

VERY CHEAP LIFE ASSURANCE.

The misleading character of the statements made by certain associations, fraternal and other, as to the adequacy of their small life assurance premiums, and as to the strength and permanency of the concerns which accept them, is being exposed in influential English papers. The *Pall Mall Gazette* had an article on Oronhyatekha's order some few weeks ago under the above heading, from which the following extracts are made:

"For the last three years the Independent Order of Foresters, hailing from Canada, has been endeavoring to convince the benighted assuring public of these islands that the actuaries and managers of our life assurance societies are either densely ignorant of the science of their profession, or are deliberately defrauding the prospective widows and orphans of the substance for which our good-intentioned but purblind assurers are now paying annual premiums of an excessive and burdensome character. Whence will deliverance come to these poor slaves? Will the wilds of Thibet produce a Great Soul who will unfold the processes of the building of the financial Kosmos, or is the providing for the future of one's family on this plane too exotic a subject for the wisdom-religion of the Mahatmas? The wail of the British premium-payer has penetrated far—penetrated even to the backwoods of Canada, and the Canadian Allah is the only pitying Allah, and Oronhyatekha is his prophet. That is the name of the Mohawk brave who is to put the actuaries to school.

"Oronhyatekha's evangel was published in May, 1893, when he came over to institute the first court of the Independent Order of Foresters in England. That lengthy document, comparing the British assurance offices with the Independent Order of Foresters, did not impress us favorably. It was, it appeared to us, written by one who had an intimate acquaintance with the transactions of British offices, but who would not say all he knew—at any rate while holding the brief for the Independent Order of Foresters. For specimens of British offices, the document gave those that are looked upon by qualified judges as quite fifth rate, and ignored the existence of such offices as the Equitable, the London Life, the Scottish Widows, and similar institutions, of which the financial metropolis of the world may justly be proud. Its examples of cost of assurance in the Independent Order of Foresters and in British offices seemed singularly inaccurate on both sides of the account, but never, as far as we could see, to the disparagement of the cause which it advocated. In many other respects the address bristled with inaccuracies. All this created anything but a favorable impression on our mind, and made us sceptical as to the scheme for supplying endowment assurances, sick benefits, medical attendance, disability benefits, with social advantages, and fraternal intercourse thrown in, at about half the rates of British offices for endowment assurance simply."

The article then quotes an official statement on the subject by the Canadian Superintendent of Insurance, Mr. William Fitzgerald, M.A. "He goes on to say that, assuming the present rate of influx of new members to proceed for years without check, the funds will reach a maximum in 1903, and finally disappear in 1910. This, it should be noted, correct or incorrect, is the deliberate statement of a responsible State official who is acquainted with the working of the assessment system as well as that of the level premium. Over in Canada there is not the same objection to the assessment system as prevails here. The unqualified condemnation of the Foresters' scheme is thus all the more pronounced—from the fact that it is not judged as an importation, but obtains a fair trial on its native prairie.

"For our own satisfaction we have carefully scanned the literature of the Order for the total amount of its liabilities under life policies, but in vain. The nearest approximation we can obtain is that in January, 1895, the membership was about 80,000, and the average amount of assurance per capita was, say, £250, making by this rough calculation a total liability of £20,000,000. We notice, however, that in the recently issued 'Companion to Surplus Funds,' Mr. W. M. Monilaws, M.A., has been more fortunate in his investigations, and gives the precise figures. He states the amount of assurances in force with the I. O. F. on December 31, 1894, as £17,301,300, and all rushed up in fourteen years.

"Our object in ascertaining the amount of assurances in force is to see how far funds in hand are proportionate or disproportionate to the amount at risk. On looking through the Board of Trade Blue-Books for a British 'old line' office having a similar amount of assurances in force, probably the nearest example will be the Scottish Provident Institution at their 1887 investigation, when they had £17,570,530 assurances in force, while the funds then in hand amounted to £6,080,256. It will be found that this is equal to £34 0s. 8d for every £100 assured.

"How does the I.O.F. come out under this test? Their funds on December 31, 1894, were £231,059, with which to face a liability of £17,301,300, or simply £1 6s. 8d. in hand for every £100 assured. The amount is ridiculously small.

"Probably no one could be found outside the I.O.F. who would contend that a paltry £1 6s. 8d. was enough to have in hand to meet a liability of £100, even though it be deferred twenty or even thirty years. It may be contended, on the other hand, that the example we have cited of British offices' funds and amount assured is an unfair one; but we have selected the Scottish Provident Institution for no other reason than its having about the same amount of assurances in force as the I.O.F., and we candidly admit that while there are some offices with a larger amount in hand per £100 assured, there are others that have less than £34 0s. 8d.

