UNITED STATES DEPARTMENT OF LABOR
JAMES J. DAVIS, Secretary
BUREAU OF LABOR STATISTICS
ETHELBERT STEWART, Commissioner

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WORKMEN'S INSURANCE AND COMPENSATION SERIES

PROCEEDINGS OF THE SIXTEENTH ANNUAL MEETING

OF THE

INTERNATIONAL ASSOCIATION OF INDUSTRIAL ACCIDENT BOARDS AND COMMISSIONS

HELD AT BUFFALO, N. Y.

OCTOBER 8-11, 1929

APRIL, 1930

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ANNUAL MEETINGS AND OFFICERS OF THE INTERNATIONAL ASSOCIATION OF INDUSTRIAL ACCIDENT BOARDS AND COMMISSIONS

Annual meetings			President	Secretary-treasurer
No.	Date	Place		
1	Apr. 14, 15, 1914	Lansing, Mich	John E. Kinnane	Richard L. Drake.
(1)	Jan. 12, 13, 1915	Chicago, Ill	do	Do.
2	Sept. 30–Oct. 2, 1915	Seattle, Wash	do	Do.
3	Apr. 25–28, 1916	Columbus, Ohio	Floyd L. Daggett	L. A. Tarrell.
4	Aug. 21–25, 1917	Boston, Mass	Dudley M. Holman	Royal Meeker.
5	Sept. 24–27, 1918	Madison, Wis	F. M. Wilcox	Do.
6	Sept. 23–26, 1919	Toronto, Ontario	George A. Kingston	Do.
7	Sept. 20–24, 1920	San Francisco, Calif	Will J. French	Charles H. Verrill.
8	Sept. 19–23, 1921	Chicago, Ill	Charles S. Andrus	Ethelbert Stewart.
9	Oct. 9–13, 1922	Baltimore, Md	Robert E. Lee	Do.
10	Sept. 24–26, 1923	St. Paul, Minn	F. A. Duxbury	Do.
11	Aug. 26–28, 1924	Halifax, Nova Scotia	Fred W. Armstrong	Do.
12	Aug. 17–20, 1925	Salt Lake City, Utah	O. F. McShane	Do.
13	Sept. 14–17, 1926	Hartford, Conn	F. M. Williams	Do.
14	Sept. 27–29, 1927	Atlanta, Ga	H. M. Stanley	Do.
15	Sept. 11–14, 1928	Paterson, N. J	Andrew F. McBride	Do.
16	Oct. 8–11, 1929	Buffalo, N. Y	Frances Perkins	Do.

[1] Special meeting.

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BULLETIN OF THE

U. S. BUREAU OF LABOR STATISTICS

NO. 511 WASHINGTON APRIL, 1930

PROCEEDINGS OF THE SIXTEENTH ANNUAL MEETING OF THE INTERNATIONAL ASSOCIATION OF INDUSTRIAL ACCIDENT BOARDS AND COMMISSIONS, BUFFALO, N. Y., OCTOBER 8–11, 1929

TUESDAY, OCTOBER 8—MORNING SESSION

Chairman, Mrs. Frances Perkins, president I. A. I. A. B. C.

After the first session of the sixteenth annual meeting of the International Association of Industrial Accident Boards and Commissions had been called to order by the chairman, a telegram from Franklin D. Roosevelt, Governor of New York, and a letter from Frank X. Schwab, mayor of Buffalo, were read. Each expressed regret that he was unable to be present and extended a welcome to the delegates. Walter O. Stack, president of the Industrial Accident Board of Delaware, responded to the welcome.

The president of the association made the following address:

Address of the President

By Frances Perkins, Industrial Commissioner of New York

I feel to-day as though all the people who are interested in accident prevention and in sound administration of workmen's compensation laws were expecting me to tell you just what it is that we want of you and expect of you and hope for as a result of your meeting here in this State.

Many of you know that for many years in the State of New York we have had an annual safety congress. Although we have often invited others to come and participate in it, still it has been a State enterprise—a State congress—looking toward better accident-prevention work in our local industries and toward a better administration of our workmen's compensation law, particularly with reference to the prevention of accidents and the prevention of the mounting costs of compensation due to these increasing accidents.

This year we thought that this meeting of the industrial accident boards and commissions was of such importance that it would be better for us not to have our annual safety congress but to combine with this organization in its meeting. So those persons who are ordinarily delegated to attend the safety congress will be found present at this meeting during some of the sessions, contributing to the discussion and gaining very much, I am sure, from the papers and discussions of other States that have had similar experiences.

We have brought up here with us a part of an exhibit which we often show at the New York safety congress. It is an enterprise which is conducted by the bureau of hygiene of the New York State Department of Labor and will show you one of the best things we have in our department. We have no great amount of money to spend in getting new material, and it is possible that some of you who may be interested will suggest means whereby industries which are centered in your State will be willing to contribute lantern slides or other material which would greatly enhance the value of our safety exhibit.

As you know, the program for Wednesday—that is, to-morrow—was planned with express reference to accident prevention and to the activities which the New York State Department of Labor has carried on in its annual safety congress. There will be in attendance a large number of representatives from labor unions all over the State, of representatives of the industries of the State of New York, and of representatives of the department of labor. We are also going to have reports of progress from various employer and labor union committees on safety.

One of the most striking new pieces of work in this State has been the appointment by the governor of a committee consisting of members of the New York State Federation of Labor to carry on an active accident-prevention campaign among its own members and among working people generally, it being our belief that perhaps the best teaching of safety can come from those who are directly related to, or who know the hazards in, our shops and mines and mills.

As I see this movement to-day, this society—the Association of Industrial Accident Boards and Commissions—is not only seeking among its individuals to improve the technique in the administration of workmen's compensation, but is also looking to greatly improved coordination between the work of the various States and to better cooperation between the States in reference to accident-prevention work and workmen's compensation administration.

Cooperation between individuals or between States is perhaps one of the most difficult things for any group of people in our modern American society to achieve. We in America, I think, are all fundamentally individualists; and we are a bit proud of it. It is inherent in our constitution, in all of the activities of our industries, and in our fundamental, philosophical conception of ourselves, that each of us is free-born, able to do whatever one wants to do—so that one finds it difficult to give up one's own private ideas of what is right and good and to fit them into a general scheme in which others also take a part. However, " cooperation " is a word which is growing in American psychology, and we are all happier, I think, to be

a part of a cooperating movement such as this represented here to-day.

We, in this association as well as in other associations, find some difficulty in attaining cooperation as between States in the solution of our problems. I am strongly reminded of this lack of cooperation, inherent even in our compensation laws, in occasional cases that come up in New York State where the question of whether or not we have extraterritoriality jurisdiction is to be decided.

I vividly remember the case of a traveling salesman—selling paint, I think it was—employed by a Pennsylvania firm. All of the firm's factories were located in Pennsylvania. It had no office in the State of New York; in other words, it had no hazardous business in the State. This salesman was injured on Long Island, which is a part of the State of New York, in an automobile accident while he was about to make a delivery or a call on one of the firm's customers. We decided that because the paint company was not a New York enterprise and had no hazardous business in New York, the salesman's claim for compensation which he filed in New York could not be accepted and that we could not make an award for compensation to him, so we referred him to the State of Pennsylvania. To our astonishment, he came back in a few weeks and said that he had no claim in Pennsylvania because he was injured in New York, and that the law of Pennsylvania did not cover injuries outside of the State, without regard to the employment. I could not believe it. I thought that he was just faking because the rates were higher in New York than in Pennsylvania and that he wanted to claim under the New York law.

I wrote to Harrisburg and learned that this man could collect compensation neither in Pennsylvania nor in New York, because of the fact that he was so careless as to allow himself to be injured in the State of New York. Here was a case of lack of cooperation between the States, not due to any ill will on the part of the officials, who would have been glad to handle the matter intelligently, but in the matter of legislation which denied to a citizen of Pennsylvania—a citizen of America—who was injured compensation from any State.

This man feels that he has a real grievance against the Government. Most of us agree that he has a grievance, and that we who are in charge of the administration of the law should take such steps as we can to iron out these differences between the State laws which apparently lead to this lack of cooperation.

Having been charged with the adjudication under the compensation law for some years, I have seen certain things that point to steps that we all know ought to be taken in the interest of better compensation and accident-prevention work. It seems to me the first step is that of grading up the benefits of the various State compensation laws to the standards of the more advanced States.

Last winter there was held in New York State a meeting called the state-wide economic congress. This meeting was called by manufacturers and employers in this State and to it were invited others who had related interests—economists, bankers, merchants' associations, and government officials—to discuss what they believed were some of the difficulties which business men had in the State of New York.

They pointed out, in figures as between factories, that there was a great difference in the costs of compensation in New York State and in other States, which they believed was one of the causes of unfair economic competition between the States. Many of these men who had factories both in New York and in Pennsylvania, in New Jersey and in Michigan, or in a number of other States, and who carried compensation in these States, proved rather conclusively that there is a difference in compensation rate costs, that it is a little more expensive in New York. However, I was struck with the fact that with one accord they said that, although this difference was a hardship, they would not think for a moment of suggesting that the rates in New York be decreased, that it would be a disadvantage. They regarded it as a wholesome relationship with their employees that there were good, substantial workmen's compensation benefits in the State of New York.

Is it not time that we in this country—recognizing that the general standard of living throughout the country is the same, and that, with the great mergers taking place, there is coming about a concentration and centralization of capital—should realize that it is almost necessary that workmen's compensation benefits should be the same throughout the whole country? Has not the time come, in other words, for a very determined step on the part of those States which are not in the lead to raise the level of their workmen's compensation benefits to the level of the most advanced State, both as to the amount of the schedule and as to the exact rates of payment of compensation awards? It seems to me that that time has come, and that this group, with its influential members in every State, should take the lead.

I understand that one of your own committees, within the last year or two, reported to a previous meeting of this convention, recommending that this organization go on record, and I believe your association is on record, in favor of a grading up of the benefits. To go on record is one thing and to be active in regard to the proposition is another. I think the time has come not only for active work in grading up benefits, but also for equalizing the compensation laws in the different States, as well as for an elimination of the arbitrary maximum which still exists in some States.

It is a tragic thing to see a total permanent disability case or a death case with a widow and many children and realize that there is a fixed limit of relief which that case can have, and when that compensation has been paid, that individual must become a public charge.

In New York State and in some of the other States where there is no arbitrary maximum limit a permanent disability is paid so long as the injured person is a total permanent disability, and thus there is assurance that the individual, injured by industry, is not going to become a public charge toward the end of his life.

In other words, the percentage of relief which compensation gives ought to remain constant. It ought not to be limited in one State and unlimited in another; that makes an unfair situation as between States. I think in the end we are going to, by some kind of Government agreement, wipe out those difficulties.

Another matter of great concern to all of us is the continued existence of noninsured employers even in those States where insurance is compulsory under the workmen's compensation law. We

have been shocked at the number of noninsured employers in the State of New York. Although our law has been in existence for many years, and although presumably everybody in the State knows that he ought to be insured, we find an excessive number of noninsured employers.

