

QUEBEC WORKMEN COMPENSATION ACT.

Continued from last week's issue.

Another important point raised by Mr. Lafleur bears on the question of guarantees for the payment of compensation in the event of bankruptcy of the employer.

In order to get the correct view point on the subject we must look back at the situation before compensation laws came into being. Payment of damages depended on (1) the ability of the workman to prove his case and (2) the ability of the employer to pay the judgment. When the courts were considering these cases it was usual to take into account the ability of the employer to pay, as well as the degree of fault, and there was sound reason for this. An extravagant judgment against a small employer might never be met, while a moderate one would not involve him financially and payment would be possible.

The compensation law in fixing the amount approximately for all cases pre-supposes that all employers are equally solvent and able to pay. This is of course not so, and there will always be some employers found to be in financial difficulties no matter how small the claim. The question then arises as to whether the claim is a personal matter of the employer or a matter for the community at large. The modern view point is that the cost is ultimately borne by the community at large, the employer merely being the medium through whom payment is made. Mr. Lafleur suggests that a system might be devised to enforce any judgment direct against an insurance company carrying the risk in the event of failure of the employer. At the present time the insurance policy is purely a private arrangement between the companies and employers of labour whereby the former guarantee the latter against loss actually sustained. When the employer becomes bankrupt no further loss can be sustained from a compensation claim; the subject of insurance disappears and the policy automatically comes to an end; nobody has any right thereunder except that the bankrupt employer might seek return of any balance of premium unearned at date of termination.

In order to carry out Mr. Lafleur's suggestion it would be necessary to alter the present insurance system and instead of the company merely indemnifying the employer it would require to guarantee payment into court. Naturally this would be expected to increase the premiums slightly, because the question of ability of the employer to pay would never enter into the consideration of gross negligence cases, and the tendency would be for payments to increase.

However an important question now arises. Will the employer continue to insure under these circumstances? It would seem that any change of

this kind would have to carry with it a provision compelling all employers to file with the department an insurance policy guaranteeing payment. This system would probably be criticised by employers on the grounds that they should not be compelled to insure with stock insurance companies who might not always be sufficiently competitive to keep the premium rate at a minimum. The proper answer to this would be a clause compelling all employers to file a guarantee or bond whether in the shape of an insurance policy or private indenture made in the same way as a bail bond or other contract guarantee.

However, it is possible that the whole system will be subject to review and criticism at an early date, and it is well that those who are able to speak with authority on the subject should get a hearing before the legislature attempts to make sweeping reforms which in the end may not prove themselves to be of any real value to any section of the community.

THE TRUST AND LOAN COMPANY OF CANADA.

The Trust and Loan Company of Canada incorporated in 1843, owes its present strong financial position to a conservative and efficient management, which has marked its long and illustrious career. Held in the highest esteem by all who are brought into contact with it, the company itself goes quietly forward, transacting a choice and remunerative business, when circumstances permit. The Trust and Loan Company have been able to present a series of financial statements from year to year disclosing results of a highly satisfactory character.

During the year ended 31st March, 1919 the Trust and Loan Company continued to follow a conservative policy. Mortgages in Canada were increased during the year by over \$112,000 to \$13,376,389. Properties held by foreclosure are reduced by over \$80,000 to \$210,489. The interest account in Canada totalled \$1,090,365 a reduction of slightly over \$33,000 as compared with the preceding year chiefly due to the reduction in mortgages in 1917. Profit on exchange is down by some \$30,000. The net profits of \$550,300 for the year under review may be considered satisfactory under the circumstances, although some \$80,000 less than the profits recorded for the preceding year. Liquid assets were maintained at a high level throughout the period, cash at 31 March last, approximately amounting to no less than \$1,175,450 and temporary investments to \$1,941,120.

At the annual meeting Mr. Fred W. Stobart, O.B.E., presided, in the absence of the President, Lieut.-Col. The Hon. Sydney Peel who was engaged in national work in Paris.

Mr. R. C. Young, Assistant Commissioner in Canada, is manager at Montreal.