

this or be handicapped. The whole basis of competition would be changed from which company could furnish the cheapest assurance to which could charge the highest premiums and thus have most to spend. Another result would be that the movement in favor of high surrender values would be checked, for if any company were to give a penny more than the 3½ per cent. reserve, its loadings would be correspondingly reduced and it would be penalized by being required to pay smaller commissions. There are still other unexpected results on which I need not enlarge, as for example, special encouragement given to the undesirable term plan, the discouragement of companies from strengthening their reserves beyond the 3½ per cent. basis, the encouragement of loans on mortgage at low interest in order to get life policies without commission, and so on. I am not sure, however, that I individually, as representing one of the older companies, need particularly object to the restrictions proposed by our commissioners. So far as we are concerned, the law might even prove a blessing, for it would probably weed out some of the younger companies and confine the field more to the older offices. For the interests of the business as a whole, however, I am opposed to it. But we are told in reply that a number of the New York companies have petitioned the Wisconsin Legislature to limit expense on the New York basis. This reminds one of the fable of the fox which lost its tail, and which thereafter advised other foxes to have their tails cut off likewise. My company, however, not having yet lost its tail, is not prepared to advocate the amputation to its colleagues.

STANDARD POLICIES.

This subject can be dismissed with but few words. The Armstrong law provides for a death-like uniformity in the policies of all companies. There can be no life, no progress, no improvement. A similar measure would be a calamity to us in Canada. In any case, the Privy Council has decided that legislation regarding conditions in insurance policies is a question that is outside the jurisdiction of the Dominion Parliament, and rests exclusively with the provinces. How our commissioners and their counsel came to overlook this fact and to recommend parliament to pass legislation which would clearly be ultra vires it is hard to understand.

And now at last you can breathe freely, for I have finished. I fear that I have wearied you with undue detail, and yet there are many other important points on which I have not even touched.

The next session of our parliament will be one of historic importance for at it will be settled the conditions under which Canadian life assurance will operate for possibly the next quarter of a century. The responsibility which this imposes on our legislators is a very serious one. But it is more than a responsibility; it is a great opportunity. The principles that should govern legislation on this subject have been given more earnest consideration in the past twelve months than ever before, and Canada now has the opportunity to enact an insurance law which will be distinctly Canadian,