

manifestly a one sided and costly representation. Branches should, to some extent at least, contribute in proportion to their cost. At present a small branch does not contribute to the Grand Treasury in per capita tax what it receives in two years in return, viz: THE CANADIAN, a railway pass for its delegate to the convention and other gratis services. A large branch, on the other hand, contributes for more than it receives: in other words, large branches are taxed to support the small ones. It is far from me to create antagonism between the branches; but I appeal to their sense of justice for fair play and economy. Let each branch defray the railway expense of its delegate. If the funds will not permit it, then keep your delegate at home, or maybe some well to do brother will gladly pay his own railway fare to have the honor of being the delegate.

It may be contended that by this plan outlying cities would be deprived of the pleasure of greeting conventions in their midst: and that Toronto, Hamilton, London, Ottawa and Montreal would be the gainers, but you can rest assured that they would not wish their turn too often, as it entails great expense and work on the entertaining branches.

Brothers, consider this proposal worthy of trial, and it will in my humble opinion remedy the evil.

Fraternally yours,

ROBERT ROLLEDER, Chancellor,  
Branch No. 12,  
Berlin, Ontario

Berlin, 19 May, 1898.

To the Editor of THE CANADIAN

I have read with pleasure the article from Bro. Sutton, of Moncton, N. B. (on the subject of Conventions), which appeared in the April CANADIAN, and was glad to see it continued by himself and others in the May Number.

Every member who has the welfare of our Association at heart should take an interest in the management. And I feel assured that any suggestions that will tend to lessen the expenses of the same will receive every consideration from our Grand Officers and delegates in Convention.

I agree with the idea of reducing the number of delegates attending the Conventions. One Delegate to every two hundred members (as suggested by Bro. Sutton) should be sufficient.

I believe it would be a great advantage to our Association if the different branches were divided into districts, each district to hold local conventions, where several representatives from the different branches could meet at different times during the year, to discuss matters of interest to the Association.

Representatives to the Grand Council to be elected at the local conventions on a basis of Membership.

There is another matter which I think should be seriously considered at the Quebec Convention, and that is the advisability of employing Organizers. The present system of depending upon Grand Deputies and individual members to increase our membership is not having the desired effect. If the Association is to grow and prosper as it should, we must increase our membership more rapidly than is being done at present. I believe an Officer who would give his whole time and attention to the matter would be of such advantage to the Association that it would be fully repaid for any expenses incurred for salary.

In considering a matter of this kind

it should be borne in mind that the greater number of our members do not move away from their own branches, and seldom meet or are in a position to discuss matters with members of other branches, and we cannot expect, and should not depend wholly upon them to increase our membership. They are not in a position to set forth the advantages offered by the C. M. B. A. as well as a person who is giving his whole attention to it.

I am in hopes that some plan for curtailing the expenses of the Conventions will be arrived at this year, thereby enabling the Grand Council to employ Organizers.

Fraternally Yours,

JOHN HATTISLEY.

Truro, N. S., May 20th, 1898.

### A LEGAL STANDRAD NEEDED.

It Would Result in a Healthful Competition in Place of a Dangerous One as at Present.

(Written for the National Fraternal Press Association by Hon. D. P. Markey, Chairman Committee on Statistics and Good of the Order of the National Fraternal Congress.)

The fraternal beneficiary societies were organized to protect their members, and those dependent upon them—not simply for to day, but the future as well.

Through fraternal co-operation this protection, commonly called insurance, has been furnished at an expense so small that it has been and is now within the reach of all.

Hundreds of millions of dollars have been distributed in this manner. Millions of homes of the common people are protected by them to day and in no other manner.

The membership which the father or bread winner holds in these orders is the most valuable thing he possesses. It is quite safe to say that this is true of more than one half of all the members of the fraternal beneficiary orders of this country.

There are three millions of members of these orders in North America. They represent more than two millions of homes and families, and on the basis of the average family there must be not less than ten millions of people more or less dependent upon and therefore interested in the future of these societies. The extent to which they are interested can in part be determined by the amount represented by the certificates of membership thus held, which is nearly five billions of dollars, or an average of nearly \$2,500 per family. This amount is not sufficient, nor was it ever so intended, to make a family rich, but it is ample to perform its mission, to place the family beyond immediate want and help the beneficiaries with judicious management to help themselves. This it is doing and has done so successfully that these orders are to-day enjoying a high place in public confidence and the regard of the people, those who are not members as well as those who are. Their past record in every respect is a most honorable one and reflects credit upon all who have contributed thereto—members as well as managers.

So marked, and one may almost say so marvellous, has been the rise and progress of some of these great orders that in the few years of their existence they have attained memberships running into the hundreds of thousands. This rapid growth has enabled them to furnish present protection at so small an expense for each \$1,000 thus afforded, and the condition has so

long continued that many of the members have come to expect and to believe that this state of affairs will, or at least may, always remain. They lose sight of the fact that in every new organization where reasonable care is exercised in the selection of risks or members, the death rate is low at first, and that when only current cost is collected the amount of expense on this account per year must be correspondingly low.

