

War Tax on Insurance.

The special internal tax measure, proposed as a means of providing one hundred million dollars per annum revenue for war purposes, sets forth among other things that all documents representing contracts for the payment of money must be stamped for certain stated sums. In the contrary, life, fire, marine and all contracts for indemnity are, of course, included. The rate is reported to be twenty cents for each thousand of insurance; for fire, marine and inland insurance, twenty-five cents for every policy issued, and for bond and fidelity insurance fifty cents for each contract. This tax ought to produce a large income to the Government, and the attitude of the insurance companies in the matter of enlisting policy-holders and readiness to respond to any calls of the Government for money ensures a peaceful and patriotic submission to this special tax. The Insurance companies can also be relied upon to take up a part of the proposed five hundred millions three per cent. war bonds.

Fire Insurance and Bankers.

The interest of banks in the fire insurance effected by customers to whom advances are made is not confined to Canada. The question has been a subject of much discussion for some time past in Australia, and very general notice has been given to a paper on "Hypothecated Merchandize" read before the Institute of Bankers in London, G. B., at the close of last year. Among other proposals made by the author of the paper, Mr. George R. Gallagher, was one that companies should issue a special "bankers' policy" in the joint name of banker and customer, the said policy to entitle the banker in case of loss by fire to a preferential claim for any advance upon the proceeds of the policy, which would, however, be subject only to the average of joint ownership.

The question of effective transfer of interest or rights in a policy by delivery only, even although the policy be endorsed, is given considerable attention by Mr. Gallagher, and may prove interesting to any of our readers who recall the circumstances of the celebrated case in Toronto, where the assignment of the policies was made pursuant to an agreement between the insured and their bankers, the insurance company not even being notified in writing of the transfer of interest.

However, what constitutes a proper transfer of interest in an insurance policy is evidently a matter upon which the laws of countries vary, although it is difficult to conceive why an insurance contract between two parties should differ from other contracts. Mr. Gallagher says for the guidance of London merchants and others:

"That a policy indorsed in blank is an effective transfer of interest to any holder is an exceedingly prevalent delusion amongst men of business. It is not so. The interest in the policy remains in the

original insured until the transferee obtains the assent of the company to the transfer by their indorsement upon the policy to that effect, and, what is most important, until this is done the policy remains subject to the "average" of the original holder who took out the insurance, so that if the borrower omits to keep himself fully insured on his other stock, and if the lender should neglect to have his lien upon the policy registered at the office, he might find that, in the event of a fire, the sum recoverable under the policy was only a small fraction of the amount of his advance. Moreover, the lender would not be recognised by the insurance office at all; any claim under the policy would have to be made by the person in whose name it stands, and only goods which are his, or for which he is clearly responsible, would be held to be covered."

The suggestion in the same paper that a policy especially for bankers should be issued is worthy of consideration, although there would seem to be no reason for any discrimination in favour of one class of the community.

Calculating the Cost.

At the end of April the United States Treasury had been drawn upon for two-thirds of the \$50,000,000 discretionary appropriation, the money being used for naval and military contracts. The purchases of foreign warships, fast steamers and yachts doubtless form a big percentage of the money already paid out, and the daily expenses of the United services, army and navy, must now be enormous.

Just previous to the outbreak of war the Chicago *Inter-Ocean*, referring to the financial affairs of the country, until recently the chief topic of discussion and, even now, a matter of vital and lasting importance, editorially remarked: "The American people are in no mood just now for the discussion of monetary legislation."

It must have occurred to many readers of the paper mentioned that a people seriously contemplating the expenditure of some hundreds of millions might reasonably give some passing thought to the ways and means of providing the required money. Congressmen were accused by the leading newspapers of being so much interested in getting the country into war that they could not concentrate their minds upon mere business and sordid considerations.

But, with a majority in Congress favorable to the dangerous doctrine promulgated by Bryan and his followers, and with the American people in no mood to calculate the cost of the expensive policy they have adopted, there is good reason for the anxiety betrayed by those who know what a constant menace the silver question is to the material welfare of a great and ever-growing country like the United States. It is to be hoped the currency question will be grappled with in the same vigorous way with which the war is being conducted.