present non-participating rates of the old line companies. As the evolution goes on, these institutions will increase in the confidence of the better class of the insuring public, and then the question arises, What will be the effect on level premium, mutual rate companies? The mutual rate, speaking in general terms, is about twenty per cent. higher than the stock, or non-participating rate; hence it follows, that unless the dividends or bonuses to policy-holders made by the former average at least this twenty per cent., the mutual rate companies are placed at a disadvantage. Some of the companies easily continue to return to policy holders this difference or more, and stand on a firm footing with their policy holders; but it is a notorious fact that the United States companies have for the past dozen years, on the average, made constantly decreasing dividends, until, in 1894, the average was but a little over seven per cent. of the premiums! In 1883 it averaged for all companies twenty per cent., fell by 1888 to twelve and a half per cent., and by 1894, as before stated, to a trifle over seven per cent.

Of course decreasing dividends means increasing cost to the insured, as compared with non-participating rates. For instance, at age 35, a man insured in 1883 paid about $21.50, the full mutual premium being $26.80, and as between the mutual and the non-participating rate there was really nothing to choose, for the dividend equaled the difference. But a man at the same age in 1888 paid $23 72, and in 1894 $25.20, or within $1.60 of the full mutual rate. Of the ability of a well managed company, working on legitimate lines, to furnish life insurance on the mutual rate as cheaply or cheaper than on the non-participating rate, there is no question. Companies have done this for a long time, and are doing it to-day. Why then the increasing cost as above pointed out?

The answer is easy, as we have frequently shown, and as Mr. Standen's articles in these columns have demonstrated. Unnecessary, extravagant and excessive expenses in getting business explain the whole situation. Going back to 1880, it is easy to show by the official reports, that the United States companies have decreased their average dividend to policy-holders year by year, in just about the same ratio that they have increased their expense ratio to premium income. It is not the object of this article to point out the lines on which reform must come—that has already been freely done—but to call attention to the simple, colossal fact that under prevailing present conditions governing the business of life insurance, a new era for the level premium companies has come as well as for the assessment companies. The important question which must be met and answered is, how long will the former maintain its hold on an intelligent public in the face of an improved and more stable business on a rate increasing toward the point of safety as conducted by the latter? The signs of the times are not difficult to read, and they indicate that the sooner the regular companies return to first principles and do business on the basis sanctioned by the mathematical verities that control legitimate life insurance, the more surely they will hold first place in the public confidence and control the business which just now is in danger. These are plain words, but the facts which justify them are equally plain. The level premium companies must either change their methods or lose the business.

THE LAST HALF YEAR OF BRITISH BANKS.

The last half yearly reports of a number of leading banks in Great Britain read remarkably like those of Canada for the past year. There is a universal complaint of diminished profits owing to the plethora of money, and coincident with it a serious depression of trade. The returns, however, of British banks show that the adverse conditions of the past half year were far more severe than those experienced in the Dominion. In the old land the competition for discounts and loans exceeded any previous record, so that we find diminutions in dividends to a serious degree, while the Canadian banks were able to maintain the rates of previous years, the diminished profits having only gone to the extent of not providing as large amounts for transfer to Reserve Fund as the average.

The following table, given in the *North British Economist*, is a very striking exhibit of the reduced rates of deposits and loans in the past six years.

	Deposit rate. £ s. d.	Rate bank £ s. d.	For discounts, open market £ s d.
1895	0 13 1	2 0 0	0 16 11
1894	1 4 9	2 4 8	1 5 8
1893	1 10 8	2 16 4	1 17 2
1892	1 6 8	2 13 1	1 9 3
1891	2 6 8	3 11 6	2 14 11
1890	2 17 4	4 4 8	3 0 9

The bank rate it is evident is no criterion of the actual value of money, it could have been reduced materially without producing any effect on the money market.

The following table gives the rates of dividend paid by eighteen of the largest London and Provincial banks in the several years from 1891 to 1895.

	1895.	1894.	1893.	1892.	1891.
London & West'r	10	9	12	13	16
Union	9	8½	10	10	12½
London Int. stock	9	9	10	10	12½
City	8	8	10	10	11
L. S. & Western	10	10	9	9	8
Consolidated	8	8½	9	10	10
Capital & Counties	16	16	16	16	18
Lloyds	12½	15	15	15	15
Lond. & County	20	20	20	20	22
Lond. & Midland	15	15	15	15	.....
Lond. & Prov	17	17	17	17	15
Parrs & Alliance	19	19	19	19	.....
Williams, Deacon & Co.	12½	12½	12½	12½	12½
Bk. of Liverpool	13	14	15	15	15
Craven	15	15	15	15	15
Cromptons	16¼	16¼	16¼	16¼	16¼
Manchester & County	15	15	15	15	15
Prov. of Ireland	10	10	10	10	10

It will be noted that out of these 18 banks, 9 of them have reduced their dividend since 1891, all but one of them, the Bank of Liverpool, having head offices in London. There has been a movement in recent years for banks doing a provincial business to open out for business in London. This has been done owing to their great accumulations of deposits for which country