

## AN EXAMPLE OF STATE ADMINISTRATION.

One of the stock arguments employed by advocates of State schemes of workmen's compensation is that a State administration means an inexpensive and efficient administration. A sample of what this argument is worth is pungently shown by the condition of things at present existing in New York State in connection with the State Workmen's Compensation Commission. Apparently, the Commission is being worked entirely in the interests of political manipulations. According to a New York contemporary, the employees of the Workmen's Compensation Commission have not been paid their salaries since January. The force is steadily decreasing, and the cases of deserving injured workmen all over the State are being neglected, necessarily. One commissioner has resigned and no appointment has been made, leaving the Commission twenty per cent. less efficient than previously. At Albany an employee of the Commission was taken to a hospital in a starving condition. Clerks in New York City are being asked to leave their boarding places and heads of families are facing eviction. Injured workmen are finding it harder and harder to get their cases passed upon, although the remaining staff is doing its best.

### EXTRAVAGANT EXPENDITURES.

A short time ago the State Comptroller published a report on the Commission's expenditures, which reveals an extravagance of administration at the expense of the long-suffering taxpayer that is startling. In view of the fact that a new scheme of government workmen's compensation has just been started in Ontario, and is a possibility in other provinces, and that political pull is, in the majority of cases in Canada, the main road to public office, the facts of the New York affair as it was up to the present debacle owing to the Commission's extravagance, deserve to be widely known in Canada.

It appears from the report that what has actually taken place is that employers in New York State are getting low rates for their workmen's compensation risks at the expense of the taxpayers at large. The State appropriated to the commission \$500,000 last year for the carrying on of its work. Up to January 18, liabilities had been incurred amounting to \$490,326, leaving a balance of only \$9,674. Extravagance of administration, writes one of the deputy State comptrollers in a report to his chief, "is reflected in the vast number of employees of the commission, the liberal salaries allowed them, the rent paid for some of the numerous offices maintained and the costly furnishings therein, amounting almost to luxury. If the same elaborate conception of official functions and privileges prevailed in all State departments, the expenses of Government would be even more startling than at present."

### HUGE SALARIES AND CLERICAL INEFFICIENCY.

The commissioners' idea of a permanent payroll is \$500,000 a year. Among the salaries of employees conspicuous in amount are that of the manager, \$10,000; manager of the insurance fund, \$7,000; assistant manager of the insurance fund, \$4,000; cashier, \$4,000; actuary, \$6,000; assistant secretaries, \$3,500 each; private secretaries (6) at \$2,500 each. "It is not probable that the commission can successfully challenge the assertion," writes the deputy comp-

troller, "that many of the places on the payroll, if not actually created to provide for persons of political importance, were at least filled with greater regard for the appointee's political influence than for his especial and peculiar qualifications for the work to be performed. While it is true in most instances the men in the service of the commission are competent and many of them even expert, it is also true that some of their duties overlap each other. That there is clerical inefficiency is demonstrated by the chaotic conditions in which our examiners found the books of record at the New York office."

### EXPENSE NO OBJECT.

Nominally, proceeds the deputy comptroller's report, the principal office of the commission is at Albany; this to comply with the law. But in practice the real headquarters are in New York city, and in selecting a location there the commission went into the Madison Square district, where rents are higher than in any other part of the city. A total of nearly \$50,000 per year for rent is paid.

In furnishing the offices the commissioners adhered consistently to a lavish scale of expenditure. The best mahogany is in evidence, including a table at \$267, a revolving chair at \$51.25, a couch at \$50 and many desks ranging from \$100 to \$150 each. An inkstand for Commissioner Darlington's desk cost \$9 and one for the stenographer who is under contract to furnish minutes cost \$5. This was the Commission's idea of how to spend public money!

The whole is an illuminating example of State administration of workmen's compensation in practice—whatever its perfervid advocates may say that it is in theory.

## WHERE STATE INSURANCE WOULD NOT BE POPULAR.

*The Weekly Underwriter* publishes a list of fire losses by States last year, which suggest that in those particular States, schemes of state insurance would not now be popular if they had been started a year or two ago. Massachusetts reports a loss ratio of 128 per cent. for 1914, the conflagration at Salem being largely responsible for this. The North Carolina record is 125 per cent., Alabama, at least, 93 per cent., and in Iowa, fourteen companies had a loss of over 100 per cent., the ratio for the State being 64 per cent., which leaves little or nothing of profit when expenses and conflagration hazard are considered.

### GERMANY'S GOLD POSITION.

The maintenance of the financial position of Germany, said Sir Edward Holden, chairman of the London City & Midland Bank, at the recent shareholders' meeting, would depend on the balance of her imports over exports being small, and on the increase of gold holdings exceeding or being equal to the export of gold. In his opinion, it was necessary to make up our minds that there would be no cessation of this war on account of the gold position in Germany, at all events within 12 months—and it might be longer. He did not say that there might not be a cessation of hostilities for other reasons. If he might venture an opinion, he would say that the weakness would first show itself, if it had not already done so, in Austria and Hungary.