

to modern civilization, and because its proper working involves the custody and management of enormous sums of money, it is right that the State should surround these companies with ample safe guards to prevent malfeasance, breach of trust, insecurity of contracts or gross inequity in any respect.

This has been largely recognized by Parliaments and Governments, except in two respects. Insurance is allowed to be conducted on two principles, one of which has been demonstrated to be absolutely sound and equitable, while the other has been demonstrated both theoretically and practically to be the reverse.

The Government should not permit fake insurance to be carried on under any pretence.

There is no objection to fraternal insurance under the same conditions, terms, and stipulations as are properly imposed on the companies, but the transparent humbug now operating throughout the country for the benefit of the Great High Supreme Chief's should be summarily stopped. I do not think they will however. The dupes have votes, and will have to get their lesson in all the bitterness of personal experience.

There is another respect in which the State is apt to treat legitimate insurance unfairly. There is a growing disposition to compel life insurance companies to be tax gatherers for the Provincial or Municipal coffers. Now a disposition on taxation might be lengthy and tiresome, but I want to make a remark or two on it, nevertheless. I freely admit the right of the State under circumstances of peculiar stress, as for the preservation of its own existence, to command every dollar, and every man, too, within its bounds. But this extreme exercise of power is only justified by extreme necessity. Ordinarily, the taxing power of the State is supposed to be exercised with due regard to equity and to these three principles: (1) Taxes may be fairly levied as equivalent for services rendered, as for water rates or police protection or school expenses in a municipality, or for more general purposes, in proportion to men's ability to pay. (2) The same property or funds should not be taxed twice by using different names or by any other subterfuge. (3) Productive property as far as possible should bear the burden of taxation.

Now on none of these principles can the taxation of life insurance be justified. The tax is levied on a selected part of the people for the benefit of the whole people, the principle of selection being that the taxed are those only who have protected their families from the risk of becoming a charge upon the State, while those who neglect this duty or accept protection from fake schemes are allowed to go free.

The Province of Ontario renders no service for the tax it imposes. It interferes with contracts made long before its tax law was passed, reducing very materially the ability of one of the parties to fulfil its agreement with the other. This is particularly the case with respect to non-participating policies. It is a double tax, since it is imposed on a man after he has paid all taxes that could be legitimately claimed in respect to his income or his property. It is peculiarly indefensible, having regard to the third principle because it is a tax not on a profit but on misfortune and loss. All insurance funds are loss funds, and every impost on them only adds to the burden.

Unfortunately, in the present state of public opinion there is little hope of relief, but it is a shame and disgrace to the British name that the fair Province of Ontario should enter the Twentieth Century with this odious legislation on its Statute Books. It is decidedly un-British, an evil weed imported from the wild Western States.

Instead, therefore, of regarding the funds of insurance companies as reservoirs to be tapped whenever a Government or its friends want money, governments and legislators generally should regard the institution of life insurance with the utmost benevolence. Life insurance is indeed, in a financial sense, the very top stone of the magnificent edifice of modern civilization. It is benevolence without pauperism; it yields the fruit of fraternity based not on mere sentiment, but on equity and scientific principles. It is only possible when law and order and security of property are firmly embedded in the structure of society, and its enormous growth in the Nineteenth Century is but the bud and promise of a far greater triumph in the Twentieth.

That all concerned in it and with it should endeavour to keep life insurance in all its relations, up to the highest even the ideal ethical standard is surely a consummation devoutly to be wished."

AT THE TELEGRAPHERS' ASSOCIATION CONVENTION, held here in September, one of the oldest officials said: "I think it is fair to all the telegraphers with whom I have been connected, having passed under my supervision millions of telegrams within the last 51 years, and I have never known one single instance where the trust in a telegrapher has ever been betrayed. There has not been a single instance in all my life where I have had the least knowledge or suspicion of a message having been wilfully divulged."

PROMINENT TOPICS.

The Council of the Board of Trade has decided to take vigorous action in regard to the fire protection of the city, which, from an insurance standpoint as well as in the general interests of the city, demands improvement. Some time ago there were representations made to the City Council that it was urgently necessary for at least \$300,000 to be devoted to improving the city's fire protection service. It was stated, on reliable authority, that this sum barely represented the extra amount paid each year by the citizens for fire insurance over and above what would be called for were the fire brigade more adequately equipped. So moderate an outlay as \$300,000, that would be saved yearly in the cost of fire insurance, was, however, deemed by the City Council too large a sum to be asked authority to spend by a By-law to be submitted to the citizens. A By-law was, therefore, submitted for \$100,000, which was defeated partly owing to the apathy of those most interested in fire protection, and partly to a conviction prevailing that such a sum was wholly inadequate and would merely serve sectional purposes. No efforts were made to secure votes in favour of the By-law, so an adverse vote went by default. Since then the question has been allowed to drop, until attention was again roused by several fires. The Council of the Board of Trade will now endeavour to so arouse public interest in this highly important matter as to induce the City Council to take the steps necessary for raising our fire protection service to greater efficiency by enlarging and equipping the fire brigade with more adequate fire-fighting apparatus. When another By-law is about to be submitted it will be necessary to organize a movement for bringing out the voters in favour of the fire brigade being made worthy of this city. The wastefulness and the danger of the present situation are manifest.

If necessary there should be no hesitation in appealing to the Provincial Legislature, Quebec, for the legislation required to enable the city to secure a more adequate fire protection service. The matter is one of urgent and vital interest to the whole community.

A municipal question of much importance is the system of exempting from taxation all properties owned by the Government, irrespective of the purposes for which they are used. There is no question that the exemption of such properties was intended to cover only those actually used by the Government for public service, that is, Government offices. It has, however, come about that certain buildings once used by a Government are no longer so occupied, but are leased by the Government to private tenants. The Municipal Union of Ontario recently passed a resolution protesting against this grievance, and inviting "all municipalities to unite in resisting, and, if necessary, in testing the subject in the Courts of law." The pri-