

the investment problem. First, the steady reduction of the National Debt, accompanied by the change from "Three" to "Two and-three quarter" per cents.; secondly, the rapid expansion in the wealth of the country generally, and, thirdly, the altered character of life assurance, owing to the marked increase in the proportion of endowment to whole life-assurances which has occurred in recent years. In time, no doubt, this last source of trouble will either correct itself, or will at any rate be less severely felt; but meantime the effect of the growing admiration for endowment assurances is to necessitate the investment of a far larger proportion of the premium income than was the case a few years ago."

In discussing the delicate matter of investing in debentures of industrial enterprises, the *Observer* very properly remarks that the chief danger of such departure will be in the necessity it imposes that those entrusted with the business of selecting investments be as well qualified as is Mr. Barrand to make a proper selection of securities. The *Observer* says:—

"Few rich people now-a-days can afford to keep their money in gilt-edged stocks. They have to search far afield for their investments in order to obtain some adequate recompense, and it certainly looks as if the aggregate policy-holder will have to do likewise. Provided actuaries exercise sound judgment, and possess besides a keen and practical acquaintance with financial matters, no great hazard would be incurred, we think, by extending the area of investments as suggested by Mr. Barrand. Fluctuations in value there would be, of course, according as times were adverse or prosperous; but on the average the money invested would probably be found to be thoroughly secured, and in all likelihood mark appreciation as time goes on. Of course, as the author of this able paper points out, many classes of debentures issued by trading enterprises are quite unsuitable for the object in view, but in other cases no valid objections appear to exist—notably to the charges given over their property from time to time by companies owning breweries, hotels, or office or residential properties of a superior class. Important wholesale, manufacturing and retail businesses equally afford, we may say, opportunities which are worth considering from the investors' point of view. The "Prudential" actuary goes still further and recommends the debentures offered by trust companies. On this point, however, he approaches, as he himself admits, somewhat debatable ground. Unquestionably the debenture issues made by some of these enterprises are amply secured, but others are not; and in some instances, unfortunately, the needful qualification for discriminating between good and evil might not be quite so evident as in Mr. Barrand's own case. Not every actuary or life office manager possesses like himself thorough-going legal and financial knowledge, and slips, we fear, might occasionally happen. Far less objection exists to the securities put forward by the other descriptions of companies included in his lengthy survey; indeed, to some of them no exception whatever can be taken, provided due care be exercised."

Mr. Barrand's paper, recommending as it does the consideration by companies of trading debentures as investments, is remarkable as a bold step in the direction of finding an escape from an increasingly perplexing situation, and as such is deserving of all the attention bestowed upon it by London journals.

UNWISE TAXATIONS OF INSURANCE COMPANIES.

The Canada Life may remove its Headquarters to the Metropolis.

For several years past THE CHRONICLE has endeavoured to expose the folly of taxing insurance companies to an extent exceeding the regular assessments on their real estate. No special tax should be imposed upon a person or corporation unless some special privilege is conferred. Moreover, the special taxation, of life and fire companies simply means the imposition of heavier burdens upon those who are prudent enough to insure their lives and properties. When any special tax is imposed upon a company it invariably means an additional load upon the premium paying people. A few years ago the Province of New Brunswick imposed a special tax upon the banks by which each branch of same, was compelled to contribute to the revenue of the Province. The banks concerned immediately transferred the burden to the shoulders of their customers, and charged ten cents extra for every note discounted after the imposition of the obnoxious special tax.

Surely it should be the desire of all young and growing communities to offer every inducement possible to institutions controlling capital, and giving employment to others to stay in their midst. Such institutions assist largely to develop and stimulate the growth of a town, and their money is frequently invested in local buildings and local enterprise. In addition, they employ, as a rule, a large staff of men who, being residents, are also taxpayers. Taking all the circumstances into consideration, it is undeniably a short-sighted policy which dictates a taxation so unjust as to lead to the withdrawal of an individual or a company from the community imposing extra taxation. Yet, such is the case of the Canada Life Assurance Company in the city of Hamilton. We have followed with interest the struggle between the city and the company named from the time of the first imposition of very onerous taxes upon the company, and we shall not be surprised if the removal of the headquarters of the Canada Life to Montreal signifies its unwillingness to contribute an undue amount of its revenue to the tax-gatherers. The Company has erected a first-class building here, where ample accommodation for its staff could be found. Although the removal of the company from Hamilton to Montreal will be a sore blow to the former place, we are prepared to welcome these sturdy opponents of city fathers who contemplate the addition of obnoxious special taxation to the ordinary levies in Hamilton.

Perhaps, when those responsible for the imposition of unwise taxation in the city of Hamilton or elsewhere are left to reflect upon a flight of good citizens like the officials of the Canada Life, they may be induced to study some more equitable system of taxation than a special levy upon capital and corporations.