

THE ROOT OF THE REBATE EVIL.

The practice of rebating to the insured a portion of the life insurance premium as an inducement to influence business is an evil. That is admitted on all hands, and we need spend little time to demonstrate why it is an evil. To say that the practice of selling a staple and valuable product of any kind at half the value which commercial usage, based on experience, has fixed as equitable to both buyer and seller is contrary to sound business practices and distinctly demoralizing. Mortality experience for a hundred years on two continents has fixed the basis of the charge for life insurance, and the portion of the premium added for necessary expenses is but little larger than the proper procuring and conduct of the business requires. In a word, life insurance protection is worth a certain price, more stable than ordinary products that enter into commercial barter, for it is not like them—affected by the law of supply and demand.

To sell that protection to ten of a hundred men at cut rates, the other ninety paying the full customary price, is so manifestly an injustice that legislators in Canada and in the United States have sought by statutory enactments to prohibit the discrimination. With efforts in the Dominion for the suppression of the evil, our readers are familiar, and yet, both here and in the United States, the evil still has life. Rebating is practiced less openly than formerly, doubtless, but none the less surely, directly or indirectly.

The practical question confronting us to-day is how to get rid of the evil. To drive it into underground channels and to compel the use of shrewd subterfuge on the part of the agent does not kill it, but simply stunts its growth. Like a noxious weed which draws its life from a tenacious root, deep-seated in the soil, and which successfully resists every attempt to kill it by the top-cutting process, the reason why the methods for the eradication of the rebate evil have been ineffective is that the fundamental cause of its existence has been ignored in practice whatever may have been admitted in theory. Cutting off the top of the rebate weed with legal shears, slashing at it with the anti-rebate compact knife, and sprinkling on it the salt of condemnatory resolutions in agent's or in manager's

conventions will never get rid of it. To strike at the root is the only remedy.

The root of the evil is found in high, illegitimately high, commissions, which make not only possible but profitable for the agents to rebate. The father could not more surely make of his sportive son a confirmed gambler than to forbid him the gaming table under penalty, and then obligingly to show him the door of the faro bank, after first filling the young man's pockets. In order to swim a man must find accessible water, and in order to rebate the agent must have the opportunity which excess commission gives him. Just so long as the inordinate strife for business prevails among companies, and agents are equipped by commissions and extra bonuses to get it at any price—only get it—rebating will continue in spite of all the virtuous resolutions of conventions and all the anti-rebate compacts in the universe. The genesis of the rebate is high commissions and hard-pressure methods of business-getting; when these are reformed, rebating will die a natural death.

WORKMEN'S COMPENSATION ACT, NEW YORK.

A meeting of the companies writing workmen's compensation insurance was held this week in the rooms of the Casualty Insurance Exchange, and resolutions were adopted protesting against the demand of the Workmen's Compensation Commission that each company writing this class of business deposit \$10,000 with the Commission.

THE JUNE BANK STATEMENT.

Circulation increased \$1,377,108, demand deposits are \$14,257,741 more than last month, while notice deposits have decreased about \$300,000. Foreign deposits are higher by over \$7,000,000. Specie held increased about \$1,000,000 against a decrease of \$1,700,000 in Dominion Notes. Canada call loans are practically the same as in May, the increase being under \$200,000, while foreign loans are greater by over \$7,000,000. Canadian current and foreign loans show decreases, the former some \$200,000, and the latter over \$5,600,000.

ABSTRACT OF THE BANK STATEMENT FOR JUNE, 1914.

(Compiled by The Chronicle).

	June 30, 1914.	May 31, 1914.	June 30, 1913.	Month's Change.	Year's Change.
LIABILITIES.					
Circulation	\$ 99,138,029	\$ 97,760,921	\$ 105,097,624	+ 1,377,108	— 6,559,600
Demand deposits	355,006,229	340,748,488	362,769,928	+ 14,527,741	— 7,763,699
Notice deposits	663,650,230	663,945,753	622,928,969	— 295,523	+ 40,721,271
Foreign deposits	103,061,603	95,392,439	104,289,782	+ 7,669,164	— 1,228,179
Total liabilities	1,330,488,767	1,301,012,035	1,280,170,221	+ 29,476,732	+ 50,318,546
ASSETS.					
Specie	46,108,956	45,112,027	37,944,392	+ 996,929	+ 8,164,564
Dominion Notes	92,114,482	93,817,657	94,544,199	— 1,703,175	— 2,429,717
Deposit in Central Gold Reserve	3,050,000	3,550,000	—	+ 500,000	—
Securities held	102,344,120	101,672,532	100,856,212	+ 671,588	+ 1,487,908
Canadian call loans	67,401,484	67,210,504	68,642,377	+ 190,980	— 1,240,893
Foreign call loans	137,120,167	129,897,328	89,363,520	+ 7,222,839	+ 47,756,647
Canadian current loans	838,276,428	838,462,686	899,260,009	— 186,758	— 60,983,581
Foreign current loans	46,186,854	51,812,875	36,894,681	— 5,626,021	+ 9,292,173
Loans to municipalities, etc.	37,260,571	33,689,577	—	—	—
Total assets	1,575,307,596	1,545,890,003	1,521,354,959	+ 29,417,593	+ 53,952,639

*Inclusive of loans to municipalities, etc.