

the gold produced in that period—13 billion dollars. The annual production of silver continues to slowly and steadily increase as to quantity and coining value, the product in 1907 being 185 million ounces against 160 millions in 1897, and the coining value in 1907 being 239 million dollars against 207 millions in 1897. In commercial values the figures are less, the commercial value of the silver produced in 1907 being 122 million dollars, and that in 1897, 96 million dollars.

WHITHER DRIFTING?

II.

Having last week dealt, under the above heading, with the shortage in the amount of "surplus," as it is wrongly called, which is now owned by the Ancient Order of United Workmen of Ontario, showing that it ought to have, at the present time, about thirty millions of dollars, instead of a little over one and a quarter millions, to place it on the same basis as a life insurance company, we now pass on to glance briefly at one or two other features of a rather alarming nature, viewed from the standpoint of past experience.

The A.O.U.W. in this Province has a total membership at present of 36,322. Five years ago it had 46,125. This shows a decrease of 9,803, notwithstanding that by extraordinary expense there were about 9,000 new members received in the five years. The 36,322 remaining, therefore, number only about twice as many as have disappeared (18,803) during the five years. The income has increased during the five years, because the assessments are now higher, being at age forty \$1.72 per \$1,000 where formerly only 90 cents was collected monthly. By this means the assets or "surplus" has grown to be about \$20 per \$1,000, whereas five years ago there was only \$6.18, and ten years ago less than \$200 of assets on hand per \$1,000. But \$20 is a very small item towards the \$1,000—a mere "drop in the bucket." Though the membership has so seriously decreased, the death claims have, on the contrary, seriously increased. Ten years ago they were only \$549,000; five years ago, \$742,800, and in 1907 they had grown to \$994,318. At present they seem to be running at a little over a round million dollars a year. Unless something more is done to provide for them they will soon begin chipping off a bit of the surplus, and more and more of it, as the members grow older and die faster.

Therefore, the question arises, How much in bulk per month are the 36,322 members now paying, compared with what they would be paying now and hereafter if they were at once changed over to a regular company with, say, \$30,000,000, not of surplus, but of reserve, and that sum safely invested at 4 per cent. interest? Once more, dividing the round 36,000 members into six groups, according to probable age, we find that the 6,000 who joined at—

	Yearly.
Age 20 would now be paying.....	\$180,000 00
Age 30 would now be paying.....	204,000 00
Age 40 would now be paying.....	312,000 00
Age 50 would now be paying.....	465,000 00
Age 55 would now be paying.....	584,000 00
Age 60 would now be paying.....	744,000 00

Total yearly premiums\$2,489,000 00

One-twelfth of that sum is.....\$207,416 00
But the collection per month is only.....86,832 00

Showing a monthly shortage of.....\$120,584 00

as compared with what should be paid, according to insurance laws, to bring the \$30,000,000 of assumed reserve fund up to the \$72,000,000, or about that sum,

that must be provided in the end. This supposes that each of the 36,000 present members will cause a claim by death in due course. Also, that all who join hereafter will pay their own way, though this is not being done, and cannot be done, upon the rates now charged to the incoming members.

It may be claimed that, through the operations of the three options recently offered to members who reach age 70, many of the certificates originally taken for \$2,000 will be reduced to \$1,000 or less, and that others will drop out after age 70 for the return of half the cash they have paid in. These options, however, cannot help the funds any, because all who accept of them will cease paying the monthly rates upon the portion dropped, and some will, besides, draw out a considerable amount of cash under the two cash return options.

Surely upon the basis of what we have above so plainly set forth there is a heavy responsibility resting upon the shoulders of J. Howard Hunter, the Insurance Inspector, in the Queen's Park, and upon the Government of Sir James Whitney to take some action in the direction of compelling such societies to begin at once to make the necessary extra assessments, so plainly needed, to bring their present assets gradually up to what they should have on hand before the present membership becomes so diminished by death and lapse as to produce widespread disaster.

A like responsibility also rests upon the Government at Ottawa in relation to the I.O.F., the Woodmen of the World, and the other societies which operate beyond provincial boundaries. The Independent Foresters alone have \$246,027,884 of certificates in force, and less than \$14,000,000 on hand towards meeting them. The necessity of early action in its case is emphasized by the fact that, one year ago, it had in force \$264,960,142 and 257,267 members, while the year's operations show now in force only \$246,027,884 and a reduction in membership of 17,551. Nevertheless, its death losses in the past year made a high-water record of no less than \$2,538,366, while five years ago they were only \$1,543,339, thus showing a difference of nearly a million dollars upon about the same amount in force as during 1903. In Canada, only \$5,362,100 of new certificates were issued the past year as against \$14,703,225, terminated by death and lapse. At home and abroad \$14,984,148 of new insurance was issued, yet the diminution of the whole amount in force shows that all of this and \$18,932,258 more, went off the books during 1908. Again, we say, it is high time some effort was made, if it is not already too late, to compel these and all such societies to make adequate provision for gradually measuring up to their liabilities.

Very similar was the experience of the New York Mutual Reserve, while it lasted, in Canada, and of the Covenant Mutual Benefit, and of the Provincial Provident, and of the several State branches of the A.O.U.W. in the United States. All assessment societies pretending to furnish life insurance invariably travel in the one direction—to increased death claims and total loss to the survivors, whether the individual members let go of the ropes before or after the final collapse of the institution. It has never been otherwise.

And among the rest the grand old Royal Arcanum is meeting with the same trouble. It has now less insurance in force (\$497,018,341) than it had in 1895, but its death claims in 1908 absorbed \$7,612,273, as against only \$4,435,500 in the former year. From \$680,848,000 of insurance in force five years ago it has dropped to \$497,018,341, though about a hundred millions in new certificates had, in the interval, been issued.

Just what legislation should be provided at Ottawa and at Toronto to compel, or to induce, the officers of such societies to levy sufficient assessments to protect their persistent members it is difficult to say. But, that the time has arrived when something on that line should be attempted, there can no longer remain any doubt.