

tain to be the basis, making the security absolute. In either case, the note so issued would be a bullion note; the issuers would be dealing in capital and not making credit supply the place of capital. If silver were made the basis of the issue, the transaction would come near to establishing a double standard, with definite limitation indeed, but still, as far as it went, it would be difficult to distinguish it from a double standard.

The Commission leaves the question of a single or a double metallic standard of currency about where it found the question. The result of its labors will be to make certain that the double standard is not near adoption in Great Britain; but it will not close the discussion on the merits of the two systems. On the contrary, the further discussion which the mono-metalists among the commissioners invite is sure to be provoked by the report, and continued whether independently or in connection with it.

AMERICAN RAILWAYS.

Continuing our notices of railways on this continent, begun on 16th inst., we see that of the railways in the western group of States, comprising all the States west of the Mississippi and Ohio and east of the Rocky Mountains, 82,367 miles in length by last year's report, the gross earnings exceeded those of 1886 by \$58,101,000. And the statement is made that net earnings kept pace with gross, both in aggregate and average per mile, as will be seen by reference to the preceding table. It is noticeable that although the aggregate earnings of this group show a steady and large increase from year to year, the increase per mile is comparatively small. This would seem to indicate that the increase in mileage was out of proportion to the growth of business in that section, but a consideration of the case might qualify this conclusion.

Take the whole of the railways together, and their 636 million dollars of gross freight earnings represent 68.38 per cent. of the whole traffic receipts; the passenger traffic 25.82 per cent., and the other earnings 5.80 per cent. Dividend payments showed an increase of 7 per cent. in total amount paid over the previous twelve months. This book from which we have quoted, Poor's Manual of Railroads in America, with its maps, its 30 pages of tables and ratios worked out in groups of roads, its 1,200 pages of rail and tramway company statistics, over Canada and Mexico as well as the States, its directory of railway officials, its tables of bond and stock values, of dividends, of State debts and liabilities, is a valuable compendium, indeed, to the student of economics as well as to the capitalist.

—The Supreme Court of New Brunswick having refused to grant any stay of proceedings in the liquor cases prosecuted under the Provincial Liquor License Act, steps will be at once taken to enforce the penalties of fine and imprisonment in all cases where judgment was entered up. The court has also decided that the law as it affects wholesale dealers is constitutional and *intra vires* of the Provincial Legislature.

THE I. O. OF FORESTERS.

SECOND ARTICLE.

In the first article on this subject, which appeared in last week's issue, we showed the annual payment of a man who became a member of the Order at age 54. The fixed assessment of such a member is \$22.20 per annum (\$1.85 per month) and he would have paid in nineteen years, *i. e.* at age 72, \$421.80. Now the cost of this risk for nineteen years, according to the American tables of assurance experience, is \$726.27, or three hundred and four dollars more than has been paid in. How is this deficit to be made good?

And, be it remembered, this is for deaths only. Not one dollar of that \$726.27 is left to form an endowment fund, or to meet expenses of any kind. The whole of it is consumed, precisely as was shown opposite each age, on the average, in paying the current death losses of \$1,000 at the death of each person in his 54th or 64th or 72nd year, &c. For instance:—Opposite age 68 the sum of \$52.00 is found. Let 1,000 persons aged 68 put \$52.00 each into a box, and there will be \$52,000 in it. During that year, as we are taught by the experience of life companies, fifty-two out of the 1,000 persons will die and the box will be empty. Bring in fifty-two more aged 69, and let each of the 1,000 persons this time put \$56.75 in the box, and before the year's end the whole \$56,750 will go out in nearly paying off 57 widows, leaving the box again empty. At age 72 each of the 1,000 persons has to put \$73.73 into the box, and the whole \$73,730 is taken out that year, leaving not one dime to pay for further insurance on the man who had joined at 54 or any other age, and paid his annually increasing assessment. At 80 years of age, he must pay \$144.46 for one year's cost of risk; at 90 years, \$454.54; and at 95 years, \$1,000, to leave \$1,000 in the box for his heirs. All this has been demonstrated again and again by actual trial.

Now if the I.O.F. are to pay to the man of 54 years at joining, the sum of \$1,000 certain, in nineteen years (besides making good the deficit of \$304.47 upon the cost of deaths falling to his share), where is the money to come from? This Order was incorporated seven years ago, and in all the seven years has only saved up \$107,276 for its members, who now number 10,524, or as nearly as possible \$10 per member. In twelve years more some members will have reached the end of the nineteen years, and will be calling for \$1,000 certain. But at the rate of \$10 in seven years, there will be less than \$30 of the expected money on hand. Deficit \$970. But this is supposing it possible that the "cost of risk," or actual death loss, can continue to be paid out of the current income. The table we published in last week's issue showed how absurd is such an expectation in the case of members joining at 54 years of age. Had we the space another illustration would show that the deficiency in the case of the young men is still greater. In the 36 years' expectancy of age 30, a member at that age pays 72 cents per month, and thus contributes \$311.04, while the death calls demand \$628.41. His con-

tributions are therefore short by \$317.37, while the old man's deficit is \$304.47. Together, the father and son pay in \$732.84 during their entire expectancy, instead of which sum the current death losses call for \$1,354.68 from them, and yet they expect \$2,000 to be paid over at their death, or at ages 66 and 73 if living. They will be disappointed—unless they die soon. It is not the widows of those who die early and pay little who are losers by assessment insurance concerns. It is the widows and orphans of those who live the longest and pay the most—perhaps the whole savings of a life-time—who have to suffer the maximum of loss.

The plan of the Foresters is that each ordinary member, as he reaches 70 years of age, is free from further assessments, and then begins to receive \$100 each year of his \$1,000, for ten years. The remainder is paid at death if that occurs before age 80. If he lives to 80, therefore, he will have had his \$1,000 all in his life-time, in any event. Only those who choose to pay two extra monthly assessments—fourteen instead of twelve—each year, are to have the face of their certificates handed over as an endowment in one sum, at the end of their expectancy. This is \$1.44 a year extra to the young man of thirty, and \$3.70 extra to the man who joins at 54. In the 19 years this gives \$70.30 towards the \$1,000 to be paid the man of 54 at the age of 73. To this perhaps another \$70.30 can be added, derived from the payments, and interest thereon, of the one or two members out of every three who will die or drop out before their expectancy. Still there is left an endowment deficit of \$859.40 to be added to the death loss deficit of \$304.47. We now have this result for each age-54 entrant at the end of nineteen years:

Deficit on the current death losses..	\$304 47
“ “ endowment amount...	859 40

Total shortage upon that age.... \$1,163 87

In the fifth paragraph of the foregoing article it was stated that out of the \$9,871 received during the month September, \$7,493 was paid out at once, or needed to meet liabilities. From a later issue of the *Forester* we learn that in October \$10,281.15 was received and only \$4,617.76 disbursed, leaving an apparent excess of \$5,663.39 in the month's receipts. But the admitted unpaid death claims amount to no less than \$14,000, while the entire increase of the funds during the past three months was only \$13,423. The accrued claims payable during the three months were 15, for \$21,000, of which only \$7,000 were paid up to Oct. 1st, and \$14,000 were standing over to be paid in November or December, in addition to what those months may bring.

The serious mistake made by the founders of the I. O. F. was in adopting a fixed rate for the age of entry, and failing to provide for collecting an increase thereon each year, in accordance with either the "experience table" or the actual deaths. The man who joins at age 54 pays, when he reaches 72, only \$22.20 instead of \$73.73, throwing a deficit on the Order of \$51.53 that year besides all expenses. The Order will flourish for a time, because the death