

QUERIES' COLUMN.

In order to furnish our readers with information we propose to devote this column to replies to correspondents. Letters should be addressed to "THE CHRONICLE, Enquiry Department, Montreal."

Answers will only be given to such communications as bear the writer's name, not for publication, but as evidence of good faith, and only to questions referring to matters of general interest in regard to which the Editor of Queries' Column will exercise his own discretion.

1588.—E. M. F., Hamilton.—We have no information on the company you mention, but we are endeavouring to procure the figures and will reply more fully in a later issue.

1589.—L. A. D., Peterboro.—The dividends on the preferred stock of the Dominion Iron & Steel Company are cumulative and there will be 24½ pc. of back dividends accrued on the 1st October next. The last payment was made on 1st April, 1903. The company paid the dividend on the preferred stock up to that date under authority of special legislation.

ROYAL COMMISSION ON INSURANCE.

The Insurance Commission having concluded its enquiry of the Home Life, the Independent Order of Foresters came next for investigation.

The examination of the Hon. Dr. Oronhyatekha, supreme chief ranger, was conducted by Mr. Shepley, chief council.

Certain correspondence in reference to the issuing of certificates by the insurance department, between Mr. Fitzgerald and Hon. George E. Foster, was read. Witness explained that in some of the United States the order was not recognized as a fraternal society, and the order wanted a certificate from Mr. Fitzgerald to show that it was.

Illinois, he said, had not allowed them to do business inside the state, because Ontario prevented any foreign society entering its confines.

"Then the method you sought was that Illinois fraternal societies be admitted to Canada?"

"Yes, and we got it under section 40, when Canadian territory was thrown open. Only Ontario had the exclusion act."

On December 23, 1891, an application was made for registration on the assessment plan. The society did so to get inspection.

"Did Mr. Fitzgerald's report end your attempt to get what you wanted?"

"No. Nothing in it shows that our system is wrong."

In 1895 the order sought an amendment to their act. It was again opposed by the department, and some of the old line companies, though not so bitterly.

"I presume they had enough sense to know it

was a useless fight," said Dr. Oronhyatekha, who first said the old line companies did not oppose the bill, but he was reminded by Mr. Hunter, his assistant, that three representatives of the companies were lobbying against the bill.

"How many were lobbying for it?"

"Two, Mr. McGillivray, the secretary, and myself. I believe Mr. Laidlaw also helped us."

Mr. Shepley then read from a memorandum of the superintendent of insurance stating objections to the bill. It showed that insurance literature of the order said that no assessments were made on deaths. This seemed to conflict with the "safety clause" giving power to assess if there happened to be no surplus.

The witness said that no such assessments had been made, and they had never been in sight of such a necessity.

"We have money to burn, and we burn it for the benefit of the order," he said.

He also stated that the power to levy the assessments under the safety clause had been modified so that this may be done not only if there is absolutely no surplus, but no available surplus.

Mr. Shepley took up certain articles written against this plan of insurance. The witness said that the history of the Foresters had put actuarial science and the paid writers of the old line companies in a very bad light.

The following expense sheet of the order in comparison with other companies was handed to Mr. Shepley by the witness and put in as an exhibit:

All Canadian companies:

Number of policies in force December 31, 365,668; amount of insurance, \$404,004,860; expense per policy, \$15.61; expense per \$1,000 in force, \$14.13.

I.O.F.:

Number of certificates, including sickness certificates, 278,789; amount of insurance, \$248,801,000. Expense per policy, \$2.10; expense per \$1,000 in force, \$2.35.

Witness was asked the reasons why in a business like the Foresters low reserves were compulsory.

"We pay no surrender value, and, therefore, we do not require an excess of premium. What we require is a premium rate barely exceeding the cost of risk so that in after years the risks are carried on the same principle as the old line companies, but with no dividend to earn for stockholders there comes a reduction of cost. Then again the benefit of a medical selection makes considerable difference.

Continuing Oronhyatekha said that the fraternal society had a better chance than the old line company because they would deliberately accept impaired lives by charging a higher rate or adding to the years. The mortality rates were, therefore,