of a new thing simply because it is a new thing, but we feel constrained to remark that if this be the only or the main reason that the Monarch Bank can advance for its existence, it had better remain still-born. We do not forget there is to be a special department for ladies, under charge of an efficient porter, but this novelty for general attractiveness and daring is hardly on the same plane with the keeping open of a bank all night for the accommodation of an eager public through the wee small hours, when all other banks inhospitably close their doors. By the way, here is a little arithmetical problem: What percentage will the number of customers between say 9 p.m. and 6 a.m. bear towards the clerks who have to be there to wait upon them? And query: Where will the bank's profit come from to pay these triplicate clerks?

It may be true that a day and night bank is now running in New York, and it may be true also that it has been very successful, but New York is not Toronto, nor are the conditions in any degree similar. One can understand some advantage might possibly lie in keeping a bank open until five or six o'clock, or even until ten o'clock. But all night! The idea, to anyone having knowledge of banking practice in such a city as Toronto, is merely silly. It is true that from the point of view of an infinitesimal section of the public such a plan might occasionally prove a convenience, but we are discussing now the shareholders' point of view. And shareholders' profits are not made out of plans which appeal so slenderly to the general public as this one would. It seems to us that considerable future trouble would have been saved if the difficulties which attended the obtaining of a charter by the Monarch Bank had been just a little bit increased.

INSURANCE BELOW COST.

The letter which we print in another column from an old member of the Royal Arcanum, and written apparently more in sorrow than in anger, is still another indication of the shaking of the public mind over the recent enactments as to the rates of that old-established order. In the case of the Royal Arcanum complaint cannot be made, so far as we have heard, as to extravagance or bad management; the matter which is at fault is simply one of principle:

the whole groundwork of the society is on a sandy foundation. The simple explanation of the troubles in which the Order now finds itself is that it was started on an inadequate basis of rates for furnishing the real, solid kind of life insurance which for a long time its members thought they were getting. This they found afterwards they were emphatically not getting. Partial remedies have been applied, it is true, but it was not until the outgo actually overtook the income, which it did a year or so ago, that the officers fully determined to make the drastic changes which they are now endeavoring to carry out.

As it seems to us, the whole matter is treated, as in a nutshell, by a section of the report for 1905 (which has just been issued), by Frederick L. Cutting, Insurance Commissioner for Massachusetts. This State, we may remind the reader, is perhaps responsible for more good, progressive insurance legislation than any other State in the Union. Mr. Cutting's remarks, under the head of "Fraternal Insurance," fit in, it seems to us, so exactly with the requirements of this Royal Arcanum case that we think they are worthy of being reprinted in full, which we do as follows:

Fraternal Insurance.

There are those who have charged the insurance department with hostility to insurance by assessments, because it has, since the advent in this Commonwealth of this form of protection, expressed its deep-seated conviction that, sooner or later, trouble would come to every organization attempting to do an insurance business on inadequate rates. Commissioner Tarbox was especially insistent. In a report to the Legislature he said that "The late survivors—for such associations cannot be eternal—will find their temporary insurance costly, and their families will derive no benefit." He complained that such a corporation could get its charter, then go before the public and represent that it was acting under the strict laws of Massachusetts, when the chief jurisdiction the insurance department had over it was to call for statements. It was in relation to them that he repeated the memorable remark of a former commissioner, that "The State should either supervise, or else not seem to"—a truism that ought to be burned into the mind of every person who makes insurance laws or administers them.

It is inevitable that the rate of insurance just adequate to pay the cost for current age will be inadequate for the same person ten years or five years, or even one year later. It is a fact that cannot be rubbed out, that twice as many men will die at age fifty as at age twenty-five, and five times as many at age sixty-five as at age thirty. Group 10,000 men at seventy together, requiring each to contribute his proportion of the aggregate amount required to pay to the heirs of each decedent during the year the sum of \$1,000, and it would be found that the sum required from each would be nine times as much as though the group had been composed of men twenty years of age. This is only another way of saying that the liability of death increases as age advances, and as long as that is the fact, a sum which suffices to meet the cost of insurance for age forty is not sufficient for age fifty. It has taken a good many funerals to convince some men of this fact, and others are not even now convinced. They have seen fraternal orders start on a given rate and become apparently prosperous—at any rate, succeed in building up within a few years a large membership, and meet their death claims as they have accrued, without any serious burden being put upon the members. And they argue that the experience of these first years will continue, and charge that those who tell them that it cannot are enemies of this form of insurance. The fraternal does not exist, nor, in view of the inexorable law of nature, will it or any other kind of insurance company ever exist which can continue to pay death claims indefinitely if it merely collects the cost of insurance for age of entry.

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