

The fraternal societies are able to reach the "little man" in a way no other agency can duplicate. Through their lodge system and their special appeal to community and national interests, they have an avenue of approach to people which is not open even to the best agents of the life insurance companies. Life insurance is not bought "over the counter" very frequently; the lodge organizers and deputies seek people out in their homes and at lodge meetings. If people are to be encouraged to accept their personal responsibilities in providing for their dependents through the purchase of life insurance, they must first be persuaded to forego some temporary luxury or pleasure. Anything calculated to interfere with these important activities and unique methods of the fraternal societies is certainly not in the public interest.

The fraternal societies are in a different position to the life insurance companies. Most fraternal societies do not issue term insurance; their major purpose has always been to provide the wives and children of their members with life-time protection. "Once a member, always a member" is almost inherent in the constitution of any fraternal organization. If the Government Annuities Branch is empowered to sell all kinds of annuities with cash surrender and other privileges at less than cost, it follows that people will buy term insurance from the companies and annuities from the government. Fraternal benefit societies will not be able to survive under these conditions.

Fraternal societies traditionally offer life insurance plus fraternity. So doing has enabled them to grow and prosper notwithstanding the aggressive competition of more than fifty different Canadian, British and United States companies which are active in Canada. Heretofore the limited activities of the government in the annuities field have not concerned them. Few of them issue annuity contracts. However, if the government enlarges its activities in the annuity field in the way now forecast so that everybody who wants to save for his family if he dies and for his own old age if he lives knows that he can get a better "bargain" by buying term insurance from the companies and a deferred annuity from the government, the future of fraternal insurance is dark indeed.

Protection of the home is the keystone of fraternal insurance. Its appeal is to the best instincts of every man and woman. It emphasizes personal responsibility for the continued well being of the family, the widows and children, and the dependents if the breadwinner is taken. Having in mind that protection of the individual against the vicissitudes of old age is the principal appeal of annuities, we fear that if the government offers annuities of large amount and with cash value and other privileges at bargain rates, protection of the home will become a secondary consideration in the minds of many bargain-conscious Canadians.

The officers of fraternal societies offer no objection to the government continuing in the annuities field in its present limited way but they deplore the expansion now proposed. They believe the enactment of Bill No. 23 without change will seriously affect their future growth and, indeed, jeopardize their very existence. They have always been proud of their role in collecting small sums of money from millions and making it available to loved ones in time of need and believe that they are serving the public well. Accordingly they urge that the Bill be amended to limit the maximum annuity purchasable to a small amount and, particularly, to delete the proposed authority to include the cash value privilege in government annuity contracts.