

The governments of the human race, so far as history shows us, were originally modeled after the family; first, the father, then the chief of the tribe, and then the despot ruling with unbridled will over many tribes. After some generations, the injustice and cruelty often connected with this form of government led many races to adopt something of a republican form, in which the State took the place of the despot as the source of authority. This form afterwards found its highest exponent in the Roman republic, which, for a time, combined considerable liberty of the citizen with great power in the State. Gradually, however, the centralized authority completely over-shadowed individual liberty, the republic became an empire, and, spreading over the civilized world, threatened a complete extinction of individual freedom.

Fortunately for mankind, the spirit of liberty survived in Germany, even after Gaul and Britain had become latinized, and thence, after the Roman empire decayed, came the Saxon invaders, who swept away Latin civilization in England, and in that seagirt land implanted the principles of freedom, which thus continued to exist in their new home, even after their native Germany had become latinized through the introduction of Christianity from Rome. Thus it is that in England and the English-speaking countries, citizens enjoy very much more of that original Teutonic liberty than is now found in Germany itself, where autocracy, bureaucracy and red tape are rife, while in other lands generally we find paternalism, either of the Latin or of the Asiatic type. May we not reasonably hold that as the greatest happiness and prosperity are found associated with what are known as Anglo-Saxon principles of government, therefore those principles are the best for the English-speaking race.

The principles of government of which the English-speaking races are the exponents may be stated to be, that government shall interfere with individual liberty no further than appears to be absolutely necessary, and that enterprises of all kinds shall be untrammelled and untaxed, except as the public good may clearly require. Among nearly all other civilized races there prevails the paternal idea of government under which the State endeavors to control its citizens in all respects, just as though they were in a state of tutelage, and would in all probability go astray unless closely supervised. The Anglo-Saxon idea assumes that citizens will probably act reasonably in all their treatment of others, and that each will exercise foresight and intelligence in all business matters. The paternal idea of government assumes the opposite—that citizens can not be trusted to deal reasonably and justly with each other and that the masses will not exercise sufficient intelligence and care to protect themselves against imposition. The Anglo-Saxon system makes it necessary that men should use wisdom and judgment in their daily business, and thus conduces to increase their intelligence and self-reliance, while the paternal system, by placing, or *pretending to place*, safeguards on every side, tends to make them less keen and vigilant in looking out for their own interest, and thus indirectly saps the very foundations on which all political liberty must rest; viz., the vigilant intelligence of the citizens.

Life insurance took its rise in that country, which is the birthplace of modern liberty, and has found its greatest development in that country and in its offspring in the United States, Canada and Australia. In this country, however, life insurance has been much trammelled by legislation, while in the place of its

origin it has been left almost entirely free, and has developed naturally under the influences of competition and extended experience. Companies there are not required to hold any definite amounts of reserve, but only to make clear and definite statements of their condition, leaving the public to judge for themselves as to each corporation. The result has been that, speaking generally, English companies have been much quicker than American companies to adopt liberal features. Thus, while it is only lately that loans on policies and cash surrender values have become the rule among American companies, they have been in vogue among British companies for over thirty years, as I showed some twenty years ago in a circular giving extracts from the literature of about thirty of the oldest English companies, and urging similar liberality here.

In England the fiction that all laws come from the Sovereign has made people more jealous for personal liberty than here, where the power is supposed to come from the people; consequently in some respects the liberty of the "subject" in England is less restricted than the freedom of the citizen in the republic.

Legislative intermeddling in this country has kept our companies from developing as freely as in England, and in some cases has injuriously affected the interests of the policy-holders; thus, when the New York Legislature in 1879 passed the present non-forfeiture law, it actually had the effect of reducing the paid-up policies given by some of the companies, because under the color of obeying the law they were able to give less paid-up insurance than they had previously felt compelled to give under the influence of competition.

As to the first part of the subject; viz., "Should the state require the companies to make any surrender value allowances?" I think experience teaches that it is more expedient in an intelligent nation, such as ours, that the government should not attempt to dictate what allowances should be made. The same law would not apply with equal justice to all companies under the same circumstances, or even to any one company at different periods of its history. A company which charges large premiums can afford to make better surrender value allowances than can a company with low premiums. The passage of a law on the subject tends to make it harder for a company to do business with low premiums, or on the non-participating plan, which hindrance is not in the public interest, for as a check on too high premiums and extravagance of management there is no more practical aid than the continued success of stock companies.

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In the foregoing remarks I have endeavored to show that history teaches in general that the greatest prosperity and happiness prevail where governments do not interfere much with private and corporate affairs; that in Great Britain, where there are no non-forfeiture laws and scarcely any restrictions, the companies have treated the insured with a liberality which has only lately become the general practice here, where legislation, apparently in the interest of the insured, has really operated against them; and, finally, I have sought to show that the questions involved are beyond the understanding of legislators, and such as should properly be left to the companies themselves, and I would close by saying that all legislatures disposed to dabble in non-forfeiture law should be warned by the sad experience of the old Bay State, which in the past has been so ready to impose onerous and