Our inspectors go into only two classes of establishments—factories and mercantile. They do not go into contractors' places nor into places of amusement, and they do not go into a lot of places that are covered by the workmen's compensation law; but going their regular rounds and merely asking in a routine way for policies, in the last year they found 11,000 employers in this State who were not covered by insurance—a very striking number of noninsured employers.

In the same year we made awards of compensation against noninsured employers in some two or three thousand cases, which means that in these cases the persons who were injured probably never collected the full amount of their award.

I remember a case of a widow with five children coming up with a perfectly just claim, a claim about which there was no question whatsoever, to find the employer noninsured. All noninsured employers are likely to be irresponsible financially, because if they were responsible they would have complied with the law and had compensation insurance. This employer had no background, no money, and no property to speak of, and the best that he was able to offer her was $500 as compensation for the death of her husband—she a widow with five children to support.

We have cases of permanent total disability who were employees of noninsured employers. The other day I had a case of a man 26 years old, totally blind. He was injured in a terrible explosion which blew out his eyes and blew off the front part of his face—hideously disfigured and perfectly helpless at 26. It was a case of a noninsured employer using dynamite. Just imagine!

After considerable enterprise on the part of charitable, civic, and other organizations and a great deal of political and judicial pressure, we had the employer arrested and threatened with a jail sentence, after which he managed to find, borrow, or beg $3,000, and we were obliged to take that in settlement. He had no property, or he was judgment proof; so Fred Haines, without eyes at 26, has $3,000 to get along on for the rest of his life. A noninsured employer in any community means a hazard.

It seems to me that the time has come for a permanent drive on these noninsured employers throughout the country. We are doing the very best we can to stamp them out in New York State. I believe they deserve no mercy.

In June [1929] we made a drive to round up all of the noninsured employers that we could find in a 2-week period. It meant taking factory inspectors off their regular work and having them search through apartment houses where there are elevators, through contractors' establishments, places of amusement—all such places—to find the noninsured employers; and in just two weeks of scouting around nearly 4,500 noninsured employers were found in the 18,000 establishments visited.

Of course that meant that we served orders on those employers and we are bringing them into court. The judges and the magistrates in every industrial community have been asked to cooperate with us by imposing the extreme penalty of the law on noninsured employers, even though they have never had an accident in their plants. You see that is where the difficulty has been—the employer has gone a number of years without an accident, and he feels that nothing can happen to him; if he does have an accident and is prosecuted by the attorney general he is given a small fine and settles the case in order to escape going to jail. Our workmen's compensation law carries with it a penalty of imprisonment when the employer is noninsured, even though he has not had an accident in his plant.

In New York we have another situation which those who are interested in insurance practice will realize is serious. I do not know to what extent it may have cropped up in other industrial centers in the country. It is closely allied to this problem of the noninsured employer. An employer will take out a policy of compensation insurance and have it issued immediately under a binder and then fail to pay his premium. He thereby acquires insurance for a considerable period of time—that is, until such time as the insurance company gets around to dunning him, then investigating him, and finally giving him a 10-day notice of cancellation of the policy for nonpayment of premium. He at once takes out a policy with another insurance company on the same terms, which he carries as long as he can.

The State fund in this State has found this to be a real problem—unscrupulous employers who take out policies and allow them to be canceled for nonpayment of premium. If any accident happens in those few months when they are covered by the binder, the insurance company is liable, but the employers go scot free and never pay the cost. Other employers should be on the watch to prevent that practice, because it means unfair competition on the part of those who save the price of what the compensation policy would cost. We find this to be more common in New York City and in Buffalo among what we call "fly-by-night contractors"—people engaged in very hazardous work but having only one or two contracts; that is, getting the contract when they can and not being in business at any other time. The great profits to be made in building operations in New York State have led a large number of irresponsible people to undertake to be contractors who by making all these unscrupulous savings on their cost are able to underbid other contractors. We, in New York State, have undertaken to blot out this practice.

And there is our problem of occupational diseases. Has the time not come when anyone who is disabled because of any exposure in his work, whether it be by legal accident or by exposure to poisons over a long period of time, should be compensated—should be relieved by a tax upon the industry? It seems to me that it has, because with the changes in American industry in the last 10 years there has been a great increase of the chemical industries and of the utilization of chemicals in other industries.

There are people to-day in millinery shops exposed to benzol—an extremely hazardous industrial poison. Most of us do not think

of milliners as being exposed to any very hazardous condition; but benzol, as you know, is used as the solvent in the cement into which are dipped the trimmings which are pasted on ladies' hats, instead of being sewed on. It is one of the modern industrial shortcuts, but it exposes labor to benzol poisoning.

It is the same in the raincoat factories. All these pretty red and blue raincoats are put together with a cement which is dissolved in benzol. My next-door neighbor in the country, a beautiful, young girl, is dying to-day because of benzol poisoning which she acquired making these pretty little rubber bathing caps, which are pasted together with cement dissolved in benzol. She first had a curious sensation of palpitation and nervousness; she lost her appetite; then she fainted away and was taken to a hospital where the doctor diagnosed her case as general anemia, and finally she was sent home. When I found her so ill, my unscrupulous mind, trained in industrial practices, began to inquire about what she had been doing. I had competent physicians who knew the symptoms of benzol poisoning examine her, and learned there was no doubt that she had benzol poisoning.

This girl had been working in a novelty factory—that is, a factory where you would not expect to find our great industrial hazards. I recite that case only to illustrate to you the insidious effects of the general distribution of chemicals in our industries and of their use by people who are unaware of the danger. These people are not (except for a few limited poisons which are mentioned in our law) covered by the compensation law.

In New York State, although I wish that we might have a general occupational disease law, I am pretty sure that our method of progress will be by adding new diseases each year as we come across them in the work of the industrial board. We report to the legislature that we had last year claims for compensation in two or three or more cases, we will say, of poisoning from methyl chloride—the substance which is used in refrigerating plants. It has been the subject of considerable agitation in Chicago, where adverse results were suffered due to leakage of fumes in some apartment houses where these refrigerators were installed. The men who work in the factory where those refrigerators are made have not, until this year, been covered under the New York law. As a matter of fact, that matter was brought to our attention by an employer engaged in that industry, who reported a great deal of illness among his men due to exposure to methyl chloride.

I want to discuss very briefly, if I may, our procedure with regard to the making of lump-sum awards. I know in some States there is a general disposition to make a lump-sum award and close the case as quickly as possible by agreement.

In New York we have had unfortunate experiences with some of our lump-sum awards, and I want to suggest to you a discussion of better methods—a discussion of a general cooperative movement among the States for better methods of determining when and whether or not there should be lump-sum awards made, for better supervision of payment of lump-sum awards, and for better supervision of the spending of lump sums because sometimes the lump-sum award is all that a family has for its future protection, the

unwise or improper expenditure of which means the wreckage of that family and the defeat of the very purposes for which workmen's compensation laws were instituted.

In New York State we have developed a little informal practice of permitting lump-sum awards for therapeutic purposes. This is a lump-sum award which does not come in the classification of a necessarily permanent settlement, although to all intents and purposes it is a permanent settlement. In many of our difficult neurotic cases the use of a lump sum for about two or three years—all in a lump sum with no more questions asked—has been found to have a high therapeutic value in bringing about a readjustment of the individual to his circumstances in taking his mind off the compensation claim, and in making him feel that it is settled and he can now take a little rest and get back to work.

There is another item which should be added to compensation practice in every State, and that is more attention to the social considerations which surround claims for disability.

In some States there have been established (not in the workmen's compensation offices) bureaus of young attorneys who occupy somewhat the same position as prosecutors occupy in other forms of government in order to help claimants when they need help in the preparation, analysis, and presentation of their claims for compensation.

In New York State we have a little bureau, called the aftercare department, which really is a social-service agency. This bureau has been in existence for 10 years now, and it has done very valuable work in putting the claimant in contact with all of the other government agencies and with societies that can give the service which these individuals need over and above their compensation. We have found this bureau highly useful in making contacts, for instance, with private charitable agencies, when we had the problem of transporting the individual to New York City in order to have a hearing. We have found this bureau extremely helpful in the determination of certain facts with reference to the suitability of guardianship of certain adults for orphan children who are entitled to awards of compensation benefits because of the death of the father. We have found it able to take into consideration all those social necessities which the workmen's compensation as such can not touch upon, and its activity and help has been of great value in the administration of the workmen's compensation law.

It seems to me that we should give more careful consideration to all the implications of the problems of human necessity in the administration of workmen's compensation law, so that it will not be too hard and too difficult a problem for the injured workers, first, to get their compensation; second, to spend their compensation; and, third, to live while the august officials of the government are determining what they ought to have. In other words, it is a human problem with them—it is a 100 per cent loss to them even though it is only one more case to us.

And now I wish to express a doubt as to whether or not there is any sense in the arbitrary schedule of benefits for the partial loss of the use of members which has been set up in many of the compensation laws. I remember the way in which these schedules were set up

in the New York State law. I remember that those who recommended the law had a very much higher number of weeks written after each member than those who were not opposed to the law but were trying to make the law as cheap as possible, and that the legislature finally struck a happy medium between the two. From time to time, because of the experience of the compensation department, there has been a slight change in the number of weeks in those schedules which were found to be manifestly unjust.

Although these schedules have been a lot of guesswork, we regard them as if they were "the law of the Medes and Persians," and we say to a claimant, "See, that is all you can have—so many weeks for an arm; and that is all there is to it," and act as though the matter were closed.

But is that the answer? Are the number of weeks mentioned in the various States based on anything but a guess? Is there any real knowledge in this country, or any country, that a given number of weeks represents in any way the degree of difficulty and the degree of loss of earnings which an individual will probably have because of the loss of a member? I think we all would agree that it is only a guess. The time has come for every State to carry on cooperative studies of the social and economic histories of some of these cases in which schedule awards have been made under existing schedules.

What has a man without his right arm been able to earn in these United States of America since 1917? Let us know to what extent it has interfered with his earning power, either as a mechanic or as a laborer. Let us know just what difficulties have confronted him, and let us see if we can not have a more rational basis in the next 10 or 20 years for making these awards for scheduled losses of members.

Another thing I want to suggest is that at the same time we are studying these schedules let us take into consideration some of the implications of the French system of making awards. Under the French system permanent total disability is regarded as 100 per cent, and all other disabilities of members or of parts of members are regarded as a certain percentage of total permanent disability. There has been at least some effort to determine what percentage the loss of a leg is of total permanent disability.

I think the French system offers many suggestions which would be extremely valuable in this country in doing justice as between classes of claims. Think, for instance, of the difference between the man of 70 who loses his arm and a boy of 17 who loses his arm, yet each gets the same amount of money under our American law. Under our New York State law the man of 70 if he dies the next week has had the award and that award is given to his dependents, whereas the boy of 17 must go on through all of his life without an arm. His economic disadvantage is exceedingly greater than that of the older person who was injured in the same way and has the same sort of a schedule award.

Under the French law the boy of 17, if he should be given a certain percentage of permanent disability for the loss of that arm, would, of course, have his age and his expectancy of life taken into consid-

eration in figuring the total permanent disability, and therefore his amount of money would be very much greater than that of the older person whose expectancy of life was very much shorter.

