

their investments. The British Life offices which do business in Canada received last year \$910,600 in interest upon their Canadian deposits. A good deal of this money must be kept in Canada in order to maintain the reserves against the local liabilities, and so far as it is kept there will be free of the British income-tax. There are also large sums in Germany, India and the Australasian colonies, the interest upon which will be to a considerable extent exempt. Mortgages in the United States and Australia have received much attention from insurance companies. Hitherto, much of the interest received has been brought home for re-investment, but it need not be of the companies think it worth their while to avoid payment of English income-tax. Fire offices will be affected by the decision, though perhaps not to the same extent as life companies. The British fire offices received last year \$472,000 from their deposits in Canada and \$1,600,000 from those in the United States. These receipts, so far as they are not required for dividend payments, can be locally reinvested. A similar process can be indulged in as regards other countries. The "London Times" thinks it is not easy to say whether the income-tax commissioners will forthwith be deluged with claims for re-payment of the tax which has during the past three years been paid in error, but many insurance officials are reported to be examining their books and drawing up statements for the consideration of directors

#### THE GRIEVANCE OF LIVING TOO LONG.

At the annual meeting of the Metropolitan, Mr Fowler, a policy-holder, proposed a resolution to the effect that when the premiums paid on any policy insured in the society "shall amount to the face value, or sum receivable, then shall all further premiums cease, as the compound interest alone will be more than sufficient to compensate the office for the risk undertaken." He stated that he held two participating policies of £1,000 each in the society. One of them had existed for 31 years and the other for 24 years, and he had already paid on them £2097 in premiums, or about £100 more than his executors would receive. He also had to pay £58 a year on them as long as he lived. The secretary in reply stated that Mr. Fowler was 86 years of age and had joined the company after his 60th year, so that his premiums were higher than if he had taken out a policy or policies earlier. Mr. Baker, the actuary, pointed out that it was a commonplace that the long lived had to pay for the early deaths. If Mr. Fowler had assured at the ages of 25, 35, or 45, he would have paid the society on his first policy of £1,000 only £612 or £654 or £702. As a person got toward the end of life the premium charged would necessarily within a few years amount to more than the sum assured. If the resolution were passed, the members would have to put aside out of profits a fairly large sum in order to meet

a very few exceptional cases such as Mr. Fowler's. The above proposition is a natural one for a person to make who has never considered the conditions of life assurance contracts. Had Mr. Fowler done so he would have realized that if he had died after paying only one year's premium the company would have been compelled to pay the full amount of the assurance he had effected on his life. To compensate the companies for the risk of having to pay a large sum when a small percentage of it only has been received as a premium, and, to make up and offset the large individual losses they continually sustain, they must have some class of business which works out the opposite way. That is, to pay the losses caused by the premature deaths of policyholders they require to have profits arising from the extra longevity of other policyholders, who, by living longer than the expectation period, have to pay more than what is absolutely required to cover the amount of their policy. This seems very obvious and very simple to those familiar with life assurance matters, but, as it is not universally understood, a word of explanation is desirable when negotiating a proposal.

#### PROMINENT TOPICS.

The Imperial Conference, presided over by the Honourable Joseph Chamberlain, was opened on the 1st inst., which was attended by the Colonial Premiers and Ministers who had anticipated witnessing the Coronation. The views of the delegates are not so much opposed to each other as dissimilar. The mail subsidy question is the one respecting which there is practical unity of ideas and desires. It is realized that, if the main lines of transportation between Great Britain and the Colonies are controlled by foreigners the unity of the Empire will be menaced. Hence the Australasian statesmen, divided in other matters, are at one in favouring Imperial steamship lines by which the inter-Imperial traffic will be in the hands of those whose vessels will fly the British flag. The diversity of imports entering and exports leaving the different ports of the Empire, presents a most difficult tariff problem. Canada is quite an exception to all other Colonies as this country is not only an extensive exporter of wheat, meats, minerals and dairy produce, but is also an exporter of a large variety of manufactured goods, and importer on a large scale of raw materials, such as enter into the foreign trade of Great Britain. Australia, New Zealand, the Cape and West Indies do not export manufactures, nor import raw materials. Their trade with England is of an ideal nature, according to certain economists, for it consists wholly of an exchange of such products as are not grown or made by the importer. With Canada it is different, as we have said, hence the difficulty of arriving at a tariff policy suitable to such diversified and contrary conditions.