

but the theory that, "price controls the market" is held by no authority, nor by practical traders. The controlling factor is the relation between demand and supply, if the demand for any article is much less than the supply, prices fall; if the supply falls materially short of the demand, prices rise. In the first case the seller is at a disadvantage in the market, so he seeks to force sales by tempting buyers to purchase articles beyond their needs by offering them at low prices, in the other case the seller enjoys an advantage as his goods are competed for so that he is thereby able to command high prices. This is a very condensed statement of what, in some works, occupies long chapters to elucidate. It is this which is "true throughout the entire commercial world;" and what the rebate advocate says is so, is **true** nowhere, for what he asserts is contrary to **fundamental**, universally recognized economic laws, which laws are the formulated expression of experience. The **bearing** of this argument upon the practice of rebating is **not** clear. What the market price of life assurance is **must** be judged by the schedules of rates at which it is offered by the companies, who are the sellers. Those schedules are issued by companies for the same purpose as a merchant's or manufacturer's "price list" with its accompanying list of discounts on various lines. The buyer who consults such lists has therein the offer of the goods named at certain prices. He has in such lists the practical assurance that such prices are charged to his competitors and other buyers, he is therefore in a position to regulate his own trade by what he is thus assured is the market price of what he wishes to purchase. "This is true throughout the entire commercial world"—it is the law of trade. If any merchant or manufacturer were to begin rebating, by unequally discriminating between customers, he would soon be found out and lose the confidence of buyers. All would demand the same terms, the same "rebate," as it were, his price lists would not be relied upon and his business would not prosper. Failures are well known to have been caused to misguided traders by their double dealing in regard to prices and terms having become known. Nothing is more irritating to men than to discover that they have been unfairly, unequally dealt with.

There is a close analogy between a reputable trading firm and a life assurance company in respect to the principles on which they conduct business, more especially their regarding it as dishonourable, as well as most imprudent, to give one customer an unfair advantage over another. There is no analogy whatever between an agent rebating and a trader granting concessions to buyers in consideration of some unusual advantage offered in return. The applicant for a policy has nothing to offer to the company in exchange for a lower rate. The rebate offered is a distinct breach of the

publicly announced offer of a company to provide assurance on certain specified terms. The very secrecy maintained in making a rebate bargain condemns it. What would happen to a life company if, say, John Jones having received from it a policy at half price, were to advertise that he had made this bargain with the company? Would that announcement be incorporated in the company's literature? If the rebate bargain was honourable, why such secrecy, such reticence, such care taken to prevent its becoming publicly known? Every day we see lists published of sales of grain, cheese, and all manner of products: the highest and lowest prices being given. How would life companies like to have their daily sales of life assurance published, giving the amount sold at the schedule rates, and the amount sold at rebate rates? There would soon come a frost over the business of any company that so exposed its double-dealing methods. It is surely within the comprehension of an average school-boy, that, when a life company grants lower rates to an applicant than the amount necessary for its safety in entering upon the contract, the deficiency must be taken from the funds provided by other policyholders. Such a concession is so inequitable as to have in it the nature of fraud. The law in Illinois prohibits any life insurance company from discriminating between insureds of equal expectation of life in its established rate or in the return of the premium dividends or other benefits to accrue to such insureds, and provides that if any such insurance company, its agent or agents, shall make any unjust discrimination, the same shall be guilty of violating the act and on conviction shall, together with the agent so unlawfully transacting its business, jointly and severally be subject to a penalty prescribed. In a case reported in "Rough Notes" the Court held that, "where a soliciting insurance agent accepted an amount less than the established premium in full for the first premium on a life policy, the insurance company was liable for the penalty, though it never authorized or ratified the agent's act."

"Price" evidently does not control the course of justice whatever it may do about markets!

The business of Life Assurance hardly comes within the same category as that of ordinary trading. Certain fixed premium rates are supposed to be charged to the public, and these are placed in a common fund for the mutual benefit of all policyholders. It will therefore be seen how manifestly unfair it is to charge one policyholder a less price for his policy than another. It is discrimination of the worst kind, and there is no reasonable reply to the fact that the companies are primarily responsible for rebating. We are quite satisfied that the agents who derive their means of sustenance from their commissions could not afford to rebate, if the companies did not pay extra large commissions