thoroughly discredited. Ten years ago the bringing forward of such a prohibition would have been met with protestations from an army of those holding to the shibboleth of "pocket reserves." But late years have brought rapid changes tending to shake the faith even of the most sanguine.

In dealing with this matter the Government was confronted with no small difficulty. Drastic provisions relating to existing fraternals with their thousands of members had to be avoided, and an effort made to "make the best of a bad job" in the carrying out of obligations already entered into. The first proposal was that provision should be made for adequate actuarial rates and reserves on all new business undertaken by existing societies—earlier members, hard as it might seem to them, being allowed to work out their own dubious salvation. This plan recognized that, while it was right that the interests of old members should be conserved so far as possible, it was inequitable that growing deficiencies should be made up from funds belong to those newly joining.

It will be remembered, however, that these original provisions for reorganization of fraternal orders were dropped by the Government, as a result of urgent requests that the societies be first allowed to deal with the matter of rate revision themselves. Little objection was raised to this concession being temporarily granted; those who believed the matter must eventually demand radical legislative changes felt that it might better be considered in a separate bill. And, in the meantime, opportunity would be given to those so disposed, to set their houses in order. Even on the part of the regular life companies, there was apparent a desire to aid rather than retard steps that would make for the best welfare of the fraternals—a disposition evidenced by the disinterested advice given in more than one instance by leading Canadian actuaries.

In pursuance of the understanding with the Government, Supreme Chief Ranger Stevenson, of the Independent Order of Foresters, urged radical rate revision upon the Supreme Court of that society a year ago. With commendable frankness he pointed out that the order had in hand funds of only some ten million dollars, where an actuarial valuation called for sixty. He made clear also that the current contributions of the members who joined prior to the increasing of rates in 1899, no longer sufficed to pay their death and disability claims, but had to be supplemented by an accelerated drawing upon the reserve standing to their credit. And the conclusion he emphasized was, that as the death rate among the old members increased and their contributions decreased, it would be only a comparatively short time before their accumulations would be exhausted, necessitating an appropriating of funds rightfully belonging to entrants of a later date than 1899—eventually leaving a large deficiency to be made up by members paying the higher rates.

While Mr. Stevenson's detailed plan leaned away from cold actuarial justice to the extent of providing certain special privileges for old members, its adoption would have been a great step towards the stability of the order. But, as is well known, his proposals were voted down, a half-way measure being adopted that could do no more than temporarily defer the facing of a most serious problem. The calling of the adopted plan a "combination of permanency and expediency" clearly enough indicated its inadequacy—though the phrase, until analyzed, sounded reassuring.

To illustrate the effect of the adopted changes, there may be cited the case of a man who entered the order at age 25, prior to 1899. He then paid, and had since paid, 67 cents per month; as against 94 cents per month paid by members who had joined at age 25, since 1899. According to the National Fraternal Congress table, each of these members should have paid over $1.00 per month, from the time of entering the order. The S. C. R's proposal was to raise the old member's rate from 67 cents to somewhere between $1.05 and $1.22 according to date of original entry; but the order decided that it would require only $1.05 in any case. It was further provided that old members who could not pay the increased rates might instead have their certificates correspondingly reduced, or might borrow the monthly increase in their payments from the order at 4 p.c. interest, the loans to remain as liens upon their insurance contracts.

In brief, the plan called for an average of $8 per year additional from the 112,076 members who had joined the order before 1899. The $900,000 additional thus looked for annually was counted upon to change the yearly deficit of $616,000 to an annual surplus of $275,000. But these high hopes took little or no account of "adverse selection" through lapsing of healthier lives, nor of the fact that increasing average age must, as time went by, inevitably turn surplus into deficit again.

There has lately come to hand from the Bulletin Publishing Company, of Toronto, its annual Assessment Life Insurance Chart, giving the position at the close of 1908, of fraternals doing business in Canada. It shows how increasing lapses and decreasing new business are already upsetting the calculations upon which rate readjustment was based. During the year, the total amount of "insurance" covered by certificates of the Foresters decreased from $265,000,000 to $246,000,000. Terminations during the year amounted to $34,000,000, as against less than $23,000,000 in 1907