Monetary Times

Trade Review and Insurance Chronicle

of Canada

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WORKMEN'S COMPENSATION

Along with the popular wave of workmen's compensation sentiment that has for the past few years spread itself generally over the provinces of Canada, there seems to be an illusion which has so firmly attached itself to the great industrial problem as to become in the minds of many an integral part thereof. It is commonly called "state insurance."

Modern society has readily adopted the principle that compensation should be paid to a workman injured in his employment quite independently of the question of fault or negligence and it is doubtful whether there is to-day any thoughtful employer of labor who takes issue with that principle. Every province in Canada now has on its statute books an act of this kind, differing slightly one from the other in details.

The method of administering the compensation is quite a separate and distinct matter that touches intimately other economic principles as well as the interests of the working people for whom the compensation is intended. The much-debated question of government administration of public utilities is fresh in the minds of all and the people apparently have decided in favor of the principle. But it has never been proposed by the most ardent advocate of the plan that the government should establish a monopoly of the trade in which it engages.

The province of Ontario has alone up to the present time entered into this sphere of activity and created an insurance monopoly that has but one precedent on the American continent. It has, by an act of legislature, decreed not only that the employer of labor shall pay the cost of compensation to his workman, but that he must insure with a State mutual fund and, without recourse, pay whatever premium may be assessed against him. It has decreed that the employer shall be deprived of the privilege of a competitive market in which to purchase his insurance or pay the compensation himself as it arises. It has taken out of his hands all opportunity of dealing generously with his workman who meets with misfortune through an accident in his service. It has made the large, financially strong employer the guarantor of the weaker employer in the same class, thus threatening his solvency while denying him the right to protect himself with insurance.

The workman, on the other hand, though granted a certain measure of compensation, must, while disabled and under additional heavy expenses for doctors and medicines, await the action of perfunctory government machinery to adjudicate his claim and pay his indemnity. Weeks and often months elapse before the ponderous machinery can complete its work, but the grocery bill and the coal bill must be paid weekly. Of all the States of America only two have attempted to monopolize insurance in this way, and one of those has, after a few months' experiment, opened the door to competitive insurance.

It has been found that healthy competition under government regulation solves many of the vexing problems that confront this most beneficent of all modern institutions, workmen's compensation. It assures the greatest efficiency, the greatest economy and the greatest public confidence. A mutual company operated by the government in fair competition with regularly licensed insurance companies, guarantees the lowest rates. It affords a safe check upon insurance companies that can be supplemented by government regulation through the government's insurance department. Upon its service depends the company's ability to secure business, thus assuring the workman prompt and satisfactory payments.

We have in Ontario a hydro-electric system operated by a provincial government, but privately owned electrical industries are allowed to compete with it on equal terms. We have the Dominion and Provincial government railways but there has been no attempt to throttle the privately owned and operated railways. Both of these government industries have prospered and been kept healthy by competition.

Why, then, should governments stifle competition in workmen's compensation insurance? Is it because it fears the searchlight of comparison? Is it because it might be deprived of the large patronage afforded by an army of employees? Is it because of a desire to paternalize the people in the fashion of Germany from whom the plan is copied?

A GOOD CITIZEN

By the death of Mr. Alexander Laird this week, Canada has lost a good citizen. He had retired as general manager of the Canadian Bank of Commerce, only a few weeks ago, after long service with that institution, and was another example of what Scotch perseverance and personality can accomplish in this country. Born in Aberdeenshire in 1853, he came to Canada in his very early years, and later joined the staff of the old North of Scotland Bank. In 1876 he entered the service of the Canadian Bank of Commerce, with which institution he was connected until his retirement in September. Working his way up the ladder he became manager of various branches of the bank and after experience as the head of the Chicago and of the New York agencies, he was appointed assistant general manager in 1903 and general manager in 1907. He was a banker of wide experience and knowledge and Sir Edmund Walker, president of the bank, has aptly described him as "one of the salt of the earth—one of the most upright men I ever knew."