and yet another known as the Natural Premium Plan, adopted by the new company, the Manufacturers'. Are the last named based upon more solid or scientific principles than the Homans Plan? We cannot see any greater difference. Have not these other plans been adopted more recently than the Homans Plan, or are they practically the Homan's Plan with variations? Would you consider any of the others safer, to insure on than the Homans Plan direct? Efforts have been made to induce us to withdraw from the Federal and insure on one of the other plans. A journal was furnished us to read, which condemns in the strongest terms the Homans Plan. We searched carefully but could not find in that issue where it condemns any of the other plans. Can you tell us whether it has done so or not, and, is it opposed to all cheap plans, or is its opposition confined exclusively to the Homans Plan. There are now four joint stock companies operating the cheap plans of life insurance referred to. I would like to ask you two or three more questions but dare not do so at this time for fear you will consider me a perfect down-east-Yankee.

Yours,
POLICY-HOLDER ON H. P.

AGENTS' ATTENTION.

To the Editor of THE BUDGET.

SIR,—It is some time since I have seen anything respecting the Agents' Association. Why is it? Has the matter completely collapsed? If so, why? Is there no constancy among this class of insurance men that they should attempt a much-needed organization and then let it die? An agents' association would bring about the changes necessary to place the agent in his rightful position. That position would give him some control of his business instead of simply being obliged to obey his many harassing rules and regulations of the tariff association.

Come, let us wake up! This age of the world is no time for sleeping. When all classes are seeking protection of some kind surely we have rights other than to be the grubbers we now are. Under the present system we are simply laboring on from day to day and are all the time working to our own disadvantage. Let us now determine to work to our own advantage as well as to that of our several companies. Can we not meet, say in Toronto, and talk this matter over. Unity is strength, and strength is what we are much in need of. Will some one appoint a day in the next issue of THE BUDGET, and let every agent get to the Queen City and let us work for the advancement of our own interests, social and professional.

Allow me to make a few suggestions as to matters that should receive our early attention. I refer to fire business only, viz:

1. The agent to have half of all endorsement fees.
2. No bankers, lawyers, students, merchants, doctors, and in fact only those who make a business of insurance, to be employed as agents.
3. That the agent get from the insured a survey fee on all three-year risks.
4. That the agent get 15 per cent. on all similar risks.
5. That we ask that all policies be issued not later than twenty days after date of application.
6. That we meet once a year at some place to be agreed upon.

No doubt there are many other changes that would be beneficial to our cause, and I would suggest that we make THE BUDGET the agents' journal, and let every agent subscribe for it, and in the editor I believe we have a man of true insurance principles. In conclusion I would ask to hear from as many agents as possible on this matter through THE BUDGET.

Yours, AGENT.

BANKING.

To the Editor of THE BUDGET.

SIR,—Since you favored the public with your independent opinions of the banking system, another of these institutions has gone to the wall. Another wave of dismay, embarrassment and loss is spread far and wide over the unhappy business community.

The bankers promise that no losses will be sustained by the depositors of the Federal; but if the stockholders do not lose heavily, who makes up the half million of aid extended to them? Does it not come out of the pockets of other bank stockholders? You say the banking system is faulty: I agree with you, only the term is not strong enough to express the deception. I cannot agree with you that the management could be improved in the manner you suggest. I imagine that bankers are at least equal in character and ability to any class of business men, and if they are lending their active aid to destroy the industries of the country, it is not because they are as a whole incompetent men. I cannot from my long experience of bankers think so; but the cause, in my estimation, lies deeper than the management, and is involved in the character of the banking law itself.

That law is briefly this, that a company say with $500,000 paid up capital may discount commercial paper with their issue payable on demand. The notes fall into the hands of the other banks in the ordinary course of trade and come back for redemption at the daily balancings between the banks. The capital which should have been held as a reserve to secure the creditors, and give stability to its business, is paid out, and after a few months the reserves become reduced to a more economical sum, and the assets of the bank assume the form of a bundle of commercial and other paper half of which is worthless when suspension is inevitable. It does not take very long, as experience teaches, for a bank to get around the circle and into the toils of pure speculation, when the manager loses his head and his actions become those of a maniac, and it may be a criminal.

Just think of a banking law which proposes the conversion of capital into credit—a tangible property into a form one cannot be sure *exists*. The authors of such a law wot not of what they did. "Foolish hands may mix and mar, but wise and sure the issues are." The process is easily traced. The banker goes for what he considers first-class paper made on the actual sale of importations; so that, apart from the illegitimate business, three-fourths of the discount is paper representing importations, and that stimulates imports to an unwarrantable degree, so much so that, notwithstanding the barrier which the tariff interposes, the country continually committed to excessive importations; not merely in excess of exports, but also in excess of actual wants. It is even surmised by persons in the way of knowing, that some of the influential bankers are personally interested in the business.

It follows that the drafts of the foreign manufacturer are promptly attended to, and every dollar of exchange on exports and otherwise is absorbed by this nefarious process of robbing the country of its capital, which fully accounts for the chronic scarcity of the circulation in the ordinary channels of trade. These imports are pressed upon the retail dealers; and in their anxiety to make sales they are led to credit to a very large extent, so that all retailers have debts which cannot be collected, nor can sales be made from the scarcity of circulation; and their own maturing paper has to be renewed—adding to the general embarrassment. In this way the domestic industries are placed at the mercy of a currency based mainly upon importations and limited by the means of payment.

In my next I shall deal with the problem, "How to increase the reserves and at the same time increase the volume of the bank circulation."

Yours, G——

January 30th, 1888.

REBATE.

To the Editor of THE BUDGET.

SIR,—The attention of THE BUDGET readers has been frequently called to the existence—or stated existence—of certain abuses prevalent among insurance companies and their agents, and in your position as editor you have earnestly and frequently appealed to the managers of the different insurance corporations and to the agents representing their interests, and back again from the foot to the head; that for the prosperity of the insurance business as a whole, for the maintenance of that uprightness and integrity which is an essential element to prosperity, and for the influence and honor of the individual and collective staff employed, these stated abuses should be at once and forever blotted out.

It is not my purpose to enumerate these abuses to which, in the general interest of the underwriting profession, both life and fire, you have called attention, but rather to make special reference to the one that, in my opinion, ranks as the greatest evil of them all—I mean the *rebate nuisance*.

The time will come when this evil must cease from the force of public opinion, when the intelligence and honesty of the general public must realize its demoralizing effects and demand its removal. But we want to hasten this time, you by your editorial influence and agents by exposing each case as it is encountered, giving the name of company and agent, so that the managers of the former may have no excuse for shirking the responsibility of dealing directly with the case, and the latter may be held up to the deserved censure of his confreres.