

the position of the I. O. F. must be unsailable by fair arguments when so ably conducted a journal as the *Monetary Times* is compelled to resort to questionable methods in order to make a colorable case against the Order.

THE QUESTION OF LAPSES

noticed in your letter is so important a factor in the business of insurance, that any conclusion which may be reached in any matter of this kind, wherein that factor has been left out of consideration, must be utterly fallacious. For not only do insurance companies make a large profit out of lapses, but what is even of greater importance to them and to the I. O. F., is the fact that by reason of lapses and the constant addition of new blood, by the admission of new members, companies and societies practically renew their membership every eight or ten years, thus keeping down the average age of the membership, and keeping the membership always within a few years of the medical examiners hand, thereby keeping the rate of mortality way below the figures of the *Monetary Times*.

Even if it were true that every member initiated into the I. O. F. remained a member till he died or reached his expectancy of life, as assumed was the case by the *Monetary Times*, its conclusions would still be altogether erroneous because it has in addition to ignoring the question of lapses, taken no account of the question of interests. The arguments of the *Monetary Times* are of no more value to intelligent men, than if I were to say McArthur is worth \$500,000. to-day, but, as he spends \$25,000 a year, 20 years hence (or as the *Monetary Times* poetically puts it "move time forward 20 years,") McArthur will have spent all his money, consequently "he must wind up with great disappointment to those who have placed dependence upon him."

Why, every man outside the walls of our asylums for idiots would say that fellow is an idiot. The great wall paper factory which made the half million for McArthur will be running "full time" and sometimes, perhaps, "over-time" during the next 20 years. It will be making, if not better, at least as good profits as in the past for its owners; but even if this were not true he has taken no account of interest, and therefore, his figures are

ENTIRELY VALUELESS.

The *Monetary Times* in all its former articles always assumed that the question of the death of the I. O. F. was one only of a *very*

few years. In the present answer to its imaginary correspondent, it practically admits, doubtless inadvertently, that the policies of the I. O. F. will be good for their face at least for 20 years to come. It is good enough to suppose that we shall then have \$500,000, in the surplus funds of the Order, but that then 500 old men will step up to the Treasurer and draw out each of them a \$1000, thus wiping out entirely our surplus. This statement, that the endowment of 500 old men would mature at the end of 20 years, all in a bunch, is based on the assumption that there will be no lapses of membership in the Order during all that time.

I need not say to you that such an assumption is necessary to reach such a conclusion, but that such an assumption in connection with the I. O. F. is wholly

UNWARRANTED BY FACTS.

The Order was introduced into Canada in 1876. As 12 years have already elapsed, there ought to be at least 500 in the Order to-day over 60 years of age, and to be in the line of the *Monetary Times* we must assume that none of these 500 will die during the next 10 years, and what is more remarkable, none will allow their membership to lapse.

Unfortunately for the *Monetary Times* the facts do not at all accord with its figures.

A careful examination of the registers of our Order discloses facts, which I doubt not, will astonish even yourself. Although we had in three Courts alone, in 1878, over 50 members who were between the ages of 55 and 60, yet we now have just nine members who are over 60 years of age, and not 500 as supposed by the *Monetary Times*. We have 87 who are over 55 years old, and only 612 out of the 11,105 members who are 50 years of age or over. I find a very large proportion of our members are under 30 years of age.

The explanation of this very gratifying state of the affairs of the I. O. F. lies in the fact that since 1878 we have initiated 17,150, of whom 171 have died, and 5,874 have lapsed, leaving 11,105 in good standing at date. Of the 11,105 members

OVER 3,500

have been admitted to our Order within the last seven months.

Let us inquire whether this state of affairs be exceptional with the I. O. F.

The following table shows the average number of insured in some of our best insurance companies for the past five years, also the number of deaths and number of lapsed