HOW MUCH LIFE ASSURANCE SHOULD BE CARRIED?

The proportion of income which should be devoted to life insurance is one of those quantities that varies according to circumstances. For instance, the man who has an assured salary and undertakes no pecuniary liabilities has only one eventuality to provide for—the loss of income occasioned by his death. But traders and manufacturers have, in addition to this, other contingencies to guard against, such as the depreciation of their capital in the event of realization being necessary on winding up their estates. There are many men whose incomes are large as long as they are managing the capital involved in their business. At their death, however, the income dwindles, and the capital invested may not realize ten cents in the dollar if in manufacturing plant, and probably not over half its cost if in stock. These are risks that call for protection, for all debts have to be paid, and the wife and family can not rank on the estate for one farthing in consideration of their moral claims. The merchants who have been selling to such deceased person at a profit, his clerks, and others employed,—these one and all are entitled to their hundred cents in the dollar, the full pound of flesh; but the wife who has been more devoted than any to the interests of deceased can not put in a claim for services rendered, and the estate is free from any obligation to provide for his children; for, until the claims of money are settled, mere kindred and moral obligation are of no pecuniary value in the eyes of the law. Although this appears arbitrary and unjust, it is not so, for the amount of indebtedness represents the capital of others loaned to deceased whereby he was enabled to provide for his own while living, and create an estate for them in the event of death, by assurance effected on his life. If he neglected to make this provision when making money by the aid of other people's capital, in the form of goods or labor, it is a fault for which he alone is to blame, and for which his own must suffer.

The British government exempts one-sixth of the income from taxation, *if it be expended in life insurance premiums*, one-sixth of a man's income at, say, age 25 when the rate is about two per cent. will provide a sum, which, invested at four per cent., will produce an income equal to one-third the original income. This then may be regarded as the minimum tribute of *duty* to posterity, but *affection* would probably dictate more, while over and above this comes whatever may be deemed necessary to save honor and credit in the settlement of the business enterprises outstanding at the time of death.

WHY PAYABLE IN GOLD?

In our issues of the 15th October and 1st instant, we showed that the currency and securities of Canada are on a gold basis. We have the assurance of the highest banking authorities that we established this point beyond controversy, our proofs are regarded as demonstrative. While this is looked upon in Great Britain with satisfaction, we find a number of papers in the United States condemning the placement of currency and bonds on a gold basis; one of them calls it "a financial monstrosity and suicide" to make the national bonds payable in gold. To discuss the bi metallic question thoroughly would require more space than can be spared in a journal. But two points are very simple, clear, and can be briefly stated, which show the advantage of gold over a silver basis. In the first place, silver fluctuates in value too seriously to form a stable basis for any security, the tendency for years having been downwards. No investor, who is sane, will buy a security that is liable to be redeemed in a metal which will return him only a portion of his principal. Were even a strict, permanent parity in value to be established between gold and silver, any security that gave the option of being paid in either metal would be less acceptable, therefore less valuable, than one payable in gold, for the very weight of silver in proportion to value as compared with gold would handicap such a security. To realize this, let any person take a "sovereign" or an "eagle" in one hand, and, say, five dollars of silver in the other, and he will see that, while a large sum in gold can be handled with comparative ease, the same value in silver could not be handled without very serious difficulty. Any youth can carry gold worth $5000, but that value in silver would require a cart and horse to remove it, and the storage-room for the white metal must be nearly 20 times larger than that for the yellow. The element of weight alone is a more serious factor in the silver problem than is generally understood or recognized. National bonds, and other public securities in these days, must be negotiable outside local markets to realize their value when needed. The investors of Great Britain and Europe are the dominant power in the money markets of this continent, so that, as they demand a gold basis for securities, it is not only not wise, it is not practicable to sell our securities, or those of the States in Great Britain and Europe, unless they are made payable in gold. That may be a "financial monstrosity," as has been said, but it is a fact,—"a condition, not a theory," as Mr. Cleveland said, and business must be done in accordance with established facts, as it cannot be arranged to comply with speculative ideas.

Another point is well put by our esteemed contemporary, the *Daily States*, New Orleans, who says: "Bonds are made payable in gold because they have to be sold for gold. If made payable in gold or silver at the option of the Treasury, without providing at the same time that in exercising that option the Secretary of the Treasury must preserve the parity of the two moneys (which would of itself be equivalent to making the bonds payable in gold), not a single bond for a dollar could be disposed of, for what man would be fool enough to buy a bond for a dollar in gold which he knew would be paid with a fifty-cent silver dollar?"

Until some other metal is discovered which in weight, ductility, brilliance, adaptibility to art purposes, along with a production proportionate to demand, compares very favorably with gold, that metal will hold its monopoly as the standard of value and the only sound basis for currency and securities. Canada may very well boast that at no time were her note issues and her local and government securities based on any more variable or less solid basis than gold.