

Expenditure	
Commission, salaries of agents, officers and employees.....	\$ 12,814 83
Stationery, printing, advertising, rents, traveling expenses, medical fees, etc.....	6,914 84
Organization account, promoters' expenses.....	4,877 50
Balance—	
Cash in banks bearing interest.....	\$114,313 90
Cash in office.....	69 39
Premiums, notes, etc.....	11,032 48
	\$125,415 77
Total.....	\$150,022 94
Assets.	
Cash in banks and office.....	\$114,383 29
Huron and Erie debentures....	56,000 00
Premium notes.....	6,488 08
Premiums under collection and deferred.....	4,544 40
Office fixtures.....	666 91
Office supplies (estimated).....	750 00
Interest accrued.....	2,993 75
Total.....	\$185,826 43
Liabilities.	
Reserve on policies in force calculated to May 31, 1898....	\$ 13,545 56
Cash surplus on policy-holders' account.....	172,280 87
	\$185,826 43
Paid up capital.....	\$186,800 00
Subscribed capital.....	856,800 00

INSURANCE ACCOUNT.

Number of policies in force May 31, 1897.....	65	\$ 87,000 00
Applications received.....	514	\$600,830 00
Applications reduced and changed... 8		\$11,000 00
Applications rejected.....16		18,500 00
Applications failed to complete.....36		40,000 00
Applications held for completion...19		25,000 00
Policies lapsed.....3		6,500 00
	82	101,000 00
	432	499,830 00
Policies in force May 31st, 1898.....	497	\$586,830 06

The old board of directors was re-elected as follows: Hon. David Mills, Minister of Justice, president; E. Jones Parke, Q.C., first vice-president; Thos. Long, Toronto, second vice-president; the Right Honorable Lord Strathcona and Mount Royal; John Breaky, president Quebec Bank, Quebec; John Morrison, Toronto; John Davis, Windsor; N. H. Stevens, Chatham; Matthew Wilson, Q.C., Chatham; Robert Ferguson, M.P.P., Thamesville; W. S. Calvert, M.P., Napier; Lieut.-Col. F. B. Leys, M.P.P.; T. H. Purdom, George B. Harris, John Ferguson, J. D. Balfour, M.D., and Francis Love, London.

NOTES OF WARNING.

Since the publication of the mortality experience of the Canada Life Assurance Company in 1895, a great deal of discussion has been quietly going on amongst fraternal and assessment insurance societies as to what is the lowest rate of premium that may safely be charged.

Stern facts have within the last two or three years convinced leading officials of these societies that after all, the foundations on which they have been resting have been foundations of sand. Now the corner stones have crumbled:

- (1) The reserve-in-the-pocket theory has proved a delusion.
- (2) The new blood theory has failed to do its work.
- (3) The average age theory has gone by the board.
- (4) The magic influence and benefit of lapses is losing its potency among the intelligent.

With these four corner-stones gone, fraternal insurance officials have now practically abandoned hope on the old lines, and are quietly preparing the way for the adop-

tion of a modified form of the old reliable level premium system.

They propose to charge premium rates based on a mortality rate about the same as that of the Canada Life Experience, and having done that they foolishly imagine that permanency is assured.

We take this opportunity of sounding a note of warning, as follows:

Unless fraternal societies and assessment companies decide to maintain a proper reserve for each policy, founded on a conservative actuarial basis, they are doomed to failure.

The charging of increased premiums is a step in the right direction, but it is only a step, and unless accompanied with the holding of a mathematical reserve, it will only postpone a little longer the insolvency that is now staring so many societies in the face.

The question of the hour for assessment societies is proper premium rates and proper reserves, and the latter is most important. The former, without the latter, is a delusion. Moreover, unless the existing members of societies be required to create a proper reserve against their policies they will become a dead weight on the new members, and destroy the mechanism of any new and otherwise sound plan.

Another note of warning that should be sounded is this, that it is highly improbable that any fraternal society will duplicate the low mortality experience of the Canada Life. Those who have made close observation of the methods of selection

lapses. The most absurd guesswork is indulged in by many persons as to the effect of lapses in reducing premium rates and in reducing reserves. When we think of the extreme caution exercised by leading actuaries in dealing with this problem, we stand appalled at the rashness of many officials of assessment companies in their absurd estimates of how lapses will benefit the society and reduce premium rates. Unless extreme caution is exercised in the future in dealing with this difficult question, assessment fraternal societies are likely to find this the rock upon which they will eventually split.

It is time the government took out of the hands of butchers, bakers and bankers the right to say what is the lowest premium that may safely be charged, and what reserves should be held. Let the government put this problem which is fraught with such tremendous consequences, into the hands of acknowledged experts, who alone are qualified to advise.

Everyone who has regard for the thousands of wives and children dependent upon the husbands and fathers insured in fraternal and assessment societies, can but express the wish that the threatened downfall of these societies may be averted by the adoption of sound and scientific methods, and in that spirit the above notes of warning are sounded.—Life Echoes.

TORONTO MARKETS.

Toronto, June 30th, 1898.

BOOTS AND SHOES.—The shoe houses are fairly busy, and while orders are not large they come in steadily. A fair proportion of better-class goods are being ordered, and at the same time there is a disposition among retailers to beat down prices, but the manufacturers have had enough of cut-throat competition, and they are also less disposed to giving long time and dating ahead.

DAIRY PRODUCE.—Prices of dairy butter have scarcely improved since our last report, though tubs are from ½c. to 1c. better. Exporters do not take our dairy, and as a consequence, it accumulates. Buyers continue to take a good part of the offerings, however, a business which must be pronounced largely speculative. In creamery the feeling is rather better, the export demand is fair and the local market is well supplied at prices which are governed by the export price. Cheese is better, too, many exporters, however, do not favor the sharp advance we noted last week. Receipts of eggs are light and quality not satisfactory; demand steady at 11 to 11½c.

DRUGS AND CHEMICALS.—A very good business is doing, both letters and personal calls bringing in numerous orders. Customers are paying well, too, quite up to the average and rather beyond it. We have made some changes of quotations. Values in chemicals are generally well maintained. A noticeable feature in the trade is the way in which a number of well known patent medicines and proprietary articles in the States will be affected by the new stamp tax necessitated by the Spanish war and coming into force this week. The cost of the stamps is being added to the price of the goods. This does not seriously or immediately affect us in Canada, because the exported goods are not stamped—or at least it is contended that the law does not affect them. However, Canadians will have to pay duty upon an increased value.

DRY GOODS.—We find business active in every warehouse, one house said they had not for a dozen years known the sorting orders keep up so well. Remittances are satisfactory, too. The summer goods that the rush is for just now are white piques and linen crash suitings, but both of them are hard to get. One buyer said he had searched Boston, New York and Chicago for piques, a week ago, but in vain. They have doubled in price in the States. More are expected in this market soon. Fancy

Considering these facts, we are of the opinion that 3½ per cent. is as high a rate of interest as may prudently be adopted.

A final note of warning should be sounded as to the question of benefit of