

THE WAR TAX ON INSURANCE PREMIUMS.

It appears likely that in the aggregate the insurance companies throughout the Dominion will contribute a substantial sum to the Ottawa treasury during the current year as a result of the war tax imposed upon their premiums in March last, by the Act known as The Special War Revenue Act, 1915. Under the provisions of this act, the insurance companies are required to pay a tax of one per cent. upon the net premiums received by them in Canada on and after January 1st last. Life and marine business is excluded from this tax, and also fraternal benefit societies and purely mutual companies, but provincially licensed organisations are included, subject to the limitations mentioned, as well as the Dominion licensed companies. Premiums received by Canadian companies outside the bounds of the Dominion of Canada are apparently not included in the taxation, but it is specifically stated in the Act that "premiums received in respect of policies insuring persons resident, or property, situated in Canada at the time such insurance was effected or renewed, whether or not payment was made in Canada" are included. The companies are required to make quarterly returns of their premiums on specified forms and to remit with these forms the amount of the tax, so that up to date three instalments of the tax will have been paid.

THE AMOUNT OF THE TAX.

To obtain an approximate idea of the extent of the contribution to the Dominion finances made by the insurance companies through this tax, the figures of their premium income last year are helpful. The net premium income of the Dominion licensed fire companies in 1914 was \$27,499,158. The returns of the companies transacting all other kinds of insurance, except life and marine, are defective, but their net premiums last year appear to have amounted to about 9 million dollars, including certain amounts received by fraternal societies on account of sickness insurance, etc., which are not subject to the tax. Allowing for these, the net premium income of all these Dominion licensed companies last year was about \$36½ millions. It is possible that the premium income will not be so large this year. Workmen's compensation (employers' liability) business will this year certainly show a decided falling away owing to the confiscation of the companies' business in Ontario. In the fire business, some companies report that their premiums are keeping up; others a decline. Assuming, however, that the net premiums of these companies reach \$35 millions this year, their contributions in war tax will be \$350,000. To this must be added the contributions of the provincially licensed companies. The pity of it is that the tax does not include insurance with unlicensed companies whereby a further substantial addition might have been made to the Dominion's revenue.

C. F. U. A. OFFICIALS ON ACTIVE SERVICE.

In common with their confreres engaged in various branches of insurance, members of the staff of the Canadian Fire Underwriters' Association have responded nobly to the call to the colours. Up to the present week, ten of the employees in the Association's Montreal office have gone on active service, their names being as follows:—

Sgt. G. S. Edgell, 14th Battalion.
Pte. J. A. Robertson, 14th Battalion.
Pte. C. N. Cowan, 24th Battalion.
Pte. Wm. Phillips, 87th Battalion.
Pte. J. Paul, 4th Universities Co.
Pte. T. O. Bailey, 73rd Battalion.
Pte. A. Podmore, 73rd Battalion.
Capt. V. L. Godber, 57th Battalion.
Pte. C. E. Harris, 87th Battalion.
Lieut. H. K. Paton, Aviation Corps.

This record is one upon which all connected with the C. F. U. A. have reason to be proud, and we congratulate both the Underwriters and Mr. L. Howgate, the secretary of the Association, upon the fine showing this staff has made.

NEW BORROWINGS.

The Province of New Brunswick is placing a new loan on the market in the shape of \$700,000 5 per cent. gold debentures. The new loan is being offered at 98 and interest, thus yielding over 5.25 per cent. The debentures issued are a direct and primary obligation of the Province of New Brunswick and are free from taxation levied for all provincial, civic, municipal and school purposes within the province. The proceeds of this issue will be used for the construction of permanent bridges, public buildings, and for contributions to the Imperial Government. The total funded debt of the province, including the present issue, is officially reported as \$8,989,146, and the net funded debt \$8,447,233.

NEW MONTREAL LOAN.

Through its fiscal agents, the Bank of Montreal, the City of Montreal has disposed of \$1,000,000 5 per cent. bonds, at 93.72, less the Bank's commission. The issue, which will be repayable in 15 years, is required to pay the share of proprietors in the cost of construction of sewers, this share being repaid by them within the time specified.

THE DOMINION TRUST TANGLE.

A new feature of the Dominion Trust tangle this week was an application by the liquidator in the Supreme Court of British Columbia to be admitted as a plaintiff in the suit the attorney-general of British Columbia is bringing against the Railway Passengers' Assurance Company for the payment of a \$200,000 bond. The Railway Passengers' Assurance Company is declining payment of the bond, which was deposited with the Government. W. R. Arnold, the Dominion Trust's managing director, never paid even the first premium on it. The liquidator of the Dominion Trust argues that he should have this money, while the Government, which has entered suit, wishes to itself appropriate the amount, if it wins the suit, to the unfortunate depositors rather than to the general creditors, who will share from the liquidator's funds, if he has any left. The Court decided that the liquidator had no right to any part of this special fund. The decision may be appealed.