

“LAW 2.

“RESERVE FUND.

“Sec. 1. Fifty per cent of the amount received on each assessment shall be set aside as a reserve fund, and shall be promptly invested in debentures, bonds, mortgages, or other first-class securities, approved by the Supreme Trustees and the Executive Committee, said investment to be made in the name of the Order, and shall only be withdrawn therefrom by a resolution of the Supreme Executive Committee, which must be presented with a draft or voucher for its withdrawal, which voucher must bear the signature of each member of the Supreme Executive Committee: provided that none of the reserve fund shall be called to the benefit fund during the first six years and six months immediately following the organization of the Order; and provided further, that only one-eighty-fourth of the reserve fund shall be called to the benefit fund of the Order during any one month.

“If at the close of any month there remains in the bank any portion of the assessment received during the month, this amount in addition to the fifty per cent above provided, shall be immediately transferred by the Supreme Secretary to the Reserve Fund.”

“LAW 7.

“Sec. 1. Lodges shall pay an annual *per capita* tax of \$2, payable quarterly, as follows:—Fifty cents each for the actual membership in good standing on the 15th days of January, April, July and October of each year.”

Under the heading “Constitution and Laws governing Lodges” are the following provisions:—

“LAW 14.

“FEES, DUES, &C.

“Membership Fees.

“Sec. 1. The fee for the membership in any lodge shall not be less than \$5, and \$1 for certificate fee. For medical examination the fee shall be one dollar (\$1), for admission by card 50 cents.

*Dues.*

“Sec. 2. Each member of the lodge shall pay as dues, to commence with date of admission to the Order, at a rate not less than \$1 per quarter, payable quarterly in advance, on or before the 1st day of January, April, July and October of each year.”

The certificate of membership certifies that the member “is entitled to receive, within a period of seven years, computed from the date of the certificate from the Benefit and Reserve Funds of the Supreme Lodge of the Septennial Benevolent Society, a sum not exceeding \$1,000, the same to be paid in accordance with the provisions set forth in the constitution and by-laws of the Order governing said funds; Provided the said member continues in good standing in the Order and complies with his obligation as a member, and with all the laws, rules and regulations of the said Order now in force or that may hereafter be enacted by the said Supreme Lodge to govern said Order and lodges and the said funds, and that he has not surrendered, assigned, transferred, given as security, or otherwise disposed of this certificate, in either of which cases the membership and the certificate, and all benefits accruing therefrom, shall be rendered null and void.”

It will be noticed that a single assessment for a \$1,000 certificate is \$2.50, and that a monthly call for an assessment is to be made, *and no more, unless claims demand*, so that each member, for a certificate of \$1,000, will pay annually \$30, or during seven years \$210, *unless claims demand*; but inasmuch as no endowments are to be paid for seven years, I do not see how any greater assessment than \$30 per year can be levied at all events, during the first seven years, or until the certificates issued the first year become claims.

Thirty dollars per year would amount at the end of seven years, with interest compounded annually, to the sums as follows, interest being calculated at the following rates, viz:—

At 5 per cent. to .....	\$ 244 26
5½ do .....	248 00
6 do .....	251 81

In the above calculation the full payment is supposed to be made at the beginning of the year, and, therefore, gives a larger result than if the calculation is based upon monthly payments of \$2.50 during the year.

It would, therefore, appear that a member is being promised (at all events, such as enter the Order during the first year) \$1,000 in consideration of his paying to the Society sums which, if invested on the most favourable terms, cannot produce more than \$250.

In the advertising literature of the Society I find a small pamphlet, entitled:

“What is the Septennial Benevolent Society?”

“Questions and Answers.”

Among which questions and answers are the following:—

“Q. How can you pay a member \$1,000 if you only collect one assessment per month?—A. The Septennial Benevolent Society does not say in its plan ‘one assessment per month.’ It promises a certificate paid in full in seven years at the lowest possible cost.

“Q. If the assessments were called at the rate of fourteen a year, how much money would a member pay in one year if he carried, \$1,000 certificate?”—A. Thirty-five dollars.”

“Q. Then, if he pays at the rate of \$35 per year, or \$245 in assessments in seven years, you think that it will give him protection against sickness, accident and death after the first year’s membership, or \$1,000 in seven years?”