clause and the one following it makes clear that a foreign company cannot hold its license unless Canadian assets exceed Canadia liabilities, including *full* unearned premiums; and that every Canadian company must still maintain assets (as at present) at least equal in value to the *total* of its unearned premiums and all other liabilities.

Further, there is prohibition from payment of any dividend while a company's capital is impaired or while its assets are less than the amount just mentioned—or which would impair capital or reduce assets below the required amount.

In effect, therefore, the same holdings of unearned premiums would be required of the companies as at present, with a very important added restriction as to dividends to shareholders. To be sure, only 80 p.c. of these holdings would be termed reserve liabilities in the annual Government report—the assumption being that any actual process of reinsurance would require no more than that proportion. But the fact that the remaining 20 p.c. would be looked upon as contributing to surplus does not at all diminish the real security of policyholders—the full 100 p.c. has still to be maintained intact. The provisions seem explicit that any company whose assets are below the full requirements laid down by section 137, shall be reported by the Superintendent to the Treasury Board. After full consideration by this body the company's license may be forthwith withdrawn, or the company may be granted a specified time to make good its deficiency—provided, however, that the license shall be summarily withdrawn if the company's assets fall below the required aggregate by an amount equal to twenty per cent. of the unearned premiums, or if the company has violated the stipulation as to payment of dividends.

It may be remembered that, a year or so ago, a circular issued by the Canadian Manufacturers' Association urged that the Government in its bill should stipulate that the capital must always be unimpaired, and form an additional security over and above all liabilities, including a re-insurance reserve equal to the total of unearned premiums. The circular failed, however, to make clear how, at a single bound, such a position could be arrived at by the companies. The proposed Government bill aims at the desired strengthening, but recognizes that its attainment must be gradual. As already stated, there is definite provision that no dividends to shareholders can be paid until a company has attained to the very standard urged by the association's circular. This was doubtless considered by the framers of the bill as a more feasible way of obtaining increased provision for conflagration contingencies than the arbitrary fixing of an immediate standard, as urged by the manufacturers. Did the latter stop to consider that too hurried a course would have necessitated business readjustment bearing severely upon premium-payers?

THE TAXATION ELEMENT IN LIFE COMPANIES' EXPENSES.

There is one growing element in life companies' expenses which no clause in the proposed Insurance Bill can hope to check. Firmly entrenched "provincial rights" will continue to call for heavy tax contributions. Below are given the details of the $100,000 of premium taxes paid for 1908 by life companies doing business in the Province of Quebec. The burden is not decreasing. A "registration fee" is now called for by the province in addition to the 1¾ per cent. tax on gross premium income. And more municipal demands than ever are made in the way of local fees and charges throughout the province.

STATEMENT OF TAXES OF LIFE INSURANCE COMPANIES PAYABLE TO THE PROVINCE OF QUEBEC UPON PREMIUMS OF THE CALENDAR YEAR 1907, DUE 1ST JULY, 1908.

NAME	Head Office	Gross Premiums in Province	Amount of Tax
Aetna	Hartford	$383,055 65	$ 6,703 11
Canada Life	Toronto	362,986 79	6,352 27
Commerical Union	London, Eng ..	17,385 27	304 24
Confederation	Toronto	128,651 54	2,251 40
Crown	do	33,851 23	592 39
Equitable	New York ..	271,811 97	4,756 69
Excelsior	Toronto	14,136 22	400 00
Federal	Hamilton	43.052 37	753 42
Great West	Winnipeg	168,240 85	2,944 20
Home	Toronto	15,956 95	400 00
Imperial	do	69,634 09	1,218 59
La Sauvegarde ..	Montreal	114,944 43	2,011 52
Liverpool & London & Globe	Liverpool, Eng.	2,132 10	37 31
London & Lancashire	do.	121,432 86	2,125 08
Manufacturers	Toronto	217,634 87	3,808 61
Metropolitan	New York.. ..	866,751 90	15,168 16
Mutual of Canada ..	Waterloo, Ont.	148,032 15	2,590 56
Mutual of New York	New York ..	345,114 74	6,039 98
National	Toronto	18,452 66	400 00
New York	New York ..	537,592 00	9,407 86
North American ..	Toronto	138,615 25	2,425 77
Northern	London (began 1st July, 1908)	....	400 00
North British & Mercantile	Edinburgh ..	8,888 36	155 54
Pelican & British Empire	London, Eng ..	49,007 67	857 62
Royal	Liverpool, Eng	34,948 27	611 60
Royal Victoria.. ..	Montreal	73,726 20	1,290 20
Standard	Edinburgh ..	205,690 71	3,599 58
Sun	Montreal	683,650 72	11,963 88
Travellers	Hartford	167,699 37	2,934 74
Union	Toronto	91,150 12	1,595 12
Union Mutual	Portland, Maine	119,430 02	2,090 02

While, happily, other provinces differ from Quebec in the degree of tax exaction made, they agree altogether too closely in kind. Consequently, unless the proposed Dominion Insurance Bill is considerably modified, we will have in Canada a rigid limitation of all expenses which company managers may incur in the regular course of business—while provincial and municipal authorities may continue to take toll without limitation. What special privileges do the life companies doing busi-