

intended to benefit, and their friends fought manfully for the ten-year contract which they claimed would yield them far smaller results. After a warm discussion the directors and clerks came to the help of their managers with bundles of proxies and the \$4,000 salaries were ruthlessly voted down. The Society was thus handed over to Messrs. Hopper and Gagnon for ten years. Who will deny now that our statement was correct that the Provident Mutual exists only as a business speculation run in the interest of Mr. Hopper and his friends?

The opposition are highly indignant at the snap verdict which has been obtained, and threaten to obtain an injunction prohibiting the contract. The matter may thus yet find its way into the courts. It is claimed that the annual dues for 1885 will amount to about \$35,000.

The Manager stated, we believe, that \$14,000 of this will be needed for expenses, leaving \$21,000 for the first year alone to divide between the contractors. Should the Society continue its present rate of growth, in two years the membership fees alone will amount to \$50,000 per annum, and before the expiration of ten years to at least \$125,000. The expenses are hardly likely to ever exceed \$20,000, since the admission fees will more than cover the cost of extending the business, and medical fees are paid by the applicants. There will thus, it is claimed, be from \$30,000 to \$100,000 per annum to divide between the General Agent and Treasurer as their profit. What an el dorado a co-operative insurance society is for its officers!

LOCAL BOARDS.

(COMMUNICATED.)

It is not a little singular that while in the United States the insurance companies have been ready to recognize the importance of Local Boards, and have promoted their establishment as a necessary part of the system for improving and maintaining the business, the Canadian Association have ignored them as a necessary portion of the machinery, and have rather discouraged their formation than fostered their growth. However important the engine may be as the prime motor, without the smaller and more delicate machinery to manipulate the raw material, but little would be accomplished, and so with the insurance business: important as it may be to have a central body with executive power to direct and control, to grade the several localities in proportion to their extinguishing facilities, and decide upon general principles and fix upon a minimum tariff, yet a just and equitable rating of very many of the risks to be insured can be done only by experienced men acquainted with the factors in fixing a rate, and possessed of the knowledge of their particular merits and defects, and submit that the local agents in our respective towns are more thoroughly versed in these conditions than the officers at the head offices or of the Association. In the larger towns and cities so numerous are these risks that some have deemed it advisable that a rater should be appointed; but as this appointment would necessarily involve additional expense the duties have been performed by the secretaries, but this unavoidably takes them away from their proper sphere, where constant attendance is essential, and hence the work at present has to be done in a very cursory manner, or not done at all. No single local agent would care to undertake the responsibility of rating a special for all the companies, and it is questionable whether such a rating would be accepted by a majority of the companies; but the suggestion of a local board or of a majority of its members,

with the minimum tariff for a basis, and their personal knowledge of the risk would be such an one as would generally carry weight and it would be the best procurable.

Again, it is quite evident to a majority of the members of the Association that some provision must be made, and that before long, to meet certain cases where extra precautions in construction or in protection or in occupation, or from other causes, entitle the insured to some modification of the rate in order to prevent the diversion of good business into other channels; and while admitting this necessity, to hold such check on the indiscriminate and unreasonable demand for reductions if the process were too easy. This matter demands early attention, and I know of no more ready and easy solution than by confiding this to the care of local boards. When the need of such reduction is obvious to say two-thirds or three-fourths of the members of a local board, then upon such recommendation it might be submitted to the association, when, if approved by both committees, the reduced rate might be adopted. This method would meet the difficulty of dealing with a rigid tariff, and at the same time would be too difficult to set in motion on a mere pretext or simple application.

Without local boards, although all the members may be individually acting under similar instructions, there is a lack of united action, and the advantages of consultation and co-operation are lost. The agents are not drawn together at stated periods, and errors and misunderstandings which now arise would usually be avoided.

The trifling expense should not be urged against so valuable a co-operative force, as, while the functions of local boards would be confined to the subject of rating, a semi-monthly meeting would be frequent enough in most towns, and generally these could be held in the office of one or other of the agents, while a report of each meeting to the proper secretary of the Association would be the only correspondence required, and the small expense incurred would be more than made up by a reduction of the secretaries' labor.

With a uniform set of by-laws drawn up by the association for the conduct of local boards, and the notification to all local agents of companies forming the association requiring them to attend the meetings of the local board in their agency, I believe a more hearty and effective co-operation with the association would be maintained, alike conducive to the interests of the local agents and the several companies they represent, and the consideration of this subject applying to towns with a population of five thousand and upwards; I respectfully suggest would not be inopportune at the forthcoming meeting of the association.

Winnipeg Rates—Under this heading an item appeared in our last issue, in which we said "it has been stated to us that the Winnipeg Board, who are said to be guided more or less by local influence, are cutting down rates too much." Exception has been taken by the Winnipeg agents to said paragraph, who say "that at the late civic elections there was no statement made, more vigorously cheered than that the people were suffering from exorbitant rates, and also that there is almost an undercurrent of personal feeling against the agents themselves. They add: we reduce rates when the people get their streets planked; and quote the lowest possible figures to those who put up solid brick buildings. The companies are probably making some money in Winnipeg just now, but the conflagration hazard must not be lost sight of. At the same time those who put up good solid brick buildings, or in any other way improve the physical hazard of Winnipeg, should receive every encouragement. The Winnipeg Board is composed of agents of well-known repute, second to none probably in the Dominion, and we are sure that they can be depended on to act in the best interests of their companies.