

THE LIFE INSURANCE AGENT AND ETHICS.

The agent who commits himself to a policy of detraction and industriously circulates its literature is guilty of the violation of the plainest code of ethics, for he is not only guilty of bearing false witness against his neighbor, but he lowers the morale of the business, which, in its relation to the wants of humankind, is essentially beneficent in inception and distinctly helpful in its practical application. To bring discredit upon a particular company or to destroy or weaken confidence in a competitor is to contribute to the demoralization of the business of life insurance as a whole, by sowing the seeds of distrust which bear the bitter fruit of disaster, not so much to the institution itself as to the beneficiaries of that institution. Numerous widows and children have been deprived of the protection they needed, and would have enjoyed but for loss of confidence in the stability and honesty of all the life companies, induced in the mind of the husband and father through the persistently preached gospel of detraction. The agent who commits himself to such a course is either incapable of comprehending the true mission and inherent principles of the business he undertakes to represent, or else is a culpable degenerate, and a traitor to the principles of which he professes to be the exponent. Misrepresentation and trickery are always, in any calling, antagonistic to true ethics, and doubly so in such a business as that of life insurance.

Not only this, but the unprincipled agent, while confidently reaching out for success, unconsciously but surely invites failure. The average man or woman has learned to distrust the defamer, and to withhold confidence from him who sounds his own praises at the expense of his neighbor. Observation shows that the man who has been controlled by a high standard of honor, who has given due credit to the good qualities of a competitor, and who has acquired a reputation for truthful candor and habitual fairness, has built up a permanent business. The agent who enjoys the confidence of his clientele may or he may not be brilliant, but he will, all other things being equal, invariably be successful.

And just here we encounter the fundamental evil of the rebate practice. When once it becomes known—and rebating like murder will out—that an agent makes fish of one client and flesh of another, by granting to the one, as a special favor, that which he denies the other; he loses his reputation for fairness with both. The recipient of a rebate, granted as he well knows for purely selfish reasons, may pocket the favor with satisfaction, but at the same time will, equally with his neighbor, who has not been favored, mark down the giver several degrees in the scale of genuine esteem. The much talked of demoralization of the rebate, is by no means confined to the business as such—it destroys the confidence of the insured in the individual representative of the business. It is adjudged to be wrong in principle and contrary to the recognized rules of ethics.

We count it then as a hopeful sign that, while crooked practices to some extent yet prevail and insincerity has not yet disappeared from the agency field, a life insurance association of national character has come to regard the ethics of the business

as of sufficient importance to justify its extended affirmative discussion. Correct principles lead to correct practices, and, while the insurance millennium has not yet arrived, and may be long delayed, there is ground for hope that the near future will find the business on a much higher plane than in the past.

HOME BANK OF CANADA.

The statement of the Home Bank of Canada for the year ended 31st May presented at the Annual Meeting on June 30th, shows that this bank is making satisfactory progress. The net profits were \$192,422 after making due provision for bad and doubtful debts, expenses of management and all other expenses, as compared with \$167,126 last year.

The profits, together with \$140,470 carried forward from the previous year and \$1,930 premium on new stock were divided as follows: Dividends, \$135,910; transferred to rest, \$16,666; pension fund, \$10,000; written off Bank premises, etc., \$65,000; leaving \$107,266 to be carried forward.

The balance sheet shows assets of \$13,652,054. Capital paid up, \$1,943,998. Rest, \$666,666. Deposits, \$9,462,492.

The president, Senator James Mason, in the course of his remarks, said:

In common with most of the other Banks, our note circulation shows a reduction. This may be attributed to various causes, the most important of which was the early marketing of the grain crops in the Northwest. For some years past we have looked to our grain business in the West to utilize a large part of our circulation, and for the first time since this connection was formed we encountered conditions that may not soon again occur.

The weather last year was particularly favorable to the harvesting and marketing of the crop, so that a larger proportion was handled before the close of navigation than in any previous season of recent years. In addition, owing to the general financial conditions which prevailed during the latter part of 1913, considerable pressure was brought to bear by creditors upon farmers for the early payment of their obligations. This resulted in a larger percentage than formerly of grain going forward, with instructions to sell. As a result, circulation paid to farmers showed a decided falling off immediately after the close of navigation, and the figures for the succeeding months—December to March—record a continued redemption of Bank notes without the usual opportunity for the issue from the marketing of grain through the winter months. The reduction from the high point in November, 1913, to the figures on the 31st March, 1914, amounted to over \$900,000, while in former years the average reduction for the same period was approximately \$200,000. The smaller volume of business transacted in Canada also had its effect on circulation. Merchants and manufacturers did not transact as much business as during the previous year. Railway earnings from the 1st of July, 1913, to May 31st, 1914, showed a decrease of over ten million dollars. The consequent shrinkage in circulation is mainly attributed to these principal causes, but I may say that we are making arrangements which should not in future leave us dependent upon any one source to maintain our circulation at a high level.