

the judge it was not proved that this was not done on behalf of the company. If the investment were made on behalf of the company, and it was not a proper transaction, the officers would be liable to a civil action, but not to a criminal prosecution. Besides, Crawford and not Taylor might be liable for the sum. The judge said it was evident Taylor received no benefit from the draft. The draft was drawn by Samuel Crawford, vice-president of the association, who was in Winnipeg at the time. "If this were so," the jury were instructed, "there was nothing to accuse the defendant of, and they must bring in a verdict of acquittal." In a second case, after the evidence had been gone into, the jury returned a verdict of not guilty, by direction of Judge Galt.

—Popularity, honestly earned, adds to the enjoyment of business life, and Mr. George McLeod, manager of the Bank of Nova Scotia at Charlottetown, is to be congratulated on receiving an address signed by all the officials in P. E. Island, including the Lieutenant-Governor, Chief Justice, Attorney-General, Mayor and citizens of Charlottetown. Mr. McLeod was cashier of the Union Bank of Prince Edward Island, which amalgamated with the Bank of Nova Scotia, and he now leaves Charlottetown for Halifax, to take charge of the Halifax branch of the latter bank. The present manager, Mr. Thomas Fyshe, who has more than a local reputation, is to give his exclusive attention to the general management of the bank, which has now twenty-six branches in Canada and the States.

—We are informed by our Nova Scotia correspondent that in all parts of that Province there is great activity in building, and scarcely a town or village that does not show signs of material improvement. This advancement is especially marked in such towns as Amherst, New Glasgow, and Truro in the east, and Yarmouth, Digby, and Annapolis in the west. Building is also active in Charlottetown, P. E. I. A considerable number of Nova Scotians have recently returned from the United States with a large stock of experience which they intend to utilise for the benefit of themselves and their own country.

—At Charlottetown, P. E. I., last week, Judge Peters made the final order in the affairs of the Bank of Prince Edward Island, and by order dissolved the company. The amount now in the hands of the liquidators, viz., \$180,000, is to be paid into the Bank of Nova Scotia, where it will remain at interest for three years, after which it will be handed over to the Receiver-General of the Dominion of Canada.

—Canadians may take credit—and indeed through their newspapers they often do—for making excellent cheese, and for selling a great deal of it abroad. From Government figures quoted by the *Belleville Intelligencer*, our export of cheese grew from 6,141,000, say \$548,000 in value, in the first year of Confederation to \$7,065,000, which represented 73,604,000 pounds, in the year 1887. So the price has improved, as well as the quantity sold.

—Dividend, at the rate of six per cent. annually, is declared by the Union Bank of Canada.

—The Canada Landed Credit Company has declared a dividend for the half year at its onstomary rate of eight per cent. per annum

Correspondence.

REBATES ON LIFE PREMIUMS.

A troublesome subject in life assurance circles has long been the practice, more or less disguised, of agents allowing rebates from life premiums. This has given rise to a correspondence of which the latest letter is one from Mr. Henry B. Hyde, president of the Equitable Life Society, to Mr. C. C. Bombaugh, Baltimore, Maryland. It is as under:

DEAR SIR,—Since writing to you on the 9th instant, I have read the article in the *Baltimore Underwriter* of the 21st instant, entitled "The Equitable Life and the Rebate Question," in which by the publication of a correspondence between L. H. Baldwin, secretary of the Baltimore Life Underwriters' Association, and this society, and your remarks in connection therewith, you clearly indicate that in your opinion the Equitable Society is responsible for the withdrawal of Messrs. Bowes & Hall from the Baltimore and Washington Life Underwriters' Associations respectively.

The council of this society advise that it has no right under its contract with its managers in Baltimore and Washington, Messrs. Bowes & Hall, to coerce them either to join or to remain members of associations of any kind. Further, this society cannot have one set of rules for the government of its agents in Maryland and another set for Pennsylvania, but its regulations (including measures of reform) must be uniform throughout its different agencies.

I have had an interview with Messrs. Bowes & Hall, and am satisfied from their statements that there are two sides to this question, and that they have been grossly misrepresented; and further, that they are in a position to defend themselves successfully against all attacks which may be made on their good faith and honorable dealing.

Furthermore, even supposing that a right existed on our part to coerce our agents into joining life associations other than the Equitable Society, it is questionable whether we should submit the action of our managers to the dictation of associations of other companies whose decisions might be wise or the reverse, according to the capacity or bias of the members composing them.

