WHAT ABOUT THE OTHERS?

A Striking Article From the Monetary Times on the Need of Readjustment of Rates on the Part of Certain Fraternal Insurance Organizations.

Now that the Independent Order of Foresters has been clearly shown to have been operating upon a dangerous basis, and has openly confessed its error, what is to be done to remedy the shortcomings of all the other societies operating the faulty assessment system in Canada? Because the Foresters had grown to large proportions, spreading its tentacles into other lands, ever all round the earth, the good name and credit of the Government of Canada was at stake, there being $100,000 of the Foresters' money in the Dominion treasury. Hence it was entirely appropriate that the Royal Commission should have investigated its operations, both as to the manner of investing its funds and as to the adequacy of its rates to provide for its undertakings.

In the course of that investigation there were surprises of several kinds. One of these was that there were four rates of assessment in operation for persons of precisely similar ages at entry. When the late Dr. Oronhyatekha was looking for a basis of rates he found a table—in a book called "Principles and Practice of Life Insurance," lent him by a friendly insurance manager—which showed the actual experience of life insurance companies in the case of selected lives, which, he thought would answer as a foundation for a successful assessment society. He desired to be useful to his fellowmen in the establishing of such a society, embracing the principles of broad brotherhood and of life insurance at cost price.

But, well educated gentelmen as he was on other lines, his knowledge of what constituted a safe basis of life insurance was woefully deficient. Notwithstanding several brief lessons by his insurance friend, as occasion offered, he based his rates upon a table intended to show the cost of life insurance for one year only, and not for a second, third, or tenth or twentieth year of that same individual. The table was a correct one, if used as intended, which was to show the manner in which the net, or altruistic, cost of $1,000 of life insurance would grow greater with each added year of life of the person insured. The following is the table, as found on page 136 of the life insurance volume referred to, relative to ages between 20 and 67, showing the net cost of $1,000 of insurance for one year only without anything added for expenses or for contingencies of any sort;

Age.	Cost.	Age.	Cost.	Age	Cost.
20	$7.07	30	$8.10	40	$9.96
21	7.09	31	8.25	41	10.24
22	7.17	32	8.41	42	10.48
23	7.27	33	8.58	43	10.82
24	7.37	34	8.75	44	11.25
25	7.97	35	8.93	45	11.74
26	7.58	36	9.12	50	15.33
27	7.70	37	9.31	55	20.83
28	7.83	38	9.53	61	31.26
29	7.96	39	9.74	67	49.49

Up to that time it was the general idea of many business men and especially the founders of fraternal societies, such as the Workmen, Woodmen, Templars, Knights, Foresters, etc., that for people not over forty-five years of age at joining a flat rate of $7 a year, divided into monthly calls of about sixty cents each, would defray all death claims as they came along, and leave enough over to take care of those who might live to sixty, seventy, eighty or ninety years of age and die in membership. To Dr. Oronhyatekha must, therefore, be given credit for having adopted a graded scale, though a very poor one, and of admitting no old people to membership. While he must have known that the cost would, in old age, greatly exceed the scale of rates that he adopted, he left that to be providded from extra assessments. Afterwards he had the rates raised to get rid of extras, and thousands joined under the promise, "No assessments on Death." Finally, the present rates for new entrants were adopted in 1898, but these are now declared to be wholly inadequate to provide for carrying out the agreements undertaken, even if all the old members were assessed upon them at their present attained ages.

The regular life insurance companies charge a slightly higher rate upon all entrants between ages twenty and sixty or sixty-five than covers the current cost, because, besides expenses, the heavy old-age liabilities must be met and discharged as they come along. That is what the "legal reserve" is for, which every old line company must possess at all times in order to be deemed solvent.

The I. O. F. has been, of late, making some small provision towards a legal reserve. It has now on hand $11,611,485, or $43.82 per $1,000 towards its $264,960,192 of insurance in force. But the Superintendent of Insurance shows that some $40,000,000 more is needed at once to render the Society solvent under its outstanding obligations.

