

TAXING LIFE ASSURANCE COMPANIES.

The proposal to tax American life insurance companies operating in this city at a rate double that imposed on Canadian companies, is much to be deprecated. Taxing a life company is a highly censurable form of taxation; it is a tax on thrift; it is a tax on the most commendable form of foresight; it is a tax on the provision made for the bereaved. As is said by Mr. Francis A. Walker, the eminent political economist:—

"If a man's income belongs to him to spend, it belongs to him to save; and on the ground of equity the State cannot lay its hands upon that which represents the double virtue of industry and frugality, while sparing that which represents the single virtue of industry. To lay a burthen upon that which has escaped the maw of appetite, which represents the courage, prudence and faith requisite to subordinate the present to the future is thoroughly vicious."

A tax on life assurance adds to the cost of life assurance and lessens the resources of a life company to meet the claims of policyholders. This tax increases the cost of the protection a prudent man seeks to provide for his family in the event of his death. No tax is so utterly indefensible as it is a fundamental principle of public economy, as it is of wise, public policy that life insurance by the head of a family, for the protection of his family, ought to be rather encouraged by public authorities, and not taxed.

To impose on foreign companies a tax of double that which is placed on home companies is most objectionable in principle. Such a policy is deplorably narrow. It introduces an element of irritation by creating a sense of injustice and unfriendliness between neighbouring nations whose interests in this relation as in others, are most intimately interlaced, which are distinctly antagonistic to that mutual good-will by which both are enriched.

**THE MANUFACTURERS' ASSOCIATION REBUKED
BY ONE OF ITS MOST PROMINENT
MEMBERS.**

The unreasonable attitude taken by the Manufacturers' Association towards the insurance companies has been sharply rebuked by one of its prominent members. Mr. James Kerr Osborne, of the Massey-Harris Company, Limited, wrote in the following trenchant terms to the secretary of the Manufacturers' Association:—

"Does the secretary of the Canadian Manufacturers' Association think that the underwriters, who have been engaged in the business of fire insurance for many years, are all babies? Does he think that they do not understand their business; that they are incompetent; that it is their duty to confer with anybody and everybody in regard to the running of their business? Or to put it in another way. Does

he think that an underwriting company managed by the secretary of the Manufacturers' Association, and the man from Buffalo who suggested a great international fraternal organization, would be better, or more economically managed, or more successfully operated, than existing companies that have had years and years of experience in the underwriting business? There is reason in all things, and I think it is fair to presume that success is the result of experience.

The Canadian Manufacturers' Association finds time to express an opinion on many subjects; but in this particular case I fear that their zeal has overstepped the bounds of prudence. Suppose all the insurance in Toronto, or covered in the late lamentable and disastrous conflagration had been carried by a company such as is proposed by the men from Buffalo, or by the new (and necessarily weak), foreign companies proposed to be brought into the arena by the secretary of the Manufacturers' Association, or by the much discussed plan of civic and municipal insurance, would the losses have been any less? Would the results have been less disastrous? and would the consequences have been otherwise than they are? To the last I answer, Yes! The consequences would have been vastly different to the insured, because their losses might or might not have been paid, whereas under existing circumstances, no insurer will lose a dollar of his just loss.

As business men, let us look at things in a business way. We cannot get a dollar for fifty cents unless some other fellow puts up the other fifty cents, and that is what the fire insurance companies have been doing for some years. Instead of talking nonsense, let us, as business men, co-operate with the underwriters, help to place the fire insurance companies again on a sound and proper basis, become co-insurers by adopting all the improved safeguards that tend to the improvement of our own risks, and thus help to build up instead of destroy the underwriters' business, which, from time immemorial, has been one of the greatest safeguards of commerce and of credit."

THE LONDON ASSURANCE CORPORATION.

The London Assurance Corporation is one of the oldest of British insurance companies, as it is also one of the strongest financially. A Corporation that has passed triumphantly through such tremendous convulsions as repeatedly shook England to its centre, toppling over thousands of banks, trading companies, mercantile firms, in the later years of the eighteenth and earlier part of last century, must have had very sound foundations and a superstructure well designed and built for permanence. The contingencies which, when they arise, bring fire companies into difficulty that have made no provision