

## MANITOBA INSURANCE BILL.

### Life Underwriters Show Opposition—Bill Postponed for Another Year.

The Manitoba Insurance bill introduced by the Provincial Treasurer, Hon. Hugh Armstrong, to increase the taxes on life insurance companies, has met the opposition of the Manitoba Life Underwriters' Association. The petition presented by seventy-five members of the association has been the means of the bill being postponed for another year. The petition was as follows:

#### Some of the Reasons.

1. The following, in brief, are some reasons which have appealed to the Life Underwriters' Association of Manitoba for not proceeding with the proposed legislation imposing additional taxation on life insurance companies.

2. In order to show that the proposed additional tax is unjustifiable we wish first to show in a few paragraphs that any tax is unjustifiable.

3. The province is not put to any expense in supervising life insurance companies other than those holding provincial charter. Consequently the tax is not for the purpose of meeting public expenses caused by the business, but is purely a means of raising revenue.

4. Why should insurance companies be required to collect the taxes of the province? There is no apparent reason.

5. The following are reasons why insurance companies should not be tax-collectors.

6. People will not understand that part of their payments to the companies are really taxes to be handed over to the government. They will tend therefore to look upon life insurance as unnecessarily expensive and will to that extent be the less inclined to insure their lives, and such failure to insure will be to the detriment of the public interest.

7. Insurance companies cannot collect the tax equitably because unfortunately all the citizens do not insure their lives, and those who do insure do not insure in amounts proportional to their means.

#### Insurance a Sign of Thrift.

8. The objection just stated is all the more important when it is recalled that insurance is a sign of thrift, and thus we have the shiftless and improvident relieved from taxation though they, or their dependants, are far more likely to become a charge on the state.

9. It would be just as reasonable to ask savings banks to hand over to the state 1 per cent. of all their deposits. There is a very close analogy between a savings bank and a life insurance company. Each receives deposits to be returned in the one case on the order of the depositor and in the other case on the death of the depositor. Why should the insurance company be a tax-collector and not the other?

10. The business of insurance is peculiar. It differs from any other businesses. It is not strictly a money-making business, but a money-saving business. The primary object of the insurance office is to protect other people and particularly the poor. On this account it is entitled to a certain consideration. The premiums are themselves a tax. The premiums consist of the tax which the person insured pays for his insurance, and now it is proposed to put a tax on a tax. This is the precise case.

11. It is safe to say that life insurance is the only instance in existence of a successful co-operative business. Why should this business be singled out for the invidious duty of the tax-collector? Should it not on the contrary be encouraged by special exemptions?

12. These taxes do not fall upon the shareholders, but upon the policyholders, in the form of a reduction in their profits, or as an extra payment on mortgage loans.

#### Policyholders Pay Taxes.

13. The tax is therefore not a Corporation Tax, but is a charge upon those who endeavor to provide for their families.

14. Wherever the question has been impartially investigated the verdict has been that insurance taxation is unjustifiable. A commission appointed by the Senate and House of Representatives of Illinois recently reported strongly against taxes upon premium receipts.

15. For the above reasons we request an amendment to the bill repealing the 1 per cent. tax on premiums now existing. If the government cares to go one step further by following the example of England in relieving policyholders from a certain portion of the general taxation because they are policyholders the insurance interests will have no objection.

16. We respectfully represent that the proposed additional tax, namely that on interest income, should not be enacted for the following reasons.

17. It is contrary to the public interest which demands the encouragement of the business of life insurance instead of its discouragement.

18. It alters the terms of contracts already in existence. The premiums on our policies issued in the past have been computed on the understanding that we would require to pay a tax of 1 per cent. on the premiums only. We have made estimation on this basis and in the case of non-participating business have staked our solvency on assumptions, one of which was a tax limited to 1 per cent.

#### Imperative Need for Money.

19. There is an imperative need for money for development purposes in the province. The additional tax will not only block the steps already taken by several companies to commence investing in Manitoba, but will be a consideration in inducing the insurance companies to invest their funds in other provinces.

20. The Ontario government has appointed a Royal Commission to consider changes in their Insurance Act. They will doubtless make an exhaustive study of the situation and their conclusions will be of the utmost assistance to them and other provinces in a general revision of their insurance laws. A partial revision such as is now proposed would have a very confusing effect; for this reason the bill should at least be laid over for a year.

21. We submit that in any event the tax of 1 per cent. on premiums is more than sufficient and that if the proposed tax on interest income be not entirely deleted it should at least be amended so as to exclude all companies which do an active life insurance business in the province. We consider it most unfair also to discriminate against companies whose head offices are not in Manitoba.

## LUMBER COMPANIES AMALGAMATE.

The Maritime Lumber Company, Limited, has amalgamated with the Nagle Lumber Company with offices in St. John, Toronto and Montreal. The new company has been organized under a Federal charter with a capital of \$300,000 and is composed of some of the leading lumbermen of New Brunswick and Quebec and promises to become an important factor in the lumber business. The company will deal extensively in English exports of lumber. St. John, New Brunswick, will become the shipping point from which the company will ship to England, while Montreal will be the shipping point for lumber going to the western part of Canada.

The board of directors are Mr. R. O'Leary, vice-president of the New Brunswick Telephone Company; president of the Father Morrisey Medicine Company and a very prominent New Brunswick lumber and fish merchant. Mr. F. B. Black, the first vice-president of a well-known Sackville lumber merchant. Mr. George Keddy, second vice-president, is a prominent lumber merchant of Hemmingford, Quebec. Mr. S. H. White, another director, is the president of the New Brunswick Telephone Company and Mr. W. S. Montgomery is a large lumber and fish dealer of Dalhousie, N.B.

Mr. Thomas Nagle will be the general manager of the new organization.

American capitalists may erect a flour mill at Bella Coola, B.C.

The capital stock of the F. N. Burt Company, Limited, has been increased from \$1,500,000 to \$2,250,000.

The King Porcupine Mines, Limited, of Toronto, have increased the number of their directors from three to five.

Mr. R. G. Paterson of the head office staff of the Sterling Bank, has been appointed accountant of the Montreal branch.

Mr. G. E. Hicks, accountant of the Sterling Bank, Watford, has been appointed acting manager of the Courtright branch.

Mr. A. S. Hall, of the Bank of British North America, has been appointed assistant inspector, with headquarters at Winnipeg, Man.

The Rea underwriting of \$1,250,000 7 per cent. preferred stock is being offered at 95 with a bonus of 50 per cent. common stock.

The Sterling Bank of Canada will open a branch in Toronto at the corner of Parliament and Wilton Avenue, within the next three weeks.

Mr. C. A. Ray, assistant accountant at the Traders Bank, Guelph, has been transferred to the Inspectors' Department in Toronto. Mr. M. Cockroft succeeds Mr. Ray, and Mr. Martin, of Tillsonburg, succeeds the latter as teller.