

some other monarch will reward their efforts by some special recognition? This principle is applied in our great universities, in our academies, in our day schools and in our Sunday schools, and surely what is good in all those departments of human activity is not wrong in life assurance. Three principles lie at the foundation of successful agency work. First, organization, the getting together of the necessary forces; second, inspiration, which means filling your men with a large conceptions and noble purposes, third, stimulation, by which the latent energies of men may have developed and used for their own benefit and for the benefit of the business in which they are engaged. To this end I have found nothing so effective as the creating of competitions by the offering of prizes. I know of no other way that you can do it so effectively, economically and so satisfactorily. We have found that by this method we have been able to develop power which we could not possibly develop in any other way.

Mr. NESBITT.—May I ask you, how do you find you retain that specially inspired business?

Mr. TORY.—The specially inspired business, as you call it, is like anything else, it requires specific treatment. I have adopted a system whereby the foreign business in my department has been reduced in its lapse ratio until it is practically on a par with our home business. And the way I have done it is this; first, I have written a letter to all the local agents in my territory telling them that it was a fallacy for the agents to believe that the company desired a policy to lapse. That fallacy has long ago been exploded, and I instruct the agents accordingly, enlisting their co-operation to keep the business in force. The next thing which has been done is that we have adopted a non-forfeiture system by which after two years no policy can lapse until it has exhausted the entire reserve. In addition to this I have organized a system in my office by which every policyholder whose policy lapses, is written to specifically, after the agent has exhausted his efforts, and special arguments are used to get him to keep his policy in force. Since the adoption of this system I have been able to place the foreign business on practically the same plane as our home business.

The next reason for my conclusion in regard to the Bill is that it operates unfairly against stockholders. I speak now, of course, not from the standpoint of the agent but from the standpoint of the stockholder. I speak very feelingly on this point. I have personally looked over the field of investment, and have asked myself, 'What investment can I put my money into that will be absolutely safe from the investor's point of view; that will give me a reasonable return, and that will be a generally satisfactory investment, increasing in value as the years go by?' I looked over the bank stock and the various other stock, and I picked out the stock of a life insurance company and put a portion of my savings into that stock. What is proposed in sections 99 and 111 of the Bill? Why practically confiscation of my property. The company in which I have invested my money has an absolutely free and open charter, a company that under that charter has done absolutely nothing against the interests of its policyholders. The utmost fairness that can possibly be conceived has always characterized that company in its division of profits between the policyholders and the shareholders. Now, what the Bill proposes is that the proprietary right which I have in this investment be taken away from me and handed over to another class interested. Again in section 111 the division of profits, which is provided under charters when the charters are granted, has been ignored and altered, and while there is no provision as to what shall be paid to the stockholders, the Bill provides that there shall be 90 per cent of the profits paid to the policyholders, leaving no protection whatever for the stockholders, assuming that the policyholders are made members of the company, as provided in section 99. I consider that to be absolutely unfair. If the two sections were not together then the effect would not be the same, but when you give to the policyholders such voting power as to control the company, and when you say they must have so much of the profits, and the stockholders shall have absolutely no protection, then you open the door to absolute confiscation of the stockholders' property. There are over \$4,400,000 invested by 4,453