

POLICIES, POPULATION AND PRODUCTION

Nova Scotia's Proud Position—Resources and Transportation

A matter of importance, and which is a more encouraging feature of life insurance business of to-day, is, the number of men of high-grade character who have entered and are entering the business. It was not so many years ago when the life insurance field was considered as a "last hope," and a man who had failed in other work took up insurance as a last resort. To-day, all this is changed. Life insurance is now regarded as a profession which gives scope for the finest ability and the highest qualities of trained men. It is now a well recognized fact that life insurance, through its own merits, has made for itself a lasting place among the economic organizations of the country, and life insurance men to-day realize the fact as well as other business organizations that what is wanted in the business is men of high character, aggressive and progressive, who realize that in the work they are undertaking they are furthering not only their own interests, but that of humanity. These were words of Mr. F. B. McCurdy, M.P., and president of Halifax board of trade, in his welcome to the Canadian Life Underwriters' Association to Halifax, to hold their annual convention.

Basically Sound Conditions.

A recent report issued by the department of finance, Ottawa, on the business of the insurance companies operating in Canada in 1913 showed that while they issued about \$177,000,000 of new policies in 1911, they issued about \$232,000,000 in 1913. While the whole world during the previous year has been experiencing a period of depression, records such as mentioned could have been made only in a country whose business system was basically sound, and in such a case, is sure to recover any ground, temporarily lost, as soon as the rest of the commercial world, with whose affairs its are bound up, resumes its old rate of progress. While reaction in some lines of activity have been noticeable in some parts of Canada, nevertheless, the position of the province of Nova Scotia during the recent world-wide depression is, upon investigation of the facts, a noteworthy one. Here, progress has been conservative and consistent, and less fluctuation has taken place here than in other provinces.

This is perhaps due to two causes:—First, the character and habits of the people. Nova Scotia's most valuable asset is in the character of its population. The standard of intelligence, if I may use the term, in this province is exceptionally high; education is rightly considered of prime importance, and the people are thrifty, frugal and industrious.

Second, the resources of the province are extremely varied, and produce year in and year out a steady revenue, sufficient to support a thrifty population in comfort and happiness, and enable the industrious citizen to steadily put by something for a rainy day.

Nova Scotia's Advantageous Position.

The annual production of wealth in the province averages \$137,335,000 and the population of the province at the time of the last census, 1911, was 492,338, so that the average production per head was approximately \$280, or taking five members to a family, \$1,400 per home.

There are other advantages of great importance; for instance, the resources are concentrated, and navigation is open twelve months of the year. No part of the province is situated more than fifty miles from tide-water, so that the matter of expensive transportation can never become so burning a question in Nova Scotia as it has and must be, owing to geographical reasons, in some other parts of Canada.

During a period when other provinces were paying attention particularly to the construction of works yet to become productive, the activities of the residents of Nova Scotia have been devoted very largely to the actual production of wealth. The result has been that in Nova Scotia, generally speaking, liabilities are small, and a consultation with bankers will disclose that during the financial strain of the past two years payments in this province have been better, and there has been less interference with the volume of business here than in any other part of Canada.

EDUCATION IN INSURANCE PRINCIPLES

It Is Needed By Policyholders and Legislators, Says J. C. Morissette

Strenuous steps in the path of progress are being taken by our Association, suggested Mr. J. B. Morissette, retiring president, in a graceful address before the Life Underwriters' Association at Halifax, the greatest problem confronting us at the present time being the educational one, as it is also our greatest opportunity. More elaborate plans have undoubtedly to be devised for spreading abroad a wise understanding and proper knowledge of the science of insurance and the work of the Life Underwriters' Association. The time has arrived when we should utilize the great educational influences of the daily press and of the magazines following the lead in this direction now being given to us by the National Association. The widespread ignorance of the great life insurance business is to-day the source of many handicaps, and here it may justly be claimed for our Dominion Association that it has done more for the benefit of the cause than any other factor at work.

It has frequently been pointed out that there is no other institution or business in the country into which people pay so much money, and concerning which they understand so little as that of insurance. The need of insurance education both for policyholders and for legislators is consequently great. All taxation of life insurance, for instance, above the cost of proper supervision, is extortion, and would be so regarded if the true nature of the business were clearly understood. The tax necessarily falls upon the policyholders, so that these men who are carrying life insurance to-day, to the end that those dependent on them, may never become public pensioners, are taxed upon every premium they put up, in addition to the ordinary taxes which they pay in common with the rest of the community. Law-makers do not realize the injustice of this tax, nor yet do the bulk of the policyholders themselves. They suppose that the taxes are paid by a wealthy corporation, while as a matter of fact the returns to policyholders are reduced by the amount the companies pay in taxes, which is ten times the sum required to cover the cost of supervision.

John Stuart Mill has well said that such taxes are "a discouragement of prudence and forethought." The committee on insurance law of the American Bar Association has said: "It is just as dishonest for a state to lay unholy hands on trust funds as for an individual to do it;" and; "it is a monstrous injustice for a state government to maintain itself by legislative raids upon trust funds and the climax of cowardice to commit extortion in the name of the police power."

As representing all companies, all sections, and all political opinions, and because of our personal and close contact as life underwriters with both policyholder and law-maker, we have clearly both the opportunity and the obligation of safeguarding our clients' interests in these matters. This subject has engaged the serious attention of the committee on legislation, which is working, in harmony with the Life Officer Association, for a fair and reasonable adjustment of the matter—one which affects so seriously the interests of a very large proportion of the Canadian people.

There can be no doubt that the existing insurance laws have within the last few years greatly improved the conditions of insurance. But I believe that we should go a step further, and that legislation which will obviate the recurrence of recent unusual experiences in life insurance administration should be placed upon our statute books. I have reason to believe, as a matter of fact, that a measure of this kind, which will afford all desirable security, is already in contemplation.

FREIGHT RATE REDUCTION IN UNITED STATES.

The interstate commerce commission of the United States has handed down its long expected decision in regard to the request of the railroads for authority to increase freight rates. The commission holds that no showing was made to warrant a general increase. Its revision of rates is expected to add about 1½ per cent. to the revenues of the roads affected.