

PHOENIX ASSURANCE COMPANY, LIMITED—Continued.

The time has not yet come for a detailed and critical analysis of the errors and evils inherent in any scheme to substitute bureaucratic control for individual enterprise in the wide field of Insurance, but I have ventured to lay before you these few personal reflections in order that all who are concerned in our important branch of industry may give thought to the great damage that may accrue to many interests, private and public, by these unsound and ill-considered proposals.

INCREASING EXPENSES.

I have already mentioned, in connection with the Life department, the increase in our expenditure. This is, of course, not confined to any single department, but affects every section and phase of our business. The causes are world-wide in their incidence, and too well understood in their origin to call for any remark. The heaviest addition to our expenditure is in the item of salaries, and though the Directors are not unmindful of the necessity of economy in carrying on our business, they consider that a Company like ours must look after its employees properly and remunerate them on a liberal scale. The temporary allowance made in the shape of War bonuses have, therefore, been made fixed additions to salaries, and during the last few weeks a further substantial revision has been made. In this and other ways the Board seek to promote the welfare of the staff, and they have expressed themselves as favourable to joint action among the staff to enable representations to be made to the management, whenever it may seem necessary, on the conditions of employment in the Company. At the same time, I cannot conceal from you the fact that all this means a constant increase of expenditure throughout all branches of our business, the full result of which is not apparent in the accounts before us. No corresponding increase in the premiums we charge for the various risks undertaken has yet been made on this account, and, judging by recent results our profits have been well able to sustain the additional burden. But, for some years past insurance business has enjoyed a spell of considerable prosperity, and we cannot reckon upon the continuance of such good times. Indeed, in several directions indications are observable, over a wide area, that a turn of the wheel of fortune has occurred. Furthermore, the multiplication of new companies in the last year or two must lead to more strenuous competition for the most desirable risks. I am told that since 1919 the number of active British Marine Companies has been more than doubled, and new Fire Offices have sprung into existence in great profusion. These conditions give us no ground for anxiety concerning the future of our Company, but sound the note of warning and show the need of the utmost care and watchfulness in the conduct of our affairs. We believe that our chief safeguard in these circumstances is that we have the benefit of a highly-skilled General Manager in our new chief official, Mr. Sketch, with whom our most efficient experts are associated in the various fields of our work. Together they will be able, we confidently believe, to guide us through any coming difficulties.

What I have stated as to the general outlook applies with equal force to the business of our newly-associated Company, the Norwich Union Insurance Society, the fusion of which with the Phoenix was effected, with remarkable smoothness and goodwill, in the early months

of the present year. By this alliance the Phoenix "group" becomes one of the largest and most important of all British insurance combinations. It is my firm conviction that a great and prosperous future lies before the allied Companies, and that in due time we shall see a development and expansion of our business which could hardly have been thought of in the old days. The one thing to give ground for doubt is the state of the National finances, with the fear lest, in their desire to find a quick and easy solution of present difficulties, our Ministers may be induced to adopt expedients that will weaken the springs of enterprise and undermine the foundations on which our industries have been raised. I will conclude by formally moving that the report and accounts be adopted.

Lord George Hamilton, P.C., G.C.S.I., Deputy Chairman, seconded the motion, which was carried unanimously.

Mr. Whigham proposed the re-election of the retiring directors—Mr. A. Travers Hawes, Sir J. White Todd, Bart., Mr. W. F. Fladgate and Sir Gerald Ryan.

Mr. G. E. Cockram, in seconding the motion, expressed the pleasure it gave the shareholders to know that the mantle of the late Chairman had fallen upon the shoulders of Sir Gerald Ryan. He had, he said, never listened to a more able and comprehensive address than that which the Chairman had just delivered, which dealt not only with the accounts of the Phoenix but with the state of affairs generally.

The motion was carried.

Following the re-election of the auditors, a vote of thanks to the Chairman, Directors and Staff was unanimously agreed to on the motion of Mr. Millar-Wilkinson, seconded by Mr. Rouch.

The Chairman, in acknowledging the resolution, said the directors could not but be sensible of the great compliment paid to them in the vote of thanks. They were proud of the position which the Company now occupied, but, however sagacious and capable the Board might be, they knew that the Company could never have attained its present position or hope to retain it, if they were not certain that they had a most competent staff to advise them and control the machine. It was to the efforts of the staff that their thanks for the prosperity of the Company were really due, and therefore he would pass on the compliment to Mr. Sketch and ask him to acknowledge it on behalf of the staff.

Mr. R. Y. Sketch (General Manager); Mr. Chairman. The vote of thanks which has been proposed is one that I am able to assure you is both welcome and deserved. I rise to acknowledge this vote, not by reason of anything that I have done in the preparation of the accounts and the production of the profits, but merely by virtue of the office which I have the honour to hold. That being so, I am now able, in much more independent way than at any other time, to say that that vote is richly deserved by the staff who serve you so well. I should be glad to take this opportunity to remind you that this vote in one which is usually passed at these meetings and it is appreciated by the staff and deserved by them rather more in bad years than in good years, and when you have the fortune of seeing an extremely good balance sheet that alone carries its reward to the staff. But they work just as hard and they are doing their work just as well in those years that don't turn out so good. The shareholders only see that state of affairs once a year, but the staff are doing their very best from day to day, and they have the dissatisfaction of knowing that not only are they doing their best but they are running on lines which are usually successful and yet things are running all the other way. Those are the times when they really need your thanks.

The proceedings then terminated.