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RAPIDLY GROWING OLD.

The Position of Some Assessment Institutions To-day.

(From a Correspondent.)
During the sessions of the Royal Insurance Commisseveral societies doing life insurance business upon the sion several societies doing life insurance business upon the assessment system have been under investigation. In every case it was admitted by the parties who testified for them that no pretence was made of being in possession of a reserve fund sufficient to recusure in a solvent institution, or to guarantee the final payment of the risks already undertaken. In all cases the admission was frankly made that any considerable prolongation of their operations would depend wholly upon a liberal increase of the membership. New blood in large and increasing amounts is, in all such societies, undoubtedly the main reliance. The officers of the Woodmen of the World admitted that about half their members were paying far too little, and that only those who have recently joined are contributing anything towards the surplus funds. Those funds are now about \$14 per \$1,000, and slowly growing.

surplus funds. Those funds are now about \$14 per \$1,000, and slowly growing.

The Woodmen are a young society, organized at London, Ont., in 1893, and have 10,318 members, carrying \$11,409,000 of insprance. They subsist upon twelve monthly assessments per year, ranging from 51 cents at age 20 up to \$1 cents at age 35, and to \$2.76 at age 54. The LO.F. charge at the same ages \$2 cents, \$1.38 and \$3.90, while the A.O.U.W. collect \$1 cents, \$1.40 and \$2.69,

Deeper Descent Every Year,

How far short all three come of doing business upon a sound basis, and how much deeper into hopeless insolvency they are descending every year they live, may be seen by comparing such rates with those of the Ancient Order of Foresters, or of an old line company as follows, these figures being for each whole year at the three ages:—

Woodmen. Workmen. LO.F.

Age 21 ... \$ 7 22 \$ 0 52 \$ 0 84

Age 35 ... 9 62 - 16 89 16 56

Age 54 ... 31 52 32 28 46 80 A.O.F. \$15 00 50 76

Age 54 ... 31 52 32 28 40 80 50 70 48 00

If the figures found in the last two columns are about right—and all the actuaries affirm they are—then it is evident that the other three societies are building upon a foundation of pure sand. And this, notwithstanding some allowances to be made in their favor on account of part of their expenses being paid by monthly dues, whereas the old line rate provides for all expenses, and also for certain surrender values after three years.

Take provides for all expenses, and also for certain surrender values after three years.

As to new blood being something to be counted upon in sustaining the life of an assessment society, experience shows that nothing is more sure than its utter failure to after a society has attained to any respectable age. What is the experience of all the societies, without exception, as to increase of new members with increasing years? Take a few examples very near home, embracing all the societies of any considerable age:—

Millions a Year Down.

Millions a Year Down.

The I.O.F. in 1808 wrote \$36,271,500 of new insurance, and last year only \$23,710,350, hotwithstanding its boasted panies are responsible for the acts of their agents, and that surplus of ten millions of dollars, advertised so extensively the world over.

The Supreme Court of Iowa has decided that life companies are responsible for the acts of their agents, and that the world over. the world over.

The Maccabees, in 1903, wrote up \$90,716,500, but last year only \$30,362,250, and the total membership dropped in the two years from 341,304 to 298,891. No less than 131,923

Manetary Times members left the society in that short time, mostly young and healthy people, no doubt.

The Catholic Order of Foresters in 1898 and 1899 wrote continues of new cartificates by the catholic order of new catholic order o The Catholic Order of Foresters in 1898 and 1899 with fifteen and seventeen millions of new certificates, but the newcomers have been steadily decreasing, and only \$10, 280,000 was written last year. But death losses have grown with seven years from \$334,563 to \$1,390,467.

The Monetary Times was established in 1807, the year of Confederation. It absorbed in 1809, The Intercolonial Journal of Commerce, of Montreal; in 1870, The Intercolonial Journal of Commerce, of Montreal; in 1870, The Intercolonial Journal of Commerce, of Montreal; in 1870, The Intercolonial Journal of Commerce, of Montreal; in 1870, The Intercolonial Journal of Commerce, of Montreal; in 1870, The Intercolonial Journal of Commerce, of Montreal; in 1870, The Intercolonial Journal of Commerce, of Montreal; in 1870, and last year only \$7,84,500. But the death losses to 1898 and 1899 with the end of the commerce of

in 1896, and last year only \$784,500. But the death losses did not go that way. They grew from \$79,476 in 1900 to \$113,500 in 1902, and up to \$132,490 last year, though the amount at risk is less now (\$8,226,250) than in 1899, when it was \$9,363,350.

Membership Decline of 50,327.

Membership Decline of 50,327.

The Royal Arcanum also in 1003 wrote \$58,575,000, but in 1905 only \$35,812,000. Its death losses have grown from \$5,043,000 in 1808 to no less than \$8,167,000 last year, though its total amount at risk is about the same now as them. In 1905 no less than 73,005 certificates were thrown up, to escape paying the increased rates; and only 22,678 new members came in. In that one year the total membership dropped from 305,083 to 254,756—a decrease of 30,327 "pocket reserves."

"pocket reserves."

