

Of course, we admit that the keenness of competition has had something to do with foisting upon the companies a growing proportion of questionable and undesirable risks; but it has not been, in my judgment, the principal or really responsible factor. We believe, also, that the over-payment of untied men has had something to do with this trouble; but we have not the least doubt in the world, that the main responsibility for it must be attributed to that system which has resulted in breaking down the soliciting or sub-agent's feeling of direct personal and individual responsibility and accountability to his company.

Probably in no other business could an otherwise apparently commendable system of centralization or concentration of work result so detrimentally, as we believe it does in life insurance. It seems to us that the sub-agent who may be working under a more or less satisfactory arrangement with a general manager, but who has never, perhaps, seen the home office of his company; who has never yet had an opportunity of making the personal acquaintance of any official of that company; who realizes as a fact that his very name is unknown to the company for which he works, will feel himself under less moral restraint than he would if his services obtained direct recognition, and his employment grew out of a direct contract with the home office.

One of the recognized abuses of life insurance, and one of the evils that most persistently afflict that institution, is the dishonourable and contemptible practice of "twisting" a policy-holder from one company into another, after his actual cash payments upon a policy have given him a recognized and vested interest therein. We do not believe that general managers, responsible to their companies, and coming in contact with the influences they meet in their home offices, are, as a rule, guilty of any such practice. It is a deed which is generally done in darkness. It is something that the man who does it knows will not stand the light of investigation. It is something which he will reprove in others, even while perpetrating the same injury himself; and we have not the slightest doubt that nine out of every ten instances of "twisting" are the result of the machinations of irresponsible sub-agents who do not work under any direct contract with their company, and who are entirely free from any feeling of personal responsibility such as would, and should, restrain them from doing anything so reprehensible.

Here, again, this same system of centralization seems to be to blame—indeed we believe that it is the direct author of many of the troubles that afflict us to-day, and that we shall have great cause to regret it if some modification of that system be not attempted.

We have quoted as one of the abuses in life insurance the fact that thousands of local and sub-agents are never taught to realize, in the details of their daily work, that they should act as if they were held to a rigid personal accountability to the company they represent. We have also quoted this fact as resulting in the absolute subordination of the really invaluable work of the sub-agent to the limitless ambition of a manager, or general agent, charged with obtaining the very largest results from a territory so extensive that he is utterly unable to cover it. For these evils, which may be merely separate phases of that already considered, centralization is the sole cause, and whatever breaks down that system of centralization, or modifies it, looking to the gradual return to a system under which a much larger number of the active workers become personally responsible and accountable to their companies for the quality and value of their work, will, in our judgment, be an incalculable gain to good, sound, honest and legitimate life insurance.

SAN FRANCISCO AFFAIRS.

Judging from the excellent form in which the "Coast Review" has been issued, one would judge that matters are being straightened out. The premises and plant of this periodical were wholly destroyed by fire, yet the last number issued is an especially admirable specimen of typography, indicating that the plant of a well equipped printing office has been acquired since the fire.

Mayor Schmitz of San Francisco states as follows:

"Exaggerated reports, sent out during a period of much excitement, have conveyed the erroneous idea, as manifested by publications in the newspapers outside of California, that San Francisco was practically obliterated by earthquake and fire.

"The fire swept one-eleventh of the area of San Francisco, leaving ten-elevenths unscorched and standing. The earthquake of April 18 last, damaged some buildings, those that were poorly constructed, but did not harm structures of the more modern type. The "skyscrapers" emerged from the earthquake as good as new. The thousands of residences in the city, with the exception of a few resting on 'made land,' escaped with little more injury than the shaking down of chimneys.

"Our great loss was through fire, which, starting simultaneously in several parts of the city and fanned by breezes from the ocean, proved to be beyond the control of our Fire Department, which would not have been the case if our water supply had been adequate to meet the great emergency presented."