

Who is a Customer? A question of much importance to Canadian bankers has been answered by an English judge in a case reported in our recent Legal Decisions, elsewhere in this issue. The judgment delivered is the more interesting by reason of the clear explanation of the liability of a bank receiving payment for a customer of a crossed cheque, the fact that the sections of the Canadian Bill of Exchange Act are the same as the sections of the British Act referred to, and the definition of the constitution of a customer.

Wheeling Maniacs. Many sensible business men and fathers of families will confess to a healthy and sensible fondness for athletic sports and out-door games. Who among us can read without excitement and interest the description of the chariot race in that powerful work of fiction, Ben Hur. Feats of skill and deeds of daring have, in all ages of the world, possessed a peculiar charm for spectators thereof. Now, we do not know whether a mile-a-minute cyclist, named Murphy, is deserving of the plaudits of the multitude. It is, however, recorded that he recently competed in a race against a horse. We read:—"So exciting was the finish that women on the grand stand fainted, fearing that the horse, which was directly behind the bicycle, would strike the machine and cause a serious if not fatal accident. The wheel swerved coming down the home stretch, but not so badly that its daring driver could not manage it."

We frankly admit to a decided want of interest in Murphy. But we cannot refrain from comment upon his announced intention to train his six-year-old son, now riding on the track, so that he may beat Papa Murphy's own record before the boy is sixteen years of age. To the foolish sires of professional and amateur wheeling maniacs we commend the following bit of information regarding a new danger of overstrain from bicycle riding, now a subject of discussion by medical men:—"As the result of the study of the secretions of professional wheelmen by the laboratory workers in the Jefferson Medical College of Philadelphia, it has been discovered that albuminuria often develops during training, and that such a condition not infrequently leads to the establishment of incurable disease of the kidneys."

We do not suppose this discovery will prevent Papa Murphy from shortening the days of his son. But the discovery said to have been made at Jefferson Medical College points to a state of affairs which concerns the coming generation, and incidentally may prove as interesting to life insurance companies as the announced intention of Murphy should to the Society for the Prevention of Cruelty, to whose notice we trust this wheeling maniac will shortly be brought by some lover of children in the neighbouring Republic.

Rebating. The practice of giving away a large slice of the first premium as an inducement for a person to insure is becoming so general that the life underwriters are now fully aroused to a sense of the dangers of the practice. Yet the President of the Home Life in his excellent address at Buffalo met with no contradiction from the many agents who listened to his words, when he said of rebating: "Even its strongest defenders do not advocate its open employment." When the practice first attracted attention, no condemnation thereof was considered too strong, no criticism too harsh. But familiarity with the custom has bred indifference to its disgraceful unfairness.

Some ten years ago, one of the most influential and powerful writers on life insurance on this continent designated rebating as a crime. He said: "If a canvasser for a life insurance company receives applications for insurance from two persons, and gives one of them a rebate of fifty per cent., while charging the other full table rates, the transaction is dishonest, and, if dishonest, a crime." It seems reasonable to suppose that the whole of the premium is necessary to enable the company to carry a premium. Surely, it is wrong to demand so large a premium. Surely, it is dishonest to allow any member of an association, where the interests of all are so absolutely identical as in a life insurance company, an undoubted advantage over another member. Rebating is as unjust and indefensible as would be the admission of a new member to a club at a lower entrance fee than that paid by his companion joining at the same time.

The latest defence set up by those who practice rebating is embodied in the somewhat specious and plausible statement that the agent being paid by commission is merely giving away his own. This special pleading does not sweep away the miserable unfairness of the practice, nor does it assist those who, recognizing the proportions to which this scandal has grown, are now ready to welcome any means of abolishing a dishonest and dangerous method of obtaining business. We know that the agent must live by his labour, but it must be admitted that there is something very faulty in the mechanism and system of any life insurance company encouraging such a deviation from the path of rectitude as rebating has been shown to be. Even if all the statements made by those who have been almost forced to adopt the tactics of unscrupulous competitors were candid, they cannot justify the scandalously unfair and discriminating practice of rebating.

There is neither economy, nor financial safety, nor decency of method, nor personal nor corporate self-respect in the rebate system, and it is refreshing to find the life underwriters at the meeting at Buffalo have at least passed a resolution of condemnation. Now for action in the matter.