

House of Commons, and to participate in the more active political work that membership of the popular Chamber permits. He gave up the Attorney Generalship in order that Sir Edward Carson might have the place, and took the less prominent office of Home Secretary in the Coalition Cabinet. From this he now retires because his opposition to compulsory military service, even in a very modified form, is something on which he feels he cannot make any compromise. Depend upon it, a man of brilliant attainments, who can make sacrifices like these for conscience sake, is a man who is bound to win in the end whatever honor the British people may have to give. When the present crisis shall have passed, and peace been restored, Sir John Simon, notwithstanding his present retirement under circumstances that seem to separate him from the British people, will surely resume his place in the front rank of British statesmen.

British public opinion, like public opinion elsewhere, has its fluctuations. A few years ago the attitude of Mr. Lloyd George respecting the South African war won for him intense hostility among the masses. More than once he was refused a hearing at public gatherings. To-day he is one of the most popular men in England.

An Insurance Merger

THE Toronto Telegram is leading a campaign against the giving of official approval to the agreement for the amalgamation of the Sun Life and the Manufacturers' Life insurance companies. To most people the matter will seem to be one that may properly be left very largely to the shareholders and policy holders of the two companies. At one time the shareholders of insurance companies were not properly the policy holders, but the legislation of recent years properly gives a very strong voice to the policy holders. The Insurance Act of 1910, section 52, subsection 6, has a very important provision bearing on the rights of policy holders. It reads:

"The Treasury Board shall not sanction any amalgamation, transfer or reinsurance in any case in which it appears to the Board that the policy holders representing one fifth or more of the total amount assured in any company which it is proposed to amalgamate, or in any company the business of which it is proposed to transfer or reinsure, dissent from such amalgamation, transfer or reinsurance."

This certainly is a very broad measure of protection to policy holders against an objectionable amalgamation. At first view it would seem too generous to a minority, giving to a one fifth interest the right to veto an agreement which four-fifths might regard with approval. The law, however, regards an amalgamation of two life companies as something in which even a small minority should be fully protected against a change to which they object. The policy holders are not an organized body. They are usually scattered over widely separated areas, and therefore cannot conveniently be brought together. These conditions no doubt led Parliament to make the provision that in the case of any proposed amalgamation if even one-fifth of the policy holders file objections the amalgamation shall not take place. If, after all parties have been duly notified of the agreement, not one-fifth of the policy holders are moved to object, it would be reasonable to assume that the arrangement proposed was regarded as beneficial to the interests of the companies concerned.

The Telegram does not meet this argument, but falls back upon a contention that the agreement should be vetoed because it contemplates the closing of a head office (the Manufacturers') at Toronto, and the transfer of the business to the Sun's head office in Montreal. If the local interests of Toronto are entitled to more consideration than the interests or wishes of the shareholders and policy holders, then the Telegram's contention is correct. Every large business carried on in a city contributes something to the city's prosperity. Therefore the closing up of any business, either by complete retirement, or by transfer to another field, or even by amalgamation with a similar business in the same place, is in one way a loss to the city. But if all the parties concerned in the business are satisfied to make the change, what's the use of complaining? So far as the interests of the Manufacturers' policy holders are concerned, they should be promoted by the closing of an expensive establishment at Toronto, and the management of the business at another office already established. The saving to be effected by such a transfer should be considerable, and somebody must get the benefit of it. To the people at the Manufacturers' Toronto office the case presents some regrettable hardships, but it is not easy to see how such can be avoided in business affairs. If the positions of the companies were reversed, if the Manufacturers' were buying out the Sun and concentrating the business of the two companies at Toronto, would our friend of the Telegram raise the same objections?

Mergers and amalgamations sometimes have objectionable features, and therefore it is well that every proposal of the kind in which the public authorities have a voice should be carefully scrutinized. In the case of banks and other public institutions, there are public interests, such as banks receive from the State, and therefore have a responsibility. An insurance merger stands in the same position. The only interests concerned apparently are those of the shareholders and the policy holders. If they are satisfied under the very strong protective provisions of the law, it is not easy to see how any good case can be made out against the union. The only objection raised is based on the local interest of Toronto. The objection is essentially a village one. The Telegram should not be content to play village politics. It is capable of better things.

Dominion Income Taxation

THE heavy burdens undertaken by Canada for the prosecution of the war must sooner or later oblige the Government to find new sources of revenue. In many quarters there is speculation as to the probability of an income tax being thus imposed for Dominion purposes. Some people, usually well informed, have fallen into the error of believing that the power to levy that form of taxation belongs now exclusively to the Provinces, and that the Dominion Government will have to apply to the Imperial Parliament for an amendment to the British North America Act to allow the adoption of an income tax for Dominion purposes. No such constitutional change is required. It is true that income taxation has hitherto been imposed only by the Provinces through the municipalities which they create. The Provinces are specially empowered to impose "direct taxation," words which include the taxation of incomes.

Perhaps the wording of this provision in the British North America Act has given some readers the impression that the power to impose such taxation is "exclusive" in the Provinces. Section 92, under the heading "Exclusive Powers of Provincial Legislatures," reads:

"In each Province the Legislature may exclusively make Laws in relation to Matters coming within the Classes of Subjects next hereinafter enumerated, that is to say,—

"2. Direct Taxation within the Province in order to the Raising of a Revenue for Provincial Purposes."

But this must be read in connection with the provisions of Section 91, dealing with the "Powers of Parliament"—meaning the Parliament of Canada. That section reads:

"It shall be lawful for the Queen, by and with the Advice and Consent of the Senate and House of Commons, to make Laws for the Peace, Order and Good Government of Canada, in relation to all Matters not coming within the Classes of Subjects by this Act assigned exclusively to the Legislatures of the Provinces; and for greater Certainty, but not so as to restrict the Generality of the foregoing Terms of this Section, it is hereby declared that (notwithstanding anything in this Act), the exclusive Legislative Authority of the Parliament of Canada extends to all Matters coming within the Classes of Subjects next hereinafter enumerated; that is to say—

"3. The raising of Money by any Mode or System of Taxation."

The word "exclusive" in both Sections is perhaps somewhat confusing. But there is no doubt that, while the Provincial Legislatures are authorized to levy "direct taxation"—which includes income taxes—for Provincial (including Municipal) purposes, the Dominion Parliament, under Section 91, has the power to raise revenue for the purposes of the Dominion by "any mode or system of taxation." This would include the power to impose income taxes, irrespective of any action the Provincial or Municipal authorities might take for the raising of money by similar methods for Provincial or Municipal purposes.

Canadian geography is still a branch of education not widely studied. We are all familiar with the story of the English lady who, meeting a Montreal gentleman in England, said, "I am so glad to meet one from Canada. I have a daughter out there, and I shall be much obliged if you will call on her." The daughter resided at Vancouver, B.C.! A writer in a Toronto journal is a good second to the Englishwoman. Referring to the removal of a family from Ontario to Windsor, Nova Scotia, the writer remarks that the lady in the case "goes back to her own part of the country, as she was a Quebec girl."

Although "General" Booth has passed away the Salvation Army, which he created, continues to flourish as one of the most helpful organizations of the day. As an indication of its hold on English people, the fact is noted that Mr. Edward Mossom Owen, a Manchester cloth merchant, who died lately, left an annuity of £100 to his servant, and the residue of his estate, amounting to nearly £150,000—nearly three quarters of a million dollars—to the Salvation Army.