

waste on fine buildings, or other "frills" for the officials to enjoy. Whence then, come the funds to do these extraordinarily extravagant things mentioned in the extracts we have quoted from the "puff"? If the funds come from the pockets of the members, do they then not pay more than cost price for the temporary—we had almost written trumpery—it is only a sixty day insurance they get at best. And is this not a species of robbing of the living on the assessment plan; or is the same thing which is a demerit when done, as alleged it is done, on the level premium plan, to be approved of as meritorious when done as we see it is, on the assessment plan? So it would seem to be. But to return to the "palatial building," we can even now see with the mind's eye, the exceeding grand and imposing ceremonies that are in store for us all in the near future, to partake in, or admire in the "puffs" describing the gay, dazzling scenes, the magnificent spread, the eloquent speeches and other delightful things to be seen and heard on that festive occasion. Also the flourishing statements, financial and other, that will be forthcoming respecting the unheard of bigness and phenomenal success of the Mutual Reserve, at home and abroad. And of course the "observed of all observers" will be President Harper who will find it a fitting occasion to spread himself to his own gratification and the admiration of his guests, all, it may be, ready to worship President Harper and the image the "palatial building" he hath set up in Gotham. What a time it will be to be sure for glorification.

REBATING OFFICIALLY DENOUNCED.

The question of rebating is occupying the serious attention of companies and of men prominent in the profession of life insurance. Several of the companies may now be considered as pledged to oppose the practice of rebating. The Northwestern Life, the Connecticut Mutual Life, and the New York Life, have each declared against the obnoxious practice; one of the latest so to declare itself is the New York Life. At a gathering of the agents on a festive occasion, by invitation of the company at Chicago, on July 13th last, in honor of the prize winners in certain contests for new business, rebating came up. It was warmly discussed and a committee was appointed to draw up resolutions on the subject. The committee reported as follows:—

Your committee, to whom was referred the question of "Rebate," under discussion yesterday, begs to report as follows:

We have considered the matter long and carefully, and found, as a result of such deliberation, that in essentials we were in substantial accord and in non-essentials not seriously at variance.

All of us agreed that "rebate" is an evil without mitigation, likely soon to lead to a situation when remedies will be applied by others, and our wishes and interests only incidentally considered.

It therefore seemed wise to take the position that we can set our own house in order better than it can be done by strangers, and, therefore, we have expressed as strongly as we could in the following resolutions our condemnation of the system, and have asked the president to take such steps as will exterminate it. How this can be done, and when, we feel can be safely left in the hands of the men who have already done so much for the practical betterment of the field-workers of the company. We believe that the action of President McCall in this, as in all things, will be temperate, wise, and effective. We therefore respectfully submit the following:

Whereas, The practice of what is known as "rebating" now generally prevails amongst the agents of all life insurance companies, and

Whereas, This practice is attended with serious evils, which may be partially enumerated as follows: It demoralizes the agent both financially and morally; it degrades our business in the eyes of thinking men; it introduces large amounts of unprofitable and undesirable insurance; it increases expenses to the detriment of policyholders without any corresponding

advantage to the company or agent; it violates the equities of the doctrine of mutuality, which doctrine underlies all good life insurance; it puts a premium on rascality and gives the irresponsible lightning solicitor an advantage over the responsible, steady producer; it encourages "twisting," which is "piracy" in our business as between companies, and as between ourselves is self-abuse; and

Whereas, All previous attempts to correct these evils have been successful only locally, and legislation which has aimed in several states to exterminate it has been largely ineffective, and

Whereas, We believe that the New York Life Insurance Company is so happily situated that it can enter on a crusade against this practice, based both on principle and policy—that is to say, while it may be true that we as life insurance men have permitted this practice to spring up without proper appreciation of the evils that would attend it, and in so far as are equally deserving of criticism with the agents of all other companies, yet it is true that we have never been blind to the inherent evils of the system, and we know that an expression against it as a matter of principle is in harmony with the ideas which direct the administration of the New York Life; we also know, as a practical question, that we are peculiarly equipped. The company has the confidence of the world because it is the only company that the world knows all about; it can secure a sufficient volume of business under any conditions, because it offers the public at a standard price the best goods in the market; in addition, having already reformed the policy contract, the form of annual statement, and the relations which a company should sustain to its field representatives, it appears that the New York Life is now morally bound to institute and carry out another and still greater reform.

Now, therefore, Be it resolved that the president of the New York Life Insurance Company, John A. McCall, be and hereby is, requested to exercise every power at his command as the chief executive officer of this company, to the end that the practice of rebating may be both completely and speedily exterminated from the ranks of our agency force, and

Resolved, That this convention hereby pledge itself, individually and collectively, to give to the president such cordial support as will most effectively aid him in the consummation of this great work.

D. P. KINGSLEY,	DANIEL BOONE,
A. G. HAWES,	J. G. MORGAN,
LIVINGSTONE MIMS,	R. E. WHITNEY,
G. A. SMITH,	Committee.

This report was unanimously adopted, and in an address to the agents President McCall indorsed their action and promised to carry out the suggestions embodied in the resolution.

In response to the resolution, President McCall issued the following letter to the agents of the company:

PRESIDENT'S OFFICE, July 29.

MY DEAR SIR: You have been advised through these columns of the resolutions unanimously adopted at Chicago on the 13th inst., under which our agents have referred to me the question of "Rebate," and have asked me to take any necessary steps to eliminate this practice from our ranks. I do not need to recite to you the evils which result from it. The resolutions already referred to do this sufficiently. And, as I have yet to meet the first man who does not agree that the results of rebating are altogether to be deplored, I take it that such is your opinion. If you happen to live in a state where legislation has been had on this subject, I am sure you have been observing the law, and in so far, this letter does not apply to you. But, be that as it may, I want to say to you, together with all New York Life field men, that henceforth rebating in any form must cease.

If anything can be added to the language of the resolutions referred to it would be this:

Rebate is a manifest inequity to some one, since agents representing the same company offer the same policy at different prices. This touches (1) the policyholder and the principles of mutuality upon which our company is built, and (2) it interests you in that you are forced, either directly or indirectly, into a conflict within your own household.

Rebate defeats its own purpose, since it does not bring you in the end the thing you seek, even though you may be indifferent to the question of equity.

Therefore rebating is: First, inequitable; second, unnecessary.

On the first point, I do not need to dwell. On the second, I can only say that you have certain advantages which more than offset any conditions you may meet.