

PERMANENT SECURITIES.

The issue of interminable bonds, or securities, or those which are practically of this character is not as a general rule regarded as wise financing. It is manifestly unjust for one generation to impose obligations upon succeeding ones which they have not the right to pay off, and from which they may have long ceased to derive any compensatory benefit. It is a policy certain to develop trouble in the future, when the conditions are changed, as in all human probability they will be, since the obligations were created with which posterity was saddled.

When money is borrowed for any scheme or enterprise, there ought to be provision made for its repayment within the period of the probable life of such scheme or enterprise.

For any industrial, or commercial corporation to borrow money only repayable in 500 years, shows a confidence in the perpetuity of property, and its allied interests which is wholly unjustified by experience. Even upon the most unchangeable form of property, the land, no person in his senses would advance money on a mortgage made repayable in even fifty years, much less 500 years. How much less then is it prudent to lend money for a very lengthy term of years, secured by perishable property needing constant renovation, certain to wear out, and liable to become valueless by new discoveries, inventions, and other changes, such as are incessantly going on?

Yet permission has been asked and granted to issue interminable securities, known as Commercial Cable 4 per cent. permanent debentures (postal), which represent property exposed to deterioration. To assume that the organization, the plant, and the system of to-day of any enterprise will last 500 years without material change is not reasonable. Those who are controlling the Cable-Postal arrangement for issuing practically interminable bonds, are men of high standing who are noted for their wealth and enterprise. But they are mortal, they are powerless to guarantee that the conditions of the business they control will continue for centuries. They know no more of the future than others: its conditions are not in their hands; they cannot ensure the perpetuity of their organization, they would be helpless to stem the tide of scientific progress which might overwhelm this or any like enterprise. The security they offer is valuable to-day, it will probably be so for some years to come. But what it will be worth a century hence, much less five centuries, is only a wild guess at a problem beyond human solution. Investors are, of course, free agents, they have full liberty to put their own money wherever they like. Is a bond irredeemable for 500 years, a desirable investment, and on what basis can its true value to-day be ascertained?

HEAD OFFICE STATEMENTS FORBIDDEN CIRCULATION.

One of the most unreasonable interferences with insurance companies we have come across for years is the recent action of the Insurance Commissioner of Minnesota. This official has forbidden each foreign insurance company operating in that State, from circulating the statements of its home office in the State of Minnesota, in the solicitation of business.

It is pointed out as a reason for forbidding home office statements to be circulated that they show assets which are the accumulations of scores of years, an exhibit which is said to be unfair to the American companies. This is a form of protection run mad. There have been times when American policy-holders were very thankful to have the funds held by foreign insurance companies at their head office, sent out to pay their claims. As a matter of fact the strength of a foreign insurance company is not fairly shown by the mere statement of its American branch, and to compel the agents to suppress full information as to the actual assets of a company is most unjust and arbitrary.

BRITISH EMPIRE MUTUAL LIFE ASSURANCE COMPANY.

The British Empire Mutual Life Assurance Company, on the 26th January last, completed its 50th year. The Directors very justly regard it as a happy combination of circumstances to have so favorable a report to present on the Company's Jubilee. We may supplement this by saying that, it is also a happy coincidence for the Jubilee of the British Empire Mutual to fall in the same year as the Diamond Jubilee of the Queen. The year 1847 was a sad time in Great Britain. As the clouds were lifting over India by peace being made with the Sikhs, they gathered heavily over Ireland owing to the famine caused by the potato disease; and in England the financial conditions and prospects were dark owing to a panic caused by excessive railway speculation. The new enterprise had a trying time in its first year, the effects of which, however, soon passed off, as the British Empire Mutual began to make that steady advance in stability and in size which it has so long maintained. The funds of the Company show an exceptionally large increase last year, owing to those of the Positive Company having been absorbed and amalgamated. The amount of funds on 31st December, 1895, was \$9,324,805, and on 1st January, 1896, the same funds were increased to \$12,799,710, by this change having been consummated. The premium income of the year was \$1,483,400, after deducting re-insurances, and the revenue from interest \$487,985, making the total revenue from premiums and interest \$1,971,415. The Chairman, Sir John Gorst, M.P., explained a reduction in the interest revenue to have arisen from "a phenomenon for which all assurance must be prepared," which is, the gradual and continuous decrease in the rate of interest