Therefore, if the I. O. F., with its $43,82 per $1,000, is still "in the hole" to the extent of forty millions of dollars, or thereabouts, what about the others? Here is a list of the other socities which are continuing to do business in Canada, most of them on more inadequate rates than the Foresters, showing how far they are short of even that Society's approach to solvency:—

Society.	Assets.	Per $1,000	Short-Age
A. O. United Workmen..	$1,100,237	$18.62	$25.20
Can. Order of Foresters......	2,587,038	37.47	6.35
Can. Order of Oddfellows...	96,892	28.72	15.10
Cath. Order of Foresters..	1,614,437	12.09	31.73
Cath. Mut. Ben. Assn...	325,034	11.52	32.39
Chosen Friends....	769,176	24.82	19.00
Com. Trav. Mut. Ben...	54,269	27.92	15.90
Home Circles, Can. Order...	298,676	11.58	32.24
Knights of Maccabees...	7,386,983	21.09	22.73
Knights of Pythias..	2,129,895	17.05	26.77
Oddfellows' Relief Association..	561,801	21.04	22.78
Orange Grand Lodge...	17,692	3.92	39.90
Royal Arcanum...	5.428,362	10.75	33.07
Sons of England...	52,348	14.27	29.55
Sons of Scotland....	252,047	42.71	1.11
Woodmen of the World...	222,184	18.87	24.95

It is quite true that some of these societies have not so many elderly members as others, and that, perhaps, none of them have undertaken the folly of the I. O. F. as to giving paid-up insurance at age seventy. That some of them have a very large proportion of aged members may be inferred from the recent death rolls of the A. O. U. W. This society is the same age as the I. O. F. It collects a trifle less monthly rate, and admits none above age forty-four. The following gives the ages at death as published in the death lists of seven recent months:

AGES OF MEMBERS AT DEATH.

	25 to 49.	50 to 59.	60 to 69.	70 or over.
September, 1907	7	7	13	3
October, 1907..	8	12	14	6
November, 1907	7	11	14	3
December, 1907 . ..	2	11	16	8
January, 1908.	10	9	17	7
April, 1908..	8	15	22	2
June, 1908....	5	4	20	7
Seven months	47	69	116	36

With this state of things shown to be prevailing in the above sixteen societies, all doing business in Ontario, as well as in even the remote provinces of Canada, it would seem an opportune time to urge everyone of them to adopt the course voluntarily taken by the Foresters. A committee should first investigate their mortality experience, and then adopt such increased rates as will provide for it beyond all cavil. If extra assessments are needed, now is the time, not after hundreds of thousands of dollars more have been buried under the ground. Dead members, who have paid inadequate rates, cannot be assessed to help make up the deficiencies or shortages so plainly revealed above. No time should be lost, for even now the burden may be so heavy as to drive out the youngest and healthiest lives.

As to this, it is easy to see that already disintegration has commenced, and having begun, it is likely to proceed rapidly. The Maccabees had 341,303 mebers in 1903, and now have only 281,817. The outgoers far exceed the incomers every year, and the death losses, nevertheless, growing greater. The Royal Arcanum had 305,083 members in 1904, and now have only 240,430. In three years 105,292 members dropped out, and only 43,549 came in. The Royal Templars had a membership of 6,837 in 1885 and have now only 5,390.

But the A. O. U. W. furnishes the most striking evidence of going to pieces through inadequate rates. In Michigan, where they were very strong a few years ago, there is now not a vestige of the order remaining; and the condition in the great states of New York and Illinois is deplorable. In 1903 the membership of this important body was 24,847 and 14,638 respectively, but on December 31st last there were only 4,132 and 3,184 left, and practically no new members coming. In New York the funds on hand in 1905 amounted to $741,135, and have now run down to a beggarly $12,011, the death rate rising from $22 to $53 per $1,000.

