Government bill which has been presented to Congress, and which, under various more or less plausible pretexts, calls for large deposits by way of "security," and imposes a substantial tax upon the premium incomes of the companies.

A brief resumé of the bill will serve to make the situation clear. The motive of the measure as set forth in the preamble is stated to be that the native companies have to contribute to the national revenue by the payment of the tax on their shares, on their properties, and on the public bonds they hold, whilst, on the other hand, the foreign companies pay, at the most, a small tax on the offices used by their agents. The native companies, the preamble goes on to say, apart from the considerable responsibility of their shareholders, possess funds which are shown in their balances and which are intended to cover losses. Foreign companies, on the other hand, offer only the responsibility of their agents; for, although they possess considerable sums in their principal offices, they have no capital in the country, and they merely empower their representatives to risk their capital. In view of these circumstances it is proposed (Art. 1) that foreign insurance companies shall not be allowed to transact business without authority from the President of the Republic, which authority shall not be granted until after an examination of their statutes and bye-laws, and until after they have given the following securities: In the case of life insurance companies $1,500,000, and in the case of fire, maritime, and accidents companies $250,000 for each one of these branches. These securities are to be made in currency, Government bonds bearing 4 per cent., hypothecary and municipal bonds. In the first two cases the deposits will be considered as at par, and in the last two they will be estimated at 80 per cent. of the latest official quotations. These securities are intended to be security for losses incurred in Chili, and they must be kept constantly up to their full value. Article 4 provides that foreign companies shall pay a tax of 10 per cent. on their premiums, and the native companies one of 3 per cent.

It is hardly probable that the foreign companies will take this attack upon them "lying down." No foreign company could or would object to being placed on an equality with the Chilian companies in the matter of taxation; but the differential taxation specified in aricle 4 of the bill, besides being an infringement of treaty rights, would embody a narrow-minded policy which would tell seriously against the country in many ways. If the foreign companies were to withdraw their agencies, is it to be supposed that Chili would find herself in a position to furnish all the capital needed for her insurance business? And for how long has it not been practically certain in commercial circles that if anything of an exceptional nature were to happen, entailing a rapid succession of losses, the local companies would be found quite unable to weather the storm?

A correspondent of the *Chilian Times* asks, "What is the object of the deposit? It may be said," he proceeds, "that it is required as a guarantee to the public but a moment's reflection will show that during the long years that foreign life companies have been established in Chili they have always conformed to the law of the land and have been authorized to establish agencies by decree of the Supreme Government. By txing the life assurance companies the State in reality taxing the life assurance-companies the State in reality case of his premature death, to the benefit of the man who cares nothing for the duties of a husband and father and dies leaving a family of paupers to be a burden to the State. By taxing the companies' premium income to 10 per cent. a man desirous of insuring his life would have to pay a premium to insure $10,000, which would at the present time insure him for $11,000." As the companies cannot raise the prices of the policies already in force—for a life insurance policy is not an annual contract, like a fire policy—the correspondent considers they would leave the country rather than pay a tax which the existing low premiums would not be sufficient to cover, and this would oblige those already insured to remit their premiums to the head offices of the companies abroad. *Apropos* of this we may point out that some three years ago the Equitable Life Assurance Society of New York decided, on account of heavy losses sustained in Chili, to cease doing business in the country, and this raised a storm of indignation among the Chilian policyholders, and the company eventually decided to remain. It would now, however, seem that the Government has deliberately embarked upon a policy which can only have the effect of closing the foreign agencies. Perhaps wiser counsels may prevail. In the other alternative, Chili may find that financial interests in England, Germany, and America, bound up with or allied with the insurance companies whose positions are now attacked may make themselves uncomfortably felt whenever the question of Chili's external credit happens to arise.—*Financial News.*

DEQUATE INSURANCE.

It would be an astonishing exhibit were the life insurance companies able to show how inadequately insured most of their policy-holders are. Men of family who have nothing but their incomes seem to think that a policy for five or ten thousand dollars is quite enough when their annual income is from twenty-five hundred to five thousand dollars. How do these insurers expect a widow and several children to live on the interest derived from the investment of, say, ten thousand dollars when the family has been spending his full earning of five thousand?

The interest rate on safe securities is steadily falling, and those who leave inadequate life insurance might often as well leave none at all, as the beneficiaries soon learn that the income to be derived from it is insufficient and are apt to fall victims to the advice of fools or knaves as to speculations which will yield