

SOME WORKMEN'S COMPENSATION PROBLEMS.

Hitherto, in all the Provinces of Canada except Alberta, the "serious neglect or wilful misconduct" of an injured employee relieves the employer from liability for compensation—whether action be taken under Common Law or special Compensation Act. The Quebec Workmen's Compensation Act, which goes into effect on January 1 next, states that the employer is not liable if the accident is "intentionally brought about" by the victim. This raises the question as to whether, even though serious and wilful misconduct were proved, the employer would be freed from liability.

In an interesting pamphlet on "Workmen's Compensation in Canada" by Mr. I. D. Clawson, of the Maryland Casualty Co., it is pointed out that in any case a merely impulsive act of negligence performed in an emergency does not constitute serious and wilful misconduct. A leading English case on this point is that of *Whitehead vs. Reader*, 2 K.B. 48, where a carpenter was sharpening his tools on a grindstone driven by belting and the belt slipping and in trying to put it back, he was injured. It was held that he was not guilty of serious and wilful misconduct, as his negligent act was due to impulse.

But the Alberta Act does not relieve the employer from liability even where deliberate and continued violation of rules can be proved. As Mr. Clawson puts it, the effect of the Alberta Act is to make the employer a guarantor of the safety of his men, even against the effect of their own misconduct. If the employer becomes liable for continuing half-weekly compensation to a number of men, the cost of carrying a number of these claims will handicap his efforts to make a profit from his business. The fact that the Alberta Act imposes a larger burden upon the employer than the Act of the other Provinces is likely to have a discouraging effect upon the promotion of industry in that Province, for while the employer can by insurance protect himself against this loss, as the probability of liability is greater and the limit of liability higher the premium required of him will be larger. Possibly the Courts may put a different interpretation upon this Act, but its operation as outlined is what may be expected from the construction placed upon similar provisions elsewhere.

Necessarily the accident insurance companies in deciding upon premium rates have to consider very closely the probable bearing of those provisions in the Quebec Act which differ, however slightly, from provisions upon which definite court decisions have been rendered.

Two other provisions of the Quebec Act are instanced by Mr. Clawson as complicating the companies' problem of rate-fixing. The first is that:

"A demand to revise the amount of the compensation, based on the alleged aggravation or diminution of the disability of the person injured, may be taken during the four years next after the date of the agreement of the parties as to such compensation, or next after that of the final judgment. Such demand shall be in the form of an action at law."

Further, while a maximum limit of \$2,000 is mentioned, it is provided that:

"The Court may reduce the compensation if the accident was due to the inexcusable fault of the workman, or increase it if it is due to the inexcusable fault of the employer."

Just how these two clauses will practically effect the amounts of compensation awards is problematic indeed.

It will be remembered that when the Quebec Compensation Act was before the Legislature it was given careful consideration by a Committee of the Manufacturers' Association. The view taken by them, as stated at the recent convention of the association in Hamilton, was that sooner or later public sentiment would compel the manufacturer to accept the principle of compensation in cases where accidents happened from causes which could not be foreseen or explained, and that it only remained for employers to urge a bill which would carry out this principle with moderation and justice to all parties concerned. "The new Act will, it is believed, prove fairly satisfactory," stated the report to the convention. "Should it not do so the Government have professed their willingness to make amendments a year hence, provided it can be shown to them that it is bearing unfairly on one party or the other." In two respects it should be a vast improvement over the old system whereby all actions were fought out under the common law, for not only will it save employers from the ruinous damages at times awarded by partial juries but it will secure to the injured the compensation to which he is entitled free from all costs.

Nothing is yet decided as to the extent of the necessary advance in employers' liability insurance rates in Quebec Province. It is likely, however, that the increase will be only about 30 p.c. on the higher premiums. Some of the occupations which now enjoy very low rates may, under the new conditions, have to be charged double or more.

GROCCERS TURNED UNDERWRITERS.

The advice to look before you leap is good for those contemplating entering any insurance scheme. This has just been exemplified in Los Angeles by a fire insurance scheme of the Retail Grocers' Association.

"About two years ago," writes a valued California correspondent of THE CHRONICLE, "the members of this association came to the conclusion that the insurance rates demanded were unreasonable, and in fact, an imposition! They based their claim on the assertion that taking one year with another, only from twenty to thirty per cent. of the amount paid in as premiums was paid out on losses, so that the insurance companies were hog fat. So it was decided to insure themselves, and a start was made to organize a company of their own."

However, as the State requires a guaranty fund of \$50,000 in cash to be deposited with the State Treasurer before business can be commenced, there seemed to be a lion in the path, as such an amount could not be raised. But where there is a will, there is a way. So a mutual benefit fund of the association was created, and the members invited to pay into this fund at the rate of one dollar per month per thousand insurance.

No formal policies were issued, but the scheme