

most intelligent and far-sighted fraternal leaders in the United States that a new bill has, after consultation, been drafted this year, and has been approved by the Insurance Commissioners and by the Executive Committee of the National Fraternal Congress. The main purpose of the bill is to require:—

- (1) Adequate rates for new members.
- (2) Adequate Reserves for new members.
- (3) Separation and segregation of reserves for new members.

The Dominion Act of last year largely anticipates this proposed American legislation, and moreover, it makes provision for bringing the whole society to a solvent position within a reasonable time. This Dominion law (9-10 Geo. V. chap. 57) met with the tacit approval of Canadian fraternal leaders when being finally passed.

Suggestions for Provincial Legislation

I do not think it prudent to set out at present detailed provisions for provincial enactment. That can only be done after mutual conference and careful discussion of local situations. But it may be possible to indicate in outline some things that recent legislation and actual experience have made essential for consideration in any effective legislation. I mention the following:—

1. An annual certified valuation of certificates upon an approved basis.
2. Preparation of a valuation balance sheet, and provision for bringing same to notice of each member. Separate valuation balance sheets where there is segregation of reserve as a means of education.
3. Adequate rates for new members, and maintenance of proper reserves therefore, where inadequate rates not readjusted.
4. Separation and segregation of funds of adequate-rate members, where inadequate-rate members not readjusted.
5. Provision for complete readjustment of inadequate-rate members within a reasonable period, with suitable action where the society does not carry out same in the time specified. Also provision for elimination of a future deficiency.
6. Reasonable liberty and responsibility to be left to the society's own selected actuarial adviser, who must be qualified.

I refrain from further comment, and in conclusion I submit again that, in any new endeavor, mutual confidences and deference must go hand-in-hand with the adoption of sound insurance principles. The heart and the head must work together. I thus come back to where I began—a new and better method of approach.

I have purposely avoided actuarial technicalities and figures, but I trust the foregoing illustration of the historical method of approaching the subject may be of some assistance to those who may have anything to do in the future in legislation as to solvency of fraternal societies.

A new uniform provincial law on this subject is one of the needs of the day, and a real service to the public and to the future wellbeing of the societies would be rendered by the passage of such a law in provinces having societies under their jurisdiction.

SUN LIFE JOINS ASSOCIATION

At a meeting of the Association of Life Insurance Presidents, held on Friday, October 1st, the Sun Life Assurance Company of Canada, of Montreal, was unanimously elected to membership in the association, bringing the total of members up to forty-five companies. Of these, thirty-seven are domiciled in the United States and eight in Canada. The Sun Life was organized in 1865, and commenced business in May, 1871. Its president and managing director is T. B. Macaulay. Its admitted assets as of December 31st, 1919, were \$105,711,468, and its insurance in force on that date amounted to \$415,873,787.

RAILWAY QUESTION GOES BACK TO BOARD

Government Will Not Alter Decision—Inland Revenue Expands Rapidly—Two Millions Sent to Germany

(Special to *The Monetary Times*.)

Ottawa, Oct. 7th, 1920.

RAILWAY rates as fixed by the recent judgment of the Board of Railway Commissioners are to stand, at least as far as the government is concerned. The decision to refer the appeal back to the board was reached by the Cabinet on October 5th. An official statement will be made later, but it is learned that the outstanding decision is against disallowance, coupled with a number of suggestions to the Railway Commission to institute further inquiries into various phases of the question, notably the discrimination which, in his judgment, the chief commissioner affirms to exist as between the east and west, to the disadvantage of the latter.

Following a conference of representatives of the provincial governments, held in September, the government has resumed control of fuel through the system of provincial controllers previously used. This move was recommended also by the Board of Railway Commissioners.

The Department of the Secretary of State has despatched two million dollars of Canadian money to the clearing house overseas to be paid to German merchants and individuals in payment of debts owed by Canadians prior to the war and secured from them by the department. In the meantime the department is encountering certain difficulties with the clearing house, which difficulties an official will be despatched overseas to clear up. One difficulty lies in the fact that Great Britain desires that all communications to the clearing house be addressed through the colonial office. The department objects to this. A further difficulty arises from the fact that Canadian claims are being computed in pounds and not in dollars.

Property of alien enemies in Canada held by the department, amounting to a very substantial sum, is to be handed back to them soon. Some of it was in cash, some in jewellery, etc, and, so far as possible, it will be handed back in the form in which it was seized. Moneys in the bank to the credit of the interned does not draw interest, however.

Increase in Inland Revenue

There was a net increase of \$7,218,367 in the inland revenue returns for the month of September, according to the statement for the month issued from the office of the deputy minister of the department. The total inland revenue collected for the month was \$11,921,287, a gross increase of \$7,455,481 over the revenue for the corresponding month of 1919. The chief increase came from war tax, which brought in \$8,709,416, an increase of \$7,455,298 over the war tax returns for the month of September, 1919. A comparative statement of the returns from the months of September, 1919 and 1920, follows:—

Excise, 1919, \$3,389,892; 1920, \$3,180,216; decrease, \$209,675. Excise seizures, 1919, \$19,568; 1920, \$17,965; decrease, \$1,592. War tax, 1919, \$1,254,117; 1920, \$8,709,416; increase, \$7,455,298. War tax fines, 1919, \$2,650; 1920, \$1,185; decrease, \$1,465. Methylated spirits, 1919, \$36,141; 1920, \$12,009; decrease, \$24,132. Law stamps, 1919, \$559; 1920, \$311; decrease, \$248. Totals, 1919, \$4,702,919; 1920, \$11,921,287.

Customs returns for the month of September, 1920, showed a total of \$15,530,899 collected, an increase of \$697,658 over the corresponding month of last year.

A continuous freight and passenger service to Iceland from Montreal during the open season and Halifax in the winter will be soon in effect if Arni Eggertson, real estate and financial broker of Winnipeg, is successful in the mission he has undertaken for the government of Iceland, from which country he has just returned. To encourage trade between the two countries Mr. Eggertson has been commissioned by the Icelandic government to effect a loan either with the Dominion government or the banks.