

the three per cents" has gone, apparently never to return. The Council of the Associated Stock Exchanges has addressed a letter to the Chancellor of the Exchequer appealing for improved facilities for the transfer of Consols, Viscount St. Aldwyn ("Black Michael" of Budget fame) has emerged from his Gloucestershire retreat to address a gathering of philanthropists upon "Charity and Thrift," whilst numberless letters have appeared in the Times from armchair critics of the Government. Even I was induced to unbosom myself in the sedate pages of Chambers' Journal this month upon a subject which is so topical. Despite all the theorising that has been indulged in there is no proof forthcoming that Consols have been affected by the internal trend of politics. Whether it was a Gladstone administration or a Salisbury administration has been all one to the course of Consols during the past five and twenty years. Statistics clearly show that the price has moved independently of the party in power.

THE EFFECT OF INTERNATIONAL POLITICS.

When we search, however, in the field of international politics, we lay our finger on one of the causes which have operated in the Consols market. For example, when Consols fell in 1878 from 98 to 93½ it was due to the general unsettlement in Europe; when they fell from 101½ to 94¾ in 1885 it was owing to difficulties with Russia re the Afghan frontier dispute; in 1890 there was the trouble in Argentina and the Baring collapse which sent Consols down five points; in 1899 the South African troubles occurred; and in 1904 four to five points were shed by the quotation owing to the outbreak of the Russo-Japanese war. In each instance during the past 35 years any big fall in Consols may be traced, not to any domestic internal trouble, but to an international and external influence. To hope, therefore, that Consols may be advanced in price by "popularisation" appears to be building on the sand unless some kind of insurance may be effected against international complications.

THE INCREASE OF TRUSTEE SECURITIES.

The second cause of the fall in Consols is also important, especially to Canada and those responsible for our overseas finance, because what has happened in the case of English gilt-edged securities may, in the not very remote future, have to be dealt with in the overseas dominions. Millions of pounds of new securities have during the past 10 years been admitted to the range of trustee securities. The fact that trustees have been given access to Canadian and Australian investments yielding a much higher rate of income than Consols has caused many of them to discard the latter in favor of stocks of the overseas dominions. This is to the benefit of our colonial investments which have naturally advanced in value and enabled cities in Canada, Australia and elsewhere to obtain money on terms which are not given to any but first-class European States. This week, however, a fresh factor appears in the situation. The Earl of Granard presented to the House of Lords a "supplementary list" of stocks in which trustees under the Irish Land Act are allowed to invest. This list includes not only the stocks of the colonies, but also the government bonds of Argentina, Mexico, and Chili, and the debentures of the principal foreign railway companies. This list has already caused considerable discussion, not because of the compiler's sins of commission so much as of omission.

A TRUSTEE SECURITY YIELDING 6¼ PER CENT!

There is one security in the list which challenges criticism for the simple reason that it yields over 6¼ per cent! This is the bond of the Salvador Republic. If a Government Department is going to "hallmark" a six-and-a-quarter per cent. security as suitable for trustee investments, it raises the possibility of our best class of government securities of the overseas dominions having to meet a large amount of unfair competition. I think this is a subject which our leading financiers in Canada and elsewhere might reasonably bring under the attention of the government. The Empire contains within its borders a wide field of investment, and outside of it there is no necessity to invest in securities upon which responsible bankers would not lend any substantial amount of money.

LIFE INSURANCE ACTIVITY IN THE UNITED STATES.

The annual interesting tabulation prepared by the Spectator of New York, with its customary care, of the statements for 1909 of United States life insurance companies, is interesting as corroborative evidence of the great activity which now marks the insurance field south of the boundary line. The companies whose statements are tabulated this year number 210, as against a total of 180 last year, and the statistics show, as the Spectator explains, not only a larger list of active companies than ever before in the history of the business, but they are also an epitome of the largest single year's transactions.

In 1904, the Spectator points out, the life insurance companies of the United States wrote and policyholders paid for over one and three-quarter billions of new insurance. During the three following years the business fell off, due to the unsettled condition of the public mind following the various legislative investigations. In 1908 the business again took an upward turn, until in 1910 a new record for new issues was established. During the six years since 1904 the number of companies engaged in the business has more than doubled, but the increase in new insurances is only partly due to their entry upon the scene, as a great majority of the old-established companies made considerable gains during 1910. Last year the new paid-for ordinary business amounted to \$1,837,250,000, or \$142,850,000 more than in the previous year, while at the close of the year the ordinary insurance in force amounted to \$13,225,836,000, a gain of \$712,710,000.

TREMENDOUS OBLIGATIONS.

Adding to the ordinary business the industrial insurance in force, \$3,176,138,000, it appears that United States life insurance companies operating under legal reserve laws stand obligated to pay the tremendous sum of over sixteen and one-third billions of dollars. To guarantee the payment of this vast amount, which will be spread over many years, the companies have assets in hand amounting to \$3,873,500,000, of which over \$557,326,000 is surplus, a large part of which is already apportioned for future distribution. The accumulation of this large amount is evidence that the life insurance contracts are fully safeguarded, and that all just claims will be paid in full and promptly as they fall due. Last year policyholders paid in premiums some \$593,320,000, while the total cash income from all sources exceeded \$779,343,000. On the other hand the companies paid out to policyholders and