

# PERSONALS.

Mr. P. W. Wickham, manager for Canada, Yorkshire Insurance Company, who recently returned from an extended business trip through the West states that the crop outlook in Manitoba and Saskatchewan is much better than at first anticipated. He believes the yield throughout Canada will equal that of previous years, on account of the greater acreage under tillage and this notwithstanding unsatisfactory reports from some sections. Mr. Wickham states that general trade conditions in the West are on the upward trend, more especially in Vancouver where a much healthier tone is noticeable. Dwellings are in great demand in this city, principally on account of shipbuilding activities.

Mr. P. M. Wickham as president of the Canadian Fire Underwriters' Association has been requested to form part of the Dominion Executive Committee in connection with the 1918 Victory Loan, and also the Provincial Executive Committee.

## GOVERNMENTAL INSURANCE "A DANGEROUS INNOVATION."

Hon. Jesse S. Phillips, insurance superintendent for the State of New York, is not remotely enamored of Governmental insurance, contending that "our Governmental machinery" is unsuited to the control and management of purely business enterprises.

"The furnishing of adequate insurance protection," he declares, "is a highly scientific and intricate business, which can be carried on more efficiently and economically by private enterprise. The conduct of such a business by the State or Nation is not a proper function of Government. In my judgment, the taking over of insurance on various kinds of property by the Government is a dangerous innovation and not in harmony with the spirit of our institutions. The Federal or State Government cannot create and maintain an organization which will be sufficiently efficient to properly conduct this class of business. Our Governmental machinery, highly adapted to perform all the functions necessary to carry out the purposes for which a free state exists, is not suited, nor can it be readily adjusted, to undertake the control and management of purely business enterprises, the development and success of which depend upon economic and not political principles.

"In a representative form of Government like ours, where the people have the right at frequent intervals to change administrative policies, it is utterly impossible to secure that efficiency of management so essential to the development of a great business. There is no continuity of policy, no unlimited tenure of office. It must be conceded that under such a system, it is impossible for the Government to command the skill and individual initiative which is now found in the management of corporate insurance.

"If the Government enter into the general field of insurance, there is no doubt in my mind but that the present agency system, largely a growth of demand, activity and competition, and upon

which the success of any insurance company largely depends, will be disrupted. The insurance corporations will be brought into competition with Governmental insurance, and the general trend of this competition will be a constant effort on the part of those having control of Government insurance to require the State or Government to assume a certain portion of the legitimate administrative expenses, so that the rate of premium to the insured will be lower than that charged by private carriers. This reduced cost would be charged to the people in increased taxes—a general tax borne by all, and not limited to those who have the benefit of the insurance. This, in itself, in my opinion, is reprehensible and, in fact, dishonest.

"If private enterprise and capital are brought into competition with Governmental insurance conducted partially, if not wholly, at public expense, new capital cannot be secured for the formation of new insurance companies. The Government, instead of seeking to operate and control business ventures, should rather invite the investment of capital in the formation of additional insurance companies to take the place of the 'enemy companies' which, very properly, have been eliminated because of the War. Underwriters and their associates should take every possible opportunity to educate the public against the fallacies of Governmental insurance. While our Governmental principles are peculiarly suited to carry out the primary purpose of Government, to wit, the protection of life, liberty and property rights of individual citizens, they are unadapted to the successful management of any business.

"As an insurance supervising official, I have been impressed with the necessity of company officials acting collectively in accumulating data which may be used in enlightening and educating the public. I have in mind particularly criticism of the present fire insurance rates. Such criticism can only be met by accumulating data of the character now being gathered and compiled by the National Board of Fire Underwriters through its actuarial bureau. There is no other satisfactory method whereby it can be determined whether there is justification for the existing fire insurance rates, except by the accumulation of the data of the character above mentioned whereby the experience of the companies can be readily obtained, and such information constitutes a proper basis for the equitable adjustment of rates. Private corporations must be prepared to furnish safe protection at the lowest possible cost, allowing a fair return upon the capital invested. Such companies are now, and have been, in co-operation for many years in eliminating all unnecessary expenses and all unscientific underwriting.

"In my opinion, it is unnecessary for the Government to engage in the business of insurance. The present corporate agencies and mutual companies and associations, together with the new capital which will naturally be employed to form additional companies, will be sufficient to provide the property owners of this country with ample insurance protection, and I cannot believe that our people are willing to drift on the undemocratic rock of Governmental insurance."