THE INTEREST OF THE PUBLIC IN INSURANCE LEGISLATION.

A month ago Governor Hughes received without much enthusiasm the suggestion of the New York Chamber of Commerce relative to changes in the insurance laws of the state. He promised, however, that any specific changes recommended would be given careful consideration. The business men of the state are taking him at his word, and a special committee on insurance has been busily engaged in drafting for the Chamber of Commerce various amendments. In reporting to the Chamber as a whole, the committee last week stated that certain amendments should at once be made to the present law; such being necessary for the protection and conservation of the welfare of the enormous life insurance interests of the state. The report particularly recommended the repeal of Section No. 96 of the Insurance Law, relating to limitation in the amount of new business which may be written; a law applicable only to domestic life insurance corporations.

The committee holds it to be unwise in principle and inimical to the general interests of life insurance to put any limit as to the aggregate amount of new business that can be done by any one company, because new business is essential to the strength and progress of any company, and is vital to its security and development. It is also an injustice to those who wish to insure with companies of their choice to be confronted with a limitation when these companies have reached the limit.

Another recommendation made relates to the matter of detailed regulation of companies' management expenses. Indeed, it is the sound view of the committee that when the state has established sound rules of solvency, and has enacted comprehensive requirements for publicity and accountability, and provided for complete state supervision, it has discharged its full duty and should not go into the details of the management of life insurance, or other corporations. If the Legislature feels, after having taken the above action, it is still its duty to fix a limit on what should be paid for the procurement of new life insurance risks, such limitation, it is urged, should be general, and not specific in its character. All limitations of this kind, it is pointed out, in effect fix wages by statute. There is sound business sense in the further conclusion of the committee that any such limitation should leave to the trustees and the genius of management the widest discretion, within the limits fixed, as to when and how the compensation of agents should be paid. Consequently section No. 97 (limitation of expense) should, in its opinion, be amended accordingly.

Other restrictions which the Chamber of Commerce committee would see removed are those relating to arbitrary contingency reserves, undue limitation of investment, and rigidly fixed standard policies. To Canadians, the interest in the whole matter is heightened by the similarity in many points between the protests now made to the Governor of New York and the representations made some time since by the Canadian Life Officers' Association to the Banking and Insurance Committee of the Commons. Their argument was that the imposition upon Canadian life insurance of various restrictions (modelled upon the Armstrong law of New York State) would be detrimental to general public interest. And the strong protests of New York's business men in this very connection strikingly confirm the contention of THE CHRONICLE months ago, that the Life Officers were actuated by no narrowly interested motives in the recommendations they made. Happily, as time goes on, there is less and less probability of the Dominion Parliament enacting insurance legislation cut according to the now discredited Hughes-Armstrong-Dawson pattern.

Our London Letter.

THE NEW YEAR ON THE STOCK EXCHANGE.

Unsettled Labour Conditions in England—Old Age Pension Inconsistencies—Interest in Canadian Railroads—Special Correspondence of THE CHRONICLE.

The Stock Exchange is beginning 1909 with that cheerful feeling of optimism about the future of business, which is a characteristic of markets at the turn of the year. The view is very widely held that under the stimulating influence of a further long period of cheap money business will soon begin to broaden out. Perhaps so, and in any event there will soon be a good deal of dividend money to re-invest, but the sky is not yet quite free from the clouds of foreign politics and there are other considerations, which make one a little doubtful whether present optimism will be justified by events. Whatever next April's Budget may contain, the certainty of increased taxation is the very reverse of a bull point for markets, while it is by no means certain that the public has extensive "stockings" at present uninvested. The more expensive standard of living which has become a feature of English life in every social grade during recent years is a guarantee of that. A considerable proportion of temporarily homeless funds will also no doubt be absorbed by new issues, which if present indications may be trusted will be on a very large scale indeed this year. An estimate of £140,000,000 for State loans alone has already been made for 1909. So that the wisest course would seem to be to hope for the best rather than to anticipate it.