

"A. Undoubtedly, although the plan is not limited, assessments can be made as often as the money may be needed; but we think that \$245 in seven years will give the protection and pay for \$1,000 certificate by the plan of the Order.

"Q. Haven't the first members who join the Order greater certainty of their money, and less cost than those who come in later?

"A. No; only one-eighty-fourth of the reserve fund can be applied to the payment of certificates in any one month after the first seven years.

"Q. How about the last man?

"A. There is no last man; there is never likely to be till the winding up of all human affairs; the last man will not care about the matter."

If we assume, in accordance with the above questions and answers, the maximum levied for assessments in any one year to be \$35, the totals at the end of seven years, calculated as above, will be as follows:—

At 5 per cent.	\$ 284 97
5½ do	289 33
6 do	293 38

from which it follows that those who join the Order are made to believe that they will receive \$1,000 at the end of seven years in return for \$245 paid in assessments, and which, if invested upon the most favourable terms, could not produce \$300.

It is well, however, to note the words "unless claims demand" which occur in the clause regarding assessments. Although I do not see in what way claims can demand an increase until there are claims to be paid (and consequently have in the foregoing assumed that for the first seven years, at all events, the monthly assessments cannot be increased), still it may be that the promoters are of the opinion that they have a legal right within the seven years to make increased assessments, and, if such be the proper construction, the members joining have no guarantee that claims will not demand so large an increase in the number of assessments as to render it impossible for many of those who joined the Society upon the representation that the number of assessments in any one year would not exceed fourteen to continue to pay the Society's demands, thus compelling them to drop out and forfeit the sums paid—the practical effect of which would be the doing of a gross injustice to those who, in most cases, could ill-afford the loss, a transaction which could scarcely be looked upon, morally, as anything short of obtaining money under false pretences.

Mr. Roaf informs me that the Association, whose certificate of incorporation bears date the 30th day of June, 1880, has now about 1,000 members.

The proposed Act of incorporation is framed upon the model of the Act of 1889, incorporating the Independent Order of Foresters, which it closely follows.

The second section makes all members in good standing in the Septennial Benevolent Society, at the date of the passing of the Act, members in good standing in the Society incorporated by the Act, and makes the new Society liable for the engagements and contracts of the Society as at present constituted.

The effect of this section would be to give Parliamentary sanction to the business of the Society, as above described and as carried on from the date of its organization up to the present time, and against this I most emphatically protest.

If the promises made are fulfilled it is quite apparent that it will require at least the contributions of four members to pay the endowment called for by the certificate of one member. How can this be accomplished? If it be said it may be accomplished by reason of lapses, it is in effect saying that one member can only prosper through the misfortune of three others—that is to say, at least three members must fail and forfeit all their contributions in order that one man may succeed—any such business, if authorized, would be, in my judgment, legalized misfeasance (to use a mild term), and would be simply enabling the few to profit at the expense of the many.

The method of transacting business set forth above, which has heretofore been conducted and is now being conducted by applicants, and which they are asking to have legalized, is that which has now become generally known as of the Iron Hall type. Indeed, Mr. Roaf admitted that this Society had adopted the Iron Hall as its model.

It will not therefore, be out of place to quote a few authorities regarding this species of organization.

The official report of the Insurance Commissioner of the State of Massachusetts for the year 1888 contains a vigorous protest which was urged by him before the Massachusetts Legislature against the legalization of the said Order (which is, however, too lengthy for insertion here), and the official report of said Commissioner for the following year 1889, contains the following under the heading:—

"ASSESSMENT ENDOWMENT CORPORATIONS.

"In the report for last year was presented the argument of the Commissioner against the legalization of the Order known as the Iron Hall, which question was then pending before the Legislature. Later, by statutory enactment this organization and its twin, Tenti, were permitted to continue the business of promising the payment of seven year endowments upon the assessment plan; and although the door was closed against the entrance of additional kindred associations of other States it was swung wide open for their organization and incorporation in Massachusetts. The Commissioner is quite content to await the verdict of coming years upon the correctness of his opinion that this class of associations has not acquired power to annul the inexorable rules of mathematics or create a new multiplication table. But there is no limit to the mischief likely to result from the apparent endorsement by Massachusetts of these visionary schemes. Already the air is burdened with noisy projects promising the impossible, while from other States, asking for changes in the law to permit entrance to deceive and defraud the people of Massachusetts, come in battalions the most insane sort of wild-cat associations, fairly tumbling over each other in the effort to outbid one another in the extravagance and grotesqueness of their promises. The attempt at life insurance by assessment methods was a very daring innovation upon a most important and delicate field. It at first advanced no promise beyond what it might be able to realize from voluntary contributions to a call when a claim matured. Then it stepped a little forward and promised a definite sum, but timidly and with such misgiving as to the outcome that it was deemed essential to strengthen its ability by an 'Emergency Fund' The experiment is yet young, but already the shore is strewn with wrecks; and while the