THE CANADIAN

PRICE, - 50 Cents.

Published Monthly, in English and French, at London, Ont., in the interest of the

Catholic Mutual Benefit Association of Canada

And mailed to members the first week in each month.

Members are invited to send us items of news or information that will be of benefit to the Association. Communications upon subjects of interest to C M B A. members will always be welcome, but anonymous letters and letters which the Manager does not consider for the welfare of the Association will not be published.

Correspondents will please remember that copy must reach us before the 15th of the month, if intended for publication in the following month's issue, and that space is limited and brevity much desired.

Address all communications to

S. R. BROWN,
241 Queen's ave., London, Ont.

LONDON, SEPTEMBER, 1893.

THE C M. B. A. LEADING ASSESSMENT ASSOCIATION REGISTERED IN THE DOMINION.

The speeches of the Honorable the Solicitor General of Canada, who is visiting the Maritime Provinces, are a source of great gratification to our brothers in that important section of the Dominion. In Prince Edward Island, where our live and influential deputy knows how to improve every opportunity for the spread of C.M B A. ideas, a special place was given to our organization in the public addresses and receptions accorded to the distinguished visitor. Brother Curran, accompanied by the Rev. Father Burke, District Deputy for the Province, visited Branch 216, at Charlottetown, on the evening of the 7th August. After a big day's work on the rostrum elsewhere, he made a splendid address commendatory of the Association.

In his honor a pic-nic of Branch 214, of Alberton, was held at Kildare Cape. Here a beautiful address of appreciation and welcome was read by the reverend deputy. In reply Hon. Mr. Curran spoke for upwards of an hour. He declared himself a loyal C M. B A. member, devoted to the cause which he looked upon as a most worthy one. Early in its existence he had joined Branch 26, of Montreal, and was still a zealous brother. He discussed the Catholic side of the Association and its educative features, and then went into an exhaustive study of its insurance principle. From thorough examination, and upon so great an authority as that of the Inspector of Insurance, he declared the C. M. B. A. of the six assessment associations coming under the statute in Canada easily and safely the first.

Another reception was tendered Bro. Curran by the Summerside branch, when the Rev. Father McDonald read an address.

Brother Curran has done our organization much good in P. E. I., and we are thankful to him for so zealously discharging his obligations.

IMPORTANT ADDRESS

By the Registrar of Friendly Societies, Delivered at the Annual Meeting of the Canadian Friendly Association, Recently Held in Toronto

Mr. President and Gentlemen,

You have placed me in a very unenviable position, for I have not prepared anything in the form of a set speech I don't know whether you expected anything of that kind. Perhaps not, but I thought that a short talk on the recent legislation affecting friendly societies would be more agreeable than anything else, and best serve the purpose for which you invited me here to day—at all events serve much better than any formal address. As you are well aware, for a great many years in this country the rule, both as to insurance companies and friendly societies, was the simple rule of laissez-faire—*go* as you please. Then, under the compulsion of events, that indifference had to be abandoned, first in the case of insurance companies, and afterwards in the case of friendly societies. But even as to these societies the protection of their funds from misapplication early became a public question, and this, in 1850, was the genesis of our first Friendly Society Act, precisely as the same question occasioned in England Sir George Rose's Act of 1793, the earliest of the English enactments. On our statute book the earliest measure touching friendly societies, as I have intimated, is the act of 1850, an act passed by the old Province of Canada. That act describes a friendly society as "charitable" and "philanthropic." A friendly society, according to the conception of our legislators in those days, was a sort of glorified poor law board, a sort of out door relief society. The objects of the typical society were described in the act, and we gather that the moneys were expected to be raised by "contributed subscriptions," the subscribers not necessarily being members of the association at all. Then there was *no* compulsion on the part of the society to pay anybody in particular, or in general. Under the circumstances, you may be sure that the officers of the societies in those days took good care of themselves; they took the ground that it was no matter of public concern what they did with the funds; also that payment to a beneficiary was at their discretion; and that therefore no member of the society could hold them to an account. They denied to even the members a right of enquiry. The Legislature disabused the minds of officers on one branch of the question, and made the conversion or improper retention of moneys after due demand by the society a penitentiary offence. But the larger question — namely, the rights of beneficiaries against the society itself—was completely overlooked. The use in the act of such descriptive words as "charitable," "philanthropic," "benevolent," only served to continue the confusion between a public or private charity and a contracting friendly society. "Philanthropic" and "benevolent" were good mouth-filling words; but neither in law nor in popular language had they any definite meaning, and they consequently darkened the path of any beneficiary who resorted to the civil tribunals. The persons from whom the friendly societies then and now drew their membership were not the helpless, diseased or destitute poor—the ordinary and proper subjects for charity—but self-maintaining wage-earners and yeomen, sturdy freemen, who, in Ontario at all events, ask no charity; they are willing to pay a fair rate for the assurance benefit, but they expect and demand that when the benefit, according to the bargain, becomes payable, it shall be paid, not as a matter of favor or discretion, but as a matter of right, and without abatement or delay. It is only by virtue of recent legislation that the certificates of friendly societies have received from the courts the recognition and protection that the policies of insurance companies have long enjoyed. For instance, it was held that Chap. 136 of the Revised Statutes (relating to the insurance money payable to the wife or children) was not intended for the protection of friendly societies at all, and would not apply; so that any money payable under a certificate of a friendly society was at the mercy of a creditor, and was not protected in the same manner as when payable under the policy of a life insurance company. The first difficulty with the courts was the doubt whether there was in the case of friendly societies any contract with the member at all; or whether the payment of the benefit money was not in part or wholly a matter of charity or discretion on the part of the society. And the next difficulty was, supposing a contract to be on foot, from what document or documents were the rights and obligations of the parties to be ascertained? The certificate generally was so clouded with stipulations and with vague references to constitutions and by-laws — past, present and future—that no layman or lawyer could say what were the rights of the beneficiary; or if the beneficiary had any rights, how he was to enforce them. Where such difficulties confronted the courts in cases founded upon friendly societies' certificates, it is not surprising that the judges were disposed to decline jurisdiction. The condition of things, by leaving an open door to fraudulent societies to prey upon the public, was in the highest degree detrimental to legitimate societies. No legitimate society will object because its contract is made intelligible; no honest society can object because its contract is made enforceable.

