

prevent the injured workman being, as they called it, "taken advantage of by the wealthy insurance companies."

There is also the idea—which, of course, was never put forward—that they would make their trade associations more powerful in dealing with a Government or State authority than they could ever hope to do with an insurance company; but of this I will speak later.

#### ALLEGED UNREASONABLE RATES.

The employers, on the other hand, took the view that the rates charged were quite unreasonable, and in this I am bound to say they were encouraged by the reckless and ignorant competition that arose between the insurance companies. They pointed to the great buildings, the large staffs and the nominally huge dividends of the successful ones, and for their part were ready to assent to a tribunal which professed to give them insurance at cost, whatever that might mean.

Politicians, therefore, found well-prepared ground when they proposed that the State should become the insurer and that private enterprise should no longer be permitted to carry on what was a most difficult and thorny work.

Let us now examine some of the reasons put forward in the advocacy of State insurance.

Of course, in Germany, they were frankly socialistic. The administration and monopoly of insurance by the State formed part of the great group of socialist measures put forward by Bismarck, which, commencing with the State acquisition of

the railways in 1876 and the municipal acquisition of gas, water and other public utilities, were without doubt largely political in their inception, and a sop to the growing socialist movement, which even then was beginning to make itself felt in that country.

I do not propose, however, in this paper, to consider the much-debated question between socialism and individualism, but rather to direct attention to more recent instances where this proposal has been discussed in countries not in the least socialistic in their general legislation, and to consider the arguments that have been put forward and how we, as practical insurance men, can answer and meet them.

#### STATE INSURANCE FALLACIES.

One of the first arguments put forward is, that "the prevention of accidents and the conservation of the health of the worker should be a prior consideration of any workmen's compensation scheme, and that this consideration can only have due weight when the compensation is administered and controlled by the State." When I say "The State" you will understand that I use this expression in contradistinction to the liability insurance companies, and am not in this paper distinguishing between direct State insurance, or collective insurance of trades or groups of trades under the direction of the State.

Now, as insurance men, I think we can join issue at once with the first part of the proposition. The prevention of accidents and conservation of

# The Manufacturers Life Insurance Company

HEAD OFFICE - - - TORONTO

TWENTY-NINTH YEAR, 31st DECEMBER, 1915

## ESSENTIAL FEATURES

Premium Income - - - - -	\$ 3,232,237.44
Paid to or set aside for Policyholders - - -	3,275,526.83
Reserves for Policyholders - - - - -	17,337,011.00
Surplus over all Liabilities - - - - -	2,254,655.10
Assets - - - - -	20,744,678.34
Insurance in Force - - - - -	83,746,172.00

The average rate of interest earned was 6.63%, while the mortality experienced was 60% of the expected. The surplus earned, \$789,102.79, was the largest in the history of the Company.

Branch Office - 224 ST. JAMES STREET, MONTREAL