a reduction in insurance commissions and would be a true economic advance.

Secondly, Mr. Markham considers, the public must get the benefit of the saving through reduced rates, concurrently with or, preferably, in advance of the reduction in commissions. If this be not done, the promised increase in profit will only intensify that spirit of competition which is the real cause of high commissions. Even now, says the writer, rates are excessive, to judge by the proof usually accepted by economists, namely, the inflow of new capital into the business. The fact is, he continues, when insurance people suspend competition and institute united rating, they fail to realize that they must make rates on the lowest level consistent with preserving the business, or competitive pressure reappears in new companies or annexes to the old companies, and rising commissions result.

And, really, continues Mr. Markham, hasn't it long been an amazing thing that the companies which prefer to do business on a low commission basis have permitted rates to stand at a level which invited less conservative competitors to bid away the business? A saving in expense is equivalent to an increased rate and would be followed by similar consequences. But in the present temper of the public a still greater reason exists for safeguarding the commission reform by an antecedent lowering of rates. If the fear of legislation on commissions is real and not assumed, something more conspicuous than a petty saving of two per cent. out of 38 per cent. of expense ratio is needed Rate reduction will do more than anything else in Mr. Markham's view, to ward off State interference.

A third point made by Mr. Markham is that if wages are to be cut, the whole staff must share in the reduction. This will be necessary, he says, to insure the co-operation of the agents, without which the reform will probably beak down. Agents will submit and assist if the plain is fair, not otherwise. It means a sacrifice. Some large agencies, built up through years of effort by well-organized groups of workers, may seem ultra profitable, but close study, in Mr. Markham's opinion, will usually disclose that great companies congregate in such offices because of real safeguards to underwriting, and that the heavy patronage of a community is the reward of expert services rendered in insurance and fire prevention problems The average agent, says Mr. Markham, is not overpaid. He has struggled against increasing demands for detailed services, while clerk hire and all office expenses have grown, and the headlong appointment of competitors has split up earnings. What the business really needs is fewer and better agents, not reduction in their pay. If, concludes Mr. Markham, you want the agent to stand a cut in wages it must start at the top of the insurance staff, and be a "square deal."

Subsequently the convention approved a resolution pledging the Association to support all efforts to correct unjustifiable expense and expressing its desire to co-operate on any suggested plan for commission reform. The resolution also provided that the duly qualified agent be favoured as far as possible, and that the public shall share in the savings.

OLD LINE INSURANCE THE ONLY SAFE INSURANCE.

Long years of successful efforts have brought the old line life insurance business up to a point where for clean, honourable business methods as a commercial institution it is unassailable. Our great life insurance companies rank among the financial bulwarks of the country and are unshakable. Little by little State legislatures have enacted statutes which, with the aid of the better companies, have obliterated the illiberal features in policies of a generation ago. Rebating, a crying evil of the underwriting business up to within a few years, is now scarcely practised. Old line life insurance is to-day better, cheaper and sounder than it ever was. It has reached this position by travelling a path beset with obstacles which have one by one been removed. Hostile legislation and inimical criticism have both in the final analysis been a boon and a blessing, for they have stimulated the companies to perfect themselves in every way.

Another form of life insurance, the fraternal system, has grown up alongside of the old line business, with, however, very different success. Where the old line business may be said to exemplify by its history the "doctrine of success through failure"—that is, ultimate soundness and good repute through the elimination of all characteristics found to be unsafe or unsatisfactory either from the view point of company or policyholder—the fraternal system seems to have almost reversed the order and reached failure through success. Now is the time that many certificate holders in fraternals are wondering when the bubble is going to burst. Now is the time when the fraternals are trying to get themselves on to something like a sound basis. It is now that the misdirected believers in life insurance should be redirected in the right path. Show your fraternal friend that where he has been getting lapel buttons and encouraging literature along with increasing assessments and a possibility of something back at death if he doesn't outlast the order, you can give him a real contract with a real company that is good for real death benefits to the very last cent of its face (and then some if it is participating) at as low or lower rate than he has been paying for chances, and slim ones at that. Show him that when his premium comes due he will be glad to pay it and he won't have to jolly himself along by thinking about duties of fraternal brotherhood in order to soothe his mind for the hole in his bankroll. The fraternal insurance business is a big business, and only the disappointed survivors of thousands who have pinned their faith to it know how pathetically inadequate it is to fulfil its only excuse for existence. About a third of the insurance in force to-day in the United States is in such concerns, and if ever old line insurance agents had a mission to fulfil or a cause to proselyte, it is now when they should show fraternal members that there is more real brotherhood in a straight-forward contract between company and policyholder than in all the empty titles that a half dozen pay-as-you-go organizations can bestow.—The Spectator, N.Y.