Matters were visibly approaching a crisis in 1887; and in the session of 1888 I submitted a draft of a bill respecting friendly societies. This bill — which received the support of the oldest of the societies but was denounced and petitioned against by some of the newer societies as quite revolutionary— distinguished between charitable societies and contracting societies, provided for the registration of the latter, and placed the beneficiary in a position, first, to ascertain his rights under the contract and then in a position to enforce them. The leading provisions were carried into the act of 1892, and are now familiar law, but were in 1888 received with such a fusilade of petitions that the bill was not pressed. Many things happened between 1888 and 1892. In the neighboring States friendly society contracts had developed in unscrupulous hands into instruments of fraud upon a colossal scale and the Courts and Legislature were all engaged with questions arising out of such fraudulent operations. Some of our neighbor's societies had obtained a foot-hold in Ontario, and a crop of Ontario imitators was threatened. In 1890 therefore our Legislature repealed the clause of the Benevolent Societies' Act under color of which speculative and gambling insurance benefit societies and companies were then being promoted. The general question of registering and distinguishing insurance corporations had in 1890 become far more important and complicated than it was when the bill of 1888 was drafted. All the special acts incorporating particular societies had to be considered and abstracted. Copies of all the declaration papers filed with the Clerks of the Peace under public general acts had to be collected from all the counties in the Province and indexed and examined. This work occupied every spare moment of 1891. In the session of 1892 the Insurance Corporations Act was introduced and being now supported by an overwhelming public opinion as well as by the societies that supported the bill of 1888, it became law. As the Provincial Secretary, the Hon. Colonel Gibson said in introducing and explaining the bill to the Legislature, the legislation was not now a matter of choice or expediency, for the question had become one of public safety.

Some of the subjects dealt with in the act of 1892 were treated only in outline, leaving the details to be filled in by future enactments. One of these subjects was the winding up of unregistered societies. A friendly society is not within the scope of the Dominion Winding-up Act; and, if it had been, the great expense of liquidating under that act would render it unsuitable. The act of 1892 therefore outlined simpler and much cheaper machinery. Our experience of this machinery in some recent winding-up cases has clearly proved its value, but also showed where the process could still further be hastened and cheapened. The act of 1995 is therefore largely occupied with provisions that will secure this most desirable object.

The act of 1892 found in existence a small group of societies or associations registered by the Dominion Government under Section 38, of the Dominion Insurance Act. It was understood that the policy of the Dominion was quite settled that this list would not be enlarged, and our act of 1892, recognizing all upon the list, allowed them the same status for registry as other Dominion licensees. But of late the Dominion has again begun incorporating friendly societies, and in one case the Dominion incorporated and registered a society which had been refused registry by Ontario. To prevent the obvious incongruity of obtaining Provincial registry by way of Ottawa, the law has been amended so as to recognize hereafter only such Dominion licenses (not already registered) as shall be certified to have made a substantial deposit with that Government.

In some cases executive boards of societies complained of the difficulties thrown in their way when desiring access to the books and accounts of subordinate branches or divisions of the society. The act of 1892 contained a provision on this subject; but by an amendment of 1895 the matter has been made quite clear and explicit.

Section 34 of the principal Act related to errors in age made by applicants in applying for Insurance. You are aware that, as the law formerly stood, an error in age was fatal to the validity of the policy. This led to the greatest hardship; and the law was amended so that, instead of the policy becoming void, the amount payable would only be reduced according to a certain prescribed scale. But, where the insuring cor-