

PENALIZING PROVIDENT FATHERS.

A Sarcastic Attack on the New United States Proposals for Taxation of Life Insurance—Inconsistency of Abolishing Duties on Luxuries while Imposing Present Burdens on Thrift.

One of the most telling attacks which has been made thus far on the new income tax proposals of the Wilson administration in the United States as they affect policyholders in life insurance companies is that delivered in a letter by Mr. E. E. Rittenhouse, formerly insurance commissioner of Colorado, and now connected with the Equitable Life of New York. Mr. Rittenhouse writes "sarcastic-like." Here are some of his hot shots:—

"The majority in Congress stands firmly and immovably upon the fundamental and just principle that small incomes should not be taxed. And, therefore, they promptly proceed to tax the man of small income on his life insurance savings, for the tax on net incomes will fall on all policyholders, regardless of the amount of their earnings. That seems reasonable, does it not?

SOME OF THE NECESSITIES.

"Mr. Underwood and his colleagues by taxing the savings of policyholders hope to carry countless necessities into the market baskets and the homes of the poor at reduced cost. They, therefore, reduce the tariff on such vital "necessities" of the market basket and of the small home as foreign cartridges, Oriental rugs, marble and onyx ornaments, foreign lace and embroidery, gunpowder, jewelry, aeroplanes, silk socks and underwear, shotguns, etc.

"How delighted the mothers and children of the land will be to know that by taxing their insurance funds the thrifty housewife may not only procure her aeroplane and shotguns at a reduced price, but also such important household necessities as cash registers, which have been placed on the free list, along with Bibles. If their hearts are in the right place they will also rejoice to know that by taxing their insurance funds Congress will be saved the pain and humiliation of increasing the tax on such indispensable "necessities" of the cottage home as automobiles, caviar, billiard and pool balls, cigarettes and intoxicating drinks.

AN IMPARTIAL PENALTY.

"But for the crime of the provident fathers, Congress would undoubtedly have spared them this calamity tax by a reasonable increase in the tax on these and similar "necessities," such as diamonds, jewelry, etc. But our statesmen could not do it. Knowing that these things are used by the poor and not the rich, they held to their programme. Considerations of equal and exact justice, and incidentally of politics, prevented an increase in the tax upon the liquor traffic.

"How the American policyholder will swell with pride and gratitude when he sees the market baskets of the land bulging with rickies from Holland, with high-balls from Scotland, and with champagne and rare old wines from foreign parts, for he will know that the Government "squeeze" from his insurance funds has made these market basket blessings possible. But the policyholder is not an unreasoning animal; he is almost sure to joyfully commend the

wisdom of our statesmen when he reflects upon the fact that they have impartially penalized both life insurance and the liquor traffic—one for the harm it does and the other for the good it does."

RATE OF INTEREST EARNED BY AMERICAN LIFE COMPANIES.

A compilation by the *Spectator* (New York) shows that the rate of interest earned on mean invested funds by twenty-eight American life insurance companies in 1912 was 4.79 p.c., the same figure as in 1911. The rate has been fairly steady for five years past. For several years prior to 1900, observes the *Spectator*, there had been a steady decline in the rate, which led the companies to strengthen their financial position by valuing new business on a higher reserve standard. In 1902 the interest earnings touched the lowest point, the average in that year being but 4.58 per cent., as compared with 5.08 per cent. ten years earlier. The year 1903 saw a slight increase in the rate, and further advances were made until, in 1907, a rate of 4.80 per cent. was shown, since which time the fluctuations have been remarkably slight. The advance since 1902, observes the *Spectator*, may be attributed in part to the greater demand for money, which has caused a stiffening of the interest rate throughout the world, and also to a more rigid valuation of securities by some companies, as well as to their efforts to invest in more profitable classes of securities.

Comparing the rate earned in 1912 with the low figure—4.58 per cent.—given for 1902, it is evident that the policyholders have benefited by several million dollars. Had the companies earned only the same rate in 1912 as they did in 1902, there would have been a difference in interest and rental receipts of over eight millions of dollars.

STATEMENT OF CANADIAN ACCIDENTS DURING THE MONTH OF MARCH, 1913.

Trade or Industry.	Killed.	Injured.	Total.
Agriculture	3	23	26
Lumbering	7	9	16
Mining	11	18	29
Railway Construction	3	1	4
Building Trades	3	25	28
Metal Trades	8	102	110
Working Trades	..	10	10
Printing and Allied Trades	..	2	2
Clothing	..	2	2
Textiles	1	3	4
Food and Tobacco preparation	1	5	6
Leather	..	2	2
Transportation—			
Steam Railway Service	32	115	147
Electric Railway Service	..	9	9
Navigation	3	7	10
Miscellaneous	4	18	22
Public Employees	3	7	10
Miscellaneous Skilled Trades	11	20	31
Unsettled Labour	3	9	12
Total	93	387	480

The Bank of England rate remains unchanged at 4½ per cent.