

**AGAINST TAXATION OF LIFE INSURANCE.**

A powerful protest against the imposition of the proposed United States income tax on life insurance organisations has been filed with the Senate Finance Committee by the Mutual Life of New York. Parts of the argument present so clearly effective points of the common case against the infliction of taxation upon life insurance that they are of general interest. We present them herewith:—

**POSITION OF POLICYHOLDERS.**

In the case of a mutual life insurance company the policyholder makes his annual contribution to the general fund, knowing that under the law governing such companies his contribution together with the contributions of other members, must be held and invested and used for the common benefit of all. He knows that if death comes in one or two or three or ten years, a certain amount far in excess of any premium payments that he may make will be paid to his dependents; that after making three annual payments he can obtain a surrender value for his policies or obtain a loan from the company on the pledge of his policy. In any event, he knows that so long as he keeps up his premium payments a very substantial payment will be made to his beneficiaries in the event of his death. He also knows that the assets of the company stand as security for the payment of his claim.

**AN UNREASONABLE PREJUDICE.**

There seems to be an unreasonable prejudice in the minds of some people against exempting life insurance companies because some of them have large assets; but the prejudice is without foundation in reason. The assets are large simply because the liabilities are correspondingly large. Great liabilities render great assets necessary. A mutual life insurance company may have an aggregate in the way of assets that looks large, but, as a matter of fact, the only difference between a mutual company with a small total of assets and a mutual company with a large total of assets is in the number of its members. A mutual life insurance company that is made up of a total membership of 500,000 or more, of necessity has large assets because it is holding the aggregate contributions of 500,000 individuals scattered throughout the world. But no matter how large it may be, the assets are the property of the members and are held and managed for their exclusive benefit and for no other purpose. There are no shares of stock, there are no shareholders to share in profits. Whatever benefits are gained are for the personal benefit of the members as a whole.

**WORLD'S WHEAT CROP ABSORBED.**

What has become of the enormously increased world's production of wheat during 1912-13 over all previous years? Canada's visible supply amounts to only 13,680,000 bushels out of a crop of 200,000,000. United States visible is 40,000,000 bushels out of a crop of 750,000,000. Argentina increased her surplus for export by 40,000,000 bushels last crop. Yet in these three countries the invisible supply is evidently light because with total exports amounting to 221,000,000 bushels, Canada and the United States together show an increase of 63,000,000 bushels over a year ago to date, and with exports of 118,000,000

bushels the Argentine has increased her shipments by 43,000,000 bushels. World's shipments have increased 107,000,000 bushels during the last ten months, and most of it has gone to Europe.

**NO GREAT SURPLUS STORES.**

Since Europe has readily absorbed all the surplus world's production, what are conditions there? The countries of Europe have no great surplus stores. France and the United Kingdom are urgent in their demands for more wheat and have been following our rapidly-advancing markets on this side of the water. Italy, Portugal and Spain are also demanding it. The fact is that Europe has eaten more wheat this last year, and this is because wheat has been cheaper. The world's market balance does not go to extremes. Consumption varies largely as the production. Wheat has been from 10c to 14c per bushel cheaper this year than last, with the result that less economy has been practised. This applies to both flour for people and feed for animals. This prevents prices from going disastrously low. During a lean year strict economy is practised, and in that way market values do not soar to levels ruinous to consumers.

**READY FOR NEXT CROP.**

Authorities are unanimous that when the new crops are ready for market the old crop, huge as it was, will have been pretty well exhausted. Consuming countries will be bidding for the new wheat as it comes. Doubtless Europe's needs will be even greater than before. This is because very little wheat was planted in the Balkans and Turkey, those countries having been in a state of war. The crop in France promises to be light and the outlook in central and northern Russia is not bright, according to Broomhall. The acreage in wheat in both Canada and the United States has increased this year, and there is good reason for optimism regarding the markets of both the near and distant future.

**BANKS AND THEIR BRANCHES.**

There has not been the usual expansion in the number of branches, and I should say from present appearances that a contraction is more likely. The difficulty in obtaining well-trained clerks, owing to the cost of living, even quietly, at outlying places, in newly-settled districts, and the absence of home comforts, the opportunities afforded them to enter upon what to them appears to be more lucrative employment outside the Bank; the difficulties in new districts for a bank to make a profit, after providing for heavy expenses and the restrictions imposed upon banks in their charges for interest and commission, to which is to be added Provincial taxation, which is assuming from year to year a threatening and dangerous attitude (the annual taxes paid by banks to the various Provinces amount to no less than \$315,838)—all make one hesitate to enter upon the establishment of branches in new parts of the country, even where banking facilities may be needed.—*Mr. D. R. Wilkie, president Imperial Bank.*

A branch of the Bank of Montreal has been opened at Welland, Ont., in charge of Mr. F. H. Pope, with the title of acting manager.