

The Bucket Shop Must Go.

The astonishing revelations concerning the speculations of young Herbert and Lemieux of the Ville Marie Bank bring once more before the public a realization of the terrible evil of the bucket shop. Because, for some time past there had been no exhibition of the pernicious working of such institutions, the public were lulled into thinking the bucket shop almost extinct. It has raised its head, the dark places have been revealed, and the most extraordinary proceeding of a broker accepting enormous sums from two bank officers of small salary is laid bare in all its horrid significance.

The bucket shop must go this time. Some drastic measure must be adopted that will crush it entirely. It is difficult to reach the bucket shop without hampering legitimate trade, but it can be done with thought.

A Comparison of Prosperity.

We have already, in our article of last week, given some hint of the prosperity of Canada during 1899. But this prosperity does not compare with that exhibited by the United States. While the United States clearings increased 36 1-2 per cent., those of Canada increased only 10.7 per cent. While United States failures declined 15 per cent. in liabilities as compared with 1898, the liabilities disclosed by Canadian failures were 13.8 per cent. larger than in 1898. And while the failure of the Ville Marie Bank added greatly to the Canadian liabilities, although not in the slightest degree connected with the business situation, it must be borne in mind that the United States failures of 1899 were extraordinarily swelled in December by causes not immediately connected with the commerce of the country, although not without some effect upon it.

Completely Exonerated.

Our Toronto correspondent, in his latest letter, outlined a serious misunderstanding between the Toronto Committee on Insurance and the Fire Underwriters of that city, and he incidentally defended the course taken by the underwriters. We are glad to find that, since the criticism of the situation published in THE CHRONICLE, the Toronto Committee has adopted the schedule of city insurance as originally prepared! The rate fixed by Mr. McCuaig at \$2.25 per cent. was accepted on Saturday last, subject to the approval of the Council. The committee further passed a resolution regretting the previous misunderstanding that had arisen touching the insurance of civic property, and completely exonerating Mr. McCuaig, Secretary of the Board of Underwriters, from any blame in the matter.

The Scandal of Modern Life

We recently called attention to a suggested new agreement between life insurance companies having for its purpose the suppression of rebating with all its consequent demoralization of the business. The old anti-rebate compact regulating the payment of commissions to life insurance agents having been dissolved by

the secession of certain companies, the present effort is in the direction of supplying something to take its place. We outlined the mechanism of the new scheme for curbing the cupidity of companies, in a former issue. The following gentlemen have been asked to draft an agreement embodying the fresh proposals whereby rebating in any form or shape may possibly be suppressed:—Darwin P. Kingsley, Third Vice-President of the New York Life Insurance Company; John R. Hegeman, President of the Metropolitan Life Insurance Company; J. M. Pattison, President of the Union Central Life Insurance Company, and Joseph Ashbrook of the Provident Life and Trust Company. It is hoped that the companies may agree upon some basis early next year.

Respecting the status of the negotiations, Mr. Kingsley said: "It is scarcely probable that our committee will be able to take up the duty assigned it much before February. The pressure of work in all life offices just now makes it substantially impossible to devote any time to matters outside the immediate interests of one's own company. Bad faith, in my judgment, destroyed the old anti-rebate agreement, and stands in the way of thorough co-operation at this time. Two companies, however, have already acted in the matter. The New York Life has adopted a new form of agency agreement, which involves a reduction in expense, and by equal steps reduces the probability of rebating. In January next the Equitable will inaugurate a similar reform, one that will have in my judgment far-reaching effects on the question of rebating, if it is rigidly adhered to.

"Being a member of the committee which is to prepare the draft of a new form of anti-rebate agreement, I can hardly express any ideas I may have on that subject. I can, however, with propriety, state that the old agreement did not fail because of the presence or absence of any particular conditions, rules or regulations. If rules or regulations could make an agreement effective, the old agreement would have been effective. It failed because good faith failed, and any new agreement that is made, if there is bad faith anywhere in it, will fail for the same reason."

Some Other Possibly in view of the new attempt to eradicate the evil of rebate, the solicitors **Comments Thereon.** of life insurance, even in Canada, displayed a lot of activity during the last month of 1899, and some instances of extremely liberal rebate of the first year's premium are recorded. The canvassing by agents in the United States is said to have been of the most extraordinary character, and one insurance journal says the standard quotation was 90 off. The New York "Spectator" remarks that "the carnival of rebating has been in full swing for the past few weeks, and if there is an uninsured man left in the community it is not the fault of the agents," and then expresses the hope "that the beginning of the New Year will see a revival of interest in the matter that will lead to the adoption of some practical plan for the suppression of one of the greatest evils that afflicts the business of life insurance."