I am in thorough accord with any movement which will secure an absolute extinction of the practice among life insurance agents of making rebates on premiums, and will be glad to take measures with the officers of other companies to eradicate this evil in every State of the Union. In my judgment such a result has never been secured, and never will be secured, by a combination of agents. No such combination has ever been formed and carried on without the suspicion of evasion on the part of some of the members; and I am not willing to bind this company to obligations which we must, in honor, sacredly perform, unless the agents of other companies are, in common with those of the Equitable Life Society, subjected to a penalty greater than expulsion from an association for the violation of the agreement. The penalty should, in my opinion, be not only expulsion from the company employing them, but also exclusion from employment by the other companies who are parties to the agreement.

Again I take this opportunity to repudiate for this society all responsibility for creating or fostering the pernicious practice of rebates of premiums on life insurance policies.

Every life underwriter and journalist who has been long in business knows that it was the action of another great life insurance company in 1878, by a reduction of its premiums on life insurance policies, which was directly the cause of the evil under discussion.

What companies refused to follow this bad example and led a vigorous opposition to it? The New York Life and the Equitable. If it had not been for the action of these two companies it is probable that the majority of the other companies would have been compelled in self-defence to reduce their premiums also. The result of this active protest is well known. The company referred to had no followers. All the other companies maintained normal rates. If this reduction of rates had been forced on all the companies, who can tell what would have been the condition of American life insurance to-day? But the agents of the protesting companies were obliged to look possible ruin to their business in the face.

What could they do? When the largest and richest company at that date offered policies at a considerable reduction not only for the first year but on renewal premiums also, the agents were in a dilemma. They were compelled either to make rebates on the premiums out of their own commissions, or else starve.

While the struggle against the reduction of rates lasted no reform in the rebate question was possible. Under an abler and wiser management, the great company referred to has restored rates to a normal scale, and it may be that the present moment is a favorable time for the introduction of salutary measures in regard to the rebates of premiums.

The Equitable Society heartily desires to put a stop to this practice, but regards all the efforts heretofore made in that direction as futile. If the other companies or journalists are in earnest in this matter, why not prove it by taking hold of the question in a business-like way, and with such energy that there may be no doubt about the success of the effort? As we are serious in regard to this matter, the following proposition is presented:

If the principal competing life insurance companies—say twelve of them—will formally agree in writing to put a stop to the rebating practice in every form, and will subject their agents to heavy penalties for violation of the agreement, and will submit to impartial competent judgment as to the sufficiency of charges of violation, and will enter into such reasonable and practicable arrangements (agreeable to the united companies) as will be calculated to secure the efficiency of the project, the Equitable Life will cordially unite in such a reform, which must embrace all parts of the United States. And I shall be glad if this discussion should be the means of bringing this subject to the attention of all the life insurance companies for their favorable consideration.

Very truly yours,

H. B. HYDE.

New York, 24th May, 1888.

INSURANCE EXPERT EVIDENCE.

To the Editor MONETARY TIMES.

SIR,—Last week I commented on the extraordinary finding of the Committee on Combines, in reference to the subject of insurance. I thought at that time that some one had been hoaxing the *Globe* correspondent, but on reading the full text of the committee's report, I find that the correspondent was substantially correct. There is nothing in the report indicative that the Insurance Association is injurious to the public interest. In the opinion of the committee the association is prejudicial to Canadian companies. This cannot mean the Canadian stock companies, as they are all members of the association, and they ought to be the judges as to whether or not their interests are prejudiced in any way by the association. The manager of the Western Assurance Company, the largest Canadian company, is at present president of the association, and he would not likely remain long in the association if he found it disadvantageous to his company being a member. The same may be said of the British America, the Citizens', the Quebec, and the Mercantile. In regard to the association being injurious to Canadian Mutuals, it is notorious that the very reverse is the case. If, as is alleged, the rate of insurance in Board companies is excessive, does not this circumstance tend to drive business into non-Board companies?

With your permission I will make a few remarks on the kind of evidence given before the Combine Committee by Mr. D. C. McDonald, manager of the London Mutual Fire Insurance Company. The following is a specimen:

"I understand, though of course this is from hearsay—I speak only from hearsay—I have heard that they would not take insurance from any company outside of the association. I have heard that such is the case. I am informed." Being asked whether the association was injurious to the public interest and harmful to the companies forming it, he said, "I won't go so far as that."

Being asked if inducements had been held out to his company to join the association, Mr. McD. said that inducements had been held out to it by members of the association. The committee neither asked nor did Mr. Macdonald