I am told by actuaries that the cost, so far as the insurance company would be concerned, would probably be no greater and that the difficulties of underwriting would be no greater than under our present law. Therefore, I want to raise the question—I don't want to commit myself as being an advocate of that yet, because I am merely a student of it—but I want to suggest to this association the future study of that system as well as of our schedule.

I have taken much of your time this morning in talking of things about which you know quite as much as I do, but my one hope is that what we learn from one another in the discussions may be mutually stimulating and that out of this will come good which will be reflected to the people of this State and to those of other States who are so unfortunate as to be injured in the course of their employment.

The CHAIRMAN. Mr. Skelding, the assistant actuary, is reporting in Mr. Roeber's absence on the "Explanation of figures of National Council on Workmen's Compensation Insurance on relative benefits under different State laws."

Explanation of Figures of National Council on Workmen's Compensation Insurance on Relative Benefits Under Different State Laws

By W. F. Roeber, actuary National Council on Workmen's Compensation Insurance, New York City

[Read by Mr. Skelding]

You, as members of industrial accident boards and commissions, are engaged in the administration of the workmen's compensation law of your State. You are interested primarily in the administration of your own State law, but you are also interested in comparing your law with the laws of other States. For purposes of this comparison, the provisions of the various and sundry workmen's compensation laws may be grouped under the two general headings of, first, "Strictly administrative provisions," and second, "Benefit schedules." I will deal only with the latter group, which lends itself to mathematical analysis.

The National Council on Compensation Insurance has prepared a table showing mathematically the benefit provisions of the law of each State compared with the corresponding provisions of the law of each of the other States. This table, which is in the form of a series of index numbers using the New York law as a base, is called the table of comparative benefit costs. The index figures appearing in the table are called "law differentials."

At this point you might well ask: "Of what particular value or interest is this to me?" A general answer would be that you are concerned with the liberality of the benefit provisions of the law in your State as compared with the corresponding provisions of the laws of other States. For example, when the State legislature has under consideration an amendment to the compensation law, you are asked for advice and your advice will undoubtedly be influenced by

what other States are doing. This table enables you to make a direct comparison with the laws of other States. You are also interested in knowing how, on the average, the awards in your State compare with the awards in other States. The aggregate awards over a reasonable period of time in each of two States may show, for example, that the aggregate cost of fatal cases is 20 per cent higher in State A than in State B. By referring to the Table of Comparative Benefit Costs, you find that the law is only 15 per cent higher in State A than in State B. The remaining 5 per cent is due, therefore, to differences not attributable to the law. This residue is made up of a number of items, included in which and playing an extremely important part of it is the attitude of the commissions and courts in settling claims.

I have just mentioned the differences in cost between States not attributable to the benefit provisions of the laws. These differences are of importance in compensation-rate making. We, therefore, use experience differentials rather than law differentials in placing past experience upon a common level of cost. Experience differentials in addition to measuring differences in cost under the various laws measure all other differences, such as methods of administration, attitude of boards, commissions and courts, medical and hospital conditions, wage levels, accident severity, frequency rates, and all the other related subjects which play a part in determining loss cost. In other words, the law differentials which are shown in the table of comparative benefit costs compare the adequacy of the benefit provisions of the various laws while the experience differentials measure not only these provisions but also all other items affecting cost.

I will now attempt to explain the derivation and limitations of the law differentials appearing in the table of comparative benefit costs. For statistical purposes accidents are classified, according to the kind of disability produced, into the six major divisions of fatal, permanent total, major permanent partial, minor permanent partial, temporary, and medical. Permanent total disability is usually defined as the loss or complete loss of use of both hands, both arms, both feet, both legs, both eyes, any two thereof, or any other injury which in fact permanently and totally prevents a person from pursuing a gainful occupation. Major permanent partial disability is disability, not constituting permanent total, which involves the loss or impairment to the extent of 50 per cent or more, of an arm, hand, leg, foot, or eye, or any permanent injury which is compensated on the basis of 25 per cent or more of permanent total disability. With this explanation the other terms are practically self-explanatory.

The table of comparative benefits is a comparison of the scale of benefits of workmen's compensation laws by these six statistical divisions. New York is taken as the base, but, as the values are consistent, the table can be transformed to one with any other State as the base by the simple process of division. The values given for Alabama in the table as of January 1, 1929, are as follows:

Death	357
Permanent total	252
Major permanent partial	448
Minor permanent partial	584
Temporary total	573
Medical	821

Everything else being equal, these figures mean that on the average the cost of a fatal case settled in accordance with the benefit provisions of the compensation law of Alabama is 35.7 per cent of the cost of the same case settled in accordance with the benefit schedule of the New York compensation law, and similarly, the cost of a permanent total case under the Alabama law is, on the average, 25.2 per cent of the cost of the same case under the New York law. The index numbers for different kinds of injury in the same State have no relation whatever to one another. The relation between the average cost of a fatal case and the average cost of a permanent total or any other kind of a case can not be determined from the Table of Comparative Benefits.

These index numbers are obtained by calculating separately for each kind of benefit the cost of compensating a standard distribution of accidents under the compensation law of each of the States and dividing the cost for each State by the cost for the basic State.

The standard distribution of accidents referred to is known as the American Accident Table. This table is based upon a countrywide study of compensation accident statistics. In addition to the major divisions by kind of disability, each division is further subdvided as follows: For fatal, a distribution is given according to the kind of dependents and their average age; in the permanent total disability classification the average age of the injured employee is shown; in the permanent partial disability divisions the number of cases of dismemberment or loss of use of each bodily member is given; and for temporary disability there is shown a distribution by duration of disability.

In order to obtain comparable figures, it is necessary to calculate, on the basis of a common wage, the cost of compensating this distribution of accidents under the compensation law of each State. Here we are confronted with a question as to what wage to use. For example, in comparing the New York compensation law with the Alabama compensation law should the calculations be made at the New York average weekly wage of $33.14, or the Alabama average weekly wage of $20.41? Offhand it might appear that the same differential will be obtained regardless of the average wage used. This is not the case, however, because of the operation of the maximum and minimum limits to weekly compensation.

In New York the limits to weekly compensation for temporary disability are $8 minimum and $25 maximum. At a compensation rate of 66⅔ per cent these correspond to effective wages of $12 minimum, and $37.50 maximum—that is, anyone whose average wage is $12 or less will receive $8 per week if injured, regardless of the actual average wage, and anyone whose average wage is $37.50 or greater will be entitled to compensation of only $25 per week. Thus we see that the weekly limits have the effect of making the actual percentage rate of compensation greater than the legal percentage for those cases lying at the lower end of the wage distribution and less than the legal percentage for those cases lying at the upper end of the wage distribution. The location of these limits with respect to the average wage has a marked influence on their effect. If the average wage comes very close to the lower limit, the increase due to the lower limit is likely to more than offset the decrease due

to the upper limit, with the net result that the compensation payable may amount to more than it would if there were no limits. And, on the other hand, if the average wage comes very near to the top limit, the compensation will be greatly reduced below what it would have been if there were no limits.

In Alabama the limits of weekly compensation are $5 minimum and $12 to $15 maximum, while the compensation rate is 50 per cent. You will note that these limits and the rate of compensation are considerably lower than in New York. But in Alabama the average wage upon which compensation payments are based is, according to latest available statistics, $20.41, while in New York the corresponding average wage is $33.14. It is obvious that if we calculate the monetary cost of compensating a standard distribution of accidents using a low set of limits from one State and a high wage from another State, or vice versa, the results will be distorted. For example, if we use the New York average wage of $33.14, the Alabama cost of temporary disability is 54.1 per cent of the corresponding cost in New York, while if we use the Alabama average wage of $20.41, the corresponding figure is found to be 66.3 per cent. One solution would be to use the average of the New York and Alabama wages. However, if we introduce other States into the table on this basis, it is impossible, because of the various underlying wages, to compare one State with any State other than New York. We overcome this difficulty by using a national average wage which is a weighted average of all the State average wages. The cost of compensating the accident table is computed under each State's law at this national average weekly wage of $26.85.

The values given for medical in the table of comparative benefits are obtained from a comparison of index numbers assigned to each State in accordance with the legal limits to duration and monetary amount of medical aid provided by the compensation law and do not, therefore, measure actual differences in medical cost as between States.

The figures given for "All benefits" are weighted averages of the 6-part factors. National Schedule Z data have been used as weights for reasons similar to those underlying the use of a national average wage.

In using this table of comparative benefit costs you must bear in mind that the figures themselves are subject to many limitations because of the fact that so many elements, the effect of which we can only surmise, must enter into the computation. As pointed out in my previous remarks, the use of an average national wage is but an approximation to the true condition in any particular State. A comparison of cost under the "All benefits" column is correct only in a general way. The distribution of accidents by type of injury varies from State to State and will, therefore, be somewhat different in each case from the national distribution or from any other set of weights which might be used to obtain the average. Because of this fact and others previously mentioned, it is essential to keep its limitations in mind when using this table.

In conclusion, permit me to again point out that the law differentials shown in this table are merely an approximate measure of the adequacy of the benefit provisions of the various State laws

and should not be confused with the experience differentials employed in rate making. These latter figures measure, in addition to differences in law, all other factors affecting the loss cost.

TABLE OF COMPARATIVE BENEFIT COSTS

The attached table of comparative benefit costs measures the theoretical differences between the benefit schedules of the various workmen's compensation laws. The index numbers or law differentials appearing in this table should not be confused with the experience differentials which measure, in addition to differences in law, all other factors affecting compensation cost. Law differentials afford a convenient comparison of the benefit scales of the several workmen's compensation laws. Experience differentials, which include a measure of all items affecting compensation cost, are used in rate making.

The factors shown for each of the major loss divisions of fatal, permanent total, major permanent partial, minor permanent partial, and temporary are determined separately by applying the compensation law of each State to a standard distribution of accidents called the American Accident Table. The index numbers for different kinds of injury in the same State have no relation whatever to one another.

New York is taken as the base. For example, the figure shown in column (1) for Alabama means that on the average, the cost of a fatal case settled in accordance with the benefit provisions of the Alabama law is 35.7 per cent of the cost of the same case settled in accordance with the benefit provisions of the New York law. Similarly, the average cost of a permanent total disability in Alabama is $25\frac{7}{463}$ of the average cost of a permanent total disability in Alaska.

The laws have been valued on a national average weekly wage of $26.85.

The figures shown in column (7) are weighted averages of the 6-part factors. National Schedule Z data have been used as weights.

Because there are so many elements, the effect of which we can only surmise, entering into the calculation of these index numbers, they are approximate values only. In using these values, their limitations should be borne in mind.

