

are healed, the hatchet is buried, and universal prosperity is to be the rule. A Rating Committee is appointed and tariffs are prepared, in most cases advancing the cost of insurance to the community far above that which they were called upon to pay before. For example, take what is known as the old General Tariff, and make an estimate of the probable receipts of the Insurance Companies for the past five years if that had been the *invariable* minimum rate for sound business, make a "rule of three" sum; as the rates actually paid are to those tariff rates, so are the gross premiums actually received to the premiums receivable under that tariff—and then calculate the enormous profits that would have accrued to the Companies.

A monopoly can never be ultimately successful under ordinary rules, unless it serve the public equitably, and as cheaply as consistent with a fair rate of profit. The most able managed and conservative Insurance Companies are, even under the present demoralized state of the business, declaring good dividends, and adding largely, year by year, to accumulated assets that afford gigantic safeguards against occasional conflagrations.

But again, this statement hardly holds with regard to Canadian affairs. The Canadians have contrived hitherto to get their insurance done at or below cost, or, as some will say, the Insurance Companies have selected Canada as a fighting ground, and by much eager and reckless competition have induced the running up of cheap inflammable towns, over-insurance, and arson, and then have had the pleasure of working (or rather fighting) for years with little or no profit, and in many cases steady loss.

However this state of affairs shows signs of having had its day, and improvements in construction and protection are now rapidly being made, and it remains but for Insurance Companies to combine in some rational methods of organization, to reap their share of the prosperity that is believed to be now commencing; and this matter of Local Board organizations, if entered into in a temperate manner, strongly encouraged and fostered by the General Managers, should tend to modify abuses now rampant; and still more so, if Managers should appoint and sustain only such Agents who, while proving themselves active and enterprising on behalf of their respective Companies, still have gentlemanly forbearance to the rights of others and have the spirit of harmonious work in them.

The combination once made, the dangers, of course, commence. A fairly paying rate may be maintained, a high monopolising tariff never, and this first rock has, doubtless, caused many shipwrecks.

The second and always to be feared danger is that of secret and dishonest undercutting, and frequently the very breath of rumour starts honest men out of their reasonable duty, and urges them to commence a war of retaliation that creates bitter enmities, and destroys for years to come all efforts to revive amicable relations. Most frequently such troubles commence from reports spread by interested outsiders to whose interest it is to obtain credence, which once given and acted on in a retaliatory spirit, real offence begins, and the shipwreck is certain.

A case in point is occurring now in Lexington, Kentucky, where the Agents some years since formed an Association of Underwriters, and, at considerable expense, prepared a map of the city, and fixed special rates for each piece of property, entering into an agreement not to take a lower rate upon any policy than that agreed upon by the Board. The agreement has been violated by a firm doing, perhaps, the largest business in the city, Messrs. Dodge & Slade, who explain that they found other agents cutting the rates, and felt at liberty to do the same. The gentlemen composing this firm are highly respected citizens, and probably believed Dame Rumour without sufficient ground. However the matter has become of public interest, and the Board required Messrs. Dodge & Slade to cancel all policies written at less than Board rates, and to pay, as a penalty, an amount equal to their commission on such policies. This was refused, and the firm resigned their membership. The Companies represented by the firm, most of whom are members of the United Fire Underwriters in America, have been advised by the Local Board of the conduct of their agents, and if the Companies carry out the spirit of their agreement they will direct Messrs. Dodge & Slade to submit to the penalty imposed, and hereafter work honestly in harmony with the Local Board, or else surrender their agencies.

The Companies have it in their power to compel their agents to form and to sustain Local Boards, and the establishment of such in every city, town and village in the Dominion would tend to check the evils now afflicting insurance society.

We propose to return to this subject, and invite contributions.

AN AGENCY GRIEVANCE.

No one will question the absolute right of Insurance Companies to have as many representatives as they choose in any one town or locality, but the justice to agents may fairly be called in question. If the Company is well served by one agent, it can hardly be called fair to him to appoint another, or several more in the same place, to secure some slight extra advantage, as it is almost impossible for all to work in harmony. If the Company is not well served, it would be more just to the new appointment to give him the full field to try his ability in. The very nature of insurance, and the mode of paying, by commission, those who secure risks for the Companies, renders it more open to this class of abuse than any other kind of business. There are, doubtless, many cases in which more than one agent may represent a Company without any injustice to either, but these cases are very few. The appointment of officials in large institutions that command a vast amount of insurance is a growing custom much complained of by the men who devote their whole time and attention to underwriting. In the one case the practical agent understands his business, pays office rent and taxes, and supports his family from these earnings alone. On the other, the official has an office furnished him by the Company that employs him at a