CHARGE OF PROFITEERING NOT APPLICABLE TO LIFE COMPANIES.

"With the public atmosphere resonant with charges of profiteering, life insurance need offer neither excuse nor apology. Such at least is the opinion of Hon. J. E. Hedges, general Councel of the Association of Life Insurance, Presidents of New York, from all of these life insurance stands unscathed. The large increases in taxation and in expenses generally, the losses from the war, and the infinitely greater ones from the epidemic of influenza have been met courageously, logically, instantly. There has been no excuse offered and, except in a few instances of abnormally low rates, no increase in rates from these unusual demands upon the resources of the companies.

"There necessarily has been some readjustment in dividends, but that readjustment has been predicted on stability in the interest of the policyholder. To the individual policyholder these readjustments largely have been infinitesimal and almost inappreciable. The question of an insurance dividend or premium return has theoretically and practically always been a variable one. It has been advertised as such, computed as such and known as such. Dividends are the means of adjusting the estimated cost of insurance to the actual cost. They are a movable scale to measure and care for unusual, unexpected, unforeseeable conditions. Dividends mark to the benefit of the policyholder the advantage of years unaffected by calamity or unexpected plague or disease. Generally speaking, after-war premium rates are not greater than before the war. In fact, the present generation pays no more for life insurance than did its predecessor. There has been no advantage taken of any one and the recent war and all the losses referred to have merely been an incident to the theory and practice of life insurance, which every intelligent man had a right to expect would lead to readjustments and at which every intelligent person should be surprised in consequence of the slight effect it had upon him individually."

"RECOMMENDATION" BY A BANK.

In a case recently decided by the Nebraska Supreme Court it appeared that the Crittenden Company carried on business in Iowa, and the Sunders National Bank was located at Wahoo, Nebraska. Iverson, a Wahoo merchant, sent an order to the Crittenden Company amounting to $262.32, but the Company refused to extend credit to him, and he then went to the Saunders National Bank where he had $206.00 to his credit, arranged to borrow enough from the Bank to bring his deposit up to $262.32 and had the Bank write the following letter to the Crittenden Company:—

"Mr. A. S. Iverson, of this city, has arranged with us to remit to you the sum of $262.32 upon arrival of goods, subject to inspection as listed in your memorandum dated, etc."

On receipt of this letter which was dated June 21, the Crittenden Company shipped the goods direct to Iverson, without acknowledging receipt of the Bank's letter and without notifying the Bank of the shipment of the goods, and three months later, September 21, the Company drew on Iverson for $267.91 through the Bank but no letter accompanied the draft, and there was nothing to indicate to the Bank that the draft covered the goods mentioned in the letter of June 21st.

When the draft arrived Iverson's account with the Bank had been closed, and the draft was returned unpaid. Then for the first time, on October 3, the Crittenden Company wrote the Bank demanding the amount mentioned in the Bank's letter quoted above; the Bank refused to pay, and the Crittenden sued the Bank for the amount.

The Nebraska Supreme Court decided in favor of the Bank on the ground that the Crittenden Company, as shown by its correspondence with the Bank had treated the letter as a mere "recommendation," and the goods had been shipped to Iverson without acknowledgement of the receipt of the Bank's letter, and without notifying the Bank of the shipment of the goods within a reasonable time.

"The letter could not be construed to mean that the Bank was assuming the personal liability for the debt nor could it be expected to hold indefinitely the fund provided to pay for the goods. Impliedly, at least, this letter called for an immediate acceptance. It was not made. The account was permitted to run beyond the time for acceptance before the Bank was notified that any action whatever had been taken, relying upon the letter," said the Court.

It was also claimed that the shipment of the goods alone was a sufficient acceptance of the Bank's "recommendation," but the Court disposed of this argument in the following words:—

'It is argued that shipment of the goods was a sufficient acceptance, but the shipment was made without knowledge of the Bank, and without notice to it. The account was charged not to the Bank, but to Iverson, and the draft was drawn for a greater amount than that which Bank indicated it would honour."

M. L. HAYWARD.