Table of comparative benefit costs

[Compiled as of Jan. 1, 1929]

State	(1) Fatal	(2) Permanent total	(3) Major permanent partial	(4) Minor permanent partial	(5) Temporary	(6) Medical and hospital	(7) Average, all benefits	(8) Date of latest law affecting benefit schedules
New York	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	July 1, 1928
Alabama	357	252	448	584	573	821	571	Jan. 1, 1920
Alaska	695	463	893	735	955	-------	626	Aug. 7, 1927
Arizona	1,147	959	848	941	1,220	957	1,031	Nov. 3, 1925
California	498	582	667	757	863	1,000	782	July 29, 1927
Colorado	420	605	560	378	507	877	569	May 1, 1927
Connecticut	518	355	750	776	767	1,000	771	July 1, 1927
Delaware	345	221	509	615	606	790	585	Apr. 29, 1927
District of Columbia	762	403	1,082	1,069	959	1,000	961	July 1, 1928
Georgia	383	234	511	683	648	772	609	Aug. 27, 1925
Hawaii	447	248	820	848	806	1,000	790	Apr. 27, 1927
Idaho	540	475	576	487	721	1,000	687	Mar. 2, 1927
Illinois	482	429	654	857	751	1,000	763	July 1, 1927
Indiana	495	283	699	806	721	877	722	May 16, 1927
Iowa	497	292	538	560	605	784	603	July 4, 1927
Kansas	498	340	677	833	800	882	746	July 1, 1927
Kentucky	467	303	458	575	731	877	642	June 16, 1926
Louisiana	456	365	619	675	895	944	741	Aug. 1, 1928
Maine	465	333	819	1,258	822	784	822	July 16, 1927
Maryland	595	284	716	768	1,014	981	830	June 1, 1927
Massachusetts	539	278	645	560	906	845	714	Aug. 27, 1928
Michigan	603	414	611	798	885	957	787	Sept. 5, 1927
Minnesota	736	498	900	935	948	1,000	905	Apr. 25, 1927
Missouri	649	554	698	963	1,086	1,000	901	Jan. 9, 1927
Montana	576	320	482	403	554	963	608	Mar. 10, 1925
Nebraska	585	634	755	777	775	1,000	792	July 24, 1927
Nevada	916	700	663	760	1,014	988	883	Mar. 21, 1925
New Hampshire	376	210	450	295	885	735	571	May 4, 1923

Table of comparative benefit costs—Continued

State	(1) Fatal	(2) Permanent total	(3) Major permanent partial	(4) Minor permanent partial	(5) Temporary	(6) Medical and hospital	(7) Average, all benefits	(8) Date of latest law affecting benefit schedules
New Jersey	$504	$923	$797	$1,026	$931	$877	$850	Jan. 1, 1929
New Mexico	370	294	427	391	508	677	484	Mar. 14, 1927
North Dakota	986	662	865	756	1,139	1,090	957	July 1, 1927
Ohio	702	869	708	807	838	938	816	July 14, 1925
Oklahoma	449	407	668	785	907	938	771	June 29, 1923
Oregon	775	483	501	562	944	938	765	May 26, 1927
Pennsylvania	443	331	716	871	732	802	715	Jan. 1, 1928
Porto Rico	396	194	457	352	648	1,000	596	Aug. 12, 1928
Rhode Island	373	278	494	473	729	877	613	Apr. 22, 1927
South Dakota	365	174	577	705	988	914	736	July 1, 1927
Tennessee	536	261	444	561	641	772	599	Apr. 25, 1927
Texas	652	332	600	758	884	883	765	June 15, 1927
Utah	562	679	631	543	898	969	752	May 12, 1925
Vermont	289	187	528	494	648	710	548	June 1, 1927
Virginia	404	239	493	608	550	926	609	June 17, 1928
Washington	880	557	568	538	668	1,000	736	July 1, 1927
West Virginia	687	799	722	911	771	988	828	July 24, 1925
Wisconsin	765	689	1,215	983	955	969	958	Aug. 10, 1927
Wyoming	354	275	432	297	857	914	609	Apr. 1, 1927
United States: Longshoremen	762	603	1,082	1,069	959	1,000	961	July 1, 1927

DISCUSSION

Mr. STEWART. I would like to ask a question. In the first place, in your paper you say "Alabama as of January 1, 1929." In the table it shows 1920. Which is correct?

Mr. SKELDING. Both are correct. The latest law in Alabama went into effect in 1920. This table was drawn up as of January 1, 1929; so the January 1, 1929, law, as far as Alabama is concerned, is the same law which went into effect in Alabama in 1920, as in drawing this table we must draw it as of some particular date.

Mr. STEWART. You have Utah as of 1925. If you are asking for experiences, would it not have been better to have taken a recent date? So far as Utah is concerned, you can get their report up to the day before yesterday. You can get the report of Utah within a week of the date you ask for it.

You have Oklahoma, 1923. You can get the record of Oklahoma within six months, and I think in 3-month periods.

I would just like to know why these old dates were used, and whether they have any significance. Then I would like to say this: You have Alabama and Tennessee, States with court administration laws, and this association doesn't concede that those States have any compensation law at all. You get a mere fraction of the accident cases in Tennessee and Alabama. I should say in Tennessee easily 90 per cent are settled between the employer and the employee on an agreement, and the employee does not know what it means, except that he is getting $25 perhaps, which is more money than he ever saw before, and the court simply O. K.'s those things. Compensation, as we understand it, in those States is simply a farce. I wonder how much the inclusion of those States has influenced these figures?

Mr. SKELDING. I would like to point out first of all that the actual experience developed under the State acts does not enter into the

calculation of this table at all. As I pointed out in the table, we have two kinds of so-called differentials: The lower differentials which are exhibited in the table of comparative benefit costs, and another type of differential called "experience differential," which do take into account the experience which has been developed under each State act. In other words, this table is merely a theoretical comparison of the benefit provisions of each of the different State workmen's compensation laws. The actual experience which may be incurred under those compensation acts has nothing whatever to do with this table, and, as a matter of fact, when the experience actually is developed, it may be very far off from what we theoretically expect under the benefit provisions of the workmen's compensation act.

For instance, in comparing the benefit provisions of the State laws of two different States, we might expect that the average cost of a fatal case in one State would be $3,000, and that in another State the average cost would be $5,000; that is, merely taking into consideration the benefit provisions of the law. When the actual experience is developed, that situation may be entirely reversed. The actual figures may be $1,000 and $6,000; so that this table is merely a theoretical comparison of the benefit provisions of the different State workmen's compensation acts. Experience does not enter into the figures shown in this table at all.

Now, as to the other question regarding the dates which we have used, I think that is partially answered by the answer to the first part of the question: that experience has not entered into the calculation of these figures at all. For instance, in Alabama, column No. 8, we show the date of the latest law affecting the benefit schedule, January 1, 1920. That is the same law which is now in effect in Alabama, so that for the purpose of calculating the table the data used are brought up to to-day. There is no difference, as far as benefit provisions of the Alabama law go, between the law of to-day and that which originally went into effect on January 1, 1920, and the important point in attempting to use this table is to bear particularly in mind that the table is merely an attempt to measure theoretically the benefit provisions of the various State laws, and that it is not influenced in any degree by experience which has actually developed under the workmen's compensation laws.

Mr. KENNARD. Not for the purpose of being controversial, but in view of the fact that I take it these figures will be made public and they may be the subject of comment and examination by the public, I should like to ask the speaker how he arrived at the figures in Massachusetts. He says he has not taken experience into consideration. Our law provides for weekly payments of benefits over an indeterminate period. Nothing but experience will show what the benefits under the Massachusetts law are.

Mr. SKELDING. The same thing applies to New York, of course, because in permanent total disability cases the period is not determinable, and the payments in cases of permanent total disability continue as long as the injured person——

The CHAIRMAN. Your permanent-disability payments in Massachusetts are not paid for so many weeks. They are paid for the actual number of weeks disability exists.

Mr. KENNARD. I have had men who have lost an eye and who went to work the next day, and I have had men who have lost an eye and who did not go to work for three years, and the 3-year men received compensation.

Mr. SKELDING. I can not say just offhand where the figures for the different States came from, but——

The CHAIRMAN. I suppose you took the maximum possible under the computation of averages.

Mr. SKELDING. No; we did not take the maximum possible, but in any case if the figures are not accurately determinable, it is necessary to use some sort of judgment in arriving at the figures which have been used, and so many States in this table—as a matter of fact, I have not seen any of the calculations on this for a year or more, so that I can not say offhand as to just how the figures were determined. However, if you will write to me I will be very glad to give you the information you require by correspondence.

Mr. KENNARD. My principal interest, as I stated, was because this table will become a matter of record of the minutes of this meeting, and because I wanted to know whether the figures given for Massachusetts are based upon figures which can be demonstrated, and I rather get the impression that they can not.

Mr. SKELDING. We must bear in mind that the table has nothing whatever to do with actual experience. The best we can do is to make some sort of an estimate. Now, as to the actual basis of that estimate, I do not know offhand.

The CHAIRMAN. Before including these figures in the records will you verify or explain them to Mr. Kennard?

Mr. SKELDING. This table is public. It has been used a number of years in Massachusetts. The workmen's compensation authorities have this table, and it has been public for a number of years. As a matter of fact, this table is sent out by the National Council on Compensation Insurance on January 1 of each year. The present table, I believe, was sent out on January 1, 1929, and a similar table will be sent out on January 1, 1930, so there is nothing secret whatever about the table.

Mr. STEWART. I would like to ask that a carbon copy of whatever correspondence takes place between States and Mr. Skelding on this matter be sent to me for incorporation in the minutes. It does not seem to me that we are going to have a very satisfactory idea of this unless we get all of these explanations.

Mrs. ROBLIN. I wish to inquire if the fatality benefits have been included in the average for all benefits.

Mr. SKELDING. Yes; the fatal has been included in the total.

Mrs. ROBLIN. Then may I make further inquiry as to how you arrive at the fatal for Oklahoma, the law of Oklahoma not providing any amount and not limiting even under a common-law coverage?

Mr. SKELDING. The Oklahoma law, I believe, does not apply to fatal cases. However, the Oklahoma rates which are charged for compensation are predicated on the assumption of coverage of

$5,000 as representing payments in fatal cases; so that this table has been prepared on the same basis on which the Oklahoma basic manual rates are computed; namely, on a maximum cost of $5,000 for fatal cases.

Mr. KINGSTON. I regard this as a very valuable paper. It is an exceptional contribution, I think, to the literature on this subject. I recall seven years ago, at Baltimore, I attempted a comparison. I went at it in a little different way, and I remember how I trod on the toes of quite a number of jurisdictions who found themselves in my comparison comparatively low on the list.

I do not suppose the speaker intends at all that this comparison is going to work out according to these figures in actual practice, but as in theory it is undoubtedly an exceptional contribution.

I merely wish, however, to say this: The Canadian situation has not been incorporated in this paper. There are a number of Provinces of Canada that are members of this association. Why they were not included in this comparison I do not know, but I would very much appreciate it if, before this paper is printed in the record, the data necessary to incorporate the provincial laws in this comparison could be included, so that the record will be complete as regards all of the jurisdictions that are members of this association.

If I may do so, I will move that the gentleman who prepared this paper work the data into this comparison, and I will undertake to get the necessary information for him.

Mr. SKELDING. I believe we have some sort of a comparison along those lines at the National Council, at least with respect to some of the Provinces. I believe we have the figures for Quebec and one or two of the other Provinces.

