

The Chronicle

Banking, Insurance & Finance.

ESTABLISHED JANUARY, 1881

PUBLISHED EVERY FRIDAY.

Vol. XXXIV. No. 20

MONTREAL, MAY 15, 1914.

Single Copy 10c.
Annual Subscription \$3.00

THE FUTURE OF ONTARIO COMPENSATION.

The future of workmen's compensation in Ontario as it will be organised under the provisions of the radical act passed at the recent session of the legislature will depend to a very great extent upon the personnel of the commissioners who are chosen to administer it. Gossip has mentioned several names in this connection, but thus far the Provincial Government has kept its own counsel, and it is not possible to speak with any certainty regarding the appointments. It is to be hoped in this connection that the Ontario Government will realize the serious responsibility entailed in these appointments, refusing to be guided by merely partizan considerations, and declining to be responsive to the activities of energetic wire-pullers. For the putting into operation of such experimental and far-reaching legislation as that which has just been passed, exceptional men are wanted, men with outstanding administrative and executive powers and sufficient backbone to refuse to yield to popular clamor which is sure to arise from time to time in connection with their administration of the Act, or to blink the deficiencies and shortcomings of the Act which, if we are not much mistaken will become visible in due course. Whether the Ontario Government will succeed in getting men of this desirable type to run their workmen's compensation scheme for them remains to be seen; if they do not, it is probable that there will be trouble.

However, in any case it is to be expected that the insurance scheme during the first few years of its existence will have a smiling and prosperous appearance. Experiments of this kind are apt to start off in great style. Time is essential for the bringing out of their defects. It would not be surprising even if some ten or fifteen years elapse before the inherent drawbacks of this scheme begin to appear. If experience is any guide, what will happen in Ontario is that the commissioners will begin by

making the assessments upon the manufacturers too low in the initial years. In time they will wake up to the fact that the assessments are too low and begin to increase them. And as year by year the accumulating cost of past accidents has to be provided for, the assessments will grow higher and higher.

What it comes to, in fact, is that the manufacturers who are compelled to participate in the scheme at the outset will do pretty well, but those who come in later, say in eight or ten years, will find themselves in the cheerful position of being compelled to pay through the nose for the accidents of former years, to cover the cost of which inadequate assessments have been made. This brings into relief the most vicious and objectionable feature of the whole scheme. The manufacturer who is in business at the time that the scheme is put into operation, but comparatively soon after closes up, owing to his lack of technical or financial capacity will come out on his workmen's compensation exceedingly well, since the continuing cost of his accidents will be transferred to the shoulders of his more enterprising and capable competitors who survive him. And they will be compelled to shoulder this unfair burden; there is no escape from it. Anything more calculated in the long run to militate seriously against Ontario industry cannot be imagined; it is simply the placing of a burden on the best business enterprise in the province, which the less capable escape.

Probably in due course of time the Ontario Workmen's Compensation Act will become a classic example of how not to do it, which other less hasty and masterful governments will take warning by. From that point of view this Act may do some good; but that this negative advantage will outweigh its unfairness in many other directions cannot be expected. By the passing of this Act, an unfair burden has been placed upon the industry of the province which it will be long in escaping from, if ever indeed it does effect such a happy consummation.

