IN OUR LAST issue, we referred to the decision of the higher court on appeal in the case of the city of Kingston against the Canada Life, where the lower court upheld the contention of the Kingston authorities to tax the company on its gross income at that place. This decision was reversed in the court above. Chancellor Boyd held, in substance, that the intent of the Act under which proceedings were had was clearly to express by the general term "income" the amount realized after deduction of expenses and losses, and a decision of the Privy Council was cited wherein the income of a commercial company was held to be "the balance of the profit and loss on the business of the year," *i.e.*, the net gain for the year. The Chancellor further held that the company's agency at Kingston was not a "branch agency" within the meaning of the Act, such branch being a distinct office with local identity and clothed with executive functions, to a certain extent. The court held that the commercial meaning of the term "income," as defined by the Privy Council, applied to the appellant company. We notice that the protest of the underwriters before the Court of Revision at Peterboro', referred to in our last number, was favorably considered in the light of the above decision, and that the assessment roll, which originally assumed a taxable income of some $240,000 for the various companies, was reduced to about $12,000, representing income over losses, etc., in the aggregate, on the Peterboro' business.

AN ASSESSMENT BOOMERANG.

In its anxiety to make a point against level premium life assurance, the *Mutual Underwriter* cites in substance the following: In December, 1866, the Brooklyn Life of New York issued a policy for $5,000 on the ordinary life plan, apparent age 27, at an annual premium of $110.30. In April last the holder, wishing to discontinue the policy, applied to the company for a statement of cash value and also the amount of paid-up assurance. The company stated the cash value at $700 and the paid-up value at $1,450. Dividends declared from time to time had been applied in reduction of current premiums, the cash payments for the latter averaging about an even $100 per year for the 24 years. The *Mutual Underwriter* proceeds to say that the assured "had paid $2,400 for what had cost the company (according to Meech's table of mortality) $1,146.35, and his expectation of life (age 51) was rather over 20 years, concluding as follows:—

We instance this, not as a reflection on the Brooklyn Life in particular towards a retiring member, but as an example of the method of dealing with such a case by a fair specimen of the legal reserve concerns—probably as good as the majority.

Our New York contemporary, *Insurance*, quoting the *Mutual Underwriter's* statement of the above case, expresses the opinion that the case as stated does not warrant the complaint that the assured did not get his money's worth, and proceeds pertinently to say:—

In the first place, he was allowed a surrender value although the contract did not entitle him to one. He chose to take it in cash, and the cash was promptly paid to him. This reduced the total cost of his insurance for the twenty-four years to $1,700, or a small fraction over fourteen dollars a year per thousand. All the while he had been insured, well insured; if he had died in the first year his beneficiary would have got $5,000; and so of every year in the twenty-four. We venture to say that no co-operative company, now or ever extant, would or could have done better by this man than the Brooklyn Life did, if as well. If during twenty-four years he had been paying assessments to such a company—assessments that could hardly have aggregated less than $2,400 for a $5,000 policy—and had then wanted to withdraw, he would have been permitted to do so. But he wouldn't have got a cent back either in cash or in paid-up insurance, since in the co-operative scheme there is no provision for surrender value of any sort.

Our contemporary concludes its comment by innocently asking the *Mutual Underwriter* to point out a case where anybody has been insured for 24 years in an assessment company at less cost than in the case of the Brooklyn Life man, or of any assessment company which guarantees assurance on more favorable terms. The fine sarcasm of the above query is pretty severe on our assessment friends when it is remembered that not a single association on their favorite plan, doing a general business, is in existence with twenty-four years of history behind it. The oldest living specimen—the United Brethren Mutual Aid of Lebanon, Penn.—assessed its members last year considerably more per $1,000 than three times the average annual cost per $1,000 of the insurance to the Brooklyn Life policy-holder!

We have referred to this particular case, quoted with such satisfaction by the *Mutual Underwriter*, in order to show that, while the amount of cash surrender value given by the company is much less than it ought to have been, and *not* "a fair specimen of the legal reserve concerns," yet the holder of the policy got more for the money invested than the assessment associations are capable of giving. The company could have given, what almost any of the active companies are willing to guarantee for a policy of the same kind and age, not far from $200 more than it gave in cash, or about $600 more in paid-up assurance. The Brooklyn Life is a good, conservative company, keeping its promises and performing its contracts, but is not pushing for business especially, and not being obliged, under its old policies, to pay cash surrender values at all, naturally saved some money to the company in the settlement referred to. Notwithstanding these facts, which clearly take the settlement out of the average practice of the level premium companies, we willingly compare the result with the combined experience of the three largest general assessment associations for 1889, viz: the Mutual Reserve Fund of New York, the Massachusetts Benefit Association, and the Fidelity Mutual Aid of Philadelphia. We learn from the New York Report that the total amount in assessments and annual dues (leaving out membership fees entirely) collected in 1889 by these three associations was $4,157,868, and the mean amount of assurance in force $258,365,250, making the amount thus paid by members a little over $16 per $1,000, as