

the neck of Sindbad, it has seemed inseparably fastened upon the business, even when the companies themselves began to be anxious for its removal. All that is too well known. We have had the satisfaction during the past few months of recording in these columns the distinct pledges of several of the responsible home office managers of prominent companies, that rebating must cease, and it will be remembered that we have assumed that these pledges were honestly made. Some of the companies gave evidence during last year of their sincerity in the prompt dismissal of agents found guilty of open indulgence in the forbidden practice. Words of approval of anti-rebate resolutions passed by the conventions of life agents at their associational meetings, by the presidents of some of the companies, are on record in abundance. Doubtless not a little of the professed condemnation of rebates, both by company officials and agents, has been for "buncombe," and in the earlier period of the movement for reform there was confessedly more talk than practice. The situation has, however, gradually improved, the mad race for big new business at any cost has gradually slackened, excessive commissions and extraordinary bonuses have become less common, rebating is practised less, and that which is practised is less open, while expenses generally at the head offices have been less profuse. All these things have tended toward more legitimate campaigning and less reckless pushing of daring schemes and questionable methods for the glorification of certain companies as champion business-getters.

And the result is at least a beginning of the return to safe methods as shown, we believe, in the falling off of new business. It is only a beginning, however, and while giving due credit for the partial reforms above named, we are not to hail these signs as the dawn of the life insurance millennium. Evils such as have burdened the business for some years are necessarily deep-rooted, and cannot be removed in a day nor in a year, and yet we believe that all the signs of the present—and there are several of them—point to a gradual return on the part of the companies to those methods which combine true conservatism with enterprise, and both with safety. We believe in vigorous campaigning for new business on the part of the life companies,—that is what they are in the field for, but active, enterprising methods do not and should not be permitted to involve the break-neck competition of the race track. For old fogysm we have no sympathy, as is, we think, pretty well known by this time; but for that kind of bogus enterprise which calls for extravagance and trumpet blowing we have also quite as little. Life insurance, of all kinds of business in the world, calls for conscientious prudence in its management, for it involves the sacred interests of millions of homes resting on the pledge of invaluable benefits culminating in the far-away future. No ability can be too great, no integrity too pronounced, and no judicious enterprise too active to be employed in such a business. We have had occasion at times heretofore to criticize the slow-coach methods of some of the British life companies, which

mistake timidity in business-getting for conservatism; but the ultra methods of our American friends, who of late seem to regard "push" as the beginning and end of all endeavor, have carried them to the other and more dangerous extreme. In the signs of the times we, however, read hopefulness for the real and abiding grandeur of the future of American life insurance.

#### DO BANKS DISCRIMINATE AGAINST SMALL TRADERS?

A Toronto daily has several times recently charged our bankers with discriminating against those customers, or those whom they might have as customers, whose business is on a small scale. It is asserted that they prefer a few large "risks,"—to use an insurance phrase—to a number of small ones, while, it is said, the aggregate chance of profit on numbers of small accounts is greater than in the same volume of business done by a few large accounts, and the aggregate chance of loss is greater in the latter than in the former. It is as easy as rolling off a log to raise such a cry against the banks; but generalizing without a datum of specific instances is neither instructive nor logical; it is, however, mischievous, as are all appeals to popular prejudice. A large section of our people are unable to do the banks any service by their business operations, who, however, may do the banks considerable injury by propagating a feeling of distrust engendered by erroneous ideas as to the functions and the operations of banking. During the troublous time following "Black Friday" in 1866, an English bank in a manufacturing district was put in a very critical position by a sharp "run" that was caused by the workmen in one establishment objecting to take the notes of the bank for wages. This proceeding was inspired by the talk of a small store-keeper who had a grievance of the kind we allude to; he had been pressed to reduce his overdraft, so took revenge by throwing discredit upon the note issues of the bank, the result being a "run" for their redemption, and a refusal of them by depositors who had caught the local infection. It is not politic, as this incident proves, for any such a charge as creates prejudice against banks, to be pooh-poohed as of no possible consequence. It is manifest that the main distinction between those who are doing only a small business and those conducting a large one is that the former class have a small, and the other large, capital. Another vital difference is that, as a rule, the small merchant or manufacturer, is possessed of less experience, skill and enterprise as a man of business than one whose operations are on a larger scale. Now, capital, experience, skill and enterprise constitute so sound a basis of credit as commend the possessor to a banker whose business it is to deal in credit. An honorable reputation, which is another essential for credit, is also far more likely to accompany those possessions than to exist where they are absent. A trader who has embarked a considerable capital in his business, or whose reputation is itself a large capital, from which he makes a good income, is naturally more favored by a banker than one who has ventured little, or nothing, in