Mr. KINGSTON. Well, there are three of the Provinces represented here, and I think three of the other Provinces are members of this association, and I can easily undertake to get the necessary data to enable you to incorporate those Provinces in that comparison.

Mr. SKELDING. If we do make a comparison, I do not think we will need any data other than a copy of the compensation act of the different Provinces, and I believe we have copies of those acts.

The CHAIRMAN. Would it be possible and practical for you to make a comparison within the next few months so that it might be included in the records of this meeting?

Mr. KINGSTON. I have only this to say regarding this: The acts in the various Provinces do not include lists of the compensation benefits in the same way that they do in most of the acts in the United States, and possibly some additional data may be necessary, which I will undertake to procure for you.

Mr SKELDING. All I can say is that we will be very glad to undertake it if we can find the time. Mr. Leslie, who was previously general manager of our organization, resigned a few months ago, and Mr. Roeber, who is now assistant manager, is seriously ill and will be absent for some time, and one or two other persons are also ill. That leaves only one or two of us at the office, and the work which we have to do every day—our ordinary routine work—is practically more than we can handle now; so I do not want to undertake

any additional work if a special limit as to time is going to be placed upon it.

If you wish that comparison within four or five months, or something like that, we very probably will be able to give you the data you ask for, but if you want that data within a month or two, although we would be very glad to give you the information which you request if we possibly could, you can see, in view of the explanation which I have made as to the situation of our office, that we can not very well right at this time undertake any additional work.

The CHAIRMAN. May I suggest that this information, which I realize would be important to have included in the report, be left to correspondence between Mr. Stewart and those preparing the papers, and that if such tabulation can be made in time for incorporation in these minutes, that it be done? If not, that a footnote of explanation be added. We surely do not want to press those who have been kind enough to do this for us, to do additional work unless they have the opportunity.

Mr. SKELDING. As I said, I think we have some of the figures on some of the Provinces. I know we have the figures for Quebec.

The CHAIRMAN. It probably could be done if you have time enough?

Mr. SKELDING. That is a mere matter of copy work, but the others which have not been undertaken would require considerable time.

Mr. ALTMEYER. I should like to ask the speaker whether the method of using $26.85 for the weekly wage gives proper credit to States that have a higher maximum than that amount? For example, you compare States having exactly the same schedule allowance for various types of permanent disability, one State having a certain maximum and another State having $5 more for the maximum, and the benefits would work out the same, would they not, under your method?

Mr. SKELDING. Yes.

Mr. ALTMEYER. Are you giving proper credit to the State with the higher maximum?

Mr. SKELDING. Probably not; but as stated, this table is only intended to be approximate, to give approximate figures, and there are all sorts of conditions which enter into the table which preclude the possibility of getting a table which is absolutely and mathematically correct. As a matter of fact, we use this table in the office quite frequently, and we have found it very desirable that we be able to go from one State to another—that is, to measure the Alabama act in theoretical terms, the Colorado act, and so forth—which is why we have taken the national average wage of $26.85.

There could be all sorts of improvements made in the table as far as wages go, but this table has really been drawn up for our own use, and it is only an approximate table, and we have to bear in mind the practical conditions surrounding the use of the table. If we were to try to make up a table which would be absolutely mathematically correct, the amount of labor involved would be enormous. We would not be able to do it.

The CHAIRMAN. Is that satisfactory?

Mr. STEWART. It has been the custom of the association to have a statement of the legal changes in compensation laws during the current year. We have prepared such a statement, which it will take about five minutes to read. If we are through with this discussion, it seems to me that this is the proper time for this report to be presented.

The CHAIRMAN. Shall we, for the purposes of getting ahead with the work of this convention, declare the discussion on this paper closed, and proceed as Mr. Stewart suggests?

General Review of Workmen's Compensation Legislation for 1929

By Charles F. Sharkey, of the United States Bureau of Labor Statistics

The past legislative year has been an active one in the field of workmen's compensation. Of the 44 States having compensation laws, all met in regular session in 1929 with the exception of four (Alabama, Kentucky, Louisiana, and Virginia). Of those States meeting in regular session, 35 acted on the subject of workmen's compensation. Regular sessions were held but no action taken in five States having such laws (Arizona, Nevada, New Hampshire, Tennessee, and Utah) and in three States which have not yet passed any legislation on the subject (Arkansas, Florida, and South Carolina). The Legislature of Mississippi, the fourth State without a compensation law, did not convene in 1929. In addition to their regular sessions several of the States met in extra session, but of those States from which legislation is available none acted upon the subject of compensation at the special session.

The outstanding progress to report since the last meeting, at Paterson, N. J., is the enactment of a workmen's compensation law in North Carolina. This act became effective on July 1 of this year. In Arizona the 1929 legislature passed a bill amending the law as advocated by the industrial commission, but it was vetoed by the governor. Arkansas again attempted to enact a workmen's compensation law, but the measure failed to pass. The State, however, did enact a law during the legislative session, providing compensation for accidental injuries or death suffered by employees of the State highway commission. The Maine act was completely revised and reenacted, as was also the act of New Mexico, while a new draft of an act in New Hampshire was defeated. In Oregon the 1929 legislature authorized the appointment of a committee to study the needs of the workmen's compensation law, and to report its recommendations to the governor.

The Congress of the United States has also been in session since our last meeting, but has made no change in the compensation already extended to Federal employees, longshoremen, and harbor workers, and private employees in the District of Columbia.

Naturally it would be impossible in the brief time at my disposal to go into the details of all the amendments passed this year by the various State legislatures. The tendency has been, however, to strengthen the existing laws, to enlarge their scope, and to improve

their administration. Fourteen States amended their coverage provisions (Delaware, Idaho, Illinois, Indiana, Maine, Maryland, New Mexico, New York, South Dakota, Texas, Vermont, West Virginia, Wisconsin, and Wyoming). A tendency was shown in New Hampshire and Tennessee toward the possible extension of the coverage of the workmen's compensation system, by the passage of an act authorizing the payment of compensation for injuries to State employees and to those engaged on highways and public works, in amounts not exceeding those provided in the State workmen's compensation act.

The waiting period was decreased in some States, notably in New Mexico, where the period has been reduced to seven days. Other States acting on the subject included Connecticut, Illinois, Maine, and Montana.

Liberalization of benefits received the attention of 20 States, and was effected by raising the minimum or maximum weekly payments, by increasing the maximum amount in death cases and the number of weeks for specified injuries, by a more liberal allowance in the case of medical and surgical aid or burial expenses, and by other less direct methods.

Oregon enacted a provision to cooperate in the administration of the Federal longshoremen's act by authorizing the State fund to insure maritime employers under the act.

In Pennsylvania extraterritorial effect is now given to the law, affording protection to employees temporarily performing services outside the State.

The time of notice of injury and claim for compensation was extended or considered in Idaho, Illinois, Maine, Massachusetts, Montana, New Mexico, and Wyoming.

In Minnesota a nonresident alien dependent may now designate some person other than his consular representative to receive compensation for him.

In Kansas the administration of the act is transferred from the public service commission to the newly created commission of labor and industry.

The Kansas Supreme Court rendered a decision February 9, 1929, holding that since the act is elective, contractual in its nature, there was no provision made for an appeal from the District Court to the Supreme Court on questions of law; the legislature therefore amended the act permitting such an appeal. In Nebraska an appeal from a decision of the commissioner must be taken to the district court of the county in which the accident occurred unless otherwise agreed upon by the parties, while in Montana an appeal to the district court of the county of the accident may now be taken by either party instead of by the employee only, as formerly. Appeals from the court of common pleas in Pennsylvania may now be taken only to the Superior Court.

The subject of accident reporting received attention in several States, including Georgia, Indiana, New Mexico, and Oregon.

In Michigan double compensation is now assessed in the case of the illegal employment of a minor under 18 years of age.

Two States (New York and Ohio) enlarged the list of occupational diseases. The Ohio act added manganese dioxide and radium poisoning, and two diseases peculiar to miners. In New York an act was passed during the early part of the legislative session extending the list of occupational diseases to include radium poisoning

in hospitals or laboratories only. This act became effective March 6, 1929 Subsequently, however, another bill adding 11 new diseases was drawn by the industrial survey commission, which had the indorsement of the department of labor. When the bill was about due for final passage, it was hastily withdrawn, returned to the committee, and amended by striking out all but four of the diseases, including radium poisoning. The industrial survey commission did not approve of this alteration. Governor Roosevelt, in signing the bill, which became effective October 1, 1929, took occasion to point out the inadequacy of the law as enacted by the legislature.

The present list of occupational diseases adds chrome poisoning and poisoning by any sulphide, besides the diseases, newly included, of methylchloride poisoning, poisoning from carbon monoxide, poisoning from sulphuric, hydrochloric, or hydrofluoric acid, and respiratory, gastro-intestinal, or physiological nerve and eye disorders due to contact with petroleum products. It appears, however, that a court construction will be necessary to determine whether or not the act giving relief to hospital or laboratory employees receiving injuries from radium, radium emanations, or X ray, will be superseded and annulled from and after October 1, 1929, by the subsequent act of the legislature.

Four Territorial legislatures also met in regular session. Alaska reenacted and made several changes in the compensation act, the principal one being the extension of the schedule of partial disability cases to include compensation of $720 for loss of hearing in one ear. Hawaii and Porto Rico made several changes of minor importance, while the Philippine Legislature added nothing new to the act.

Of the eight Canadian Provinces having compensation laws, the 1929 legislatures of Alberta, Nova Scotia, and Saskatchewan acted on the subject of workmen's compensation, while those of British Columbia, Manitoba, New Brunswick, Ontario, and Quebec did not. A special committee, however, was appointed by the provincial government of Manitoba to investigate the subject of workmen's compensation in the Province. In Ontario, although no amendments were passed by the legislature, the workmen's compensation board passed certain regulations approved by order-in-council having the effect of an amendment, one of which was the addition of chrome poisoning to the list of industrial diseases. Saskatchewan passed a workmen's compensation act similar in many respects to the existing Ontario act.

The Alberta act was amended by providing a right of action to a workman in case of accident, against some person other than his employer.

Nova Scotia increased the amount allowed for burial expenses from $75 to $100. The maximum amount was increased from 55 to 60 per cent of average earnings in death and permanent total or partial disability cases. Other less important changes were also made in the Alberta and Nova Scotia acts.

In general it can be said, after a careful examination of the actions of the 35 States and of the Territorial and Canadian legislatures which took up the subject of workmen's compensation, that for the most part the amendments enacted into law were beneficial, that the acts have been enlarged and strengthened, and that the general tendency was toward the improvement of the compensation laws.

DISCUSSION

Mr. CURTIS. I heard the remark of my learned friend from Massachusetts, and I do not know whether I understood him right or not. He said they did not give anything for the loss of an eye if the man went back to work.

Mr. KENNARD. Speaking from the standpoint of compensation, that is true.

Mr. CURTIS. We certainly need to amend that law.

The CHAIRMAN. There is, however, this provision in the Massachusetts law, that if he goes back to work immediately, but at some later date——

Mr. KENNARD. There is a situation which does not leave the man who lost his eye without money in the sense of damages, but it is not compensation.