The A.O.U.W. of Ontario wrote \$7,361,000 of new business in 1897, gradually decreasing, till in 1907 the amount was \$5,146,000. Then this sum dropped to \$4,072,000, then to \$3,715,000 and to \$1,852,000; and last year only the trifle of \$497,500 of new insurance was written. The total membership in 1903 was 46,125, but is now only 36,238—a decrease of nearly ten thousand in two and a half years. And during ten years past the yearly death claims have more than doubled.

The A.O.U.W. of New York State are not doing much better. Ten years ago they had 27,632 members, but have now only 19,553; and this small number is rapidly decreasing, month by month. The deaths were then only 470, and are now 584 per year upon about one-half as many members. Increasing Death Claims

The Covenant Mutual, of Illinois, once did a large assessment business in Canada. For ten years, 1890 to large it captured a total of about twenty millions a year of new business, but on May 29, 1900, became insolvent. In 1838 it had about 2,000 members in Canada, most of whom lost what they had paid to it. A few death claims were settled by a small percentage of the widow's claim out of the deposit at Ottawa. Its name is no longer mentioned in official reports.

reports.

For want of the former amount of new blood all the societies are rapidly growing old—their membership getting to be composed mostly of very old men. Take the case of the A.O.U.W. of Ontario. Ten years ago, out of 110 deaths which occurred during seven months 39 were of persons under 45 years of age, and 71 were above 45 years old at the time of death. During 1906 it is only needful to take three instead of seven months to find 110 death claims, so much larger has the monthly death-roll become. And of the 110 only 22 are under 45, and of the balance 58 were over 60 at time of death. Thus the young men have decreased by nearly one-half; and where the old men were much too numerous ten years ago for a healthy society, they now number 4 to 1, being in number 88 to 22.

These are the facts as they appear from the official reports. The conclusion is obvious as to the durability of like insurance conducted on such an unstable basis.

life insurance conducted on such an unstable basis.

EXIT MR. OSTŘOM.

Mr. T. Marshall Ostrom, of Toronto, managing director of the Monarch Life Insurance Company, has resigned, as the direct outcome of insurance investigations.

He has arranged with the company that all the stock

filed with him, and which was issued to him, shall be handed back to Hon. Robert Rogers, chairman of the executive, and has surrendered all contracts made by him with the com-

LIFE INSURANCE.

The National Association of Life Underwriters will meet in Toronto next wear.

There are in force, in the United States and other countries, about 34,000,000 industrial policies, representing about \$2,968,000,000 of insurance.

the viving of a note to agents instead of cash for the first premium will not invalidate the contract, even though the company has a general rule against the acceptance of notes.

A policy for \$250,000, covering liability for damage to life and property on the recent Vanderbilt cup race, was

written by the London Lloyds. T damage to participants or emplo There will probably be a heavy los spectators.

The Lancashire and Yorkshire pany, Limited, of England, write liability, guarantee, burglary and been taken over by the Scottish Unicessary, of Edinburgh Company, of Edinburgh.

FIRE INSUR

The Toronto Exhibition grand troyed by fire last week, cost \$108 were burned are valued at \$3,000 ea Building at \$125,000. The total \$225,000, and the insurance is di companies, their shares ranging fr

The quarterly meeting of the writers' Association was held in T eral members complained of other the regulations of the Association and concessions so as to secure be members. It is likely that stringer later on, and the fine, which is pay the rules, increased sufficiently hi parties from continuing to violate

Mr. P. C. H. Papps, president referred in his annual address on last report of the Insurance Departuring 1905 the income of the Carpanies amounted to over \$23,500,000 of most of these companies were in of the Canadian fire insurance of \$8,500,000 in 1905. Reference was ance investigations in the United and on the enquiry in this contract of the canadian fire insurance was ance investigations in the United and on the enquiry in this contract of the canadian and investigation has shown that mistakes were made, those the demanding an investigation have not that so little wrongdoing has been

MANUFACTURERS' FIR

At a joint meeting of the pr mutual fire insurance companies in the companies' solicitors to proceed the charters for organization under adian Manufacturers' Association.
to the names preferred, and it was company should be known as the facturers' Mutual Insurance Co.," as the "Gentral."

FIRES OF THE

Toronto, Ont.—Exhibition but Plant of Constructing and Paving Surance, \$11,000. W. Davis Co \$7,000. Napanee, Ont.—Collier \$4000; insurance, \$1,000. Halifa Co., machine shop. Loss, \$6,000. ide. Village of Mountain, Ont. Halifa 000; no insurance.

GRAND TRUNK PACIF

It is hoped that the G. T. P. handling the North Alberta w. M. Hays, President of the Competity will be built at Prince Rupe where 25,000 acres of land have b. Took will enter the offense of land have b. where 25,000 acres of land have to to to the necessity of elevation.

are to be considered in planning pert, it is hoped, will be the model. harbor will be ten miles long and markable depth of water, and its

Low grades and small curvat

trains being operated with safety
When the route is complete.
New York and Yokahama will be
over the San Francisco route, 500
Pacific route, and as much over the

Sixty per cent of the grading peg to Edmonton has been comple

Kynochs, Limited, ammunition ingham, will adopt the metric syst