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State Insurance.

In our last week's issue was printed a paper by Mr. William H. Hotchkiss, summarising the case against State Insurance. The writer was arguing primarily against the intrusion of the forty-eight States of the Union into the business of insurance—fire, life and accident—but his case holds good in regard to Canada, where in some respects, the problems to be faced by insurance men are not dissimilar to those that have to be met by those transacting the business of insurance south of the boundary line. It is true that the danger of State Insurance is not so imminent with us as it is in the Republic. It seems that the ideas of modern collectivism have obtained less footing in Canada than elsewhere. But there can be little doubt that sooner or later we shall begin to feel in no uncertain manner the effect of their constant and faithful propagation. At the present time, schemes of State Insurance are in force in countries so widely differing in characteristics as Italy and New Zealand, Norway and several of the United States. Already in Canada, steps are being taken by which the administration of new Workmen's Compensation Acts in two of the provinces will be apparently under the supervision of public authorities directly, and through this gateway of specifically social insurance, it will not be a difficult matter for ideas of State Insurance generally—including fire, life and accident business—to find entrance. Political hotheads to give them a warm welcome are not wanting.

There is little doubt that under our present circumstances the strongest practical argument which can be used in opposition to any schemes of this kind is the fact that they would involve political control. Graft is an ugly word sometimes heard in Canada as well as in the United States, and the professional politician is not unknown among us. It is not desirable to extend the opportunities of either the grafter or the politician. Again, the only hope of success for any state scheme of, say, life insurance in Canada, would lay in the making of it a monopoly. If it were merely an additional agency among many for the promotion of life insurance, it would obviously be merely swamped in the sea of competition. But are we prepared to knuckle under to

a bureaucratic administration in the way which a measure of this kind would involve? The Canadian temperament is hardly built that way.

The political argument against any system of State Insurance is irrefutable at present. But it would be unwise to rely solely upon that. Politics will improve. As the country grows up, a greater proportion of thought and energy will be given to work other than that directly connected with the material development and building-up of the Dominion. There will be an increase in the spirit of public service, some of it of the muddle-headed, sentimental kind, no doubt, but more infused with the scientific spirit, and all of it having clean hands. To meet this development something more than argument is required. Those who value individual initiative in preference to collective movement will find it necessary to justify their faith by their works. The mere assertion of superiority or its proof theoretically will not be sufficient. Even the proof that the collective movement is lacking in efficiency will not suffice. What will have to be produced is positive evidence of the smooth and un wasteful working of the machine guided by individual initiative. Nothing less will do.

It is not too much to say that upon the insurance companies operating in Canada at the present time depends to a considerable extent the progress which the State Insurance idea is likely to make in the Dominion during the next few years. Profoundly as we may distrust it, convinced as we may be that the movement is wrong in principle, it is useless to blink the fact that at the present time the idea of collective action through the State is making progress, and even rapid progress, throughout the world. If individual initiative is not to go under, it is necessary to give positive proof that its accomplishments are finer, its capabilities higher than those of the opposing movement. It must show that in the business of insurance it is more economical in expenses, more careful for the conservation of business, more un wasteful in management and more liberal and considerate to its policyholders than the rival system can or will be. In short, the dominating note of its policy must be that of service—the best possible service, upon which efforts are never relaxed in the quest after perfection. Nothing less than this will do; for to be content with less is to invite disaster.