

The Ontario system is to be distinguished not by the employments covered or excluded, or by the scale of benefits provided—both are details variable by law from time to time under any system—but by the principle of combining under a Board of Commissioners—

- (a) Compulsory insurance by employers on a mutual or collective liability basis without State guarantee and with all common-law rights abrogated;
- (b) Final adjudication of claims “upon the real merits and justice of the case” without being bound by strict legal precedent, and without the intervention of solicitors;
- (c) Accident-prevention and merit rating (accident-prevention in New Zealand is undertaken by the Labour Department, but there is no system of merit rating); and
- (d) Administration of compensation-moneys by way of pensions or lump sums to injured workmen or their dependents. (In New Zealand the Public Trustee administers compensation payments made on behalf of the widows and children of deceased workers, and the State provides a pension scheme apart altogether from workers’ compensation.)

It is obvious that such a system, efficiently managed and kept free of political or other outside influences, eliminates all profit, reduces working-expenses, and expedites the final settlement of claims without the legal expense which an appeal to the Court involves. The evidence before us leads us to believe that the system in the country of its origin is giving general satisfaction, apart from its limited scope (which there is an agitation to enlarge), and is providing out of the assessments on employers, and interest on investments, a greater percentage for the injured worker who is covered than would be possible under any system of competitive insurance.

The success of the system in Canada, however, does not by any means establish that a similar system would be equally successful in New Zealand. The psychology of the people has to be considered, and we are not certain that this Dominion would take kindly to an autocratic system, however well administered, which combined the present functions of an insurance office with the judicial authority of the Arbitration Court. In Ontario the collective-liability system was established coincidentally with the workers’ compensation law, and on its introduction there was practically no business lost to the insurance companies. In New Zealand, however, its establishment would displace a system of insurance which was operated not unsatisfactorily to employers and workers for twenty-nine years, and would more or less adversely affect the livelihood of many thousands of persons. In Ontario the establishment of the system had the support both of labour organizations and of the largest association of employers in Canada. In New Zealand, evidence was given to the Commission that the majority of employers would oppose a monopoly, and that the workers would oppose the loss of the right of action at common law.

On the important question of comparative cost, the evidence shows that the low working-expense ratio in Ontario (in 1927 it was 6·54 per cent., on the basis of comparison adopted in New Zealand) is due to a considerable extent to the fact that workers’ compensation liability in that province (as in nearly all American States, irrespective of whether competitive or monopolistic insurance systems operate) is not imposed upon farmers, employers of domestics, or small employers. For example, the following industries are excluded:—

Wholly: Florists, seedsmen, gardening, fruitgrowing, hand laundries, barbers’ shops, undertaking, mail-carrying, wholesale or retail mercantile business, hotelkeeping and restaurant-keeping, public garages, photographers.

Where less than six workmen are usually employed: Butter and cheese factories, power laundries, operation of threshing-machines, confectioneries, bakeries; cutting, hauling, or hewing logs; the business of window-cleaning.

Where less than four workmen are usually employed: Repair shops, blacksmiths, upholstering, picture-framing, butchering.