

choose to ignore these helps, and attempt to get along without them, are likely to fall behind in the race.

One does not need to go far, however, to find examples of concerns whose business had been built up to prominence by long years of patient toil and economy, but which, when deprived of the experienced heads and hands which had so built them up, declined and fell. This, too, in spite of the employment by their newer managers of such modern facilities as we have described. We must look, then, for other causes of their non-success. It is undeniable that in many cases the old-fashioned commercial virtues of economy, promptness, assiduity, regard for truth, have not been exemplified by the newer generation of merchants as they were by the old. They have too often been replaced by extravagance, leisurely ease, cunning and smartness. The younger men have not been content to work and plan and save, as their fathers worked and saved. To take life easy and to have a good time has often been their aim. Only rarely do we find the man or men content to profit by the experience of those who went before them. There is something in the rush and whirl of modern life which seems to unfit men for steady, plodding application and to encourage rashness and the speculative spirit.

Mercantile life is not an easy existence to-day any more than it was twenty or fifty years ago, and we do not need to conclude that younger merchants, who are "heirs of all the ages," are less clever than their forbears, because not always succeeding as they did. Rather does it seem that they do not give their whole-souled attention to their business, cultivate the same saving habits, display the same regard for the quality of their output or the character of their establishment. Mere cleverness and dashing enterprise are very imperfect substitutes for plodding care of details and a high-toned regard for morality and precision in the conduct of mercantile affairs.

ANOTHER ASSESSMENT COMPANY TO RE-ORGANIZE.

We have seen a circular issued to its policy-holders by the Covenant Mutual Benefit Association, of Galesburg, Illinois, calling a meeting for December 28th, at the head office, to consider the re-organization of the company. The Covenant Mutual was founded in 1877, on the assessment plan, and for a while levied but low rates on its members. About 1880 the cost per \$1,000 was declared to be something less than \$10; in 1889 it was placed at only \$12.90. But in the year 1894, when the association reached its highest membership of 45,322, the cost per \$1,000 had gone up to \$15.66. Still the cost increased year by year, and in 1898, when the membership had declined to 33,122, had reached \$20.17 per \$1,000. Doubtless the further decline of membership this year and financial trouble looming ahead has inspired the management to call policy-holders together and ask, what must we do to be saved?

The circular refers to re-organization, and also mentions, as an alternative proposition apparently, that the North Western Life Assurance Co., of Chicago, is willing to take over the policy-holders of the Covenant Mutual without medical examination. This is curious reading when we remember what sort of shape the North Western Life itself is in. That Chicago assessment concern (if we do not mistake the company) had in 1891 no fewer than 58,290 members, and was charging them \$14.67 per \$1,000. But it has been losing members by thousands in succeeding years, and last year was down to 20,431 in number, while its assessment was very heavy, reaching

\$24 per thousand. Here, surely, is a case of "out of the frying-pan, into the fire," since the North Western is in the poorer plight of the two. Its eagerness to get new members, and its recklessness on what terms, is seen in the proposal to take over the Covenant Mutual certificate holders without medical examination.

The company last named does business in Canada. By its last report, in the Ottawa Insurance Blue Book for 1898, it had in force in the Dominion 1,452 certificates for a total of \$2,345,500. There is in the hands of the Receiver-General \$54,000 worth of three per cent. Canadian stock as a deposit for the behoof of clients of this concern in Canada. The company's income for 1898 in this country was \$49,574; while its expenditure was \$49,679, no less than \$41,860 of which was for death losses; and there was at the close of the year \$12,500 of claims for death losses still due and not resisted. At the same time the new business of the company last year only reached \$119,625 under 101 certificates. It is instructive to observe that the terminations of certificates in Canada during 1898 amounted to no less than \$1,340,000 under 637 certificates. Of these, 22 for \$40,000 were by death; 9 for \$23,000 by removal; 25 for \$100,000 by surrender; 581 for \$1,177,000 by lapse.

In the face of this showing, and what we have already said above, can it be wondered at that it is found necessary to "re-organize" the company? The certificate holders of the Covenant Mutual will find, we think, whether they agree to amalgamate with the Chicago concern or not, that the assessment system, under which both companies have been carried on, is unsatisfactory and disappointing. Better far if they had insured in a trustworthy old-line life company and paid a reasonable premium. These cheap concerns are attractive at the start; but they are liable to "play out" at the very time when a man reaches middle life or is growing old, and when he looks to receive profits in his life time, or for his representatives to receive certain benefits at his death, for the money he has faithfully paid in year by year. Unhappily, in the case of assessment companies, he does not receive profits, nor can his family depend upon the face value of his policy in case of death.

SOUTH AFRICAN RAILWAYS.

Some interesting information on the subject of the South-west African railway agreement is given in the London Times of 24th inst. We quote below the bulk of the article:—

"We understand that the provisions of the agreement signed in Berlin on the 28th ult. between the German Government and the British South Africa Company contain important stipulations clearly pointing, as we indicated at the time, to the probability of the ocean terminus of the new railway being located not on South German territory but on Portuguese territory to the north of the German colony—i.e., in Great Fish Bay. These stipulations provide for the transit dues to be levied on goods imported across German territory, into Rhodesia, and, whilst it is agreed that if the ocean terminus of the line is on German territory goods shall be landed free of all Customs duty and subjected only to transit dues not exceeding 3 per cent. *ad valorem*, it is specifically provided that in the event of the ocean terminus being on Portuguese territory the transit dues to be levied on German territory shall not exceed $1\frac{1}{2}$ per cent. *ad valorem*, should Portugal levy a transit rate which together with such German dues would amount to or exceed a total rate of 3 per cent. On goods in transit through the German and the British spheres