"Take the Board of Trade Life Assurance Blue-Book published this year. It records the investigations of eight offices (apart from those transacting industrial business), and each office shows a very much larger amount of funds per £100 assured. For purposes of comparison, we tabulate the I.O.F. with the eight British offices:—

Office.	Date of return.	Funds.	Assurances in force.	In hand per £100 assured.
I. O. Foresters	Dec. 31, 1894	£ 231,059	£17,301,300	£ 1 6 8d
British Empire	Dec. 31, 1893	1,709,725	6,291,754	27 3 5
British Equitable	Jan. 31, 1894	1,375,230	4,780,503	28 15 4
City of Glasgow	Jan. 20, 1894	1,954,956	6,339,965	30 16 8
Economic	Dec. 31, 1893	3,630,218	9,171,935	39 11 7
Liverpool & London & Globe	"	4,206,205	7,936,246	54 2 8
Sceptre	"	533,890	2,009,267	26 11 5
Scottish Metropolitan	"	190,029	1,515,419	13 3 11
Star Life	"	3,527,785	12,973,820	27 19 3

"It is within our own knowledge that this Independent Order of Foresters has caused a degree of trouble to district managers of some of the very best of the British offices through some of their policyholders being wheedled into this very cheap assurance scheme. That is, in a way, not surprising. The poorest wares well pushed will be rated higher by the public than the best wares not so pushed or advertised. However questionable and risky a new scheme may be, there are always people ready nowadays to welcome and support it. Later on they may be heard to say they have paid for their experience, and we venture to think that it is possible that individual Foresters, in years to come, when more free and independent, will have the same retrospect and valediction. Premium payers would do well to regard their

yearly payments as the acts of trustees, and no trustee worthy the name would dream of jeopardising the estate confided to his care in any brand new investment offering the high return held out to a trusting public by the Independent Order of Foresters."

FIRES IN EUROPE.

A few days since we had accounts of a terribly destructive fire in Paris. The fire commenced in temporary wooden buildings, and the water pipes were out of order and useless. This could not well occur in Geneva, for there are no wooden houses. All the houses are of stone, and the walls, the floors and partitions are made solid, with no open spaces. There is little for a fire to get hold of. The curtains and wood-work of a single room may take fire, but it cannot extend beyond. By law, every house is compelled to keep a tank of water at the top, holding from 1,000 to 2,000 gallons, with pipes leading all over the house. A gentleman who has lived all his life here tells me that he cannot remember when a house was burned down. No gas pipe is allowed to be built in the wall or put under the plastering.

In London every public building from the Queen's palace down is compelled to be supplied with Phillips fire annihilators. These machines (the largest) will produce 17,000 gallons of carbonic acid gas and steam in the space of four or five minutes. A fire breaks out in a house, commencing in a single room. The room is filled with smoke and cannot be entered. A man pours a stream of water in, but it does not extinguish the fire unless it touches the source from which the flame springs. It has no more effect on the flame (the main source of heat) than a stone thrown through it. It is the flame that creates the heat and draws out the inflammable gas from the wood. It needs something to extinguish the flame. This the annihilator does. A fire starts in a room, you catch up your annihilator, strike a rod at the top with your fist, then throw it into the room and shut the door. In five minutes 17,000 gallons of the most deadly enemy to fire is produced. It penetrates every crack and crevice of the room. You open the doors and let out the smoke and steam, and find the walls dripping from the condensed steam. There may be a few live coals on the floor, which can easily be extinguished with a pail of water.—*Cor. St. Albans Messenger.*

TORONTO INDUSTRIAL FAIR.

The treasurer of the Industrial Exhibition Association has furnished the *Globe* with the following statement of receipts for the Exhibition, which has just closed.

Daily receipts, compared with 1894:—

	1894.	1895.
First day	\$ 438 05	\$ 438 75
Second day	504 60	756 55
Third day	2,294 40	2,423 05
Fourth day	4,174 45	5,198 30
Fifth day	4,091 70	3,401 00
Sixth day	10,645 60	11,652 55
Seventh day	10,308 80	10,751 60
Eighth day	17,745 65	16,407 15
Ninth day	9,990 00	11,865 35
Tenth day	5,797 50	5,141 25
	\$65,990 75	\$68,035 55

SUMMARY.

	1894.	1895.
Gate receipts, including grand stand	\$61,848 15	\$64,744 55
Dog show	1,806 60	1,532 00
Special pictures	2,336 00	1,759 00
	\$65,990 75	\$68,035 55

Increases in 1895 over 1894 from similar sources \$ 2,044 80

In last year's published receipts were included admissions received for the living pictures, little world building and phantom car shows, but as there were no side shows of this kind allowed by the management on the grounds this year, for the purpose of the above comparative statement, the amount received from these shows is omitted. The net amount received by the association, after paying the percentage to the owners of these shows in 1894 was, however, only \$265.97. The increase this year is in admissions to the grounds and to the grand stand, the receipts for the special picture exhibit and the dog show being less.