The members of the progressive, growing orders do not seem to understand that the great bulk of the membership of these orders has been recruited within the past five or six years and that since the good effect of medical selection does not entirely pass away until the expiration of five years the death rate during the first five years of membership is abnormally low, and that the proportion of members who have continued their membership more than five years in these orders, is so small at present as to exert only a mild influence on the death rate. These conditions account for the fact that several of the orders represented in the Congress have a death rate of about six to the thousand, while the average death rate of the orders represented in 1890 was 9.7.

Another fact lost sight of by the many is this: The orders which have high death rate to day once had as favorable a record in this respect as any now represented. While it is true that there are a few orders to day which show a death rate lower at their age than some of the older ones could have shown at the same age, still it must be remembered that the rapid growth of the fraternal beneficiary orders in popular favor in the past five years has wonderfully favored the orders which were affording protection at the smallest expense.

The demand of the masses for this protection, and that their monthly expenditure in this direction should go as far as possible, has not only induced a wonderful growth among a few of the older ones, but it has also induced the organization of scores of new orders to furnish present protection below the normal cost.

This means competition, and such competition as is dangerous if not ruinous. There may not be too many of these orders, but they are proceeding upon a wrong basis, one that is sure to be a disappointment to those most interested, the persistent, surviving member. That they are proceeding along the same lines that some of the older ones are still pursuing does not help the matter. The mortality must increase with increasing age of their members, and this means increased expense for protection, until a few years hence when protection will be as expensive with them as it is to day in some of the older ones, when they in turn will be seriously affected by this "competition." There is only one result that can follow such a course, and, to say the least, that result will not be beneficial or creditable to the fraternal beneficiary orders.

The effect of competition, of the nature referred to, is more apparent in what we commonly designate the open assessment companies than in the "fraternals," because the influence of good fellowship and the other fraternal considerations which are potent factors in the fraternals, are entirely lacking in the others.

Hence, when the late Massachusetts Benefit Association became involved, the press of the country, at the suggestion of the legal reserve companies, took up the cry assessmentism is a fail-

ure, and the fraternals had to meet this proposition, though it was not one of their class that was involved at all, as they regarded it.

It cannot be successfully maintained that the mortality or death rate per 1,000 lives in the fraternals will be materially less than in the open assessment or the legal reserve companies among the same class of risks and under the same conditions as regards age of members and duration of membership. In other words the actual cost of current insurance will approximate the same where the conditions are alike, whether the risk is taken by a fraternal beneficiary order or a life insurance company, pure and simple. Therefore the matter of providing the fund from which to meet this cost is one that leaves no room for competition.

The matter of insurance is no longer a luxury, to be enjoyed by the families of the wealthy. It is now a necessity, so regarded by nearly all, especially so by those in moderate circumstances and conditions which would cause the people to lose faith in its power to protect their dependant ones at the critical hour, though that hour may be long deferred, would be nothing less than a calamity, a great blow to the cause of humanity.

"Competition is the life of trade" is an old maxim, and a true one, but this does not mean that one grocer who sells sugar at twelve cents per pound, which is affording him a good profit, will build up a large trade in that article when his neighbor is selling the same sugar for three cents per pound, the standard price of which at whole sale is five cents per pound. Neither does it mean that the latter will grow rich and prosperous in this manner—but it does mean that the desire on the part of the merchants and others in trade to secure patronage will, through competition, keep the margin of profit at a proper and reasonable figure, and in this way stimulate trade. Trade can only be healthy where there is a reasonable margin of profit. Where a certain article has a well known and practically fixed cost a healthy trade cannot be established in it if it is sold at less than this cost, and the selling of it for less than cost will not only impoverish the seller but demoralize the whole trade in that article.

It will be readily understood that the grocer who is selling five cent sugar at twelve cents represents the legal reserve companies, while the one who sells at three cents represents the fraternal order or the assessment company which has not yet attained a normal condition as regards mortality.

Some may wonder how five cent sugar can be sold at three cents per pound. This can only be done without immediate loss, when the goods are bought on credit and when they are to be paid for on the installment plan. The payments increasing as the term of payment lengthens, of course, in doing business on this plan the dealer loses sight of the fact that for every pound of sugar sold he must at some time pay five cents, providing, of course, he intends to pay his debts, and that for every pound he sells at a loss of two cents he must at some time sell a pound at a profit of two cents. It is an easy matter to sell five cent sugar for three cents, but will it be an easy matter to sell five cent sugar for seven cents? This is too simple a proposition to need demonstration.

I repeat that the only legitimate field for competition among the fraternal beneficiary orders must be found outside of the matter of providing the

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