

two and a half per cent. on their *net profits*, and the latter class to ten per cent. on their *gross premiums*. This modest proposition is called "a just taxation" scheme, and the most primitive sophistical arguments adduced in its favor, such as, that although taxed now in the United States the same as American companies, the foreign companies "pay no dividends" in that country: that these companies "take excess lines on preferred risks, and re-insure abroad in companies not doing business in this country;" and that "the English people are clannish and do not care to patronize other than English companies," etc., etc.

We do not propose to follow these absurdities in detail, for they are too apparent to justify space and printer's ink for their refutation. We may, however, observe, in passing, that the re-insurance of excess lines in foreign companies not authorized to transact business in the United States has for years been going on by American as well as British companies, the Continental included, and that such has been the incapacity of all the authorized companies combined, home and foreign, to furnish the full lines required in New York city alone, that a year or two ago the property owners were allowed, and have since been allowed, by the authorities to seek outside foreign insurance when needed to cover their risks. How "clannish" the English people are and how hostile to American companies appears when it is stated, that some of the American fire insurance companies have gone over the water for business at different times, and that half a dozen American life companies are and have long been freely admitted to equal privileges with the home companies by the British public, and have found an exceptionally fertile and profitable field among their "clannish" cousins. Such stuff, seriously printed as affording justification for discriminating against a class of companies, many of which have been doing business in the United States for more than a quarter of a century, is too puerile for extended notice.

Of course the design of the proposed new tax law is simply to drive the foreign companies out of the United States, only this, and nothing more or less. In order to see the practical operation of such a law, if enacted, it is only necessary to contrast the application of this taxation scheme to two of the largest American and two of the leading British companies. For example, the Continental and the Home of New York collected premiums in 1894 amounting to \$8,004,301, combined, and paid out for losses and management expenses \$7,663,404. The net profits, as defined in the proposed law, are what remains of the gross premiums after losses and expenses are deducted. The net profits of the above companies, which are to be taxed two and a half per cent., are therefore just \$340,897, and the tax consequently \$8,522. The premiums collected in the United States in 1894 by the Liverpool & London & Globe and the Royal combined were \$10,796,905. Ten per cent., the proposed tax on gross premiums, would be of course \$1,079,690! On the same basis the tax of the Home and the Continental would be \$800,430, instead of \$8,522. No comment is necessary on the design of a taxation scheme bearing such results. In

1894 the net profits of all the foreign companies (losses and expenses deducted from gross premiums) were \$2,362,590, and the gross premiums \$41,490,806. Ten per cent. on the latter would be \$4,149,080, or nearly twice as much as the entire net profits! A tax such as proposed would of course be, as it was designed to be, absolutely prohibitive, and would banish every foreign company forthwith from the United States.

One would naturally expect that such a proposition as the above would meet with general disfavor by the insurance press of the United States, and be regarded by an intelligent insuring public as a movement to allow the entire business of fire underwriting to be concentrated in the hands of a few large home companies, who would have that public at their mercy. We have not been disappointed in our expectations, for, so far, not a single insurance paper has favored Mr. Evans' scheme; while such journals as the *Investigator*, the *Weekly Underwriter*, the *Insurance Herald*, the *Chronicle* and the *Advocate* have been outspoken against it. Some of the other journals have either been silent or treated the proposition gingerly, but nowhere has it found an advocate. There is not the shadow of a chance for the proposed Act to ever become a law, but its promulgation well illustrates the activity of a clique of American companies, whose managers, for purely selfish purposes, hope to play on the prejudices of the public, who at times are caught with "Anti-British" clap-trap. We believe, however, in the intelligence and fair-mindedness of our neighbors over the border, and feel no concern for the future of the foreign companies which they have seen fit to welcome among them.

U.S. LLOYDS IN CANADA.

A batch of circulars received by persons in Canada, issued by various Lloyds organizations in New York shows how persistently the insurance field of this country is being worked by those who have no legal right to do this business in the Dominion. Although some of these associations are trustworthy, some are decidedly otherwise, and a Canadian who places his risks in that quarter runs a very serious one himself. It cannot be too strongly impressed upon property owners that the American Lloyds break the law of Canada by pursuing an insurance business in this country. They have no legal status whatever in the Dominion; they can neither sue nor be sued in any of our Courts. Should a claim be made upon them by a Canadian policy-holder they might ignore it, and he would be helpless. His claim would have no legal validity in Canada, it would be merely a moral obligation, and what respect would be paid to a moral obligation can be judged by the Lloyds so audaciously breaking the law of this country. These who are breakers of the Statute law are not usually respectors of moral law. Any of our citizens who place business with these concerns are encouraging foreigners to set the laws of the Dominion at defiance. If they get punished by trusting to those who pay no respect to law, their fate will excite neither surprise nor sympathy.