

VALUE OF FIRE INSURANCE AGENTS

Their Work is Discussed at the Ontario Insurance Inquiry

"The question of the agents' relation to the insurance situation is one over which I am more perturbed than any other that has arisen in the course of this investigation." This statement was made by Mr. Justice Masten, presiding at the Ontario insurance inquiry, resumed this week at Toronto. "It seems to me," he continued, "that there are certain classes of agents who are not of any economic good to the community. They do not do anything to earn their money except play a game of golf and have a long list of acquaintances. Yet I can see where the companies are to a large extent at the mercy of these men."

Mr. John A. Robertson, secretary of the Canadian Fire Underwriters' Association, and Mr. John B. Laidlaw, manager of the Norwich Union Insurance Company, spoke for the agents.

"Dwelling business must be sought," said Mr. Robertson. "For what he gets the agent who goes after this class of business does a great deal more work than the insurance broker."

Commissioner Masten: "Could not this class of insurance be sent in direct to the company. Every one knows he has got to insure his dwelling."

Mr. Leighton McCarthy, K.C., who appeared for the Canadian Fire Underwriters' Association, said that although it might be imagined that the general public would see the wisdom of insuring their dwellings, many had to have the need presented to them before they would insure.

Agents Are Necessary.

Mr. Laidlaw contended that agents were necessary in order that the companies might be properly represented. "I do not think you could say that the agents do not earn their money," he said. "Although an insurance company may assume a liability of five millions it only receives an income of \$10,000, and of this the agent receives but \$2,000 in commissions."

Mr. McCarthy said that while there might be some truth in the commissioner's statement that city agents easily earned their commissions by having a large list of acquaintances, the agents in the country had to work for all they could get.

Commissioner Masten: "I can appreciate the argument that you advance that agents are necessary in order that you may effectively reach the public."

"If the agents do more work than the brokers and get less remuneration, is it not true that the value of a policy is not the proper basis for figuring out the commissions?" asked Mr. F. W. Wegenast, who represented the Canadian Manufacturers' Association.

"That may be true," replied Mr. Robertson, "but there is no other method by which you can do it."

Paying Tribute to Agents.

Mr. Laidlaw suggested that when the government was issuing licenses to agents, some restrictions might be made before a license could be taken out.

"Can you suggest a way in which larger manufacturers can escape paying tribute to agents?" queried Mr. Wegenast.

Mr. Robertson said that he thought it was necessary that commissions should be paid.

Mr. McCarthy: "It is just the same question as to whether the consumer should pay tribute to the wholesaler."

Mr. Wegenast: "A person may go to the market and buy his produce. You do not have to pay the middleman unless you want to. The same thing is true in nearly every other business except the insurance business." Mr. McCarthy contended that insurance and produce were entirely different and could not be compared.

FARMERS AND THE WAR LOAN

Farmers should subscribe for a substantial portion of the forthcoming war loan. Crops have been uniformly good throughout Canada, prices were never so high, and the margin between selling price and cost of production has ensured a splendid profit. Mr. E. L. Pease, vice-president and managing director of the Royal Bank of Canada, in a recent interview, gave it as his opinion that an active campaign should be carried on among the farmers of the West. The farmers of that section of Canada and Ontario, according to Mr. Pease, are the best class to canvass for the loan.

The Manitoba Free Press also urges that an active campaign be carried on to get the farmers to invest. It suggests that the minister of finance send a letter to 100,000 western farmers, personally appealing for their support of the loan.

BOLO PASHA'S BUSINESS CAME FROM PARIS

The German spy, Bolo Pasha, who is under arrest in Paris, was in the United States between February 22nd and March 17th, 1916. He was in New York to arrange for the transfer of German money to Paris through New York banking institutions to further peace propaganda in France. He succeeded in getting at least \$1,600,000 over to the French capital through J. P. Morgan and Company and other banking institutions, the New York State attorney-general's investigation has disclosed. Part of this money went to Senator Charles Humbert, owner of *Le Journal*, a Paris newspaper, which, however, according to cable despatches, he refunded after becoming suspicious of Bolo.

Examination of the accounts of Bolo Pasha in the banks of G. Amsinck and Company, the Royal Bank of Canada (New York branch), and J. P. Morgan and Company revealed that \$1,683,500 had been deposited to the credit of the alleged spy.

The money had originally been on deposit to the credit of the Deutsche Bank of Berlin, with the National Park Bank and the Guaranty Trust Company, New York, and was transferred from these banks to Amsinck and Company, and later to the Royal Bank of Canada.

Mr. C. E. Neill, general manager of the Royal Bank of Canada, in a statement regarding this matter to *The Monetary Times* this week, said:—

"No transaction of an unusual nature had taken place at the agency of the Royal Bank of Canada, New York. Bolo Pasha was introduced to the Royal Bank of Canada by its Paris bankers. A deposit account was opened, but after a short time the funds were transferred to J. P. Morgan and Company. In so far as the Royal Bank of Canada is concerned, the transactions were entirely regular, and the New York officers of the bank had not the slightest suspicion that the depositor had any connection whatsoever with Bernstorff or the German government."

Birthday Wishes from London, England.

"The Canadian *Monetary Times* has now completed fifty years of publication. We extend our congratulations to our contemporary, and sincerely express the wish that in its second fifty years it may serve the country as well as it has in the first. Few financial journals survive to a respectable age, and only a very few enjoy any respect at any age. The *Monetary Times* of Toronto has maintained a high standard of journalistic responsibility, and during all the boom years in Canada it was one of the few journals that refused to harbour the puffs of the wild-cat promoter and the building-plot boomster. The reputation which our contemporary justly enjoys among the great banks, the insurance companies, and the leading financial houses in Canada, is a tribute to its sound and solid policy. Scorning the flamboyant headline and all forms of sensational journalism, it has consistently given all the information within its purview required by its readers, and its statistical tables have long been a most valuable and appreciated feature of its contents."—*Canada*, London, Eng., Sept. 22nd, 1917.