

insurance and only life insurance could adequately furnish their dependants applied for insurance in large numbers. The policy loan feature, too, proved of particular value in those critical times, when so many investments were going badly and when so many families had to adapt themselves to a new standard of living. As the war progressed and casualties mounted up, the claims paid by the insurance companies carried at least financial reparation to many a stricken household and advertised the benefits and value of life insurance far and wide over the land. With the advent of the United States into the war came the colossal scheme of government insurance there, a scheme which placed some 4,250,000 policies aggregating over \$36,250,000,000 insurance on the lives of soldiers and sailors and which popularized and advertised life insurance to the masses of the people in a truly wonderful degree. The government, in effect, put its imprimatur on the great business of life insurance.

Then the great domestic loans began. Beyond all institutions, the insurance companies were in the foreground with their subscriptions to these loans. As list after list was published, the insurance companies were seen to be diverting their insurance assets in this patriotic service, and rendering their countries untold benefit in successfully floating the huge war loans. Not only did they lend their assets, but their huge organizations of trained insurance salesmen gave up weeks of their valuable time in the able direction of the loan campaigns. But bread cast upon the waters was returned. The huge propaganda for thrift which these loans necessitated, inculcated in the people those qualities which are the very bone and gristle of life insurance—viz., habits of thrift and providence, and the reflex action has brought new floods of insurance to the life companies. Add to this fact that the war closed the avenues to, or smashed completely, speculative ventures and we have vast funds which had to be diverted into other and saner channels. Life insurance was one of these great channels. The war has indeed proved a permanent and far-reaching advertising medium for the business of life insurance. The work done by the life insurance companies during the critical time of the last few years has written a deep impression on the public mind.

The Influenza Epidemic

Turning to the effect of the influenza epidemic we find the second great contributory cause in the increase in new business. We said above that its effect was transitory. On reflection we withdraw this assertion. When we consider how this great scourge spread across the continents and almost decimated the population, throwing a strain upon the resources of the insurance companies the like of which they had never before experienced, and bringing before the public with an insistence not to be denied the uncertainty of life even among the young and most robust, can we wonder that virtually millions of the people blessed life insurance for its benefits, and became the exponents and self-constituted and permanent advertisers of its merits? The effect of the epidemic must indeed be permanent and far-reaching.

The Rise in the Cost of Living

The fall in the purchasing power of money has necessitated higher wages, and, though the greater proportion of such increased wages is used up in the higher costs of living, nevertheless, a greater margin, too, has remained to be diverted into savings and life insurance. Then, no doubt, an appreciable proportion of the people regard insurance as a "good buy" in this period of unprecedented cheap money, reasoning that while the premiums are to be paid now, the benefits of insurance will be derived at a later period when money has risen in value. A consideration of the depreciated value of money leads us, however, into the admission that the increase in insurance is perhaps more apparent than real. It is a certainty that new and most powerful factors have come into play in connection with life insurance in this and other countries, and demand a far-reaching readjustment of all our ideas on the subject of the relativities of life insurance, both towards its own past and towards other businesses.

The decreased purchasing power of money or "the new valuation of money," as it has been called, has cut in half the effective worth of the entire body of outstanding life insurance. The \$5,000 policy of to-day, in real worth to the beneficiary, is only what the \$2,500 policy was five years ago. A great part of the increased new business of to-day is the effort on the part of the insuring public to adjust its insurance holdings to the new requirements demanded by the depreciated value of money.

Greater Efficiency of the Insurance Salesman

But in any and all events we must admit that these great increases of business, whether real or only apparent, or partly both, could not be brought about except with the great and growing efficiency of the man with the rate book. The Man with the Iron Mask was the antithesis of our Man with the Rate Book. The one was seclusive, unsociable, retiring—whether compulsory or not, makes no difference. The other is a man of the active world, sociable, pleasing, enterprising. He is to be found in every rank of society, charming his fellowmen by his convincing and seductive arguments and bringing to every nook and corner of our life the benefits and blessings of life insurance. He is daily becoming more recognized at his true, high value, for he is no narrow, dyed-in-the-wool opinionist, but in conventions with his fellow workers gathers new ideas and increased impetus towards the better and fuller performance of his duties. The Man with the Rate Book follows one of the highest professions in our land.

Experience of American Civil War

In conclusion, what prediction can we make as to the continuance of the present flow of new business? Probably the history of the progress of life insurance in this continent following the American Civil War may give us an indication of what we may reasonably expect for the years subsequent to the great war. So far the relative progress has been strikingly parallel. From a pamphlet before me dealing with the business in United States and giving the figures in each case, starting with the year before the war, we have the following:—

Year.	New life insurance.		Year.
1860	\$ 35,589,934	\$2,549,816,531	1913
1861	24,978,444	2,456,548,936	1914
1862	43,471,429	2,621,013,624	1915
1863	89,812,093	3,213,091,791	1916
1864	155,803,897	4,000,000,000	1917
Year.	Increase in new insurance.		Year.
1861	\$ 10,611,490	\$ 93,267,595	1914
1862	18,492,985	165,464,688	1915
1863	46,340,664	592,078,167	1916
1864	65,991,804	800,000,000	1917

For several years following the civil war, business continued to come in at an accelerated rate. Consequently, if the parallel continues to be maintained, we shall see an unprecedented amount of new business written in this continent during the next few years. The trend in the cost of living, however, will be one of the great factors which will determine this. This trend is influenced by so many factors, such as monetary inflation, gold supply, tariffs, production and consumption, etc., that it is well-nigh impossible to prophesy accurately its true course in the future. But opinion among economists seems to be that the trend will be upwards for some considerable time. In that event we can most assuredly look for a maintenance of new business production. And to quote again from the leaflet before me: "As Professor S. N. Patten, the distinguished economist, recently observed, this makes for security and increased happiness. In the light of existing events, it is doubtful if any other agency of civilization is doing as much as life insurance to increase human happiness; it is the practical, every-day accomplishment of homes saved, families fed and clothed, children educated, old-age made comfortable and care-free, business enterprises saved from disaster, and financial emergencies of all kinds met and provided for."