

Prominent Topics.

Canada and the Bahamas.

Mr. T. B. Macaulay, managing director of the Sun Life Assurance Company, who has just returned from the West Indies, reports that there is a general desire in the Bahamas for the annexation of those islands to Canada. Mr. Macaulay thinks this would be greatly to the advantage of both countries.

Protest against the Tramways Bill.

The Council of the Montreal Board of Trade has formally and strenuously protested against the Bill to incorporate the Montreal Tramways Company. The main objection is that the incorporation would for all time deprive the City of Montreal of its constitutional right of contracting with parties in relation to tramways, whether surface or underground.

Loan Funds for Fire Equipment.

An important clause of the Montreal City bill adopted by the Private Bills Committee, authorises the city to use loan funds for the first purchase of fire stations and fire equipment. The use of loan funds for fire stations is perfectly legitimate and there is no more desirable expenditure than that for fire equipment, but that should come out of ordinary revenue.

Reciprocity at Washington.

The opponents of Reciprocity in Congress are fighting for wind and seem to have good staying powers. The criticisms of the measure at Washington are almost as varied, although not identical with those in Canada. "Free trade in disguise," "hasty and ill considered legislation," "American citizenship without annexation," are among the characterizations used in opposing the resolutions.

Life Offices and Income Tax.

According to English insurance journals, the question of the incidence of the income tax upon life insurance companies is being raised in Great Britain. Offices which comprise upwards of 30,000,000 policies and possess invested funds of £350,000,000 are acting in this matter. The complaint made is that at present the life offices are taxed on the whole of their investments, the major proportion of which are reserved and accumulated to enable them to fulfil their contracts. The companies naturally maintain that the true profits of a life office can be ascertained only by actuarial calculation, and they propose that when the taxed interest received by any office exceeds its profit, the tax on the excess of interest over profits should be returned. A special point made by the allied associations of com-

panies who are now acting, is that foreign life offices, if proprietary, are merely taxed on the profits of their business in Great Britain and not on interest. If they are mutual they escape taxation almost entirely, except as respects the £20,000 which under the Assurance Companies Act of 1909 all life offices are required to deposit with the Paymaster-General. An estimate made indicates that should the British offices be relieved of this taxation the annual loss to the Exchequer would not at present exceed £112,000.

Resignation of Premier Briand.

Another of the periodic revolutions which characterise French politics has occurred. Premier Briand has resigned and will be succeeded by M. Monis. A little thing like the resignation of a premier, to use a slang expression, cuts but little ice in France. Premiers come and Premiers go, but the Government goes on for ever. A brand new Government is as rare a luxury, as a whole suit of new clothes is to a tramp. Party government in France is a thing of groups and patches, and the defection of one group, the Radical Socialists, brought Premier Briand to grief.

Taxation of Life Insurance.

The President of the Connecticut Mutual Life Insurance Company in his annual report makes the statement that American policyholders, as such, are paying taxation at the rate of \$12,000,000 a year. Among the figures he quotes are the following:—In the year 1909 (the figures for 1910 are not yet published) thirty-five life companies reporting to the New York Insurance Department returned to their policyholders in dividends \$62,185,532.98, and in that year paid Insurance Department licenses and fees, \$306,918.93; State taxes on premiums, \$5,907,826.67; taxes on real estate, \$2,174,507.81; all other licenses, fees and taxes, \$2,801,521.29; total of all taxes, \$11,190,774.70, or 18 per cent. of the dividends returned; excluding taxes paid on real estate, 14.50 p.c. of such dividends. The total of all taxes, licenses and fees would have purchased for the insured, if made available for that purpose at the average rate of first year's premium received based on the new business of 1909, over \$333,000,000 of insurance.

In some instances the real estate of the companies is trebly taxed. For example, a Connecticut company may own property in St. Paul, Minn.; it pays the local tax there. The same property is returned to the Connecticut authorities in the schedule of assets and the company pays thereon an annual franchise tax. It also becomes a constituent part of the company's reserve on the lives of policyholders in Massachusetts, and the company reporting it as a part of its assets pays to that State on such reserve an annual excise tax.