

WHY LIFE INSURANCE ON THE MUTUAL PLAN SHOULD NOT BE TAXED.

(Darwin P. Kingsley.)

Such enterprises (as life insurance companies) should not be taxed at all because they work most powerfully in the solution of the great problems which every state constantly faces. To tax them is to levy a tax. To tax them is to punish individuals for effectively doing the very thing the state is preparing to do when it levies a tax. To tax them is worse than punishing thrift, it is burdening small savings which are impressed with an unequalled social efficiency; and social efficiency means a decrease in the dependent class. Life insurance answers the question whether or not a man will live long enough to provide for his family. That is one of the grave problems of all society, and, so far as money can represent a man's productive power, the calamity that otherwise happens when a man dies prematurely is vastly minimized. Life insurance cultivates the fundamental principles of self-respect and individual responsibility, which underlie every successful, self-governing community.

PREVENTS SOCIAL DEFAULTS.

Life insurance prevents social defaults through premature death, which are as disastrous to society, and frequently as dishonorable, as those which occur in banking and general business.

Life insurance takes money otherwise unrelated—and possibly hostile—associates it, and then meets the demands for capital of a rapidly developing society. The great principle in modern industrial and civic development is that the earning power of unborn generations is constantly offered as security for money which must be spent now. The scattered, otherwise unrelated, and financially unimportant, members of a great life insurance company, by their co-operation and the capital which they are obliged to assemble, buy these securities and thereby forward the great plan of modern civilization.

A FINANCIAL EDUCATOR.

Life insurance is a financial educator for millions of people, a banker that cannot be ruined through panic, and who nevertheless allows every depositor to draw at any time, even in panic times, to the extent of his individual cash credit.

Life insurance transforms business into a constructive sociology. It adopts a great statesman-like plan and makes the individual an effective part of it.

Against the encroachments of the dependent class, it makes the individual definitely efficient. Under our form of government, every individual has a certain civic responsibility which most individuals shirk with distressing results. Under the plan of life insurance, every individual has a definite responsibility which he may not shirk, or, if he does, he leaves something with his associates, through what he has already done, which in a degree is a compensation for his default.

Some of the above reasons could in a measure, although not in the same way, be assigned why other kinds of business should not be taxed. They are recited here not because they in themselves justify the exemption of life insurance, but because they buttress the central, the great reason, viz.:

Life insurance practically eliminates the panic caused by premature death.

"DYING TO WIN."

The absurd talk about life insurance being a game in which one must "die to win," which used to be so flippantly indulged in, is growing less and less common and no longer heard among observant and really intelligent men. The fact is becoming recognised that in true life insurance, there is less of the element of chance than in almost anything else in the world, and as to dying there is no chance whatever, save that of the particular time when the event may occur. Everybody, insured or uninsured, must alike die, and prudent forethought with reference to that unalterable fact is quite as sensible as to anticipate next week's empty bread pan or next winter's empty coal bin. Frail wife and helpless children are to be fed and sheltered whether the husband and father lives or dies. When he insures his life for their benefit, he is simply buying for them in advance that raiment, food and shelter which his present daily labor provides. He does not win anything by "dying," excepting gratitude for his thoughtful care and the favor of heaven, though his family and children certainly do escape the fate of poverty which befalls the family of his neighbour who smartly refused to enter a game where he had "to die to win."

INSURANCE FOR RICH AND POOR.

Many life insurance salesmen hesitate approaching a wealthy man or a capitalist on the subject of life insurance, believing that they do not need it. This is a false idea, as the records of any of the older companies will easily prove. Rich men need life insurance, and in larger amounts than those less fortunately blessed, if for no other reason than to protect their investments when they die. If a wealthy man is engaged in business the proceeds of his estate cannot be quickly realized and his family might be placed in distressing circumstances for want of ready money after his death. A life insurance policy can be turned into cash at once, the sum insured is often paid within a week after the assured's death and any delay in payment is as a rule caused by the claimant's slowness in submitting the necessary proofs.

Most wealthy men are engaged in business enterprises which would suffer seriously in event of their death, and insurance is probably the only one way of meeting this loss; this is undoubtedly one of the best arguments for life insurance. Moreover, such men are up-to-date and a convincing example readily appeals to them. We know of one specialist in this line who makes it a rule to talk the single premium policy with wonderful success among stock and grain brokers. If a lucky speculation has yielded a large profit a life policy is a safe investment for some of the proceeds. The insurance can be made a trust for the benefit of wife, daughter or other dependent and as the premiums are all paid in one sum an absolute provision is secured for the beneficiary. Moreover, the settlement options in such policies, by instalments and by annuities payable to the beneficiary, appeal to such men as they know how easy it is for a widow or daughter to lose the capital through injudicious advice given by designing friends.

—Argus.

The official rate of the Bank of England was unchanged yesterday and remains at $4\frac{1}{2}$ p.c.