

munity being raised, the business itself would rise in public estimation, and insurance would be recognized for what it really is—the bulwark of commerce and the trusted guardian of the people's temporal interests.

FRIENDLY SOCIETIES.

FRIENDLY Societies is the name given to a numerous class of provident associations in Great Britain, very varied in their designations and distinct in their immediate purposes. But, generally speaking, they have but one object, which is the amelioration of the condition of their members through mutual aid and comfort in trouble, sickness or distress; the relief of the destitute among themselves caused by the death of a fellow member, the society administering aid and comfort to his bereaved ones.

While we do not intend to give the history of these societies, or enter into details concerning them, we may state that many of them are of long years' standing, are large and influential, having large funds in hand, and have done immense good in the relief afforded through the various ways planned to that end. But many of these plans are crude and their administration faulty. These are qualities that rather more than less characterize the societies as a whole. The societies are regulated under the Friendly Societies Act of 1875 and amendments. That law has been found insufficient to meet public requirements, and numerous amendments are proposed. In fact a new law is much needed. Many of the large societies as well as the smaller ones are in financial troubles, and, having their ramifications in and through the masses, it may truthfully be said that the whole of British social life is in a ferment, a disturbed condition over this question of friendly societies. The condition of the societies will be understood from what follows.

Commenting on the parliamentary return, containing a summary of the annual returns and valuations of friendly societies, issued quite recently, the *Insurance Record* (London) says:

For our present purpose, we may be content to deal with the aggregate total of the returns contained in the blue-book. Here we find that 798 valuation returns are given, of which 176 disclose a surplus, and 622 a deficiency. The total amount of funds, with the present value of benefits and contributions, and the net result of striking a balance between liabilities and assets, are shown in the annexed account:

FRIENDLY SOCIETIES (EIGHTEEN ENGLISH COUNTIES) SUMMARY VALUATION BALANCE SHEET.

Dr.	
Present value of benefits.....	£3,369,296
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Cr.	
Present value of contributions.....	£1,844,672
Funds.....	1,380,490
Deficiency as shown by <i>Economist</i>	£389,461
Balance not accounted for.....	51,673
	441,134
	£3,369,296

A word of explanation may be devoted to the item of deficiency. According to the figures of the *Economist*, the total surplus shown in the 176 favorable returns amounts to £154,289; and the total deficiency belonging to the 622 unfavorable returns amounts to £543,750. It would, therefore, appear that a net deficiency exists to the extent of £389,461. But this leaves an amount of £54,673 unaccounted for, by which sum the deficiency must be increased to make the accounts balance. Which-ever total, however, represents the true net deficiency, it will not be denied that the position of matters is sufficiently serious to arrest attention. Looked at in a rough way, our friendly societies require one-third more funds than they at present possess, in order that their finances may be barely balanced. Taking another view, the benefits would, on the present basis, have to be cut down by about 12 per cent before solvency could be reached; or, alternatively, the contributions all round would need to be increased to close upon 25 per cent. We fear that any strong measures such as are obviously demanded to remove the existing insolvency would never be taken voluntarily by friendly societies, which it must be remembered are so often presided over by ignorant men. The only thing that could do good in the present juncture would be to bring friendly societies under the operation of some new Act, which compelled

them to place their affairs on a solvent footing as a condition of their right to continue their business. One slight loophole for hope exists in the fact that the last parliamentary committee nominated to discuss the subject of national provident insurance, travelling somewhat from its appointed track, expressed its views of great reforms in friendly society legislation. It is true their recommendations have almost exclusive reference to new societies, but it is safe to assert that no action would be taken in regard to the new societies without doing something to remedy the condition of the existing associations. Reform is, however, urgently needed in both directions, and the government that will take the matter up in a serious spirit will do useful work for the nation that will entitle it to enduring praise.

Many of the assessment societies of this country take pride in referring to the friendly societies of Britain as being the models after which themselves are fashioned, and simply because some of those societies have been in existence for many years that fact is used to prove that the assessment system here is an enduring one, and therefore safe as a basis for life insurance. It is true that some of the friendly societies are old, but they have not performed the functions of insurance companies, nor have they been required to do so. Their plans could not sustain the demands of insurance. What we have quoted above conclusively shows that any system of insurance claiming to be based on that of the friendly societies should be looked upon as unsound and misleading. Such, to our view, is the leading feature of the life insurance offered by numerous societies all over this country, and their operations should be prevented or regulated by law as deceptive, and in numerous instances, fraudulent.

Since the foregoing was written we have learned that the Legislature of Ontario is taking up the subject of friendly societies, and we do hope that it will overhaul the whole thing thoroughly and place the friendly societies on a sound footing without confounding them and their doings with insurance and insurance institutions.

THE ROYAL ARCANUM.

The *Royal Arcanum Journal* seeks to build up the Royal Arcanum on the pretence that the Order is persecuted by the old-line journals. It is an old trick of orders and associations that deal in simulated life insurance, to excite sympathy for themselves through the cry of persecution, by which people that could not be reasoned into the act are, from motives of pity or compassion for the down-trodden, induced to join the ranks. Thus an amiable trait of human nature is availed of by designing men to bolster up, for selfish purposes, unreliable organizations, mis-called life insurance associations, ephemeral affairs that come and go like the prophet's gourd.

The *Royal Arcanum Journal* is trying this stale trick with THE BUDGET, and apparently with success, for it appears that numbers are being "roped" into the Royal Arcanum in Canada on the plea that THE BUDGET is persecuting the Order and seeking to injure it by misrepresentations and other spiteful means. In a communication from Toronto to the *Journal*, of a month or two back, it is stated that:

Canada Council, No. 612, Toronto, keeps up its grand record and is adding to its laurels every meeting. Fourteen applications was its record for September, and an equal number for October. Secretary Thomson suggests that we petition our "*Budget*" friend to give another round, as it is good for our constitution, and helps our wind. As things look now our fine record for 1886, in Toronto, will be far exceeded by that of 1887.

Yet these people are ungrateful and affect to sneer at THE BUDGET's influence.

What THE BUDGET says is that the Royal Arcanum is not an insurance institution, and that is precisely what the Order