Monetary Times

Trade Review and Insurance Chronicle

of Canada

Address: Corner Church and Court Streets, Toronto, Ontario, Canada.
Telephone: Main 7404, Branch Exchange connecting all departments.
Cable Address: "Montimes, Toronto."
Winnipeg Office: 1008 McArthur Building. Telephone Main 2914. G. W. Goodall, Western Manager.

SUBSCRIPTION RATES

One year	Six Months	Three Months	Single Copy
$3.00	$1.75	$1.00	10 Cents

ADVERTISING RATES UPON REQUEST.

The Monetary Times was established in 1867, the year of Confederation. It absorbed in 1869 The Intercolonial Journal of Commerce, of Montreal; in 1870, The Trade Review, of Montreal; and the Toronto Journal of Commerce.

The Monetary Times does not necessarily endorse the statements and opinions of its correspondents, nor does it hold itself responsible therefor.

The Monetary Times invites information from its readers to aid in excluding from its columns fraudulent and objectionable advertisements. All information will be treated confidentially.

SUBSCRIBERS PLEASE NOTE:

When changing your mailing instructions, be sure to state fully *both* your old and your new address.

All mailed papers are sent direct to Friday evening trains. Any subscriber who receives his paper late will confer a favor by complaining to the circulation department.

MR. McGARRY'S "TRAITORS"

The Honorable T. W. McGarry, provincial treasurer of Ontario, in his budget speech this week, figuratively put on a suit or armor, hipped a lance, mounted the white charger and galloped helter-skelter into the ranks of life insurance company directors. Some of those who witnessed the charge and heard the war whoops, were thrilled with the event. But in the light of to-day, the event looks nasty and was obviously a blunder. Mr. McGarry's speech regarding the refusal of the life insurance companies to pay the taxes which they contend are unconstitutional, was an unstatesmanlike and bitter outburst, a poor attempt to play to the gallery and a crossing of swords with some facts. From a young, inexperienced, vigorous politician, just hatched, one might expect such a wild speech as this particular one of Mr. McGarry. From a man experienced, usually temperate, energetic, such as we had believed Mr. McGarry to be, his first important utterance, as a cabinet minister, was surprising and very disappointing. It is surely not an indication of the kind of talk with which Ontario's provincial treasurer intends to decorate Ontario's credit. The quips of Mr. McGarry, heroic as they may have appeared to some, are by no means oratorical or statesmanlike feathers in his cap.

What was the point at issue? Simply that the life insurance companies and a large number, if not all, of their policyholders, believe that the taxation of life insurance premiums, is a tax upon the thrift and foresight of those who take out life insurance. This being so morally, the companies contend that, legally, it is an indirect tax and therefore unconstitutional. The Ontario government is suing the companies for the tax. In his address this week, Mr. McGarry is reported as saying that "there is no difference in the conduct of these insurance companies and that of the soldier on the field of battle, who, when he meets the enemy, and so much depends upon his bravery and fighting capacity, turns his back upon the enemy and runs away. What do they do with that kind of a man? He is shot, and generally the shot takes effect in the back."

Therein seems to be a veiled threat that as the companies, according to one opinion, are running away from the government, the government will shoot a little legislative lead into the rear of the retreat. The companies objected to the tax long before the war broke out.

Here is another extract from a report of Mr. McGarry's remarkable speech: "These companies and the men running them, are just as much traitors to this country, as is the man on the field of battle who acts that way." That is an opinion, we think, that Mr. McGarry will have the pleasure of hugging to himself alone. With fine contempt for ethics and with apparently little solicitude for reputations, men such as Colonel Macdonald, Sir Edmund Osler, Judge Coatsworth, Thomas Hilliard, Dr. Aikins, Herbert Cox, J. H. Plummer, Sir John Gibson, E. R. Wood, Robert Bickerdike, Adam Brown, Duncan Coulson, Senator Lougheed, G. T. Somers, J. Gowans Kent, Alexander Laird, Hon. William Harty, Sir Herbert Holt, James Ryrie, Thomas Bradshaw, W. G. Gooderham, Senator Mason, Sir Wilfrid Laurier, Sir Montague Allan, Hume Cronyn, Elias Rogers, Edward Gurney, L. Goldman, J. K. Osborne, Charles R. Hosmer, T. B. Macaulay, and a hundred other men, are dubbed as traitors.

"I am warning these companies now," a newspaper report of the speech reads, "that if through the litigation they have brought upon this government any court should be found which will give effect to the legal technicality they have raised and allow these people to get out of paying the money they justly should, then this legislature, exercising its supreme authority, will be asked to pass legislation, not alone insuring the collection of this $145,000, but will penalize these companies who refuse to pay this taxation."

In these words, the provincial treasurer again makes the mistake which might be expected from a political or cabinet fledgling, but not from a mature mind,—the mistake, while in power and having parliamentary privilege, of throwing reflections broadcast, practically threatening, and exhibiting what almost looks like a petty spirit of revenge. If the law allows that these companies are right in their contention, the provincial treasurer says in effect, "we as law makers will pass a new law in order to get our own way."

The impression may have been created, too, that the Ontario government's deficit is due to the non-payment of the taxes disputed by the insurance companies. The deficit, however, is approximately $600,000 and the disputed taxes about $145,000.

There is one other point made by Mr. McGarry, which should not go unchallenged. Speaking of the Canadian insurance companies which are contesting the legality of the tax, he is reported as saying, "I know of none of these companies whose names I have given, who rushed to the aid of the Empire in order that the soldiers from here might be insured."

Practically every company in Canada was willing to insure the lives of Canadian soldiers going on active service, if those responsible for the premiums were willing to pay for the great risk a premium, proved by actuarial theory and actual experience, to be a safe premium. Had the Canadian life insurance companies allowed sentiment to dominate commonsense, they would have been juggling with the rights and funds of existing policyholders. Mr. McGarry's insurance department would probably have been one of the first authorities to raise objections to writing insurance on military contingents regardless of the primary principles of underwriting. The proper ways to put patriotism into practice are those which Mr. McGarry