

AUTOMOBILE INSURANCE.

We notice that managers of all companies writing automobile insurance in the West are invited to meet in Chicago next week, at a conference. It is stated that some of the companies are not living up to rates and rules. In connection with this grave charge it seems to The Chronicle that the welfare of this business will be dependent largely on the ability of the Underwriters directing it, co-operating with each other. The whole standard of the business will take its lead from those in control, and those underwriters who take an unfair advantage, and violate their tariff pledges, are not only demoralizing the business, but are making it more difficult for men of integrity and ability to produce satisfactory results. Wide-awake agents will quite naturally prefer to represent a Company whose management can be relied upon to fulfil its obligations in connection with all its transactions as they apply to the business.

Chartered Institute of Secretaries of Joint Stock Companies and Other Public Bodies to Establish a Canadian Branch.

Mr. Wm. Watkins, F.C.I.S., of London, England, Past President of the Chartered Institute of Secretaries, who was a visitor to Montreal last week has left for a business trip to the Coast.

While in Montreal Mr. Watkins interviewed the Montreal Committee organizing the Canadian Branch in order that final arrangements might be made for the formation of the branch on his return to Montreal in September.

The examinations for professional membership of the Institute are held at McGill University under the supervision of Dr. Nicholson, the Registrar at McGill. The next examination will take place in December, 1919.

MONOPOLISTIC STATE FUND MAKES SERFS OF WORKMEN.

At the recent annual meeting of the Chamber of the United States at St. Louis, President John T. Stone, of the Maryland Casualty, delivered an address on workmen's compensation and State insurance which is well worthy of extended publicity. Mr. Stone said in part:

A monopolistic state fund makes serfs of workmen. They are compelled to accept what the state fund interprets their claims to be, and there is no healthful check such as competition always puts into effect. In a free country the workman can take or leave employment according as his interests prompt him. In a slave country he must stay on the land that is the property of his owner, and must work for that owner alone. Under a monopolistic state insurance fund he is in the same management, according as political control may pass to another party or remain in one party. If the control changes, a new and inexperienced set of officials administers the state fund, and the old set, with whatever training they may have ac-

quired, is ousted. If political control continues in one party, the deadening effect as to inefficient service to the workman and the baleful effect as to partisan machine political power increases.

The state fund has no capital, no surplus, and is not subject to such control as will compel adequate reserves. Most of the laws creating state funds give them the right to assess their contributors or policyholders, if the premiums charged prove to be inadequate. If there is no right to assess, then there is nothing between the possible exhaustion of the fund and the consequent deprivation of benefits to the injured and to the dependents of those killed. In some cases assessments are levied by classes or groups of cognate industries; in others they are levied on individual risks. As an offset to the risk of being thus assessed the state fund is given the right to make a distribution of dividends, if there seems to be an excess of income over outgo. These conditions raise the question at once as to whether there is any real insurance obtained by the contributor or policyholder, who is the employer, and this, again, raises the basic question—what is insurance?

The essence of insurance is that the policyholder pays a rate of premium, which is agreed upon in advance between him and the insurer as the fixed measure of the price to be paid to the insurer for complete protection under the terms of the policy. The insurer in the very nature of the transaction, lifts all of the uncertainty, both as to the result of an accident, from the shoulders of the policyholder and assumes that burden itself. If the rate agreed upon produces a profit, it belongs to the insurer. If it produces a loss, the insurer stands it.

It is, indeed, fortunate that our recent experiments in governmental transaction of business have so clearly demonstrated their undesirability. Every American who thinks regarding public questions is convinced that the samples we have had of government control are not such as to encourage us in continuing that control or in extending it into other fields. The chaos in the railroads; the extravagances in shipbuilding, the wastefulness of the Housing Commission; the practical dismantling, so far as good service is concerned, of the telegraph lines; the inequities of price-fixing; the accumulations of vast unused quantities of food and fuel in certain quarters, and the scarcity and even utter lack of them in other quarters, are some of the evidences that when the business of the country is controlled by public officials everything suffers and nothing goes with that measure and quality of effectiveness which are absolutely essential in business.

With these overwhelming evidences of the superiority of the private conduct of business, why should any state of this union seek to transact through public officials the insurance required under workmen's compensation laws, rather than to leave it to those who by every consideration are so much better able to transact it?