

speech, which brought a flood of tears from the gallery, one of the committee said:

"If we are on the cold, barren line of old line insurance, then we can adopt an absolutely and unqualified scientific plan, and should do so. The brotherly feeling never should be ignored. It was the brotherly feeling that gave this society its first breath. It is our duty as a brotherly society to look to the aged in our society, and protect and foster them as far as possible, as the children of one family would assist the children of the same family. Perhaps it is not scientific, but it is right, and if it is right, we can afford to do it."

As a sentiment this is admirable; but, as a business proposition, it is one that young men will avoid. The cost of his own life insurance is usually as much as a young man is willing to pay, and it is usually hard work to induce him to incur that liability, so any Order that declares frankly that the rate is fixed for young men on the basis of their assisting the older members, will have a short career.

#### The Yacht Race Fiasco.

The contest between Shamrock III. and Reliance, respectively the challenger for, and defender of the famous Cup held as the great prize of yacht racing, proved a series of processions. So early did the American boat head its rival, and so far was the Lipton boat left in the rear, that the racing feature was hardly in evidence. What inspired Sir Thomas Lipton with such sanguine hopes of victory when his new yacht proved to be inferior in speed to its two predecessors, has not been explained. It is manifest, however, that he had been seriously misled by his own error in judgment; or that of his builder and skipper. Adversity is a great teacher; also a very accomplished oculist, as it clears the mind, and brings the eyes into the right focus for correct vision. Sir Thomas now sees that all this excitement is vanity. The boats which have been built at such an enormous cost to defend, or win a yacht race Cup, he says, are not yachts at all, but mere "racing shells." They have no more interior fittings than a drum, and like one, are chiefly constructed to make a great noise, having no capacity for practical use as boats. Sir Thomas says, not a single thing has been learnt of any value by the building of these racing shells; nor any service done to seamanship, or to any nautical interest. There seems no little unfairness in compelling the British challenger to sail across the Atlantic, as a yacht stout enough for an ocean voyage must be handicapped in a contest with one built close to the race course. Sir Thomas does not make this point. He is a splendid specimen of a thoroughly British sportsman, who makes no excuses, but accepts defeat with cheerfulness and magnanimous acknowledgment of the victor's superiority.

#### MUNICIPAL TAXATION OF INSURANCE COMPANIES.

It is a physical law that certain forces move along the line of least resistance. Municipal taxation may be numbered in this class, for it is constantly attacking interests against which hostile operations are easy. The ease of placing a tax upon insurance companies is the only reason why they are taxed. There is no pretence made of such taxation being equitable in principle. The argumentative process which leads to it is quite easy to follow; it may be thus stated: "More money is needed, the insurance companies have money, therefore they must contribute towards what is needed." Of those who impose such taxes, we may say, "Their's not to reason why?"

"Because the good old rule  
Sufficeth them, the simple plan,  
That they should take who have the power,  
And they should keep who can."

A municipality has the power to impose taxation and an insurance company cannot keep back what the local authorities have decided to take from them. That is the whole situation.

It may, however, be asked, "Why should insurance companies be exempt from taxation, which is imposed upon business firms and corporations? The answer is, that an insurance company's income differs wholly in its very nature from that of any other form of business enterprise. Between the receipts of an insurance company and those of any other business corporation, there is a vital difference from the taxation standpoint. In the case of a life insurance company, the premiums it receives are, to a large extent, trust funds, which it holds on behalf of the beneficiaries of the policies it has issued. In more ordinary terms, its premium receipts are held, to a large extent, for the purpose of enabling the company to meet its obligations. If a municipality steps in and takes part of such funds in the shape of taxes, it, to that extent, reduces the amount held by the company in trust, held as a reserve for its policyholders. Such a tax is not based on the company's profits; it is nothing short of a confiscation of part of the capital sum with which it has been entrusted by policyholders for their specific benefit, or the benefit of a widow, or children or other heirs. Whatever may be the extent of a tax levied upon a life assurance company, it is an impost upon savings. The company must necessarily recoup itself for this outlay, and the means by which this can be done is, to increase its rates; or, decrease the amount of its distributions to policyholders, either of which processes tends to discourage thrift.

An eminent authority declares, "It is confiscation to levy a tax on that which a man cannot save;" how much more then is it a confiscation to levy a tax on what has been saved for so sacred an object as life assurance? The income tax commissioners of Great