

own hands, for even in the face of the more favourable rates offered, and of all manner of persuasion, they will not relieve the companies of the work of weekly collections. Compared with ordinary assurance the difference in the labour occasioned in the collections may be estimated from the fact that the average in the average premium of ordinary policies about £12 per annum, the collection of which amount would require about 1,500 separate calls from an industrial agent. On the subject of weekly collections and the heavy expense occasioned thereby, we are afraid that Mr. Rea's conclusion cannot be denied, and they suggest some grave reflections. As an abstract proposition it seems incredible that millions of working people in this country elect to pay through the nose for their insurance when the opportunity of making vastly better terms for themselves may be had for the asking. It seems equally incredible as an abstract proposition that millions of working people in this country find it impossible to put aside each week an amount sufficient to pay the insurance premium once a month instead of four times in that period, and thus reduce the number of the collector's calls from 52 to 12 per annum, an enormous saving of wear and tear, labour, and expense. This habit of laying out money to the greatest disadvantage instead of the greatest advantage is not, however, confined to industrial assurance, but is to be met with in many directions. There are millions of people who, for example, purchase their tea in eight separate ounces at 1 1-2d. an ounce, when they might get the whole eight ounces together at the rate of one penny per ounce. Why are these sacrifices thus made by the people who, of all others, are the least able to make them? The habits of a people are the outcome of their antecedents and environments, and can be materially altered only by the slow processes of social evolution. The habits are what they are because the people are what they are. Sir Thomas Lipton is developing a vast and magnificent scheme for the supplying of well-cooked good food of first-rate quality at from 2d. to 4d. per meal, to be served in attractively-built restaurants. For a working man to have the opportunity to partake of a hot meal of reliable quality, on a commercial and not a charitable basis, within sight of green shrubs and within hearing of a band of music, for a minimum sum of two pence, seems like the realisation of one of Mr. Bellamy's day-dreams. Yet this is what Sir Thomas Lipton confidently promises to achieve. Could such a revolution be effected in the province of industrial assurance? We trow not. Suppose that the Prudential, Refuge, Pearl, British Workman's and other industrial undertakings, with all their vast influence and resources, were to invite their millions of policyholders to come to their offices—with green shrubs and music as an attraction, if you like—to pay premiums, would the people accept the invitation, even with the offer of a great saving in the cost of assurance? We are afraid that those who would rise to the occasion would be only a microscopical minority. Food is a thing

that demands attention to-day; insurance may be off till to-morrow. Man's physical nature proclaims the need of food; it is his mental and moral nature which urge him to insurance. Hence only when his mental and moral nature have been trained to respond to the call of duty as readily as his physical nature responds—only then will the possibilities of reform in industrial assurance be equal to the possibilities of reform in the region into which Sir Thomas Lipton is carrying his fascinating experiment. There is, perhaps, some sort of consolation—a rank economic heresy, very likely—for the cost of industrial assurance which, under better social conditions, might be reduced, that consolation is that the expenditure gives employment to thousands of other working men as collectors. Of these men, we are glad to see, Mr. Rea writes in terms of warm approval. "The outdoor staff," he says, "now engaged in this class of business throughout the Kingdom comprises men of intelligence and unquestionable character. The honest, straightforward, and indefatigable manner in which they perform their duties is certainly one of the principal factors in the enormous results and successes that are achieved in industrial assurance at the present day. One cannot be closely associated with the business, and hear the constant voice of gratitude from the masses in their time of trouble without appreciating the vast amount of good that is daily being effected through the medium of our industrial institutions." Mr. Rea does not forget to refer to the important question of lapses, a subject upon which much has already been said and perhaps much remains to be said. It is common remark that industrial assurance companies largely benefit by lapses. Mr. Rea, however, ridicules this contention:—

"The serious rate of lapsing occurs," he observes, "in the early period of assurance, when the office expenses are at their maximum and there cannot possibly have accrued anything in the nature of a profit to the companies. This is well recognized by all who are responsible for the conduct of industrial assurance, and every influence is brought to bear to prevent the discontinuance of any contract; indeed, the agents have to make good their lapses in account, and their remuneration is specially regulated by the solidity of their business. This disposes of the argument with respect to early lapsing. In the case of more matured assurances, a policyholder is, in most industrial companies, entitled to a paid-up surrender-value policy, which, taking it generally, is equivalent to a present value of 30 per cent. of the premiums that have been paid; so that the suggestion of a profit accruing to the companies on the lapses of industrial assurance is without foundation."

At another point in his paper Mr. Rea states that he has just made an examination of some 10,000 life claims as part of an experience falling in the year 1897, and taken quite by hazard from various parts of the country. He then goes on to observe:—

"The average duration in connection with these particular cases (we presume the average duration of policies that became claims) is found to be 5.71 years;