

**Confusion Reigns**

One result of the coming into force of the new law in Great Britain will probably be the complete demolition of the accident offices tariff. Accident insurance has been advanced to a position of great importance by the coming into force of the Workmen's Compensation Act, and it is not surprising to find the new employers' liability insurance business attracting the attention of large and powerful fire and life offices, who are finding in the new field a crop of premiums of yet unknown value. The want of harmony and combination among the accident insurance companies, the untimely and awkward attempt of Mr. Chamberlain to pose as the possessor of actuarial knowledge and the lack of experience on the part of all concerned as to what the new order of things will involve in the way of risk has had the effect of inducing some of the non-tariff companies to gamble on the issue, and their spirit of speculation has completely swept away all chances of sound and useful combination, has introduced confusion, and now threatens the disruption of the accident tariff associations. In all the recent English insurance journals reference is made to a probable increase of rates by the leading companies, and this after less than one month's experience of the new Act.

The situation is interesting in the extreme, and has a most bewildering aspect. On the one side we have Mr. Chamberlain and a number of low rate non-tariff companies gaining experience, said to be decidedly unpleasant; and, opposed to them, we have the companies whose rates were considered by Mr. Chamberlain and employers of labour "excessive," the latter now seriously discussing raising their quotations for the new and unknown risks to higher figures than those first complained of. However, a number of companies are getting credit for having very clear ideas about employers' liability insurance and to be working on a safe and sound basis, and it is by the experience of these companies the future of the new business will be determined. But the situation must be interesting to all the companies, and the business of accident insurance is apparently passing through a confused and somewhat critical period. One thing alone seems certain:—that the low rates Mr. Chamberlain so boldly asserted were sufficient to cover the risk involved are proving inadequate. The practical knowledge which the companies are gathering from their opening experience of the Workmen's Compensation Act is tending to prove that the tariff offices should have stood boldly together for the rates they regarded as reasonable until the first year's working of the new Act had enabled them to ascertain the true nature of the risks incurred.

Altogether, the able and bold statesman who is responsible for this law for the protection of the British workman must, like a certain public man in one of the Maritime Provinces, have, at least upon accident insurance rates, "a deep and abiding contempt for his opinions of yesterday."

**LONDON BANK DIVIDENDS JUST DECLARED.**

The conditions of the money market have been favourable to bankers in England in the first half of this year. The rates of the London banks for deposits and discounts vary with money market conditions far more frequently than is the case in Canada, and as bills for re-discount pour into London from all parts of the country, when trade is prosperous, the extent of them is one factor which affects the money market.

From Jan. to June, this year, the average market rate for three months' bills, the ordinary outside term at which they are offered for discount, was 2.72 per cent. In the same period the average interest paid for deposits was 1.75 per cent. This left an average difference between the discount and the deposit rate of 0.97 per cent., which was practically 1 per cent. When deposits are large compared to capital, and they find prompt employment at an advance of one per cent., there is ample margin for clearing enough for good dividends, always supposing that losses are kept at the low figure which prevails when trade is prosperous, and the bills, as is largely the case in London banks, have the endorsement of a country bank. During the first half of 1897 the discount rate in London averaged only 1.50 per cent., but the deposit rate was not proportionately low compared with this year. In some of the larger Banks a very large amount of deposit money remains without interest, especially when the discount rate is too low to make paying anything for such funds not profitable. How enormous the amount of money was in the first half of 1897, which was seeking investment, is shown by there having been \$417,892,000 offered as subscription to new joint stock enterprises, between Jan. and July, a large amount of which was held by banks, and drawing no interest at all. A London journal gives the dividends recently declared by 8 London banks with a comparison of those in previous years, as follows:—

	1898.	1897.	1896.	1895.
	p.c.	p.c.	p.c.	p.c.
Capital and Counties.....	16	16	16	16
London and Westminster.....	15	12	12	10
London and South Western.....	14	12	12	10
Williams, Deacon & Co.....	12½	12½	12½	12½
Union Bk. of London.....	12	11	10	9
City Bank.....	10	9	8	8
London Jt. Stock Bank.....	10	10	9	9
London & Yorkshire.....	9	8	8	7

Out of the 8 banks, 5 increased their dividend last year, ending 30th June, 1898. The London & Westminster, after a period of depression, increased its dividend from 10 per cent. in 1895 to 15 per cent. for 1898. The average dividend of all the above banks was 12.31 per cent., which is an increase over last year of 1 per cent., and over 1895 of 2.12 per cent., which affords evidence of the improvement in British trade in the last four years. Since the above dividends were declared, the Governor of the Bank of England has given it as his opinion that the current year just entered upon will not be favourable to bankers making good profits. If, however, they do as well as in 1897, the shareholders will have nothing to complain about.