

ists and lead to the flotation of new companies content to trade for a modest return.

It remained to consider how co-operation affected those actually engaged in the conduct of the business. If a business succeeded, its success reacted upon those concerned in its management and conduct, and the converse held in the case of failure. The general economic law that combined effort produced better results than even the most efficient work of the isolated individual applied here with great force. Whether their position in the company they served was one involving great responsibility, or as yet but a lowly one, the effect was the same. By acting in unison they were able to produce better results for their offices, and, as a consequence, to obtain advantages for themselves which could never accrue if they worked independently of one another, no matter what amount of brains or what amount of perseverance the individual brought to his task. The Insurance Institute of London itself was an outstanding example of the principle, exhibited in its succession of presidents, its educational facilities and its social opportunities. By bringing its members into personal contact with one another, it furnished the best lubricant conceivable for oiling the wheels of the industrial machine for rounding off sharp corners, and making rough paths smooth. Everything that assisted the machinery to run smoothly made for regularity and increase in the output, improvement in the goods, and the well-being of him who controlled the machine—in short, for all-round efficiency.

ENGLISH BANK'S LARGE GOLD HOLDINGS

Sir Edward Holden has received general congratulations on his announcement that the London City and Midland Bank holds £8,000,000 gold, says a London cable.

It is recalled that last year he stated he would announce his bank's gold holdings in order to encourage individual banks to create gold reserves. But in view of the war it had been thought he might postpone the announcement.

The large amount of gold holdings in the institution causes surprise and doubtless will influence other banks to pursue a like course. However, it is not expected that they will follow the example yet. But it is assumed that the course of the London City and Midland Bank may possibly revive discussions on ethics of reserving and hoarding of gold.

Inasmuch as this is the first time the institution has published its actual gold position, the course is considered especially interesting in the present juncture.

CANADA'S NOTE CIRCULATION

The increase in the Dominion note circulation since the outbreak of the war, has been explained by the minister of finance, Hon. Mr. White, who stated that apart from the notes issued against securities gold to the amount of 60 per cent. was held against the remaining outstanding circulation. It was not until 1902 that the percentage of gold so held rose to 60 per cent. Dominion notes aggregating about twenty-five million dollars have been issued since August against the deposit chiefly of Dominion guaranteed and municipal securities.

Any necessary legislation confirmatory of the action of the governor-in-council in exceeding the legally authorized note issue will be obtained at the coming session of parliament, as was done in 1908, following an authorization in 1907 of an excess issue of ten million dollars.

The minister added that in Great Britain the imperial government has issued since the war broke out currency notes to an amount as high as two hundred and seventy million dollars, while the United States between August 1 and October 31, issued three hundred and sixty million dollars of "emergency currency."

The Canadian situation is exceptionally strong, and there is no sign of redundancy of circulation. Among other collateral held by the Dominion against which advances in Dominion notes have been made, are a portion of the Grand Trunk Pacific and Canadian Northern Railway Companies securities, guaranteed as to principal and interest by the Dominion under the legislation of the last regular session of parliament.

Advances made upon these securities during the past few months, when international markets have been closed to flotations have enabled the two companies to continue construction work and link up their systems.

RIGHTS OF INSURANCE COMPANIES

Remarks of a Canadian President to the Heads of United States Companies—No Indirect Taxation

The Association of Life Insurance Presidents is protecting the interests of Canadian life insurance companies in the United States, just as fully as if we were located in the United States. And the Canadian Life Insurance Officers' Association is looking after the interests of American companies in Canada, just as fully as if you were located in Canada, was a remark of Mr. T. B. Macaulay, of the Sun Life Insurance of Montreal, when addressing the life presidents recently. You can protect our interests in a way we cannot, and we can protect your interests in Canada in a way that you cannot. Perhaps I might give a little illustration. You will recall the insurance bill that came before our parliament some years ago, as a result of the agitation a number of years ago, when we had three years' discussion before the Canadian parliament, and when at last, as a result of the greatest fight that ever was had in connection with a legislative measure since the world began, we got a good bill and now have a good law. We looked after your interests just as we did after ours.

There is another matter right on now, where we are working for you just as we are for ourselves. On both sides of the boundary line, we have been cursed with these terrible taxes on premiums, levied by the states south of the line and by the provinces north of the line.

Tried for Reasonable Provisions.

For years we have had a tax, usually at one per cent., but lately it has been increased by a bill which passed the Ontario legislature last session, raising the rate to 1½ per cent. of all the premiums in that province. We have also a 1½ per cent. tax in the Province of Quebec, and we have been looking forward to the time when we would probably have 2 per cent. taxes in every province of the Dominion. We tried our best to influence our legislatures to be more reasonable. If they had been willing to levy the tax at 1 per cent., I doubt if we would have said anything at all, but when we saw ourselves faced with 1½ to a certainty, and with 2 per cent. in all probability, we said the time is come for us to do something else than merely try to present our arguments to legislatures. Up in Canada we have a means of attacking this measure which you, south of the line, do not have. You are governed by the constitution of the United States and the powers of the states of the Union are decided by that measure. We have a constitution which is called the British-North America Act, by which Confederation was formed and which decides what are the powers—the taxation powers of the provinces and the federal government. Under our act, it is provided that the provinces may impose direct taxes of any kind, but that they cannot impose indirect taxes.

Any indirect tax is one which is imposed upon one person, like an importer of goods, the manufacturer of cigars or whiskey in the form of excise tax or customs tax, with the idea that he will not in the end bear the tax, but he will be able to shift it on to the ultimate consumer. Now, if we can show that this tax on life insurance premiums is an indirect tax, and that it is not merely actually, but legally, borne, not by the companies, but by policyholders in the end, then we will be able to show to the provinces that they have not been content with charging us one per cent., that they have been wanting to charge us two per cent.

We appeal to the law, and we now have every hope we will be able to say, "you cannot tax us at all in that manner." The Life Insurance Association of Canada has taken up this question and decided to appeal it right to the privy council. We have taken legal advice on the matter, and I do think we are going to win, and we are looking forward with the greatest hopefulness of being free from this provincial tax on premiums, and we will not only free the Canadian companies, but the American companies as well, from the tax.

The same co-operation is going on in every department. In the Actuarial Society of America, Canadians and Americans meet on an exact equality. In the Life Underwriters' Association, we have established a splendid arrangement by which the president of the American Association is *ipso facto* a vice-president of the Canadian Association, and the president of the Canadian Association is *ipso facto* a vice-president of the American Association. That is delightful co-operation. It is as it should be.