

well known that with exceptionally large demands on any particular day the rate is apt to jump one or two per cent.; and it is quite possible that for a day or two lenders may get as much as 9 or 10 per cent. from importunate borrowers. But no doubt if the banks manage to secure an average of $5\frac{1}{2}$ per cent. for a period of three or four months they will consider it a satisfactory improvement on the experience of recent years.

In Canada the monetary situation continues to grow gradually tighter. While the general rate for call loans is $5\frac{1}{2}$ per cent., in Montreal and Toronto there are a number of loans at six especially in the Western centre, and some of the banks are not lending anything new at all. The rates prevailing in New York are bound to have an effect in stiffening the attitude of the Montreal and Toronto banks. It has become a traditional policy of the banks here to hold their lending rates for Canadian call loans below 7 per cent., no matter how high the Wall Street rate goes. Thus in the last American panic when the Wall Street brokers were paying 25 and 30 per cent., the Canadian rate did not rise above $6\frac{1}{2}$. This policy of the banks has a good effect in advertising to the world that panicky conditions are not in evidence in the Canadian monetary centres. But perhaps some of the Montreal and Toronto brokers would prefer to see the call loan rate rise above $6\frac{1}{2}$ per cent. at such times if by that means loans could be procured in quantity from the banks. It is well understood that the rates quoted in the two Canadian centres are to a certain extent nominal, in other words, that there is very little business doing. While the banks do not put their rates up to 10 or 12 p.c., they have scarcely any funds to put out at 6 and $6\frac{1}{2}$ p.c. It is said that at present several of the banks have no money for the Street, all their available funds being required for moving the Western crops.

THE MERIT OF THE FIXED PREMIUM.

The Ancient Order of United Workmen, of Toronto, an assessment society founded thirty years ago, has come at length to the inevitable decision which was foreseen by all who have studied the basis upon which, up to the present time, it has been transacting business. Grand Lodge has passed an amendment to the constitution increasing the rate of assessments from October 1. The step is, of course, the only one that can possibly be taken in order to safeguard the interests of the members themselves, but that does not make it any the less hard upon members of long standing, who at a time of life when earning power is declining, find themselves in the position either of having to make a largely increased payment or of being compelled to surrender part of their protection, for which, possibly unwittingly, they have not

been paying hitherto a sufficient amount. It is no wonder that a vigorous agitation is being carried on among the old members for the initiation of legal proceedings in order that the decision of Grand Lodge may not be put into force, though the energy is misplaced, and they are merely fighting against the inevitable. But the circumstances are pathetic enough, and no one, however impressed with the absolute necessity of the step now taken by Grand Lodge, will withhold sympathy from these old members, who find in their declining years that they have been leaning on a broken reed.

While the Grand Lodge is undoubtedly doing the right thing in pursuing the course which it is now following, exception must be taken, in the interests of sound life insurance, to at least one of the arguments which is being used on behalf of this policy, apparently with a view to preventing disappointed members bolting from the society to the shelter and protection of the regular old-line companies. In the August issue of the Canadian Workman, the organ of the A. O. U. W., is an article entitled "Think before you jump," the closing sentence of which reads as follows:—

"In this connection it must not be forgotten that the old-line life companies have made more raises and changes in their rates and policies than the A. O. U. W. has done."

In the present circumstances of the A. O. U. W. this statement is calculated to create an entirely erroneous impression in many minds as to the regular life companies and what they have done. The writer ignores, or chooses to ignore the fact that the policies of the old-line companies are absolute contracts under which the rate of premium is fixed and unalterable. That is one of the vital differences between old-line and assessment insurance, and a difference upon which depends to a considerable extent whether a man's life insurance will be a source of satisfaction or disappointment to him.

The fact is that mere sentiments, however excellent or worthy in themselves are, in the matter of life insurance, a poor substitute for actuarial science. It is of the essence of insurance, if that insurance is to be of value, that the contract be absolute and based upon such terms that it is a scientific certainty that the results paid for will be received. It is in old-line assurance alone that these requirements are met; it is in old-line assurance, fixed, scientific and trustworthy, that the prospective policyholder will find his only satisfaction. These are the merest truisms, but the A. O. U. W. affair drives them home once again.

It is reported that arrangements have been made for the taking over by a powerful group of a large block of Dominion Textile common stock, which has been in England for two years, but for some time has been hanging over the market.