

Company to expend any part of these moneys, but they were available for the purposes of their business like any other part of their property.

By the lower courts it was held that all these investments were made in the way of the Company's business and that the interest and dividends arising therefrom were profits and gains arising from such business and assessable to income tax. The contention of the Company that such part thereof, if any, as might be actually received in Great Britain only was taxable was negatived. The Court of Appeal took the line that in the case of the first two classes of investments, they were required for the purposes of the business of the Company because without them that business could not be carried on at all. In regard to the third class, the investments were made in order to secure the credit of the Company and enable it to discharge its obligations in Canada, the United States and Australia.

The decision of the House of Lords against the Company confirming the judgments of the lower courts was, it is said by English insurance journals, not entirely unexpected in view of other judgments given of late in somewhat similar cases. "But," remarks the *Insurance Observer*, "the offices were certainly justified in resisting the demands of the Inland Revenue authorities, and they might have won their cause had judges of an older type been sitting."

INSURANCE EDUCATION.

The axiom laid down by Commissioner Preus of Minnesota that "the greatest wrong in the name of insurance is done through ignorance" will awaken a responsive chord among insurance men. For years they have been fighting ignorance in high places which has turned out quantities of fatuous insurance legislation and tried to turn out quantities more; for years they have been trying to enlighten the great, big public in regard to the true position in the world of insurance whether life, or fire, or casualty, and to try to instil into the public's head why life insurance is an essential to the average man, how everyone can help reduce the fire loss and so reduce fire insurance rates and the like. Perhaps to an extent unrivalled by any other business, insurance stands to gain by the dispelling of ignorance regarding it and a general

understanding regarding its fundamental principles.

Commissioner Preus has large ideas on the subject of insurance education. He wants it taught in the public schools. "Instruction in our public schools in fire insurance," he says, "will go hand in hand with instruction in fire prevention, and will bring about a more general understanding of the science of underwriting, rating and salesmanship. A general knowledge of fire insurance will raise the efficiency of the companies' personnel, and will convince the insuring public of the wisdom of carrying fire insurance. Instruction in health and accident insurance in our public schools will result in the elimination of questionable practices, the enforced honesty and discretion of the agent, and the appreciation of the economical necessity of bread and butter insurance. Instruction in life insurance in our public schools will but add to the efficiency of those employed in the home offices of companies, in a realization of the agents of the opportunities of their profession, in the understanding of the moral obligation and necessity of selection on the part of the public. Instruction in insurance in our public schools will result in wiser legislation than that which tends to place legitimate private institutions in the hands of the state."

What educational authorities will think of these additions to an already crowded curriculum we don't know. But it would seem that the ideas of Commissioner Preus, however, it might be necessary to adapt them in practice, go to the root of the matter and are worthy of serious consideration. It is certain that much more good can be done by teaching the individual a few fundamentals at the impressionable age than by the expenditure of enormous energy later in the attempt to impart to him the same truths. In the case of the grown-up, we rather fancy that to bring home, for instance, the real facts about carelessness in regard to fires and the like, the energetic exercise of the state's police power will have considerably more results than any educational campaign ever invented. Ideally, the two things should go together—with a little additional emphasis on the police power.

LAPSE AND "NOT TAKEN" WASTE IN CANADIAN LIFE INSURANCE.
(Compiled by The Chronicle.)

	1912					1911				
	1	2	3	4	5	1	2	3	4	5
	New Policies Issued	Lapses	Not Taken	Total of Lapses and Not Taken	Proportion of Col. 4 to Col. 1	New Policies Issued	Lapses	Not Taken	Total of Lapses and Not Taken	Proportion of Col. 4 to Col. 1
	\$	\$	\$	\$		\$	\$	\$	\$	
Canadian Companies, Ordinary.....	135,764,202	29,255,657	12,127,435	41,383,092	30.48	102,711,022	24,122,932	9,429,900	33,552,832	32.67
Canadian Companies, Industrial.....	26,264,118	25,208,650	None	25,208,650	96.00	22,017,340	15,349,678	None	15,349,678	69.71
British Companies....	8,265,268	1,444,292	752,237	2,196,529	26.58	7,173,888	1,610,530	516,986	2,167,516	30.21
American Companies, Ordinary.....	42,699,713	9,580,767	3,870,236	13,451,003	30.10	36,372,759	7,627,772	3,129,980	10,757,752	29.58
American Companies, Industrial.....	30,772,142	19,728,107	None	19,728,107	64.11	26,701,499	17,240,298	None	17,260,298	64.64