

TAXES FOR FIRE MARSHALS.

No doubt our subscribers have read with interest "Constant Reader's" letter published in our last issue, asking for an expression of opinion on the constitutionality of the taxes imposed for the purposes of maintaining the provincial Fire Marshals. The raising of this question is timely. The burden of taxation on fire insurance companies, and particularly in the Province of Quebec, is so great that it has caused the companies to consider seriously the possibility of maintaining under these conditions, adequate reserves in order to secure the payment of losses, while, at the same time, meeting these added obligations, and making their business a reasonably profitable one. Many suggestions have been made to the various governments from time to time with very little success. The companies are accordingly now considering the advisability of placing on their policies a note of the special taxes imposed by each province, so that the insuring public will be informed of the cause of an increase in rates, if this means has to be resorted to in order to protect both the public and the companies. In the Province of Quebec, the returns of taxation obtained from different companies, show that they pay here twice as much as they do in any other province. It is only natural therefore, that they should seek to oppose a new tax for the maintenance of the provincial fire commission, particularly, as the government is trying to collect this as from the inception of the commission, some three or four years ago.

The question is asked by "Constant Reader" whether, in view of the fact that a province can only raise revenue by direct taxation within the province for provincial purposes, the levying of a tax for the maintenance of fire marshals and commissions is a tax which rightfully falls within the section of the B. N. A. Act referred to (Sec. 92 S. S. 2). While the question is undoubtedly a legal one, there are many persons who take an interest in the constitution, and have made a study of it, and we shall be glad to receive expressions of views on this subject whether from lawyers or laymen.

BRITISH FIRE COMPANIES' FUNDS.

The London Times in its annual analysis of the accounts of twenty-one of the leading British fire companies points out that in spite of the satisfactory surplus of profit in 1915, the fire funds show a slight decrease. The diminution is accounted for by the very large allowance which has had to be made for depreciation in values. No account has been taken in the calculation of the large investment reserve funds which have been set up, and it may be that the course of stock markets will show that in these funds the companies have substantial hidden reserves.

The par value of American stocks and bonds returned to the United States during the war period is now estimated at very nearly two billions.

WAR SERVICE CLAUSE FOR LIFE POLICIES.

A committee including several actuaries, with Mr. Henry Moir as chairman, appointed by the Association of Life Insurance Presidents to make suggestions for a war service clause in life policies, recommends the following with a corresponding alteration of the conditions regarding incontestability so as to provide against its violation.

MILITARY OR NAVAL SERVICE.

"During the first ten years of this policy military or naval service in time of war is a risk not assumed by the company unless the insured shall give notice thereof to the company within thirty-one days after entering on such service, and pay such extra premiums as the company may fix therefor. In event of the insured entering upon such service and failing to give such notice, or failing to pay such extra premiums at the times and in the manner required, the liability of the company for death of the insured during such period of ten years, while engaged in or as a result of such service, shall be limited to the reserve at the time of death, less any indebtedness hereon to the company."

The suggestion, while not very helpful to Canadian companies during a continuance of the European war, may be of interest to them subsequently.

AUTOMOBILE HAZARD RAPIDLY GROWING.

The Aetna Life has recently announced its experience with the automobile hazard. It says:—

Between June, 1907, and December 31, 1915, the Aetna Life paid 5,515 claims amounting to \$1,037,375.91 for accidents to owners or occupants of automobiles. More than half this amount represents claims paid for fatal accidents. During the year 1907, the Aetna paid 131 claims amounting to \$46,194.37, only three of which were for fatal accidents. During the year 1915 the hazard had grown to such an extent that the Aetna paid 1,177 claims amounting to \$193,644.56, nineteen of which were for fatal accidents. This amount paid out last year for accidents to occupants of motor cars is considerably more than the Aetna paid for such claims during the years 1907, 1908, and 1909 combined. The great increase in claims of this class is shown by the increased ratio in proportion to the total amount paid for claims of all classes. In 1907, the ratio was only 9.3, while in 1915 it was 17.5.

Whether we who own motor cars like to admit it or not, says the Aetna, the automobile has become one of the most dangerous means of transportation and one of the most hazardous recreations of the day. The increase in automobile accidents during the last two or three years seems to be out of all proportion to the increase in the number of automobiles in use.

HOT-WEATHER HUMOUR!

Americans who are bragging so much about the increase in the past year of this country's export trade, might consider the growth of Canada's exports and relapse into a modest silence. In one year, Canada's exports to Serbia, for instance, did not merely double, or triple, or quadruple. They increased 1,634 times. They were \$12,475 in the year ended March 31, 1916, as compared with \$8 in 1915.—N. Y. Evening Post.