

value. True, but paper currency is worth intrinsically even much less. Yet the Government takes up the latter, without hesitation, so long as that face value remains undoubted. Why then should silver coins go to the jeweler's melting pot, returning to their owners only half their supposed value. Many people would like to have seen Mr. Fielding take up this matter in conjunction with the other.

THE FATAL INSURANCE DEFECT.

It is understood that ever since the Royal Arcanum decided to place its rates on a more rational plane the management has been inundated with protests from indignant policyholders. Yet what can these expect? For a fraternal or any other association to go on constantly paying out more than it has received is on a par with perpetual motion as an absurdity. It is not system or management or any accidental occurrence that is at fault but the whole principle upon which the business is worked.

Assessment insurance disregards the fact that an increased mortality is sure to come as the ages of the members increase. As the young men who formed the organization in its infancy grow older the assessments to meet the increasing mortality necessarily grow larger, and this increase is particularly rapid from fifty-five or sixty on—so rapid, in fact, that it becomes an impossibility to keep the mortality at a low point by fresh entrants of young age.

With the necessary increase in the assessments comes the same result to all organizations, that is, as the death-rate begins to grow, it is very difficult for them to increase their membership and even hold the membership they have, for the reason that young and healthy lives will not join a company with a high death-rate, and the young and healthy lives already insured begin to lapse their contracts as they begin to have the warning that their insurance is going to cost them more and more from year to year, and they cannot tell how much they will have to pay in the future.

Perhaps it takes something like a generation to prove the truth of the underlying principle that no system of insurance can live that does not establish a fund sufficiently large to enable it to meet all its obligations at maturity without a change in its rates. Certainly, people are becoming convinced of it now, as has been manifested during the last few years by the collapse or change to better methods by one fraternal society after another. The root of the matter is well stated by Mr. S. H. Row, formerly Insurance Commissioner for the State of Michigan, in some comments upon a recent judgment by Judge E. D. Kinne, upon the protest of a policyholder against a similar increase of premium rates by the C.M.B.A. It may be remarked here parenthetically, that most of the assessment concerns seem to be in the same box, that is to say, they have either gone or are going out of business, or are increasing their rates in such a manner as to drive most of their patrons out. Mr. Row puts the matter thus:—

"The theory and practice of assessment or fraternal organizations won their way to popularity by a decreased premium, claimed to be actual cost. For instance, a person, say thirty years of age, could be insured by any fraternal organization for \$1,000, payable at death, for \$10 per annum. Each pays alike, and the heirs of each are to receive \$1,000 at death. Supposing this fraternally in-

sured party lives and pays premiums for forty years? His age at death is seventy years. He has paid \$400, and is to receive \$1,000. All pay alike; all receive alike. It has never been answered yet, who pays the difference between the \$400 paid in, and the \$1,000 to be received at death. Now, it is a very simple mathematical problem that the assured who pays in the full \$1,000 which each is to receive would have to live to be about 200 years old."

Judge Kinne said also that the "contract" must be lived up to, otherwise it would be "a novel, if not a dangerous proposition of law, that one party to a contract, when urged by wisdom or driven by necessity, could change the contract at will, without the consent of the other party." And leaving the law out of the question, it certainly seems absurd that any man should enter into a contract—if his action can be dignified by such a term—with a party which refuses to tell him how much he, on his side, will have to pay, or, if it does promise such and such a premium rate, sooner or later breaks its promise and wants more. However, the public is beginning to realize where it stands. Assessment societies may be appropriate enough for temporary insurance, for sick-benefits, and so forth, but for anything more than such they are really worse than no insurance at all, for they leave the insured deluded and bereft just at the time he most needs their aid.

SUMMER FIRE DANGERS.

While it is true that the winter and spring are the period of the year when the risks from fire are most abundant, and when usually the greatest loss occurs, it is well to bear in mind that the summer has its peculiar dangers also. On national holidays, such as Victoria and Dominion Days, the hazard is quite perceptibly increased owing to the presence of the ubiquitous small boy with his squibs and crackers, the unenthusiastic attitude of the authorities towards these potent joys of youth not being as yet sufficiently respected by the former.

There are other summer dangers, moreover, which should not be disregarded or forgotten. Some that are remembered in winter, are forgotten in summer, because they are only a source of danger during short intervals of time. For instance, in winter, people look to the kitchen stove and make sure it is safe for the night. In warm weather, however, when it is only in use perhaps an hour or so per day, one is apt to become careless, with the result that before long there is a blaze, and perhaps a conflagration.

We are reminded of this danger by some recent remarks by the Fire Marshal of Ohio, who gives what seem to us to be some very useful hints as to the placing of cook-stoves and ranges. Nearly all cook-stoves and ranges are too near the woodwork. A wooden, or lath and plaster wall if the plastering be broken, needs metal protection when the stove is placed within three feet of it. With a sheet of zinc on the wall the stove may be put within a foot and a half. If the distance is but a foot the metal must extend to twice the height of the stove. The floor under the stove should be covered with metal to a distance of twelve inches in front of the ash pan. A large range, if under a ceiling of combustible material, should have, he suggests, a metal hood with a ventilating pipe passing to the outer air through a sleeve or asbestos packing. A kitchen stove-pipe should have no openings.