

reminded that if they had taken into their ranks in 1908 even enough new members to make good the 60,000 who died or dropped out (only 63,000 new policies were issued) they or their representatives would have violated the criminal law of New York State. As mentioned some weeks ago by the New York correspondent of THE CHRONICLE, the company towards the close of the year had to slow down its busy wheels or risk committing a misdemeanor.

The law which compelled such limitation—section 96 of the Insurance Laws of New York, now in full force for two years—is arraigned by Mr. Kingsley as placing an arbitrary limitation on the legitimate activities of life insurance men. The effect on the company under review, of this and other paternalistic regulations contained in the Armstrong laws, has been to reduce a plant capable of insuring 150,000 people a year to a plant insuring less than 65,000 people a year. Outstanding business has been reduced by about \$68,000,000, and the number of families protected has been lessened by 20,000. It was, as pointed out, a strange logic which impelled the legislature of the Empire State to conclude that admitted evils in a great business could be cured by drastic restriction of legitimate activities. The "kill or cure" principle was applied to an extent hitherto unattempted in any government regulation of modern business management.

With frank directness the policy-holders are shown that upon them, as voters in the state, really devolves the task of amending laws so absurdly restrictive and of abating taxation unduly onerous. The recognition by company managers "that the time has passed when life insurance companies will attempt to defeat or repeal legislation by any indirection" marks one great "good out of evil" that has come about during the past few years in the United States. In Canada, happily, investigation showed no corresponding evil in this matter. But there did exist here, as over the border, some need for greater recognition (both by management and public) that companies' and policyholders' interests are in common; and, such being the case, that the latter should be educated to realize their part in combating any legislative or other influences making for undue restriction of business activity, and in seeing to it that excessive taxation burdens should no longer be borne without protest. What President Kingsley says to the policy-holders of New York state applies as strongly to those of Canada. "Bad legislation *you* can readily defeat, unfair taxation *you* can easily abate. You can do this by the creation of public opinion and by direct appeal to the men who represent you in legislation. Legislation follows what it believes public opinion to be."

As remarked in these columns a week ago, there may be little likelihood of the Dominion Parliament enacting insurance legislation cut according to the now discredited Hughes-Armstrong-Dawson pattern. But still it behooves companies—in the best final interest of their policy-holders be it remembered—to be on the alert in these matters.

And especially with regard to taxation by provinces and municipalities, will it be well for companies to din into the ears of the public—in season and out—the fact that policy-holders themselves

bear the burden of this "tax upon thrift" in addition to their equitable contribution to public revenue. There is a "heart-to-heart" note discernible lately in the "publicity" writing of United States life companies—a recognition that it is the policy-holders' business to know something of problems of management and to help in the solution of them. More than one Canadian company has struck a similar note in its public announcements of late. No harm would come if others, too, followed more noticeably their lead and that of the New York companies in this respect. Worse things have been imitated in times past.

## From Western Fields

### THE BASIS OF THE WEST'S PROSPERITY.

**Harvest Results Make Possible a Wiping Out of Old Obligations—Effect upon Financial Institutions**  
—Special Correspondence of  
**THE CHRONICLE.**

Since the opening of the new year many departments of business have issued tabulated statements showing returns for the year with comparisons and deductions. It is good advertising undoubtedly for the public to read that So-and-so had an increase of such and such a percentage in his business for the year, that the receipts of such a company advanced so much, that another is able to show a dividend never before equalled in the ten years he has been doing business in the West, but all of them show a marked tendency to take credit upon their own business acumen for these increases. Not one of them will admit publicly that he has been booted into the position of a prosperous business man, and that another was primarily responsible for his success. But where is the real reason? It rests in the simple statement that during the year 1908 the farmers of the three western provinces received nearly \$74,000,000 for their produce, and there is more to come, probably 50 per cent. more. And at the same time they are carrying over sufficient to put them through the winter and spring seasons. Therein rests the whole financial success of the West and its business houses. You could take away every manufacturing industry in those provinces without the provinces as a whole feeling the effects, but an unseasonable frost will hit every line of business, dry weather on the farm will be reflected in the cash receipts of every store or business house, and heavy world's crops will show in the decrease on the profit side of the balance sheet.

### The Grain Situation.

To review the whole situation in detail would take much more space than the topic might guarantee, but a brief summary will go to show why the financial conditions in the West are so strong and why the business house, firm or financial corporation is showing its cash balance. In such a review wheat, of course, takes first place.

### GRAIN INSPECTED.

Wheat, winter and spring.....	53,505,350 bush.
Oats.....	11,115,000 "
Other grains.....	4,063,000 "
Total inspected to Dec. 31....	68,683,350 "
Increase over 1907.....	28,632,190 "
Increase over 1906.....	28,651,340 "
Increase over 1905.....	26,008,350 "