

rate available "(sic)" is only about 40% of the net premiums our Dominion Insurance Department holds to be absolutely necessary to meet the insurance part of the contracts being issued by the Order."

THE ANSWER.

In reply I said the "net premiums" referred to above by Mr. McCabe were intended to, and do apply only to "Old Line Companies" who have a *fixed level premium rate* with no power or authority to call for extra assessments, and that they did not apply at all to "assessment companies." That as the I.O.F. was an assessment company, therefore, the "proof" given by Mr. McCabe was wholly inapplicable to it, and hence the very foundation of his attack was wiped away.

Let me put a parallel case. Suppose I were the owner of one of the clipper tea ships, which sail between England and China, and Mr. McCabe, to serve his own purposes, were to say to the merchants "you are foolish to intrust your merchandise to the Supreme Chief Ranger's ship, because it does not come up to the Government requirements," and when asked to explain his meaning, would reply "the boilers of the Doctor's ship have never been inspected and carries no certificated engineers, as required of ships, by the laws of the land." Would it not be a complete answer to say:

"Mr. McCabe, the provisions to which you refer apply only to steamships, and do not apply to sailing ships, because the law does not require a sailing ship to carry boilers and engineers."

Would not such an answer be regarded as wholly demolishing Mr. McCabe's position?

But I did not content myself with simply showing the absurdity of Mr. McCabe's "proof," but went further, and tried to show that the "available rates" of the I.O.F., owing to the powers of the Order to levy "extra assessments" whenever, and as often as wanted, were, and would always be sufficient to meet all the obligations of the Order.

THE I.O.F. SYSTEM.

I tried to show that the I.O.F. was constructed on the basic principle of giving its insurance to its members at the cost thereof, whatever that may be, the only limitation being that the insurance shall not be given for less than the premium rates laid down in the Constitutions and Laws of the Supreme Court, and which, though Mr. McCabe alleges are 60 per cent. less than they ought to be, have nevertheless proved to be, during the past fourteen and a-half years, more than sufficient to meet all demands in the I.O.F. by over a million and a-half of dollars. I cited the experiences of old line companies that were about half a century old, and of societies like the I.O.F., that were from eighty to one hundred or more years old, and showed therefrom that if the I.O.F. had a similar experience, and there was no reason why it should not, then the present monthly rates of the I.O.F. would be sufficient to meet all claims arising in the Order for at least 100 years and more to come.

One would have imagined that Mr. McCabe would have tried to show that the experience of the companies and societies cited were so exceptional, that it could not possibly be repeated by the I.O.F.; but he does not try to do anything of the kind. His one stock argument is that the rates of the I.O.F. do not come up to the "net premiums" required by the Government, of old line "level premium" companies, and that, too, in the face of the fact that, while it existed, the rates of Mr. McCabe's "legally, commercially and mathematically sound" Commercial Endowment Plan of Insurance were not even 20 nor 10 per cent. of such "net premiums."

THE LAST LETTER.

I now come to the consideration of Mr. McCabe's last letter published in *The World* of the 28th of December last. Notwithstanding that in my reply to Mr. McCabe's first letter, I had met fairly and squarely each point raised by him, as shown by the preceding observations, yet he makes this extraordinary statement,

"Your readers will have observed that there is an utter failure of even any attempt to answer the points in issue. On the contrary, the Supreme Chief indulges in a sea of words to draw off attention from this matter."

If I have seemed to any one else, who has read this correspondence, other than Mr. McCabe, to be guilty of evading any points at issue, I should be very much surprised, and will say to him I have not been conscious of even having a desire to avoid any issue that Mr. McCabe has ever raised in connection with the I.O.F., or with myself personally.

IT'S McCABE WHO RUNS AWAY.

On the other hand, it appears from *The World* of the 4th inst., that at least one gentleman who has read this controversy is of opinion that Mr. McCabe is guilty of the very thing of which he accuses me, for he says:

"Surely the above questions are very pertinent to have answered by a gentleman posing as an insurance expert. Yet, Mr. McCabe rushes off with all convenient speed upon a new tack, crying 'Stop tielf,' hoping to divert our attention from his peculiar qualifications as an insurance expert."

The object of Mr. McCabe's last letter is, presumably, to give "additional facts" to prove the inadequacy of the premium rates of the I.O.F., and to that end furnishes 8 specifications which I will answer one by one, though as a matter of fact, with the exception of the first, all the specifications may be said to have nothing to do with the question at issue.

1. Mr. McCabe once more reiterates the story that "the Superintendent of Insurance proved conclusively" (sic.) before the Banking and Commerce Committee in Ottawa, "the entire unsoundness" of the I.O.F. system.

Let it suffice for me to say in reply, that so far from proving "conclusively" any such thing, the jury who heard the arguments, viz., the members of the Banking and Commerce Committee, said by their verdict, which was reached by a majority of about two to one, that the I.O.F. was all right, and ought