

The Insurance Act provides for special requirements from Life Companies incorporated elsewhere than in Canada in the shape of a deposit of \$100,000 with the Receiver-General before a license is granted. They must also deposit with the Receiver-General or trustees securities to equal the reserves on their business in force, the market value of such statutory deposit and securities to be not less than the reserves required by the Government tables of mortality and interest. A Company may, however, employ its own tables in determining its reserve liability so long as it is not less than that called for by the Government tables.

Such were the legislative enactments of the Federal Government which created the Department of Insurance, which now regulates the enormous volume of Insurance in force on the lives of people in Canada.

PROVINCIAL AND MUNICIPAL TAXATION.

The laws of some of the provinces affecting Life Insurance are, I regret to say, detrimental to the development of the business and adverse to the interests of both Companies and policyholders. The chief object of the Provincial Legislatures in passing laws affecting Life Insurance Companies seems to be for taxation only. A Canadian Company may be chartered by the Dominion Parliament, or a British or United States Company may conform to all the requirements of the Insurance Act, and be licensed by the Superintendent of Insurance to do business, but as soon as an office is opened for business, or an agent appointed in a district, the Company becomes an object of taxation. Municipal Corporations receive from their Provincial Governments the powers by which they tax Insurance Companies. The Provincial Governments not only tax the Companies, but pass full powers on to Municipal Corporations. Taxation is imposed without any regard to the relations between Companies and their policyholders, and both Provincial Governments and Municipal Corporations refuse to recognize the fact that Life Companies are only the custodians of their policyholders' savings held in trust. Why should savings deposited with a Life Insurance Company be taxed when savings deposited in a bank are free from taxation? The trust in one case is the same as in the other. All this is a serious drawback to the development of the business in many parts of Canada, and particularly in the earlier years of the operations of a Company.

An important mistake affecting the business of Life Insurance was made in the framing of the British North America Act, under which the several provinces became confederated into the Dominion of Canada. Had Life Insurance Companies been then placed under the control of the Federal Government, as was banking, the Companies would now be doing business absolutely under the laws of the Dominion. That oversight at the commencement has ever since rendered the Dominion Government powerless to interfere with the Provinces and Municipal Corporations in taxing the premiums received by the Companies for the purpose of revenue. So much attention has been given by the Provincial Governments to devising reasons for taxing the Companies that it has become a serious consideration, particularly to Companies first entering the Canadian field for business, and until their revenue has reached large proportions.

It may be asked, Why has not some effort been made by the Insurance interests to prevent the imposition of such exorbitant taxation? The answer is: Organized and determined efforts have been continuously made, not only by the Canadian Life Insurance Officers' Association, but by the Canadian Fire Underwriters' Association, in the interest of the Fire Companies, which, it appears, receive similar treatment; and also by representatives of other Insurance interests outside of these two organizations, to convince these legislative bodies that such taxation is unjust and a burden imposed upon an individual class, whose thrift alone makes

them the object of this imposition, but without accomplishing any satisfactory result. The efforts put forth may, however, have somewhat lessened the evil as compared with what it might have been, and may possibly have saved the Companies from being entirely deprived of the margins of profits to their policyholders. The single difference, therefore, between the two powers that legislate, namely, the Dominion Parliament and the Provincial Legislatures, is that the former encourage the building up of Life Insurance as a protection for the people, while the latter sap the very substance from which that protection is created.

POPULATION.

Next, perhaps, to the laws of a country as affecting the business of Life Insurance is its population. The laws of a country are evidence of the measure of the intelligence of its rulers. Where the laws are wisely framed and the people rule through organized government, the population must necessarily be intelligent, hence I have given the laws which affect Life Insurance interests first consideration.

The present population of Canada, excluding Indians, being in the majority descendants of the French, English, Irish and Scotch people can be fairly classed as the production of the fittest, not the survival. The mingling of these nationalities by marriage has produced a race of Canadians which is, mentally and physically, inferior to none. Canadians are a moral living and industrious people in a marked degree. Intemperance is limited, although a large part of the country has only recently been opened up to immigration, and a portion of the population being new, requires a certain period of residence to become impressed with the new and perhaps (in some instances) changed conditions. Being a northern country, the climate conditions may perhaps admit of a freer use of alcoholic beverages than more southern latitudes do, but even then the objectionable effects are not apparent in a degree that would reflect on the good habits of the people and be detrimental to longevity.

The population of Canada, which, in 1871, included only four provinces, was 3,695,000. In the year 1901 it had reached 5,371,000, being an apparent increase of 45 per cent. If allowance, however, is made for the decrease in the Indian population, the actual increase will be nearer 55 per cent. While the growth of population has only been moderately rapid, it has been of that class most desirable for the development and the peopling of a great country such as Canada is destined to be. For many years yet the majority of the population will undoubtedly be engaged in agricultural and associate occupations; such is even now the case with a very large proportion of the population, due to the rapid development of our great cereal-growing lands. It is not an over-estimate to predict that within fifteen years the population of Canada will have reached ten millions of people, and of that number two-thirds will be engaged in agricultural pursuits. The capabilities of the country in regard to means of subsistence for population are almost unlimited, and the estimate that I have made of the number of people that Canada can provide homes for and take the best care of is a reasonable one; in fact, I think I am much under the mark.

The figures I have given show that, although the growth of population only advanced about 55 per cent. since the Companies first reported their business to the Insurance Department the increase in new business written in 1901 over 1899 was about 600 per cent.; of insurance in force, about 1,200 per cent.; and of annual premiums paid, about 1,250 per cent. These increases of Life Insurance business may be due, in a large degree, to the enterprise of the Companies and the more general acceptance of Life Insurance by the people, but in the main it must be due to the greater average wealth of the people and their ability to pay for Life Insurance now as compared with the earlier years.