

by the United States, whose Monroe doctrine all through the South American Republics is understood to mean that, do what they will to insult and wrong Great Britain, the old land dare not retaliate or demand reparation. This view of the Monroe doctrine led to the dispatch of armed vessels to watch the British fleet sent to Corinto to bring Nicaragua to terms. To the amazement of the people, and to the disgust of American Jingoists, who dared England at her peril to enforce her claims, the port of Corinto was seized by the British force, and the Union Jack run over the national buildings. This decided the matter, the United States authorities thought it wiser to intervene as peace makers, than to go to war with England for the sake of a disreputable little Republic which had acted in defiance of international law. Nicaragua is to pay what is claimed, \$75,000, so, when another revolution arises, British subjects will not be outraged and British property will not be stolen. If our United States contemporaries would read President Monroe's address from which the Monroe doctrine is derived, they would be surprised to find not one word in it to justify the violent language recently used against Great Britain. We say this with a copy of the address in full before us.

**Dominion Notes  
Amendment  
Act.**

Misapprehension has arisen in regard to the purport of the Act introduced by the Finance Minister to amend the Dominion Notes Act. The Act originally provided that the Finance Minister is required to hold in gold and securities, guaranteed by the Imperial Government, a sum equal to 25 per cent. of the \$20,000,000 Dominion notes allowed to be issued, of which 15 per cent. must be in gold and 10 per cent. in those securities. The balance of 75 per cent. to be covered by his holding Dominion debentures, not so guaranteed. In the Fall of 1893, there being a steady rise in the amount of these notes in circulation, arising from the banks desiring to increase their cash reserves owing to the American panic, an Order in Council was passed on the 31st October, giving authority to increase the Dominion note issues by one million—such increase to be against an equal amount of gold to be held above the 15 per cent. limit. Under this Order in Council, there has since been an increase in the note issues, which have gone up beyond the limit, the stock of gold, however, having fully kept pace in the increase, and exceeded considerably the minimum required. The Act introduced on the 26th April by Mr. Foster is intended to make it a provision of the Dominion Notes Act, that notes may be issued to any amount in excess of the \$20,000,000 originally specified as the limit of such issues, provided that, for whatever is the excess over that amount, the government shall hold an equivalent amount in gold. The amendment just introduced is of slight practical importance to the public. It confers no additional borrowing powers on the Finance Minister, as it will not enable him to issue a dollar more notes, unless for such dollar he holds an additional amount in gold over and above the 15 per cent. held to protect the original amount of \$20,000,000 fixed as the maximum of Dominion note issues.

**LIFE INSURANCE ABUSES—THEIR CAUSES,**

**EFFECTS AND SUGGESTED REMEDIES.**

*Written for the INSURANCE & FINANCE CHRONICLE,*

**BY WILLIAM T. STANDEN, *Actuary.***

In our continued treatment of the matters considered in the last issue of the *INSURANCE & FINANCE CHRONICLE*, under the above title, we are brought face to face with the necessity of determining some adequate and justifying cause from which ensues the vicious and reprehensible practice generally known as "Rebating," and the many disasters for which it is primarily and directly responsible. It is no new subject to life insurance men, but has been analyzed and dissected time and time again, until it would seem that its cause ought to have been definitely determined, its remedies recognized and adopted, and the business itself purified of the effects of its baneful influence.

A great deal indeed has already been said and written upon this subject, and a number of possible remedies—most of them very remote, and more or less inexpedient and impracticable—have been from time to time suggested, as the result of the widespread publicity that this subject has enjoyed. Nevertheless, it does seem to me that upon no other single subject of prominent or equal importance to the life insurance fraternity, has so wide a divergence of opinion existed or been expressed; and it is curious to notice how frequently the conclusions arrived at, as to the cause of this evil, fly wide of the obvious and self-evident explanation which suggests itself to others (and to myself among them) as the most rational and, at the same time, the most simple and natural possible solution of the difficulty.

The evil of rebating grows out of an unnatural and unhealthy competition, and the very existence of this evil would be an impossibility if the compensation allowed by life insurance companies to their field workers was less generous in its measure; and it must certainly be acknowledged that if the main cause of its very existence be modified or removed, its continuance or its growth would be greatly hindered and restricted, even if not rendered absolutely impossible.

It is a well recognized fact that the soliciting agent bears the heat and burden of the day. Without him life insurance could make but little, if any, progress in those elements of success which are indispensable to its growth and well-being. So universal is the recognition of this fact that a very generous recompense is held out as the reward of the soliciting agent—so generous, in fact, that in heated competition, rebating becomes the logical consequence of an unrestrained and injudicious effort to secure the largest possible volume of new business, which very erroneously is conceived to be the principal and most essential element of successful field work.

Of course, it is not possible to determine among the cases in which rebating occurs, in what proportion of such cases a rebate is allowed *unwillingly*, and solely because the competition is so keen that the business cannot be secured without it. Undoubtedly, the pre-