Mr. CURTIS. But he must lose some time in order to get compensation? If he goes on and——

Mr. KENNARD. That is right.

The CHAIRMAN. Does he not get damages in addition?

Mr. KENNARD. I would prefer not to continue this discussion.

Mr. KNERR. But I would like to ask, how does he get the damages?

Mr. KENNARD. It is so hard for us from Massachusetts to explain our law to those of you who have scheduled injuries. We have nothing of the sort. I have debated this subject before, and compensation insurance does not mean, as we see it, damages. It means that industry shall bear the loss which the man suffers in industry through an injury resulting in a loss of wages. Our law attempts to reimburse him to some extent for his loss of wages. If he suffers damages in the sense of injuries, physical suffering, and pain, we do not pay for it, speaking broadly. Now, whether we ought to or not is a fundamental question. Personally, I believe that the compensation law should remain a compensation law and I do not believe in attempting to change it into a damage law. When you get into the damage law you get into something that has no end. It has no beginning. With your compensation act you have something you can put your finger on and know what you are doing and know why you are doing it. We do pay a small amount, $500, for the loss of an eye, even though the man does not lose a day.

Mr. KNERR. Then he is paid something for the eye?

Mr. KENNARD. Yes. It is not damages and it is not compensation.

The CHAIRMAN. May I state, for Mr. Curtis' benefit and the benefit of some of the New York people who are here and who have not been to other conventions, that there is a certain advantage under the Massachusetts law which we do not have in New York. For instance, if a man injures his leg and osteomyelitis sets in it may last the rest of his life. Under our New York State law we can pay him for the loss of the leg and no more and when that period is over he receives no more compensation even though he may have an open ulcer, whereas under the Massachusetts law they may pay him

a compensation for the rest of his life, so long as that open sore exists and he is not able to work.

Mr. KINGSTON. Is there not a maximum limit to the statement you made?

Mr. KENNARD. There is a maximum of $4,500 or 500 weeks, 10 years' disability, and if he goes back to work and earns his wages and a year or two later he is once more unable to earn his wages because of that injury, he again receives the compensation.

BUSINESS MEETING

[The chairman appointed the following convention committees:]

Auditing committee.—F. M. Wilcox, of Wisconsin; W. H. Horner, of Pennsylvania; Miss R. O. Harrison, of Maryland; D. J. Sullivan, of Nevada; F. W. Armstrong, of Nova Scotia.

Nominating committee.—L. W. Hatch, of New York; Parke P. Deans, of Virginia; W. M. Knerr, of Utah; W. T. Leonard, of Ohio; R. B. Morley, of Ontario.

Resolutions committee.—F. A. Duxbury, of Minnesota; Clarence S. Piggott, of Illinois; Charles R. Blunt, of New Jersey; Lawrence E. Worstell, of Idaho; G. Clay Baker, of Kansas.

The CHAIRMAN. Shall we now hear the report of the secretary-treasurer of this association, Mr. Stewart?

Mr. STEWART. There are mimeographed copies of the secretary's report on the table in the hall. I am simply going to hit the high spots, and you may secure a copy of the report and get the details.

[Mr. Stewart presented extracts of the secretary's report and of the treasurer's report. The full reports follow.]

REPORT OF THE SECRETARY

During the year just passed the Manitoba Workmen's Compensation Board dropped out of the list of active members of the association and the Quebec Workmen's Compensation Commission joined, the list of active members remaining at 36, as follows:

United States Bureau of Labor Statistics.
United States Employees' Compensation Commission.
Arizona Industrial Commission.
California Industrial Accident Commission.
Connecticut Board of Compensation Commissioners.
Delaware Industrial Accident Board.
Georgia Industrial Commission.
Idaho Industrial Accident Board.
Illinois Industrial Commission.
Indiana Industrial Board.
Iowa Workmen's Compensation Service.
Kansas Commission of Labor and Industry.
Maine Industrial Accident Commission.
Maryland State Industrial Accident Commission.
Massachusetts Department of Industrial Accidents.
Minnesota Industrial Commission.
Montana Industrial Accident Board.
Nevada Industrial Commission.
New Jersey Department of Labor.
New York Department of Labor.
North Dakota Workmen's Compensation Bureau.
Ohio Industrial Commission.
Oklahoma State Industrial Commission.

Oregon State Industrial Accident Commission.
Pennsylvania Department of Labor and Industry.
Utah Industrial Commission.
Virginia Industrial Commission.
Washington Department of Labor and Industries.
West Virginia Workmen's Compensation Department.
Wisconsin Industrial Commission.
Wyoming Workmen's Compensation Department.
Department of Labor of Canada.
New Brunswick Workmen's Compensation Board.
Nova Scotia Workmen's Compensation Board.
Ontario Workmen's Compensation Board.
Quebec Workmen's Compensation Commission.

The above list includes three organizations (the United States Bureau of Labor Statistics, the United States Employees' Compensation Commission, and the Department of Labor of Canada) which are given full powers of membership by the terms of the constitution itself and are exempt from the payment of dues.

Mr. Walter F. Dodd joined as an associate member since the Paterson meeting. There are now eight such members, as follows:

Associate Members

George E. Beers, attorney and counselor at law, New Haven, Conn.
Walter F. Dodd, Yale University School of Law, New Haven, Conn.
E. I. du Pont de Nemours & Co., Wilmington, Del.
I. K. Huber, Empire Companies, Bartlesville, Okla.
Industrial Accident Prevention Associations, Toronto, Ontario.
Leifur Magnusson, American representative, International Labor Office, Washington, D. C.
Porto Rico Industrial Commission.
Republic Iron & Steel Co., Youngstown, Ohio.

Early in 1929 Mr. James A. Hamilton, who was elected president at the Paterson convention, left the position of industrial commissioner of New York, thereby creating a vacancy in the office of president, and under the authority of the constitution Commissioner Frances Perkins, of New York, was elected to the presidency by the executive committee. Upon the change in the presidency the date and place of holding the 1929 convention were changed from Niagara Falls, N. Y., August 19–22, to Buffalo, N. Y., October 8–11, 1929.

During the year the association continued its cooperation with the American Standards Association in its work of drafting national safety codes. Your representatives have participated actively in the preparation of several codes now under consideration, none of which have as yet been finally adopted.

The secretary has on file in his office 14,198 forms containing data relative to widows' compensation cases, for use in compiling an American remarriage table. The question is again raised as to whether or not this is not sufficient information with which to begin the compilation of the table.

A copy of the resolution passed by the Paterson convention requesting that the executive committee be requested to consider ways in which interest might be maintained in the work of the association during the period between sessions was sent to the members of the executive committee. The following suggestions were made:

"It has occurred to me that the association might increase its usefulness to its members if an invitation were extended to compensation commissioners adjudicating cases with which they are not familiar to inform the secretary briefly as to the circumstances surrounding such cases, the secretary in turn

to forward copies of such statements to all other members with the request that where officials have had experience or knowledge of similar cases they communicate with the official requesting information." (Stewart.)

"I think it would be a good idea for the secretary of the association to increase the circulation value of the Monthly Labor Review of the Bureau of Labor Statistics by inviting compensation commissioners to inform the secretary briefly of the special circumstances surrounding difficult points of adjudication in mooted cases and asking him to submit these briefs to the various members of the organization for consideration. The members, in their turn, after giving the cases careful thought could communicate to the commissioner who had submitted the question for an opinion. This probably would keep alive the interest of our members in the organization's work and certainly it would give an opportunity for a full and free discussion of difficult legal problems involving the adjudication of complicated compensation cases." (McBride.)

"I think that the * * * interesting compensation cases dealing with actual problems out of the ordinary would be of great interest either in a separate bulletin or in the Monthly Labor Review of the Bureau of Labor Statistics." (Kingston.)

In accordance with the instructions issued by the Paterson convention the secretary addressed a letter to 72 principal medical schools and colleges in the United States under date of December 8, 1928, calling attention to the situation in regard to industrial medicine and occupational diseases, and requesting that at least a minimum of class work along this line be included in their courses. They were requested to inform the secretary as to what they were doing along these lines and as to what action would likely result from our communication. An offer to make suggestions as to ways in which this subject could be introduced to the students was included.

In response the following replies were received:

University of Alabama, School of Medicine, University, Ala.—Now give only first two years of medical curriculum, but planning to give 4-year course. At present give a beginning course in history taking and physical diagnosis and course of lectures which include consideration of occupational diseases as related to general public health and preventive medicine.

Baylor University, College of Medicine, Dallas, Tex.—Curriculum overcrowded, but subject will be stressed in course in public health and hygiene. Will appreciate suggestions.

Boston University, School of Medicine, Boston, Mass.—Keenly alive to importance of subject. Unable to give exact amount of time devoted to subject, but it is in no sense relegated to a secondary position.

University of California, Medical School, San Francisco, Calif.—Have always stressed occupation in etiology of disease, and toxicologic aspects of certain occupations; have also kept before students accident hazards, of such operations as railroading, electric servicing, steel milling, baking, building, dyeing, etc.

Have decided to include a short didactic course in occupational hazards; to consider, in pharmacology, the industries in which poisons are used; to stress in surgical lectures the possibilities of specific injuries in specific industries, and to keep constantly before students need for considering the etiological possibilities of occupation in every case. Would be glad to have suggestions, but keep in mind overcrowded curriculum.

University of Cincinnati, College of Medicine, Cincinnati, Ohio.—Now have course on occupational diseases.

University of Colorado, School of Medicine, Denver, Colo.—No special course on industrial medicine. Trade or profession for applicants for admission to hospital asked.

Columbia University, College of Physicians and Surgeons, New York, N. Y.—No definite course, but subject handled in various clinical departments as occasion arises. Special clinic for industrial diseases associated with the department of medicine and department of public health.

Cornell University, Medical School, New York, N. Y.—No specific course in industrial medicine, but recently received a small gift for furthering this work and it is likely shall use it for a few special lectures each year. A number of subjects mentioned are taken up in courses of preventive medicine and in clinical medicine. Students are expected to go into the occupation of the patient in taking his history.

Creighton University, School of Medicine, Omaha, Nebr.—Issue pamphlet giving form for routine medical history and examination, in which the question of occupation—type, hours, nature, environment, how long at present work, why previous work was given up—is included. Course on medical economics includes one lecture on Nebraska workmen's compensation law. Several of the surgeons are active in this line of practice and many patients come under act, so there is a general acquaintance with the subject. It is undesirable to fragment the curriculum into many minor items and highly desirable to have new points of view infiltrate the general instruction. Would like to receive suggestions.

Dartmouth Medical School, Hanover, N. H.—As institution is a 2-year school we do not have such instruction within ordinary curriculum.

Emory University, School of Medicine, Atlanta, Ga.—Have no special course on occupational diseases, but stress relation between occupation and disease. Will take matter up with faculty. Would appreciate suggestions.

George Washington University, School of Medicine, Washington, D. C.—No special course, but attention given is dependent on estimation of its importance by individual teachers. In all histories occupation is ascertained, and its relation to patient's condition often discussed. Unavoidable fact that undergraduate student of medicine can not receive special instructions in all matters that it is desirable for him to know. Would like to give further consideration to matter, and would appreciate any papers or literature on subject.

