in force. Another great advantage of the deferred dividend plan is that the society is able to promise and pay in cash the full reserve at the end of this stated period on policies issued on this plan as an additional reward for perseverance in keeping contracts in force, and for the superior vitality shown by the lives assured. It would not be wise or prudent to promise the full reserve on all policies whenever called for, for such an agreement would deprive a company of proper protection for its business, and might expose it to insolvency in times of financial panic; but it is entirely safe to promise the full reserve and accumulated profits to the limited number of policy-holders whose dividend periods may end in any one year; as the large amount of business left in force and the large amount of surplus still undivided will afford ample protection to the policy-holders."

Obviously there is much to be said on both sides of this vexed question.

It is argued that as the gains available for dividends vary from year to year, so the portion accorded to policy-holders under the annual accounting system would also vary from year to year. This, says one authority, would cause dissatisfaction whenever one year's allotment fell below that of a previous year. To obviate such fluctuations as would be calculated to create dissatisfaction on average, a theoretical scale of opportionments has been prepared by some companies showing the average rates to be reasonably expected in a group of years. It is held that, "These allotments would certainly be more equitably made if they should be calculated and distributed at periods several years apart. The deferring of the dividends, so-called, for longer periods than one or two years may, therefore, be in the line of greater accuracy and equity."

The objection to the dividend period being extended over a number of years, is one that appeals strongly to the policy-holders in general. For, according to this plan, it is held that a policy-holder whose policy is not continued up to the dividend date, or who dies in the interval between two dividends, is liable to lose his proportion of the surplus which is to be distributed when the distribution period matures. If a policy is kept up to within a few months of the date when a dividend is due and is then discontinued, or matures by the death of the policy-holder, it seems right for such a policy to be apportioned an equitable part of the surplus that is to be distributed later on.

This general principle may, however, be set aside by the specific terms of the policy contract, the exact nature of which should be made quite clear to the policy-holder. If then it is explicitly stated in a contract that no dividend will be paid unless the policy is in force at the time the apportionment, or distribution is made the policy-holder, or his heirs, have no just claim on the dividend fund if, for any cause, the policy matures or lapses prior to such time of apportionment or distribution.

At the Insurance Convention, Mr. Rufus W. Weeks, actuary of the New York Life, thought deferred dividend contracts should be allowed. Dr. W. A. Fricke said: "When companies were compelled to give every policy-holder an annual accounting, then all evils would be cured. The deferred dividend was a "Heads I win, tails you lose" game, in which the companies held the stakes and put up nothing." Mr. McIntosh, solicitor of the New York Life declared, "deferred dividends were no new thing. They had been issued in the old world for ages. He said that the principle of the right of contract was assailed by prohibiting deferred dividend contracts. Life insurance was a good thing and must be attractively presented. You must deal with men as you find them, and not as you would have them. Present various policy forms to a man and he will buy the deferred dividend 10 times to one annual dividend, as had been proven in the past 30 years."

An actuary stated that his company gave annual dividends and denied that the deferred system was the more popular. He thought the companies should have the option of distribution each 5 years.

This lively discussion resulted in a resolution adverse to the deferred dividend system.

THE METROPOLITAN LIFE INSURANCE COMPANY.

The question whether the present age is more advanced in the conditions which tend to the exaltation of the community, in those features which are of "good report," has recently been widely discussed. One element affecting this problem materially has been universally overlooked by the debaters of this question, which is, the effect of industrial life assurance in ameliorating and uplifting the social condition of the artisan class. As these in all large communities constitute the majority of the population, and as the "balance of power" politically and municipally is vested in the classes who are styled "industrial," their circumstances and their ideas are leading factors in the life of a nation.

Industrial insurance is of eminent service in promoting self-respect as it eliminates to a marked extent the gypsy like conditions of a wage earner's life. A life policy anchors a man to society, it restrains recklessness in conduct and in spending, it assures him and his family from the taint of pauperism, it helps to consolidate the State and protect it against such disturbing influences as are engendered by discontent and by uncertainty of employment.

One of the most prominent institutions to which society and the State owe so much is the Metropolitan Life Insurance Company. The statement of its affairs for 1905 shows last year to have been the best in the company's history, it having proceeded