of currency reform to know that the new Congress may "enact a law incorporating the broad and sound principles" for which they are striving. The *Bulletin* further adds, and no comment thereon, can be more convincing than its own words:

"The fact is that, if we are to have a bank currency at all, the note-holder must be absolutely protected. The Government has no right to permit the circulation of any credit currency the redemption of which is not perfectly guaranteed. Without such guaranty, the bank-note would not circulate so effectively as the public interest requires; and, in the absence of some unfailing pledge, the banks are not to be trusted to put their notes in circulation. Admitting these axioms, the position taken by the Comptroller in the interest of the depositor logically leads to the conclusion that there can be no bank currency. The Comptroller's reasoning having placed him in this position, it would be interesting to know what are the elements out of which he would construct a currency system. Out of coin? If so, we have not enough of the precious metals to meet the requirements; and, if we had, it would be an unwarrantable appropriation of that form of capital to use it exclusively for effecting the exchanges when its duly protected paper representatives might much more conveniently and quite as safely perform the same functions. If, then, we may not fall back upon the mediaeval sole use of coin, we must provide some form of paper money. What would the Comptroller have it be? Assignats? Fiat paper? Shin-plasters? The Comptroller's logic might consistently land him in one or all of these expedients; but we credit his common sense with being better than his logic. We are precluded from supposing that he would favor a currency of Government notes by the fact that he so fully endorses the President's plan for putting the greenbacks and Shermans under lock and key. Out of all conceivable expedients, tried or untried, what sort of circulating medium does the Comptroller propose to give us? When he insists that he holder of the bank-note shall not be protected at the expense of the depositor, he in effect makes a sound and elastic currency system an impossibility for the United States. And yet what is the measure of the depositors' interest for which he would sacrifice so much? It is expressed in the fact that, from 1865 to 1897, the losses on failures of national banks have averaged below $1,500,000 per annum, and that the note obligations of those banks now amount to about 10 per cent. of their debts to depositors. These figures indicate how infinitesimal this matter of guaranteeing note issues is to the general creditors of the banks. Depositors have been subject to this discrimination in favor of the note creditors for the last 34 years; they have accepted it as a natural and usual incident of banking; they have never murmured against it, nor have they ever shown a preference for non-issuing over issuing banks."

TRADING DEBENTURES AS INVESTMENTS.

Nothing so convincingly illustrates the growing difficulty in finding satisfactory investments for the ever-increasing funds of life assurance companies than a paper recently read by Mr. A. Rhys Barrand, F. I. A., before the Institute of Actuaries. The Chronicle has, during the past few months, quoted frequently from addresses delivered by learned actuaries and managers, and from able and instructive articles in contemporary journals, passages pointing to the absolute necessity of finding some new outlet from the difficulty referred to, some new and profitable channel for investments.

Upon the question of the declination of interest rates, Mr. Barrand says:—

"In an office, whose funds are growing from year to year, the low rate yielded by new investments, is, to a great extent, masked by the rate still realized on the old investments, these latter frequently showing an artificial rate by reason of the fact that the securities comprised in them were purchased at low prices many years ago, and are still maintained in the balance-sheet at those prices. The truth of this view of the extent to which the rate of interest has fallen can be seen, to some extent, from the fact that several companies, having large sums to invest from year to year, have only succeeded in preventing a very appreciable fall in the rate realized on their assurance funds by investing in securities of a totally different nature from those that found favour in the past, and, when such precautions have not been adopted, the result is to be seen in an extremely low rate of interest."

The *Insurance Observer* (London, G. B.), in a review of Mr. Barrand's "exceptionally interesting and instructive paper," makes the following comments upon his suggestions:—

"Mr. A. Rhys Barrand, F. I. A., possesses, through his official connection with the investment department of the Prudential Assurance Company, unusual opportunities for arriving at a right understanding in regard to this most pressing problem, and his suggestions, though they will appear revolutionary to old-fashioned actuaries who believe in old-fashioned investments, will certainly bear fruit in the near future. He invites those responsible for the management of our life assurance enterprises to consider the possibilities offered by the debentures and debenture stocks issued by the numerous important trading companies which have sprung into existence since the Companies' Act of 1862 was sanctioned. Hitherto this great field of investment has been almost entirely overlooked by life office managers, though it has been well and profitably exploited by private capitalists, trust and investment companies, and by solicitors and others having control of funds not subject to the arbitrary limitations imposed by the Trustee Acts. Mr. Barrand now proposes that it should be utilised to absorb some part of the large sums accumulating annually in the hands of actuaries, and he has supported his suggestion with thoroughly sound arguments. It must be manifest to everyone that the position in many offices must be becoming critical, and each year adds to the perplexities endured. Typical investments, such as have found favour with life assurance companies, have not increased in volume commensurately with the increase of the funds to be invested, and as a consequence interest rates have declined during the past thirty years to the extent of about 1 1-2 per cent. Most gilt-edged securities, as a fact, are now outside the range of practical investment; that is, if 4 per cent. is to be earned all round and bonuses maintained on the former level. Life interests and reversions are still remunerative, but not nearly to the same extent as in the past, whilst high-class stocks yield from 2 1-2 to 3 per cent. at the outside. Three entirely separate causes have primarily contributed to add acuteness to