In Ontario, this important body of Workmen, appear to be also gradually dying out, according to the record of the past five years. We take the following table from the Bulletin's yearly chart:—

Dec. 31st.	Members	Insurance	Deaths.	New Insurance.
1903..	46,125	$72,388,500	$742,400	$3,718,000
1904..	44,140	69,471,500	868,069	1,852,000
1905....	39,117	62,471,000	882,843	497,500
1906..	37,457	59,886,500	861,174	866,000
1907..	37,349	59,063,400	994,314	1,345,000

A little improvement is shown in the last column in the past two years; but in 1901 the new certificates issued were for $5,146,000. The six months of this year (1908) show the total membership now down to 35,972—a loss of 10,153 since December, 1903; and the deathroll paid for the past month was $88,666, or at the rate of $1,053,992 per annum—fewer members by 10,153, and about $300,000, or even 40 per cent. greater death losses than in the year 1903. How long can it last, even with the increase in the assets to a moderate extent, which is now occuring. The growth in this item last year was much less than the average, being only $126,168, as against $290,088 the previous year. During the past five years, 16,697 members went out, and only 8,642 came in. Surely wisdom indicates the importance of a special sessiion of the Grand Lodge to consider some such radical measure as has been adopted by the I. O. F., wholly inadequate to the emergency as that openly confessed to be. Now it is time to act, before another million dollars is buried and ten thousand more members have withdrawn The pocket reserves upon which these societies were founded, in the days of early innocnt ignorance, are now very clearly seen to be perfectly useless

ONE BODY RECOVERED

HALIFAX, July 16.—After an all day search the body of William Muir, one of the victims of yesterday's yachting accident on Bedford Basin, was recovered this evening. The body was found a short distance from the scene of the accident and was removed to the home of the boy's parents at Bedford.

CEMETERIES LOOK LIKE FORESTS.

The Mohammedan may be uncertain of many things in life, but in death he is sure of one thing, and that is that his grave will never be disturbed on any account. With a view to remove the slightest chance of any grave being defiled, a cypress tree is planted immediately after the interment, which makes the Moslem cemeteries resemble forests. In the islands of Timor burials are much delayed, owing to the necessity of gathering funds for the burial feasts which, in most cases means ruin to the family. After the feasts the burial. Directly the grave is filled in, a young cypress tree is planted upon it.

THE BED WITH THE CURTAINS.

The Cavendishes have always been noted for their taciturnity, as an old anecdote testifies. The seventh duke was one of the most silent of men, and it is on record that soon after his accession to the dukedom he was posting down to a remote part of Yorkshire, accompanied by his brother, Lord George Cavendish. They were unexpectedly stopped on the way, and obliged to put up for the night at a wayside inn, where they were shown into a three bedded room. The curtains of one of the four posters were closely drawn. Each brother in turn looked within these curtains, and each without remark went to bed and to sleep. Near the close of their next day's journey one brother said to the other, "Did you see what was in that bed?" "Yes, George," came the terse reply. There was no further remark, although they had seen that the occupant of that third bed was a corpse laid out for interment.

THE RETORT FEMININE.

He.—I see where the first man who accepted a leap year proposal of marriage has committed suicide.

She.—Well, that proves nothing except that we women have such killing ways.—Baltimore American.

CIRCUS EMPLOYES APPEAR IN COURT

Preliminary Examination of Men Who Incited Woodstock Riot

WOODSTOCK, July 16.—The preliminary examination of Frank Haugh and Marney Warfield, the circus employes arrested at the time of the recent riot, was begun this morning in the town hall before Magistrate Dibblee. J. C. Hartley appeared to prosecute and Hon. W. P. Jones for the prisoners. H. B. Potter, legal adjuster for Coles' circus, was present also. After the hearing of the evidence of Harry Johnston, William Johnston, Dr. Rankin and Deputy Sheriff Armstrong the examination was postponed until tomorrow morning, when further witnesses will be put on for the crown.

BOBS IS HERE FOR THE TERCENTENARY

QUEBEC, July 16.—The Empress of Ireland, with Lord Roberts and the Duke of Norfolk on board, did not berth until 11 o'clock tonight, instead of 8, as expected, and in consequence the landing of the distinguished officer was deferred until tomorrow morning. At 9.30 he will be greeted by General Otter and escorted to the Citadel by a detachment of the Royal Canadian Artillery, of which he is honorary colonel. The Empress had a large number of distinguished passengers on board, among them being the Earl of Ranfuerly, tho new Governor General of Australia, who will represent that country at the Tercentenary.

The British cruiser Venus, which remained behind with the collier Portsmouth, which ran ashore, arrived this evening. In coming to her anchorage she collided with the battleship Russell, both vessels being slightly damaged.