Correspondence.

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TORONTO LETTER.

Is it True that Payment of a Flat Commission is Largely Responsible for the Bad Results of the Past 11 Years?—The New Ontario Insurance Act as a Revenue Producer.—Its Meek Reception by the Fire Companies.—Life Companies are the Objectors to it.—Mutuals Favored.—The Library Committee of the Toronto Board: their Hopes and Expectations.

Dear Editor:—After reading the letter copied in your last issue from the "Finance Chronicle," of London, Eng., signed "Canadian Agent," I put on my "thinking cap," and sat down to ruminate. The able writer states that he believes the general demoralization of recent years in the fire insurance field in this Dominion is largely due to the paying the agents a flat commission, and adds that, so long as this system obtains, no marked improvement is possible. I can fancy the Editor of the "Bulletin" (and late "Budget") who has been hammering away for years in his publications upon the commission question, rubbing his hands with glee, when he read the above letter: "Excellent support of my contention for past 18 years, from the representative of a line company (very likely) too," he would exclaim. There are the figures, and there is the cleverly put alleged cause, that go to show that the sum of the transactions of all the Fire Insurance Companies for the ten years ending with 1897 yielded them a beggarly 3.46 per cent. as a trading profit. Then comes 1898 as a capper, with an *adverse* percentage of 6.25, and this, all under the auspices and oversight of Associations, Boards, Inspectors, Experts and the like! There is a point, well-taken, in that letter, viz.: the insinuation that the local agent's interest and bond of attachment to his particular company are greatly weakened by the knowledge that his Chief does not hesitate, in the heat of competition with others, to place on his ground, two or more additional Agents, and for the same reason, the getting of more business will pay commission to the representatives of sundry other sources of premium. All this tending to the belittlement of the Agent's dignity as a representative, and to his pecuniary loss in many ways. This sort of thing, this way, this mode, is a growing evil, and the extirpation of it *wholly*, I fear, is now beyond the power of the Fire Insurance Companies.

As you may suppose, the legislation whereby the Ontario Government proposes to replenish its treasury, and make good all deficit of revenue, is interesting our business men greatly. The Life Companies seem to have rather the worst of it, as the Bill, now past its first reading, provides that Life Offices shall pay a tax of one per cent. on the gross premiums received from Ontario business "during the preceding year." Fire Insurance Companies are to pay two-thirds of one per cent. on their Provincial premiums. The Mutual Fire Companies receive most favorable treatment indeed, having to pay the tax on their cash premiums only. This the Stock Companies think unequal treatment, because the Mutuals being their competitors in business should, they say, pay tax on premium note revenue as well as cash premium revenue, all which certainly seems reasonable. The Provincial Government Officials have had a lively time, and the end is not yet, with regard to the introduction by Mr. Harcourt of this "*Act to supplement the Revenues of the Crown in the Province of Ontario.*" Compared with some of the "interests" involved in this new plan of taxation, the fire insurance people have been most reasonable, and by no means pugnacious. Their solicitor has "watched" on their behalf, and been allowed to make some few suggestions to the Attorney General, but so far it has been about as an officer of the Crown is said to have remarked, "the attitude and behavior of the Fire "Insurance Companies in this matter has been most "admirable; sly dogs!" Perhaps, I shall have more to say re the Act, later.

I referred lately to the appointment of a Committee, known as the "Library Committee," at the recent Annual Meeting of the Toronto Board. This Committee has had its initial meeting, and a Report is being prepared for submission to the Board at an early day for consideration, and to ask for a grant of money for the purchase of suitable Books, and so form the nucleus of a Fire Insurance Reference Library that will be valuable to members and such of their staff as may desire to refer to it. Everything must have a beginning, and the Library when once started should be a sort of Literary centre around which its promotors hope other influences of an educational and social character will gather. The Insurance ranks in Toronto are ever extending through the incoming of young men, and it is hoped that at no distant date, and if encouragement be given, and the Chief Officers of Companies lend a helping hand, some arrangement may be made with the object of bringing together the young men of the different Fire Offices, and the formation of an Institute or Guild, for their mutual benefit. A sort of common platform on which all, seniors and juniors, at stated times might meet and exchange views, teach and be taught. Not primary, not prominent, but still helpful and beneficial, might be the social feature of such meetings. Fire Insurance is a distinct branch of Science, and its truths and principles must be fully mastered by each one who aspires to attain distinction in its field. All aids to this knowledge, however humble in origin and modest in first efforts, should be fairly encouraged by the seniors in the van, whose assistants the juniors now are, and who in due course will be their successors.

I bespeak for the Library Committee of the Toronto Board, a liberal grant and the hearty co-operation of the Managers of the Fire Insurance Companies.

Yours, *Ariel.*

Toronto, 13th March, 1899.

LONDON LETTER.

2nd March, 1899.

FINANCE.

The attempts that are now being made to promote a boom in copper closely resembles the "rigging" that so disastrously failed in France in 1889, just about a decade since. The Secretan Syndicate, marking its operations behind the Société des Métaux, and the Comptoir d'Escompte, set to work to buy up all the copper it could see, beginning in 1897, and at one time it held over a hundred thousand tons