

WORKMEN'S COMPENSATION.

Mr. W. G. Falconer Addresses Insurance Institute of Toronto—Various Acts Analyzed.

Legislation passed and proposed in the nature of Workmen's Compensation Acts in certain provinces, and the new Insurance Bill, were the two phases of Canadian law affecting accident insurance companies discussed at the meeting of the Insurance Institute of Toronto this week by Mr. W. G. Falconer, of the General Accident Assurance Company.

The situation in Canada at the present time is as follows, said Mr. Falconer. Compensation Acts are in force in the following provinces: In British Columbia since 1902; in Newfoundland since July 1908; in New Brunswick since November 1908; in Alberta since January 1909, and in Quebec since the 1st of January of the present year. In Manitoba a similar compensation bill is at present under advisement. We have no Act similar in Ontario. In the United States the question is also being widely discussed, with the probable result that, on the other side of the line legislation on the same basis may soon be law. Workmen's compensation also in Europe has for some years been an established principle. As a humanitarian proposition no one disputes the principle, but as a question in economics it may raise many points of dispute. The wisdom of placing the increased cost of this legislation—because it is admitted that it means largely increased cost—upon employers in a young country is one open to question, especially in the newer provinces.

Principle on Which Acts are Based.

Referring to the principle upon which these Compensation Acts are based, the common law of the country makes an employer liable for his own personal neglect or fault. The formation of incorporated companies and the delegation by the employer of the oversight of his business, and the safety of his employees to others, lead to the introduction of Liability Acts which imposed on the employer legal liability for damages for accidents caused by his superintendent or foreman, or by defects in his machinery, ways or plant. The amount of damages payable under these liability acts which are in force in every province except Quebec, is usually any lump sum up to three years' wages as may be determined by a jury on proof of negligence on the part of the employer. In Quebec prior to the 1st of January the French code, in a few words, imposed responsibility on an employer, making

him liable in damages (the amount unstated and therefore unlimited) for injuries sustained by his employees through the fault of the employer or any other servant.

Assurance Companies Assume all Loss.

The introduction of liability acts leads to the formation of liability insurance companies, who for a specified rate of premium based on the employers wage roll, assumed all or a portion of the pecuniary loss which would otherwise fall on the employer. The increase in this country's industries has led to a yearly increase in the number of accidents, and amongst the immense army of people working in Canada under varied conditions, it seems inevitable that accidents will occur. Where such accidents occurred through negligence, the employer could be called to account. Where the accident was caused by something not within the power of the employer to prevent, the employee had no recourse against his employer either under the Common Law or under these Liability Acts or the French code. If, therefore, the employee has been maimed in the service of his employer, why should his employer not compensate him? The State and public opinion say why not? Usually the working-men are penniless when injured. Shall they, therefore, be allowed to become a charge upon their relatives or upon the State? Is there a moral obligation on an employer to compensate his injured employees, especially if they were injured through no fault of their own? The State and public opinion of the twentieth century say yes. At the present time—in the provinces which have not yet introduced legislation of this character, both employers and the working-men find it unsatisfactory. The working-men constantly look for compensation from their employer, and if it is refused they may seek redress in litigation, which means delay and expense.

Accidents Serious for Employer

A breakdown in the machinery in a plant is a serious matter, entailing loss on the manufacturer and the expense of its repair must be charged up to the cost of production. Human beings are needed for the operation of the machinery, and why, if one of them be killed or maimed should the cost of compensation to him or his relatives not also be charged up to the cost of production? On every human ground, therefore, legislation which secures for the working-man compensation for injuries received must sooner or later occupy the attention of every State. Unfortunately, the introduction of Workmen's Compensation, in England for instance, has led to the abuse by some workmen of the privilege of the English Compensation Act. Bogus claims have become more and more numerous, and the employers and

insurance companies have been duly harassed by unscrupulous persons, but that is a small matter compared to the benefits to be derived by the many.

At the same time the introduction of compensation acts has led the employers to take greater safeguards to protect their workpeople, and in this connection employers would do well to adopt and devise every means to this end, as an indifferent or careless employer will find Workmen's Compensation exceedingly expensive.

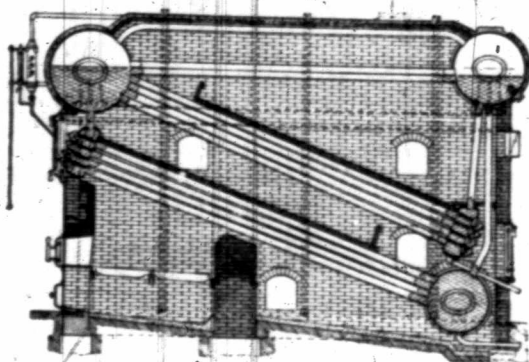
Employer Must Protect Machinery.

One fallacy which employers seem to hold is that the introduction of Workmen's Compensation Acts will obviate expensive litigation, jury trials, and heavy law costs. Undoubtedly it will if the workman is satisfied with, or he is limited to, the benefits of such Workmen's Compensation Acts, but you will notice that every Act in this country, except the Quebec Act, contains a clause reserving to the workman the right to proceed either under the Common Law, which gives unstated damages, or under these Liability Acts to which I have referred, as both the Common Law and the liability Acts still remain in force.

If, therefore, any employer does not even after the introduction of the Compensation Acts, protect his machinery and thoroughly overhaul and inspect his premises, his employers can still sue him for damages before a jury for such neglect, and moreover, it must not be forgotten that if the employee fall on that issue, he can still fall back upon his claim under the Workmen's Compensation Act. This is one of the most

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