

\$3,000,000 A YEAR SAVED TO POLICYHOLDERS.

EFFECT OF AMENDMENTS TO INCOME TAX SECTION OF U. S. TARIFF BILL—SUCCESSFUL ACTION BY THE LIFE COMPANIES.

From figures which have been compiled by the Association of Life Insurance Presidents, it is estimated that the Income Tax Section of the U. S. Tariff Bill, which became a law recently, as compared with the original draft introduced in April last, saves life insurance policyholders \$3,000,000 a year, while an additional amount that cannot be estimated is saved to many of them or their beneficiaries in connection with paying taxes on their personal estates.

The original draft of the bill contained much ambiguous language which life insurance men feared might be interpreted against the interest of companies and their policyholders. One very important point raised was whether the phraseology of the measure might not result in taxing as "net income" of companies the annual net addition to reserves. The Corporation Tax Act of 1909, which the new Tariff Law supersedes, specifically exempted this item. On the basis of business done in 1912, the tax to all life companies on this item would have amounted to \$2,195,000, and it would have been larger each succeeding year. When the situation was pointed out to the leaders at Washington, they disavowed any intention of taxing this item and agreed to an amendment clarifying the phraseology beyond any question.

EXEMPTION OF RETURNED PREMIUMS.

The exemption of the returned premium portion of dividends, granted during the last days of the bill and nearly six months after the life insurance men began their campaign, means a saving, roughly estimated, of about \$700,000 on the business of 1911, as noted last week. These two items make a total of \$2,895,000. Based on the business of the present year, they probably would total \$3,000,000.

In addition to these and various other items involving life insurance policyholders in their company relation, there were important changes made in connection with their reporting of income as individuals or by such reporting on the part of their beneficiaries. The phraseology of that part of the first draft of the bill relating to the reporting of income by individuals, immediately raised the question in the minds of insurance men as to whether it might not be interpreted as taxing proceeds of life insurance policies as income. Arguments for amendments were made and the language was improved from time to time until there was adopted a formula providing that practically no life insurance returns in the hands of policyholders or beneficiaries, shall be included as income for taxation.

On the business of 1912, returns described in the above paragraph were as follows:

Death Claims	\$205,154,873
Endowments	55,712,229
Annuities	7,767,337
Surrender values	87,388,216
Dividends to Policyholders	92,795,105

Total paid Policyholders and Beneficiaries \$448,817,715

No figures are available for estimating what the clearing up of this provision has saved policyholders

and beneficiaries, for, of course, the provision would have applied only to those whose entire income is taxable under the law, namely, unmarried persons receiving in excess of \$3,000 a year and married persons receiving in excess of \$4,000 a year.

IMPRESSIONS OF A WESTERN TRIP.

Mr. J. E. E. Dickson, manager for Canada, Law Union & Rock Insurance Company, has returned to Montreal from a business trip. During an absence of several weeks Mr. Dickson had occasion to visit Los Angeles and San Francisco, California. In the latter City new buildings of fireproof construction have replaced buildings destroyed in the 1906 conflagration and every indication points to good insurance risks. Mr. Dickson found active preparations in full swing for the 1915 Exhibition. San Francisco expects to be greatly benefited by the opening of the Panama Canal.

Mr. Dickson's previous visit to Los Angeles was seven years ago, since which time he informs us the population has more than doubled. The well cared for streets have made the city very attractive for visitors. During a short stay at Vancouver on his return, Mr. Dickson noticed a large number of vacant dwellings.

At Moose Jaw, evidences of prosperity and growth were very apparent. The streets are well paved and beautifully lighted with cluster lamps. The new library erected at a cost of \$80,000 is a strikingly handsome structure. The crops in the surrounding country were excellent. During his story at Moose Jaw Mr. Dickson states in two days 1,100,000 bushels of wheat were shipped from that city alone.

The Government Experimental Farm at Lethbridge has shown a yield of 50 bushels of wheat to the acre.

STATEMENT OF CANADIAN ACCIDENTS DURING SEPTEMBER, 1913.

Trade or Industry.	Killed.	Injured.	Total.
Agriculture.....	18	24	42
Fishing and Hunting.....	1	..	1
Lumbering.....	1	6	7
Mining.....	8	30	38
Railway Construction.....	3	2	5
Building Trades.....	14	51	65
Metal Trades.....	12	78	90
Woodworking Trades.....	1	17	18
Printing and Allied Trades.....	..	1	1
Textiles.....	..	5	5
Food and Tobacco Preparation ..	..	6	6
Transportation—			
Steam Railway Service.....	24	80	104
Electric Railway Service.....	1	14	15
Navigation.....	8	7	15
Miscellaneous.....	6	30	36
Public Employees.....	3	7	10
Miscellaneous Skilled Trades.....	2	22	24
Unskilled Labour.....	7	18	25
Total.....	109	398	507

The announcement has been made by the Chicoutimi Pulp Company that the entire output of its mills for the next eight years has been contracted for. The bondholders of the Company on Monday ratified a conversion scheme of 5 per cent. into 6 per cent. bonds. The Company is increasing its capital stock to \$7,500,000 from \$1,000,000, to be divided into 40,000 shares of common stock and 25,000 shares of 7 per cent. cumulative participating preference shares.