

Municipal taxation is a heavy burden on fire companies. If one city taxes insurance companies, it cannot fairly expect to be as well treated as to rates as a city which has wisdom and justice enough to leave these companies alone. The very great public service done by fire insurance companies in protecting cities from ruinous losses, and the risks they run in conducting their business, are incontrovertible arguments for their being left free from municipal taxation. A fire department tax of 2 p.c. is imposed in seven States. It is not the mission of fire insurance companies to build public libraries, furnish waterworks, or equip fire departments. Fire insurance has no more to do with fire extinguishing than it has with building street railways and putting up lamp posts. Its business is to equalize the burden of fire loss in a community by collecting and distributing a sufficient amount of money from property owners to make good a portion of this loss to the individual sufferer.

PROPER TAXATION.

It is right that insurance companies should contribute to the support of the government that protects them, and as a matter of fact they do so, in several ways. First, the insurance of lives stimulates saving, prevents a vast amount of pauperism, gives security to a business career, and confidence under business hazards. These are valuable elements in the financial strength of the community. Second, their financial workings collect small savings into vast aggregates, utilize them in stimulating production and trade, and thus increase the taxable wealth of the community. Third, all their investments in actual property pay their full share of direct taxes to the public. Fourth, all their other investments are in liens or advances upon actual property, which of itself pays its full share of direct taxes. All these contributions, direct and indirect, taken together, form an important part of the income of the State. They are the reasonable service of this branch of business, and will increase as long as it prospers. The taxes now imposed were not contemplated when the companies fixed the premiums which have since been subjected to taxation. A life insurance tax cannot, like other taxes, be shifted by the taxpayer and distributed over the community. Taxes on products go largely into the prices at which they are sold—taxes on lands and houses add to the rentals charged; licenses and taxes on occupations are handed on to patrons and clients, but taxes on life insurance premiums come directly and altogether out of the policy-holders' pockets and there is no way of collecting any part of them from others.

Taxation ought to bear on the possession and use of property and not upon the loss of property or upon the means by which such losses are distributed. Losses are neither a proper subject matter for, nor a proper measure of taxation; nor is their occurrence the proper occasion of taxation. As the greater portion of a premium is required to meet losses the tax on a premium is a tax on a loss.

LONDON & LANCASHIRE LIFE COMPANY.

The forty-fourth annual report of the London & Lancashire Life Assurance Company continues its record of solid growth. During 1906, new business was issued amounting to about \$4,000,000, being \$200,000 more than in 1905. This resulted in a new premium income of over \$160,000. The total premiums received were about \$1,600,000, showing a gratifying increase over the amount obtained in 1905. The company's total income was well on to \$2,000,000, about \$425,000 of this being from interest and dividends. The average rate obtained on invested and uninvested funds was £4 os. 7d. p.c., a considerable advance upon the previous year, when the showing was £3 18s. 3d. p.c. The death claims, amounting to about \$720,000, were well within the expectancy, and altogether there would appear good reason for the congratulatory nature of the proceedings of the annual meeting held last month at the head office in London. As 1907 is the company's bonus year, policies effected before December 31 next, will participate in the next division of profits as at that date, and will thus obtain an additional bonus over policies taken out subsequently. This circumstance will doubtless aid the representatives of the company in obtaining a large accession of new business during the present year.

Reference was made to the importance of the Canadian branch of the company, and to the large business done under the active and energetic manager that the company possessed in Mr. B. Hal Brown, of Montreal. Mention was also made of the great advantage that the company possessed in having so well known a name connected with it as that of Lord Strathcona who has been associated with the company for thirty years as president of the Canadian board. The activity of the Canadian branch is evidenced by the fact that \$1,385,876 of the total new business issued by the company during 1906, originated in the Dominion. This was an increase over 1905 of \$260,716. That this result was obtained at so low a ratio of expenses to income as 16 p.c. is a noteworthy achievement for "the year of stress, 1906."

The company's investments in the Dominion are \$3,814,565, over a million dollars more than its Canadian liabilities which are \$2,782,862. The total insurance in force in Canada now amounts to \$11,032,461.

The conservatism of the company's investment methods is illustrated by a reference in the speech of Sir Nigel Kingscote referring to the reserve fund established two years ago to meet any possible depreciation in securities. This fund is reported as well in excess of any decline in the market value of the company's securities as compared with the amount at which they stood in the books at the end of the year.