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## THE COMPENSATION PROBLEM.

Among those most keenly interested in the matter, the frequently-expressed opinion is heard that the workmen's compensation legislation of the province of Ontario, which has this week been introduced into the provincial house, is likely to go through substantially on the now familiar lines drafted by Sir William Meredith, as a result of his prolonged investigation into the subject. This legislation, the most advanced of its kind which has yet been proposed in Canada, has been well described as in large measure a leap in the dark. No one can foretell at present what will be its ultimate effects; they will only be divulged as a result of experience with its practical working.

There is general agreement of the advantage to society at large of the putting into force of the principle of workmen's compensation; the fairness of making injuries to workmen engaged in industry a charge upon industry. The fact that legislation of this kind has in recent years been quite general is doubtless a contributory reason for the increased cost of living. Where differences of opinion are most strongly marked are not in regard to the principle of workmen's compensation, but in regard to the methods of applying it. Sir William Meredith's recommendations are for the use of methods of an ultra-radical type, still, where they are in use elsewhere, in the experimental stage.

It seems probable, however, that those who look for considerably cheaper rates as a result of the transfer of the workmen's compensation business to the management of a provincial board, will be disappointed. According to the summaries of the new act which have been circulated, one of its requirements is that the board which is to have supervisory and exclusive jurisdiction in regard to the working of this act, is to maintain adequate reserves. The necessity of such a proviso has doubtless been seen as a result of an experience under the Washington act, which has become almost classic. The grouping of industries system was adopted in that act, with the result that an early accident in a particularly hazardous group, bankrupted the group fund and those entitled to receive compensation received instead promises to pay at some future date. Rates sufficient to main-

tain adequate reserves will then have to be charged.

Not only so, but the careful employer will find himself under the grouping of industries system which is to be adopted in the act compelled to pay for the accidents of his careless competitor. So that it may well be that employers who are particularly careful in regard to the rules of safety and precautions against accidents and in consequence are able to obtain from casualty companies a very favorable rate which gives full credit for care and precautions taken, will find themselves at a financial disadvantage under the new arrangement, where all the employers of an industry, careful and careless, are to be lumped together and called upon to pay up on a common basis.

In any case the careful employers in a group will be penalised, since the practical effect of the new legislation is to make each member in each group responsible to the extent of his means for assessments made by the compensation board for accidents which may occur to any member of the group. It is easily possible that the effect of this arrangement will be to make the careful employer less careful. He will be sadly tempted to let his plant run down to merely the average level of safety arrangements. And there may easily be the same demoralising effect in the case of the workman. It has been the general experience that any extension of a system of workmen's compensation has led inevitably to a vast increase in the number of accidents and of the cases in which compensation is payable.

Presumably it is not the intention of those who are in favour of this legislation practically to discourage industrial manufacturers from keeping their factories at an extraordinary standard in regard to safety matters. But this seems not unlikely to be one of the effects of the adoption of the compulsory group system. The danger would be avoided by the inclusion in the Ontario act, as in the New York act, of permission to employers to meet their obligations of workmen's compensation in any approved manner by insurance in a reliable company, by the formation of voluntary mutual associations or by joining a group if they think fit. But to compel the blind adherence to the group system only is altogether unfair.