

were to the effect that the various municipalities had under the existing law the power to levy an income tax on the total premiums received by each insurance company at the respective agencies. This was undeniably a monstrous injustice, for, of course, a large portion of these premiums were at once paid out either in claims or expenses. Taxes in Ontario are collected under authority of the Supplementary Revenue Act, 1899, and amendment, 1900. Section 2, Sub-section 2-a:—"Every life insurance company which transacts business in the Province of Ontario shall pay a tax of one per cent. and every other insurance company shall pay a tax of two-thirds of one p.c., calculated on the gross premiums received by such company in respect of the business transacted in said province during the preceding year, but in the case of mutual fire insurance companies, which receive premiums in cash, the tax shall be calculated on the gross premiums received by such company in cash in respect of the insurance transacted on the cash plan in the said province during the preceding year * * and no insurance company made liable to taxation by this Act shall require any license, authorization or permit of any municipality for doing business in the municipality or for establishing agencies therein." It also provides that where any company having its Head Office outside of the province and having an annual income in the province of less than \$20,000, shall in addition to the 1 p.c. on premiums pay a tax of $\frac{1}{4}$ of 1 p.c. on the gross annual income received by such company from investments in the province. That in the case of re-insurance, the principal company shall be exempt from the tax on the portion of premiums paid the re-insuring company, provided such company is doing business in Ontario; and that insurance companies shall not be liable to municipal assessment on income outside of the municipality or on premiums.

Under the foregoing Act, the insurance companies doing business in Ontario paid into the Provincial Treasury in 1905, \$131,599.23. The license fees are paid in addition, amounting to \$150 for each, which netted the province \$10,500, making the total of \$151,100. The cost of the Insurance Branch salaries and expenses for the year in which these taxes were paid amounted to \$9,379.54. The work of the Ontario Insurance Branch consists in the regulation and inspection of friendly societies and small companies with local charters. No supervision or inspection of the majority of the companies in any form is granted the people of Ontario for this heavy toll exacted from the premiums they pay for indemnity against loss.

The story of taxation in Ontario is practically the same in other provinces where taxation is based on premium income, and it will suffice to give some of the differences in method only as applied by the different legislatures. The proportion of revenue of the provinces exacted from the policy-holders in insurance companies as shown above is out of all reason.

(To be continued in next issue.)

EMPLOYERS' LIABILITY CORPORATION.

That the Employers' Liability Assurance Corporation, Limited, has successfully begun its second quarter century is evidenced by the 25th annual report appearing elsewhere in this issue. The premiums for 1906 are shown to have been \$3,955,960 against \$3,594,270 for the year 1905, a substantial increase of \$361,690. A new issue of shares resulted in the increase of the paid-up capital from \$750,000 to \$1,000,000. The premium on the new shares, amounting to \$687,500, has had credit taken for it in the balance sheet, the same amount appearing per contra as part of the reserves. The consequent increase in the strength of the company will doubtless be duly appreciated by the insuring public. With an increasing field for liability insurance both in Great Britain and in its other fields, the company's future bids fair to be a notably successful one.

The balance of the year's account is shown in the report to be \$3,416,885, out of which amount the directors paid an *interim* dividend of 2 shillings per share, a further dividend of 6 shillings per share being declared at the annual meeting making altogether a dividend of 20 p.c. for the year on the paid-up capital. After paying \$150,000 for these dividends there remained \$3,266,885 to be carried forward.

The Canadian business, under the management of Mr. Griffin in Montreal, and Mr. Woodland in Toronto, continues to keep pace with the opportunities for growth afforded by the general progress of commercial and manufacturing interests throughout the Dominion.

FIRE AT MCGILL COLLEGE, MONTREAL.

The disastrous fire which occurred on the 5th instant, at McGill University, completely destroying the Macdonald Engineering building, interests the following companies to the amount of \$320,000 which is almost a total loss:

Aetna	\$ 6,400	Northern	22,400
Alliance	4,800	Norwich Union	6,400
Atlas	6,400	Phoenix of Hartford	6,400
Caledonian	22,400	Phoenix of London	41,600
Commercial Union	9,600	Queen	12,800
Guardian	9,600	Royal	48,000
Hartford	16,000	Sun	6,400
Home	19,200	Union	9,600
Liverpool & L. & G.	28,800	Western	9,600
London & Lancashire	6,400		
North America	4,800		
North British & Mer.	22,400		
		Total — — —	\$320,000

THE BANK OF ENGLAND'S last weekly statement shows the following changes:

Total reserve, decreased	£ 326,000
Circulation, decreased	320,000
Bullion, decreased	655,525
Other securities, decreased	1,124,000
Other deposits, increased	1,004,000
Notes reserve, decreased	328,000
Public deposits, decreased	2,421,000
Government securities, decreased	2,000

The proportion of the bank's reserve to liability was 41.42 p.c., as compared with 40.95 p.c. for the preceding week.