Harvard University Medical School, Boston, Mass.—Students already have sufficient training to avoid gross mistakes. Can not add additional subject to overcrowded curriculum.

State University of Iowa, College of Medicine, Iowa City, Iowa.—Do not include subject now. Under consideration.

Johns Hopkins University, School of Medicine, Baltimore, Md.—Whatever instruction is given along that line is included in regular courses in pathology, medicine, and surgery. Curriculum does not provide for any hours of instruction in occupational diseases as such. Curriculum recently revised with idea of eliminating many hours of required work.

University of Kansas, School of Medicine, Kansas City, Kans.—Instructors emphasize importance of patient's occupation, and this question is a routine one in most clinics. Would like suggestions.

Long Island College Hospital, School of Medicine, Brooklyn, N. Y.—Now have course including occupatilonal diseases. Shall appreciate suggestions.

University of Louisville, Medical School, Louisville, Ky.—No course on occupational diseases other than what is included in "Hygiene." Lectures in the course cover subject. Would like suggestions.

University of Maryland, School of Medicine, Baltimore, Md.—Industrial cases in hospitals used in instruction. Students see a large number of these cases and have opportunity of learning much about subject of occupational diseases.

Meharry Medical College, Nashville, Tenn.—Include subject of occupational diseases in course on general surgery. Will cooperate in any way.

University of Michigan, Medical School, Ann Arbor, Mich.—Actual instruction in subject consists in lectures during third year and emphasis on these diseases during section work of fourth year in department of medicine. Line of progress is likely to be preparing for various departments a small syllabus showing how the teaching in their fields can be best related to occupational diseases under the general heading of preventive medicine.

University of Minnesota, Medical School, Minneapolis, Minn.—Junior students have course in preventive medicine which deals somewhat with occupational diseases. Would be glad to cooperate, and would like suggestions.

University of Missouri, School of Medicine, Columbia, Mo.—School offers only first two years of medical course, in which there appears to be no proper place for presentation of subject of occupational diseases except so far as they are considered in course on hygiene.

University of Nebraska, College of Medicine, Omaha, Nebr.—Course of 16-hour class periods in industrial insurance and group medicine consists of lectures and physical examinations. No clinic in industrial medicine.

University of North Dakota, School of Medicine, University Station, Grand Forks, N. Dak.—Two-year school devoting practically all its efforts to laboratory branches of medicine. Practically no work in clinical medicine.

Northwestern University Medical School, Chicago, Ill.—No specific effort made in teaching these as distinct from other forms of illness. So far as possible such diseases are taught. Will be glad to get suggestions.

Ohio State University, College of Medicine, Columbus, Ohio.—Give five required lectures on industrial hygiene and occupational diseases in last half of senior year. Also have elective course in industrial hygiene and occupational diseases of 30 to 50 hours' work, which, however, is seldom taken by medical students because of schedule conflicts. Also provide graduate instruction in these subjects, in which two or three medical graduates have majored. However, have been unable to get recent medical graduates to return for graduate instruction.

In regard to specific cases of differentiating appendicitis from lead poisoning, such mistakes, of course, should not happen. I recall that this differential diagnosis was insisted upon in my own medical training 20 years ago. I also recall, however, of running into cases in County Hospital, Chicago, when I was an interne there from 1908 to 1910, which had been diagnosed chronic appendicitis and were saved from operation by a closer study which showed them to be lead poisoning.

Dean Upham is very much concerned about the status of physicians who have graduated from some 12 to 15 years ago and have not kept up to date. He considers this the major problem facing medical service at the present day. Whether or not any solution for it can be reached is problematical, but it is now the subject of serious discussion by those interested in medical education.

University of Oklahoma, School of Medicine, Oklahoma City, Okla.—Will be glad to cooperate. Will take up with faculty with request they take steps in that direction. Would like suggestions.

University of Oregon, Medical School, Portland, Oreg.—No special course or other work on occupational diseases. Agree that relationship between many disabilities and certain occupations is sufficiently manifest to warrant special attention in teaching subject to medical students, and should be very grateful for suggestions as to manner of introducing it to students. Of course ordinary occupational diseases are dealt with in the subjects of medicine and surgery, but they are not selected as the subject of special discourse from the occupational standpoint.

University of Pittsburgh, School of Medicine, Pittsburgh, Pa.—Realize that all medical schools are still woefully short in the matter of teaching prevention and especially in regard to the training of physicians for industrial problems. Inject as much of this into curriculum as possible. Would like suggestions.

University of Rochester, Rochester, N. Y.—Nine lectures on subject of occupational diseases and industrial accidents given to students by members of New York State Department of Labor.

Stanford University, School of Medicine, San Francisco, Calif.—In course on public health and industrial hygiene, 10 lectures on industrial accidents, medicines, surgery, etc., 5 lectures on industrial hygiene, etc. Require each student to make sanitary survey of a community, in which he must report on at least one industrial concern. Draw attention to importance of industrial hazards and methods to combat them.

College of Medicine of Syracuse University, Syracuse, N. Y.—No special course on occupational diseases, but in department of medicine considerable stress is placed on occupation and environment. Routine history outlines emphasize these factors and considerable attention is given to industrial hygiene in course in public health. Endeavor to see that all students appreciate the importance of the subject.

University of Texas, School of Medicine, Galveston, Tex.—No special branch on subject but it is handled in various clinical chairs. In department of internal medicine records must indicate occupation of patient. Although curriculum is crowded, subject should be stressed by departments in which the different diseases fall. Would like suggestions.

Tufts College Medical School, Boston, Mass.—Instructors are supposed to cover occupational diseases. Tendency, however, is to eliminate special topics from the curriculum so far as they are part of the major departments.

Tulane University, School of Medicine, New Orleans, La.—No special course on occupational diseases but question as to occupation of patient is part of procedure in examination of practical and clinical teachers.

Union University, Albany Medical College, Albany, N. Y.—Have cooperated with Doctor Cofer, in giving lectures on occupational diseases.

Vanderbilt University, School of Medicine, Nashville, Tenn.—Devote part of course in preventive medicine to occupational diseases, particularly lead poisoning. Students get very definite idea of importance of subject.

University of Vermont, College of Medicine, Burlington, Vt.—No course on subject, but subject is discussed quite fully. Curriculum overcrowded, but would be glad to have suggestions.

Medical College of Virginia, Richmond, Va.—Course does not include any special development of subject of occupational diseases other than that which would naturally occur in a course on preventive medicine and in consideration of various diseases, such as lead poisoning and other mineral or metallic poisoning. Will be glad to see that more specific attention is directed to this particular phase of medicine. Will be glad to receive material available for the proper development of such a course.

Western Reserve University, School of Medicine, Cleveland, Ohio.—Devote several periods to discussion of general principles involved. Part of course consists of presentation of short papers, several on occupational diseases. Students visit large factories in connection with their instruction.

University of Wisconsin, State of Wisconsin General Hospital, Madison, Wis.—No special course, but subject given adequate attention in combined course of medicine and surgery in third year. Subject is presented didactically and in clinical conference augmented by collateral reading, by the internist, the surgeon, the neuropsychiatrist, the biochemist, and the hygienist. Would be glad to get suggestions as to methods that have been tried out in other institutions.

Woman's Medical College of Pennsylvania, Philadelphia, Pa.—Course on hygiene and preventive medicine includes in third year lectures and field excursions on industrial hygiene. Undergraduate course overcrowded. However, above course in third year supplemented by attention directed to occupational diseases in general courses in medicine, surgery, and therapeutics, with illustrative cases in Philadelphia General Hospital, makes students aware of these specific conditions, so that they are prepared to make intelligent diagnosis in later practice.

Yale University, School of Medicine, New Haven, Conn.—In course on principles of public health—required of all students—three lectures, one conference period, and one field trip are devoted to industrial hygiene. In addition an elective course of 30 hours on the same subject is offered.

From an examination of the 44 received it will be noted that 4 stated that they now have a course on industrial hygiene or occupational diseases; in 8 the subject is included in history taking of patients; 4 said they would consider the matter; while 5 definitely stated they would enlarge their work along this line. A number stated that while there was no definite course on occupational diseases, the subject was included in courses on other topics in the way of lectures, examination of patients, visits to industrial plants, etc. Seventeen requested suggestions as to ways in which the subject could be introduced to their students.

The offer to make suggestions was included in the letter from the secretary of this association at the request of Doctor Thompson of the United States Public Health Service, who promised that he would get in touch with a number of prominent industrial physicians and specialists along industrial lines and outline a suggested plan for this purpose. However, owing to rush of work Doctor Thompson has not been able to furnish the secretary with this plan and the material has not been sent to those requesting it. Doctor Roberts of Emory University wrote several letters saying that he had been requested to outline to the faculty of his college such a plan and asking for any material we might have along that line. He was informed that when such a plan was worked out it would be furnished to him.

This brings up a question as to whether or not the International Association of Industrial Accident Boards and Commissions would care to instruct its

medical committee to go into the subject and prepare such a plan for the use of medical schools and colleges that have requested it.

The proceedings of the Paterson convention have been published by the United States Bureau of Labor Statistics as its Bulletin No. 485, and copies are available at the headquarters here or will be sent from the bureau upon request.

Respectfully submitted.

ETHELBERT STEWART, *Secretary-Treasurer.*

FINANCIAL STATEMENT OF THE TREASURER

BALANCE AND RECEIPTS

1928			
Sept.	4.	Balance in bank, $1,591.71; unexpended postage and telegraph fund, $4.63	$1,596.34
	6.	Idaho Industrial Accident Board, 1929 dues	50.00
		Oregon State Industrial Accident Commission, 1929 dues	50.00
	19.	Minnesota Industrial Commission, 1929 dues	50.00
		Montana Industrial Accident Board, 1929 dues	50.00
Oct.	15.	Interest on registered Liberty bonds (2 at $100 and 1 at $500)	14.88
	22.	Interest on Paterson Mortgage & Title Guaranty Co. certificate ($1,500)	41.25
	29.	New York Department of Labor, 1929 dues	50.00
	30.	Interest on $1,000 coupon Liberty bond	21.25
Nov.	5.	Maryland State Industrial Accident Commission, 1929 dues	50.00
	20.	Porto Rico Workmen's Relief Commission, 1928 dues (Associate)	10.00
	23.	Kansas Public Service Commission, 1929 dues	50.00
1929			
Jan.	31.	Interest on Canadian bonds (5 of $100 each)	13.75
Apr.	15.	Interest on registered Liberty bonds (2 at $100 and 1 at $500)	14.87
	23.	Interest on Paterson Mortgage & Title Guaranty Co. certificate ($1,500)	41.25
May	27.	Washington Department of Labor and Industry, 1929 dues	50.00
		Interest on $1,000 coupon Liberty bond	21.25
July	17.	E. I. du Pont de Nemours & Co., 1930 dues (Associate)	10.00
		Geo. E. Beers, 1930 dues (Associate)	10.00
		Virginia Industrial Commission, 1930 dues	50.00
		Georgia Industrial Commission, 1930 dues	50.00
		Ontario Workmen's Compensation Board, 1930 dues	50.00
	23.	Arizona Industrial Commission, 1930 dues	50.00
		Industrial Accident Prevention Associations, 1930 dues (Associate)	10.00
		Wyoming Workmen's Compensation Department, 1930 dues	50.00
		West Virginia Workmen's Compensation Department, 1930 dues	50.00
	24.	Republic Iron & Steel Co., 1930 dues (Associate)	10.00
		Nevada Industrial Commission, 1930 dues	50.00
	26.	Connecticut Board of Compensation Commissioners, proportionate share of 1930 dues, fourth district	10.00
		Leifur Magnusson, 1930 dues (Associate)	10.00
Aug.	5.	Oklahoma Industrial Commission, 1930 dues	50.00
		Wisconsin Industrial Commission, 1930 dues	50.00
		North Dakota Workmen's Compensation Bureau, 1930 dues	50.00
		Maine Industrial Accident Commission, 1930 dues	50.00
		Iowa Workmen's Compensation Service, 1930 dues	50.00
	12.	Maryland State Industrial Accident Commission, 1930 dues	50.00
		New Jersey Department of Labor, 1930 dues	50.00
		Massachusetts Department of Industrial Accidents, 1930 dues	50.00
		Connecticut Board of Compensation Commissioners, proportionate share of 1930 dues, second district	10.00
		Connecticut Board of Compensation Commissioners, proportionate share of 1930 dues, third district	10.00
		Illinois Industrial Commission, 1930 dues	50.00
		Indiana Industrial Board, 1929 dues	50.00

