

In Great Britain, the life insurance companies are taxed upon their interest income, or upon the profits earned—upon the same basis as other classes of corporations. It is important to note, however, that the individual, that is the policyholder, is exempted from income tax to the extent of one-sixth of his income, if such is expended in the purchase of life insurance. No such exemption is made in the case of payments or investments in other classes of corporations. This abatement offsets the tax imposed upon the company, so that in effect life insurance in Great Britain is in reality untaxed. The advisability of encouraging life insurance as a protection to the individual as well as to the state was fully recognized by William Pitt, who first introduced the provision exempting one-sixth of the individual's income from taxation if applied in the purchase of life insurance. This exemption has been the law in England since it was first introduced by Pitt down to the present time.

In Germany, with an annual income of over \$120,000,000, the life insurance companies paid in the year 1907 about \$300,000 only in taxes, or not more than one-quarter of one per cent. of the premium income, or about one-seventh of the rate now proposed in Ontario.

WATCHING THE NICKEL EXPORT BUSINESS

The following memorandum has been issued by the government in reference to the export of nickel:—
“Various criticisms have appeared in the press with regard to the export of nickel matte from Canada to the United States.

“The whole subject has been under careful consideration and investigation by the government of Canada since the commencement of the war, and they have been in frequent communication with the British government as to the precautions which should be taken to prevent export to Germany.

“The books of the company in New York are inspected at short intervals by a thoroughly trained and experienced accountant, who goes into all exports most thoroughly and reports to the Canadian government.

“In addition to this, by an arrangement between the company and His Majesty's government, certain control is exercised in London through the company's British representatives. The company is not under German control, but is controlled altogether in the United States, where the vast majority of its stock is held. There may be a few German shareholders, but the proportion is insignificant, and there are no German directors.

“The steps taken by the government of Canada have the entire approval and sanction of the British government, who express themselves as entirely satisfied with the precautions that have been taken.

“It must be borne in mind that nickel exported from Canada to the United States is used in a large number of industries in that country, and prohibition of the export, except for the most urgent reasons, would be undesirable, as it would produce great business disturbance in a country, whose sympathies are very strongly with the cause of the allies.

“Moreover, the government is informed that there is an output of nickel in Norway controlled by German interests which could furnish a sufficient supply for German requirements during the present war.”

Messrs. Waghorn, Gwynn and Company, Limited, Vancouver, have lately been appointed agents in Vancouver for the Scottish Union and National Insurance Company, formerly held by Mr. A. E. MacLean, and the Alliance Assurance Company, of London, have transferred their agency for British Columbia from the Dominion Trust Company to Messrs. Waghorn, Gwynn and Company. This firm now represents three strong British fire insurance companies, including the Caledonian. The company is giving up the Rochester German agency.

Owing to the ease with which life insurance companies can be reached, it has become the established custom on this continent, particularly in the United States, and it is rapidly becoming so in Canada, to put them on a plane with public service corporations and to tax the capital or funds invested in life insurance at a much higher rate than similar property in other companies.

Our life insurance companies have pointed out to the Canadian governments that British precedent and example in the matter of life insurance taxation should be the guide for Canada, rather than that of the excessive and unjust burden imposed upon life insurance in the United States or even in Quebec province, against the tax rate of which province the companies have appealed.

Ontario recognizes the advisability of encouraging people to insure their lives as a means of protection to their families. A law has stood upon the statute book for many years by which a man may insure his life for the benefit of his wife and children, or transfer an existing policy to them, such insurance forming a separate estate for their benefit free from the claims of creditors. This legislation seems to be inconsistent with the heavy burden of taxation now imposed upon life companies. This is a matter of serious importance to every policyholder.

GOOD FIRE INSURANCE MAN.

A capable fire insurance man is open to accept a responsible position with a reputable company. He has excellent qualifications and experience. Correspondence regarding this matter should be addressed, in the first place, to *The Monetary Times*. An announcement of the gentleman in question appears on another page.

PROBABLE COURSE OF MONEY MARKET

Discussing the probable course of the money market, the London Statist says: “There is an impression growing that money has become too cheap, and that before long we shall see a recovery in its value. This is not the place to discuss the matter fully; but it remains to be seen whether the impression is right or wrong. For ourselves we are disposed to doubt it. That money will be in greater demand when confidence is better restored we do not dispute. Neither do we contest that the restoration of confidence will be followed by a general improvement in trade, and that that, likewise, will raise the value of money. But we are doubtful as to whether the change in value will come very soon, or whether it will be such as materially to affect the condition of things we see at the moment. The naval victory reported this week will, we trust, go far toward the revival of confidence. There is no question that since the defeat of Admiral Cradock's squadron there was much apprehension regarding the Pacific and the Southern Atlantic. Now that four vessels of the German squadron have been sunk and that one is being chased, we may hope that, in a very short time, the remaining German commerce raiders will be got rid of. Then there will be greater confidence amongst all shipowners and all exporters and importers.

“Furthermore, whenever the retreat of the Germans from France and Belgium begins we do not for a moment doubt that there will be a great revival of confidence; that everybody will conclude that, however stubbornly the Germans resist, they have been beaten; and that it is only a question of time to compel them to submit to the necessary terms of peace. As soon, then, as a retirement from France begins in earnest we do not doubt that trade will improve, and, therefore, that the value of money will rise. But we cannot see sufficient reasons at the present moment to anticipate a material advance in the value of money until the military situation is certainly more satisfactory to the average man—the man, that is to say, who does not understand strategic policies.”