

The Forestric ambition to girdle the world seems likely to be accomplished before the close of the nineteenth century.

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Every Forester should read Official Circular No. 7, which appears on page 102 and then make haste to secure the application of every likely candidate for membership within his reach. The opportunity now presented of getting them into the Order "on the ground floor" may not occur again.

## "A Deficit of over Thirty Million Dollars in the I. O. F."

The above is the heading of an editorial which recently appeared in *Money and Risks*, a journal whose editor and manager is no less a personage than our esteemed Brother W. S. Milne, Past High Chief Ranger of Central Ontario.

That the Supreme Chief Ranger, when instituting the High Court of Central Ontario, made no mistake in selecting Bro. Milne for the second highest office in the new High Court, has now been amply demonstrated by this editorial in *Money and Risks*. It is said that when the editor and manager and his co-proprietors are duly enumerated they form a very respectable percentage of the whole number of those who patronize this great exponent of financial and insurance acumen. Believing it to be true that not one in a thousand in Toronto, and not one in a hundred thousand in Canada, outside of Toronto, and not more than one in seventy millions in the United States have ever even heard of *Money and Risks*, we have decided not only to let the half a million readers of THE INDEPENDENT FORESTER know that there is such a journal, but also to let them read an extract from the able editorial of our esteemed Past High Chief Ranger, and thereby let them learn and inwardly digest how manfully he is upholding the banner of Independent Forestry, and how diligently he is promoting the highest and best interest of the Order. The following is what Bro. Milne says of the financial status of the I. O. F. :

### "A Deficit of Over Thirty Million Dollars in the I. O. F."

The alleged surplus of the Independent Order of Foresters has been heralded *ad nauseam* through the press for some years, in spite of the fact that insurance men repeatedly stated that the I. O. F. had no surplus if the Company's liabilities were properly valued. Hitherto no liability has been stated in the Order's reports of the present value of its future liabilities, so that the funds in hand over and above current liabilities have been regarded as surplus. However, the Order has recently had to comply with the regulations of the British Board of Trade, which required a valuation of the policy liabilities. The Executive of the Order apparently retained a British

actuary to make a valuation of the policies, and he has done so upon two bases. He first assumed that the business of the Order was regular level premium Whole Life business, that the certificate holders would pay the same premiums in the future as they are paying now, that 5 per cent. should be deducted from the premiums for expense of management, that the Order would earn and set aside interest at the rate assumed in the valuation, and that the policies would mature from time to time by death. It will be of extreme interest to our readers to know what the result of this valuation has been, and, it will no doubt come as a great surprise to many to learn that when a valuation is made on this basis, the *Independent Order of Foresters shows a deficit of over \$30,000,000*. In other words, if the members of the Order are not expected to pay increased premiums, and if their policies be continued until death, then the Order should have in hand some thirty-three million dollars more than it really has. When the members of the Order come to realize the tremendous force of the circumstances, we think it cannot but strike consternation through its ranks, but we know that every effort will be made to throw dust in the eyes of its members and that they will not realize the real importance of this valuation until it is too late."

We desire to call special attention to one or two points in the foregoing. It will be noted that Bro. Milne has been nauseated and disgusted at the persistent publication of the fact that the I. O. F. has a surplus, or an "alleged surplus," as he more euphoniously puts it, "in spite of the fact that insurance men have repeatedly stated that the I. O. F. had no surplus if the Company's liabilities were properly valued." We have italicised the above quotation from Bro. Milne's editorial, because insurance men of the same calibre and want of knowledge of insurance principles and practices as the Past High Chief Ranger have frequently uttered those very words, and they have always said them in italics. It is true that we have always been under the impression that when Bro. Milne and his insurance friends have said such things of the I. O. F. they have been simply lying—under a grievous mistake.

That "impression" has now developed into a certainty, for the British Actuary who recently made the "valuations" of the I. O. F. policies is not a Forester, nor a fraternalist in any sense of the term. He is, as a matter of fact, a distinguished member of the Institute of Actuaries of Great Britain, and is the actuary of one of the great old line insurance companies in England. After making a most careful and exhaustive examination of the I. O. F., which occupied him and a large staff of clerks in the neighborhood of nine months, this eminent insurance authority has declared that the I. O. F. has a substantial surplus. But we will let him speak for himself.

In his Valuation Report, which was accepted without question by the Board of Trade in London, England—the Insurance Department of Great Britain—he makes the following observations ;