

THINGS ARE AS THEY WERE.

Probably misled by an Ottawa dispatch to a prominent New York morning journal, some of our contemporaries in the United States have got sadly mixed regarding the judgment of the Supreme Court in the companies' case and its effect upon the insurance companies operating in the Dominion. They appear to be under the impression that as a result of the judgment the Insurance Department at Ottawa will be closed up and the insurance companies transacting business in Canada left entirely to the tender mercies of the provinces. As a matter of fact, things are exactly as they were before the judgment was given, but as the conditions are hopelessly complicated, it is not surprising that outsiders should go astray regarding them. As briefly as possible, the existing condition of things is this. The Dominion Government legislates regarding insurance companies who hold a Dominion license—all the important companies transacting business in Canada hold this license—and supervises them. But a Company holding a Dominion license cannot transact business in any of the provinces until it has paid the fees and taxes which may be demanded by the provincial authorities, who also maintain insurance departments, but rely on Ottawa for the supervision of the Dominion licensed companies, and have the power of provincial legislation affecting the insurance companies which the Dominion licensed companies must obey. Additionally, the provinces have the power of incorporating insurance companies who can transact business in other provinces—on the payment of the necessary fees and taxation, and further their insurance departments supervise a whole horde of small mutual and other insurance organisations, whose operations are purely local in character.

The *Weekly Underwriter* of New York has got even more sadly mixed on this matter than its fellows, for it perpetuates the following—"It is true that objecting insurance organizations have the right to appeal to the Privy Council of the Empire, sitting

in London, but that body as a rule is loth to interfere with the internal policy of its colonies." Will the *Weekly Underwriter* permit us to point out that there is no such body as the Privy Council of the Empire and that, in this particular matter, the insurance companies have no *locus standi*, the issue being purely between the Dominion and the Provincial Governments. As to whether the King's Privy Council—or rather the law committee of it, which forms the Supreme Court of Appeal for cases of this kind "is loth to interfere with the internal policy of its colonies"—ask the Winnipeg City Council.

THE EXCESSIVE TAXATION OF FIRE COMPANIES.

To the Editor of the Chronicle:

Sir:—The picture drawn in the editorial on the front page of your last issue is not quite complete. The surprise of the "Insurance Manager from abroad" would be heightened when, despite his Dominion License and his Province of Quebec License to transact, say, Fire Insurance business, he found Quebec City demanding \$500 a year for a license; Three Rivers \$75 a year for one; Fraserville \$50 a year; St. Hyacinthe \$30 a year; Sherbrooke and Sorel \$25 a year each; and various other places, such as Lachine, Valleyfield, St. Johns, etc. from \$8 to \$15 apiece.

Later on he would find that the Province would present him with a bill for 1 per cent. of his Provincial Premiums, and Montreal one for 1 per cent. of his Montreal Premiums—thus making 2 per cent. on his Montreal Premiums. Then Montreal would want his *pro rata* share of the annual cost of the maintenance of its Fire Commissioners' Office, and Quebec City about \$30 a year for a similar Office. He would find, too, that Montreal would exact annually a Business Tax of 7 1-2 per cent. on his assessed rental and a substantial Water Tax.

Furthermore, he would discover a Quebec Statute which empowers the Province to impose an additional ¼ of 1 per cent. on all Provincial Fire Insurance Premiums whenever it is ready to do so.

I have been enabled to examine the License and Taxation records of one of the Fire Insurance Companies and below, in tabular form, is what I found it paid in respect of its Quebec business last year:—

TO DOMINION GOVERNMENT.			TO PROVINCE.			TO MONTREAL.		
FOR	AMOUNT	PER CENT.	FOR	AMOUNT	PER CENT.	FOR	AMOUNT	PER CENT.
License	\$40.00	.05	License	\$ 150.00	.17	Premium Tax	\$601.00	1.00
.....	.....	..	Premium Tax	883.00	1.00	Business Tax	182.00	.30
.....	.....	..	.....	.....	...	Water Tax	102.00	.17
.....	.....	..	.....	.....	...	Fire Commissioners	127.00	.21
Totals	\$40.00	.05	.....	\$1,033.00	1.17	.....	\$1,012.00	1.68

TO QUEBEC CITY			TO OTHER CITIES		
FOR	AMOUNT	PER CENT.	FOR	AMOUNT	PER CENT.
License	\$500.00	7.95	Licenses	\$178.00	.81
Fire Commissioner	28.00	.44	.....	.....	...
.....
.....
Totals	\$528.00	8.39	.....	\$178.00	.81

All told, this particular Company paid away in 1912 for licenses and taxes nearly 3¼ per cent. of its Province of Quebec premiums.

30th October, 1913.

Yours truly,

B.