

of disagreement, the disputes that have led to litigation, or to compromises, or delayed settlements, have been remarkably few. It is manifest that "Lloyds" could not have continued to hold its prominence as a world-wide institution had not its affairs on the whole been so conducted as to be worthy of public confidence.

In a recent issue of "The Financier & Bullionist," of London, editorial prominence is given to the following statement regarding underwriting at Lloyds, which, if well grounded, cannot but be highly injurious to that institution.

"It is alleged that claims are paid by certain underwriters at Lloyds with the greatest reluctance and often only under legal pressure or as the result of an action at law. It is further asserted that, the Lloyds underwriters take advantage of every possible technicality to avoid meeting claims, and frequently bring about a compromise of them, relying on the unwillingness of the average claimant to embark in a lawsuit. In fact, the allegation is, that some underwriters never pay a claim unless they are entirely unable to avoid doing so. Banks are refusing to accept guarantees from Lloyds as security for advances, and in shipping circles complaints as to the methods of some of Lloyds underwriters are very great, and in financial quarters similar expressions of opinion have been elicited. The same feeling prevails in legal circles."

The above paper appeals for information on this matter and announces its intention to investigate the above statements. In the entire absence of specific cases accompanied with all the evidence bearing thereon, it is impossible to form any rational judgment as to the justice or otherwise of these serious allegations. We doubt the wisdom of publishing such general charges against such an institution as Lloyds, or any insurance organization, without sufficient evidence being possessed to sustain the accusations, or insinuations, for, where evidence is absent a charge is merely an insinuation.

It is well known that the corporation of Lloyds is not a responsible body like an insurance company. The committee requires underwriters to furnish a certain amount of security for the fulfillment of their contracts, which affords a reasonable guarantee of the individual underwriters being able to discharge their liabilities. But, unless some good ground is given to suspect had faith, or fraud, the committee does not interfere. It seems then that the above allegations are not held by the Lloyds committee to be based on evidence in their possession. We submit that, it is highly improbable these experts, who have had exceptionally wide experience, should be ignorant of facts that are said to be widely known in shipping, banking and financial circles. We are too familiar with charges and suspicions of a general, non-specific nature, made and

entertained against insurance companies, charges and suspicions which are not justified by their records, to pay heed to the above allegations. In so extensive an organization as Lloyds there can hardly fail to be some members who are capable of discreditable actions, and, what is usually overlooked, there will be some who insure with them equally capable of dishonesty. That Lloyds underwriters have been robbed is a matter of history. It is only too notorious that insurance companies, of all classes, are regarded as fair game by fraudulent operators, and it is demonstrable that, as a rule, the underwriters are more anxious to discharge claims than to dispute them. It is incredible that the Lloyds committee knowing, as they must, of such irregularities and frauds, if they exist, should be taking no action to stop proceedings which, if shown to be carried on, must do the institution very serious injury.

TAXING FOREIGN INCOME OF INSURANCE COMPANIES.

The Gresham Life Assurance Society has won a notable victory over the Income Tax Commissioners of England, for contesting whose claims until a final decision by the House of Lords was reached the company is entitled to the gratitude of other insurance companies. The Gresham for some years past has declined to pay income-tax upon the interest received and retained abroad on foreign securities, the accumulations of which tax at close of 1901 amounted to \$209,490. Under Schedule D, income-tax is payable on income from foreign investments received in England. The Court in first instance sustained the claim on the ground that the Gresham had included their income from foreign investments in the annual statements. The Court of Appeal upheld this, but the House of Lords has decided otherwise. Lord Macnaughten said: "I do not understand what is meant by constructive receipt in such a case. There was no receipt actual or constructive by the Gresham Co., the money in question is still abroad, it has not been received here," i. e. in England. The other law lords were very decided in ruling against the Crown. The Standard Life Assurance Society, which, like the Gresham, does a large foreign business, has been exempt from income-tax on foreign dividends for some time past under a decision obtained in the Scottish Court of Session. Until, therefore, the House of Lords' decision was obtained there was one income-tax law apparently in force in Scotland and another precisely opposite law in force in England. It seems probable that, whatever their practice may be at present in the matter of transferring foreign dividends, insurance companies have it in their power to exempt themselves from English income-tax on a considerable portion of