

(editor's note: This paper was transcribed from a handwritten cursive copy with various difficulties. For a perfect rendition, the reader might wish to consult the original, itself a copy, in the volume entitled *Literary Club Papers*, Dec 20, 1890 to May 30, 1891)

The "Mutual" Shake

A soap bubble is "a thing of beauty," but not "a joy forever." We all know that it is bound to collapse, sooner or later. Nevertheless, we feel some resentment toward the person who willfully pricks the bubble and reduces its swellings, grandeur to premature nothingness, especially if we have contributed in any way to the formation of the airy wonder.

Life insurance on the assessment plan is a beautiful bubble—a touching exhibition of brotherly love and confidence, a useful medium for impersonal benevolence and all that; but, as a security for the payment of a fixed sum of money at the end of a long life, it is the thinnest film that was ever projected by the aid of soft soap and conversational gas.

If the association is restricted to a given locality, or a given class engaged in a common pursuit, the common acquaintance and common interest affords some ground for confidence in the honest management and beneficial outcome of the assessment plan. As each assessment is made and the death of some person well known to the members is announced, every one feels that he is doing nothing more in paying it than he would have done if no such association existed, and he were simply asked to "chip in" to aid his family. A limited amount of benevolence of this sort makes one feel good and we think very little of self interest so long as the assessments are well scattered. No one for example, grudges the small assessment he was required to pay on the death of such men as William B McAlpin, Harry E Randell, Ed. C. [Unser], John J Desmond and Annin Baldwin.

Where this mutual bond of sympathy and confidence does not exist, such associations are, in the nature of the case, short lived. Even in the better class of associations, age seriously affects stability. If one is the last survivor of an original class of 1500 he will have paid out in annual dues and assessments much more than the \$1000 he hopes to receive at death and there may be no one left to assess for his benefit.

If the class is kept full of perpetual renewals, he may pay out twButo, three, or even four times as much as he can possibly receive; for experience shows that new members are just as likely to die as old ones and young men are not asked to join an association whose average age is very old. Any one who realizes this will not be inclined to rate assessment insurance high in the scale of paying investments. When assessments become so numerous as to exhaust our superficial benevolence our response becomes less cheerful and we are apt to reason with our selves, cui bono. If we are in poor health, we do not like to deprive our brethren of the privilege of "chipping in" after our funeral, by withdrawing.

If we are vigorous in body and feel that a large majority of our class will "pass on before"

us, we are apt to hesitate and count up the cost of continuing. If we have reason to believe that others are doing likewise and their wholesale desertions may take place, our confidence in the permanence of the institution grows very weak and it requires an extreme supply of loyalty to keep us in the ranks.

The confidence that others “will stick” is an essential condition to our own continuance. Impair this confidence in any way and the whole scheme totters to instant and complete ruin. When, therefore the Secretary and manager and the Board of Trustees of such an association issue a printed circular, beautifully supplied with italics, to emphasize their want of confidence and try to induce its members to leave it and take out policies in a rival company in which they have suddenly become interested, they have done the utmost in their power to kill the association they were sworn to protect and maintain to the best of their knowledge and ability. That association as one of the Trustees said, the other day after this astonishing circular was issued “is already a thing of the past.” The film is irrevocably shattered. It will prove a welcome release to many of its members; a cruel blow to many others.

Where a man has cheerfully paid all dues and assessments for thirteen years without questioning whether those who died were older than himself or paid a disproportionate amount of the insurance, trusting that, when his day came, others would do the same by him, it is a little hard to be told that his contract though strictly legal, was a very foolish one; that he has no right to expect younger men to do for him what he has done for others; that his insurance is and ought to be worthless; and finally, that it would be a good deal cheaper for him to take a policy in a certain designated company and pay twice as much.

All this is very bewildering but it serves its purpose – in destroying confidence and very few will retain their membership in the old Association. Those who doubt their ability to get new insurance and who therefore can't afford to be particular, will probably exchange their membership certificates for policies in the company designated.

For that very reason, the others will not. The new company thus strengthened; by the weakness of the old, will of course attract the young and vigorous by thousands! It will have the benefit, too, of the management of the same Secretary and Trustees that have broken up the old company in a single day and will therefore know just how to work the new company and invalidate all its policies, wherever it is for their interest to do so. This is a very attractive prospect.

It may well be as predicted, that the old Association would have died a natural death in ten or twelve years, but many a policy would have matured and been paid in the meantime, and, so long as the members were content to go on paying in accordance with their rules and regulations, why should the trustees try to prevent them? If they have lost confidence in their management, they should have quietly resigned and made way for others who represent the prevailing feeling of security. The death-blow of the Association should not have been struck with their official hands.

If a boarding-house keeper should be indicted and tried for arson and for killing some of his borders, it would hardly be deemed a good defense that he built the house with his own hands and brought the guests into it and was therefore entitled to do what he pleased with them; that his guests were sickly and likely to die, anyhow, in the course of ten or twelve years, that he was unable to furnish them with good board any longer, because some of the newer guests objected to the presence of those who had been with him for thirteen years; that all of his guests were paying less for board than it was worth; that it would be cheaper for them to go to another boarding house, where the rates were twice as high; that he himself was going to run the new boarding house and take along all of the old borders, and that, fearing they might not perceive all of the advantages of the change, he had enlightened them by burning up his house & destroying a few of the more obstinate or feeble ones.

Well! We can't spend our lives watching bubbles, no matter how brilliant their succession may be. Let us not sorrow, as the man who paid for an accident insurance policy before starting on a long journey – and returned home “Safe and sound” – but let us thank God that we are alive and well and give to the Secretary and Trustees of the old bowl of soap suds a farewell shake.

W. C. Cochran

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