

men who move for combinations most promptly are the ones who live up to agreements the least.

"And, after all, what is the use of one's putting himself in shackles? No business is done in the long run at a loss by a careful manager, compacts or no compacts. There is much money lost by careless men under compacts. Compacts do not stand in place of business sense.

"We are of opinion, then, that it is not in the interest of the public to try to provide a standard policy; that the effort would not succeed anyway. These views will be advocated by us at the right moment whenever the subject comes up.

"The evils of the insurance business to-day do not result from the imperfections of policy forms, or their undue liberality, or from anything else so much as from heavy expense accounts. The companies will have to reduce expense accounts, or the expense accounts will make stock insurance impossible. There is no reason why on ordinary lines 50 per cent. or more of the premiums should be used up for expenses. Why in the world consumers submit to such a situation passes our comprehension. They will not do so forever."

### COMPULSORY INSURANCE

In one form or another compulsory insurance has long been in existence in parts of Europe, particularly in Germany, where this kind of accident and sickness insurance is said to owe its inception to the initiative of Emperor William I.

The subject of compulsory insurance, or state insurance for workmen, has recently attracted attention on this side of the Atlantic. Some social science economists and some insurance journals have been discussing the question with apparent approbation of the merits of State insurance, which they look upon as a possible, or even probable, institution in America at no very distant date. The *Statement*, the company paper of the Mutual Life of New York, has an article on the subject in a recent issue. Reference is made therein to an exceptionally interesting report on State insurance in Germany which appeared in the London *Times* a short time ago. State insurance in Germany has attained proportions hardly realized on this side of the water, no less a sum than \$85,000,000 being paid out in benefits annually. We quote from the article in the *Statement*:

For twenty years Germany has tried general compulsory insurance for workmen against illness. Different branches of industry—mines, manufactures, building trades and hand trades—have their own insurance funds, and there are also the old registered societies. Then, to cover the remaining industrial population, there are general public funds established for the separate localities, grouped in districts, and if these are inadequate the local corporation itself becomes the insurance office.

The rate of contributions depends on the rate of earnings. It varies from two to three per cent. of the average earnings of each class of workmen, but in the case of the corporation it is from one and one-half to two per cent. of the wage of the

ordinary day laborer. Two-thirds of the amount is payable by the employer. The benefit is payable for not more than thirteen weeks; it includes medical treatment, drugs, etc., free, and sick pay beginning from the third day of incapacity, or free treatment in hospital with half pay for the sick person's family.

The enormous total of help rendered is shown by the fact that in 1901 aid was extended to 9,641,742 persons for 66,000,000 total days of illness. The average duration of sick benefits was thus a week. As many cases of illness must have lasted a good deal longer, it would seem that even slight and brief illnesses are compensated for.

Except in large cities, parts of which are overcrowded, North America is peopled too sparsely to need compulsory insurance to enable the masses to make some provision for the future or against sickness or accident. Canada is certainly not yet in an economic condition which would call for such compulsory measures.

In old countries, long settled, where the population is dense, wages low and unremunerative, and where class distinctions are strongly drawn, the lower classes are kept in a state of degradation and want and misery, and the government has to provide some means of relief for the needy, the incapable and the improvident, and in doing so, becomes more or less paternal. In such cases, compulsory insurance is a ready and powerful auxiliary.

Canada, however, with its scant population and its unoccupied millions of acres of virgin soil of unexcelled productiveness, and its abundant stores of undeveloped natural resources of all kinds, has no need for compulsory insurance or paternal government.

### THE MUTUAL LIFE OF NEW YORK

On another page of this issue is published the report of the Truesdale Committee of the Mutual Life of New York to the Board of Trustees of the company. The Truesdale Committee was appointed in December last to examine the accounts and assets of the company. The services of Messrs. Haskins & Sells, certified public accountants, and Messrs. Deloitte, Plender, Griffiths & Co., chartered accountants, were retained by the committee in counting the securities. After an exhaustive personal examination into the values at which the various securities are entered in the books of the company, they report the valuations safe and conservative. In many instances the valuations are less than the market value, and in none are they in excess of such value. All deposits in banks and trust companies have been verified, and the cash on hand counted and found to agree with the statement thereof. All bonds and mortgages on real property, all loans upon collateral security and upon the company's policies have been carefully examined and the security has been found