THE PLIGHT OF THE I.O.F.

It seems that the plight of the Independent Order of Foresters is getting worse and worse. The legislation passed some months ago by the Supreme Court with a view to putting the finances of the Order upon a firm footing has brought not peace but a sword. All over Canada the old members are in revolt, and now in the United States a slashing attack has been made upon the Order by the insurance department executives of three states who have made an examination of it. In another column we print the text of a memorandum signed by the commissioners in question, those of Illinois, Nebraska and Wisconsin, which forms as scathing a criticism of the Order's pretensions and methods as has been made for a very long time by officials in a responsible position. It is not surprising that the Order, when it saw the way in which things were going, promptly pulled up stakes in the States in question and surrendered its licenses. The feelings of the contract-holders in those States can be better imagined than described. Fortunately for them, they have the assurance that their interests will be protected by the insurance departments in question. They are told by the commissioners to insist, in the event of the maturity of contracts, upon payment of the full amount without deduction of lien or interest. Action may be brought by service upon the commissioner of insurance and the rights of members in this respect are not changed by the fact that the Order has withdrawn from the States in question.

An important fact brought out in the commissioners' memorandum is that the famous contract with the Union Trust Company is to be terminated, though the final severance is deferred until 1921. Apart from the unfortunate results of past transactions now closed, this contract is a disadvantageous one for the Order, since it only obtains an interest rate of 4 per cent. net on the proportion of its assets invested with the Company, while its earnings on its other invested assets show a large excess over 4 per cent. However, no additional funds are in future to be handed over to the Trust Company for investment, while from May, 1916, the interest rate payable by the Trust Company is to be raised to 5 per cent., the contract finally terminating in May, 1921.

However, the special interest of the Commissioners' memorandum lies in its revelation of what appears to the outsider to be the arrogant attitude taken up by the executive of the Order towards those authorities in the States under whose supervision it has been transacting business. The Supreme Chief Ranger insisted that his word alone should be taken for the correctness of a statement regarding the result of an important financial transaction of which there is no evidence of record with the Order. Moreover, the Commissioners state that the officers of the Order were fully informed prior to the passing of the Canadian legislation authorising the plan of adjustment now proposed that under United States law, an attempt to reduce benefit certificates by a lien for special assessment and interest is void. Yet the Order claims that is can deliberately violate the obligations of its contracts in the United States, as construed by United States courts, through the fact that it is a Canadian organisation. To the mere layman, this must appear an astonishing claim, and it is not surprising that it has had the effect of raising the backs of the United States commissioners so that they advise policyholders to continue to pay the old rates and to insist upon the fulfilment of the Order's obligations under the old contracts.

The Commissioners state that there are any number of other plans of re-adjustment which might have been adopted upon which the question of the contract rights of the members would not arise. "The real need of this Society," say the Commissioners," is a full and accurate knowledge of its condition from a frank and open statement by its executive officers of the mistakes of the past, of the requirements of existing law, and of the needs of the Society for the adequate fulfilment of its outstanding contracts and a willingness to take the steps which are made necessary by the existing conditions." This is a plain statement of the case, but it seems that it will require considerably bigger men than are at present available to pull the Order out of the shocking mess in which it is now involved.

NEW LONDON MANAGER OF THE BANK OF MONTREAL.

Mr. G. C. Cassels, formerly assistant manager of the Bank of Montreal in London, England, has been appointed manager in succession to Sir Frederick Williams-Taylor.

Mr. Cassels is a native of Toronto and has previously spent many years in the service of the Bank of Montreal. In 1906 he was transferred from the New York to the London office as assistant manager there, a post which he held until about a year ago, when he left the bank to join the London banking and brokerage house of W. P. Bonbright & Co., in association with Lord Fairfax.

The Bank of Toronto has opened a new branch at Mazemod, Sask., under the management of Mr. O. E. Burkell.

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Legislation has been passed at Regina prohibiting the system of municipalities in Saskatchewan bonusing industries. The granting of a free site, the exemption from taxes for any period of years, the guaranteeing of the bonds of an industry, the subscription of stock by the municipality, or the assessment of the land below its real value are all prohibited. The legislation had the support of both parties.