BALANCE AND RECEIPTS—continued

1929			
Aug.	12.	Indiana Industrial Board, 1930 dues	$50. 00
	15.	Delaware Industrial Accident Board, 1930 dues	50. 00
		Oregon State Industrial Accident Commission, 1930 dues	50. 00
Sept.	9.	California Industrial Accident Commission, 1930 dues	50. 00
		Novia Scotia Workmen's Compensation Board, 1930 dues	50. 00
		Kansas Commission of Labor and Industry, 1930 dues	50. 00
		New York Department of Labor, 1930 dues	50. 00
		Minnesota Industrial Commission, 1930 dues	50. 00
		Pennsylvania Department of Labor and Industry, 1930 dues	50. 00
		Utah Industrial Commission, 1930 dues	50. 00
		Porto Rico Industrial Commission, 1929 dues	10. 00
		Porto Rico Industrial Commission, 1930 dues	10. 00
		Connecticut Board of Compensation Commissioners, proportionate share of 1930 dues, fifth district	10. 00
		Connecticut Board of Compensation Commissioners, proportionate share of 1930 dues, first district	10. 00
		Washington Department of Labor and Industries, 1930 dues	50. 00
		Idaho Industrial Accident Board, 1930 dues	50. 00
	10.	Quebec Workmen's Compensation Commission, 1930 dues	50. 00
	17.	Interest on bank account up to July 1, 1929	21. 41
			3, 816. 25

DISBURSEMENTS

1928			
Sept.	4.	Postage and telegraph fund	4. 63
	20.	Gibson Bros. (Inc.), printing 1,000 programs for fifteenth annual convention	35. 00
		Maryland Casualty Co., bonding secretary-treasurer for year ending Oct. 23, 1929	12. 50
		Miss Mae C. Kelly, services at fifteenth annual convention	25. 00
		Mrs. N. W. Lameire, services at fifteenth annual convention	25. 00
Oct.	22.	Miss Rose Mark, reporting proceedings fifteenth annual convention	250. 00
Nov.	1.	Gibson Bros. (Inc.), printing 1,500 letterheads	23. 00
	24.	Postage and telegraph fund	5. 00
		Glenn L. Tibbott, partial payment for clerical services, 1928–29	150. 00
Dec.	21.	Ethelbert Stewart, partial payment of honorarium 1928–29	200. 00
1929			
Jan.	19.	C. O. Buckingham Co. (Inc.), 4 prints from negatives for proceedings, fifteenth annual convention	8. 00
	31.	Ethelbert Stewart, final payment of honorarium 1928–29	400. 00
Feb.	15.	Postage and telegraph fund	[1] 5. 00
Apr.	1.	Gibson Bros. (Inc.), printing 1,000 letterheads	18. 50
	2.	Dr. E. B. Patton, expenses attending program committee meeting, Washington, D. C	26. 51
		Parke P. Deans, expenses attending program committee meeting, Washington, D. C	13. 40
July	29.	Exchange on check for 1930 dues, Ontario Workmen's Compensation Board	. 63
Aug.	15.	Glenn L. Tibbott, final payment for clerical services, 1928–29	150. 00
Sept.	10.	Gibson Bros. (Inc.), printing 1,000 programs, sixteenth annual convention, and 200 receipt blanks	59. 00
	17.	Exchange on check for 1930 dues:	
		Nova Scotia Workmen's Compensation Board	. 63
		Quebec Workmen's Compensation Commission	. 63
			1, 412. 43
Sept.	17.	Balance, bank deposits	2, 403. 82
			3, 816. 25

[1] Of this check for $5 for postage and telegraph fund, there is an amount of $1.36 unexpended at this time.

Summary of Receipts and Disbursements

RECEIPTS

Cash in bank Sept. 4, 1928		$1,591.71
Cash in postage and telegraph fund Sept. 4, 1928		4.63
Membership dues		2,030.00
Interest:		
Securities	$168.50	
Bank deposits	21.41	
		189.91
Total		3,816.25

DISBURSEMENTS

Postage	14.63
Printing	135.50
Reporting proceedings, fifteenth annual convention	250.00
Bonding secretary-treasurer	12.50
Honorarium and clerical service in secretary-treasurer's office	900.00
Clerical service at fifteenth annual convention	50.00
Exchange on 1930 dues of Workmen's Compensation Boards of Ontario, Nova Scotia, and Quebec	1.89
Expenses of attendance program committee meeting	39.91
Printing from negatives for proceedings, fifteenth annual convention	8.00
Total	1,412.43
Cash in bank Sept. 17, 1929	2,403.82
	3,816.25

ASSETS

Cash in bank		2,403.82
Cash in postage fund		1.36
Securities:		
United States Liberty bonds	$1,700.00	
Canadian bonds	500.00	
Mortgage certificates, Paterson Mortgage & Guaranty Title Co	1,500.00	
		3,700.00
Total		6,105.18

In addition to the assets enumerated above there are the following unpaid dues:

Montana Industrial Accident Board	$50.00
Ohio Industrial Commission	50.00
New Brunswick Workmen's Compensation Board	50.00
	150.00

The following securities are in safety-deposit box S-363, National Savings & Trust Co., Washington, D. C.—Ethelbert Stewart:

United States Liberty bonds:	
No. 1217874	$100.00
No. 1217875	100.00
No. 236204	500.00
No. A-00031671	1,000.00
Dominion of Canada bonds (5) Nos. 1852-1856, inclusive, at $100 each	500.00
Paterson Mortgage & Guaranty Title Co., Certificate No. 6296, series 221, due Oct. 19, 1930	1,500.00
Total	3,700.00

Respectfully submitted.

Ethelbert Stewart,
Secretary-Treasurer.

September 17, 1929.

[On motions duly seconded and carried, the treasurer's report was referred to the auditing committee for analysis and suggestions for investment of a portion of the cash on hand; the secretary's report was accepted, approved, and ordered on file; and the proceedings of the fifteenth annual meeting, as printed, were confirmed as the minutes of the convention.]

The CHAIRMAN. The next order of business is the reports of certain regular committees of this association. The committee on statistics and costs, of which Mr. L. W. Hatch is the chairman, will now present its report.

Mr. STACK. Before that report is filed, for your information I want to state that I feel that we are making some progress with the medical schools. The Eastern Medical Society, which, as I understand, includes the New England States, New York State, New Jersey, Maryland, Delaware, and Virginia, holds its annual convention in October. I had prepared a paper along the lines suggested at Paterson at the request of the president of that society, and a copy of the paper was sent to the dean of the Hahnemann Medical School, in Philadelphia, the day before I left home.

They have added to their medical work not only industrial medicine, but industrial surgery, and my paper will be discussed by the various States represented at this convention in October.

REPORT OF COMMITTEE ON STATISTICS AND COMPENSATION INSURANCE COST

There is no report of this committee to be presented at this time so far as its own activities are concerned. Nothing has come up during the last year for consideration or action by the committee.

It will not be out of place, however, to report to the association at this time what has developed since the last annual meeting in connection with the revision of the standard plan for accident statistics, as this association was sponsor for the existing plan and is now one of the joint sponsors for its revision by a sectional committee of the American Standards Association. A similar progress report was presented at last year's meeting.

During the past year substantial progress has been made with the revision work, as follows: The subcommittee on definitions has completed its work and filed its report. The subcommittee on accident rates has progressed with its work to the point of having agreed on the substance of its report and this report is now in the course of formulation. The next step in connection with that part of the standard plan covered by these two subcommittees will be submission of their reports to the general sectional committee. This will probably be done without awaiting the reports of the other two subcommittees as they can very well be considered independently of the latter. The reports on definitions and on rates will need to be submitted to the sectional committee together as their subject matter is closely related and the two reports may overlap to some extent.

The other two subcommittees, one on classification of causes and one on classification of industries, have not yet filed reports. The work of the committee on causes was set back somewhat by resignation of its first chairman, necessitated by pressure of work due to change of professional position, but the work is now proceeding under its new chairman.

The personnel of the sectional committee and four subcommittees continues as recorded in the report of your committee on statistics in the proceedings of the Paterson meeting (pp. 21 and 22) except for the following changes:

To the sectional committee have been added Mr. O. A. Fried, statistician of the Wisconsin Industrial Commission, as a representative both of that commission and of this association, Mr. Fried being a member of your committee on statistics; and Mr. E. J. Kreh of the Duquesne Light Co., of Pittsburgh, with Mr. A. B. Campbell, of the National Electric Light & Power Association as alternate, as representing electric light and power interests.

In the subcommittee on classification of causes Mr. L. L. Hall, formerly of the National Council on Compensation Insurance, resigned as chairman, as above referred to, and Mr. H. W. Heinrich, of the Travelers Insurance Co., has been appointed in his place; and Mr. H. A. Reninger, of the Portland Cement Association, resigned as member on account of pressure of other work. To this subcommittee Mr. O. A. Fried has been added.

L. W. HATCH,
Chairman Committee on Statistics.

[By motion duly seconded and carried, the report of the committee on statistics and compensation insurance cost was accepted and approved, the committee was continued with authority to act, and was requested to report further at subsequent meetings.]

The CHAIRMAN. We will ask for a report from the committee on investigation of results of compensation awards.

REPORT OF COMMITTEE ON INVESTIGATION OF RESULTS OF COMPENSATION AWARDS

By Miss Rowena O. Harrison

The committee on investigation of results of compensation awards has recommended to the various boards and commissions that each State inaugurate a systematic follow-up system of four kinds of awards, namely—permanent partial, permanent total, fatal, and lump sum—and has prepared and offered a questionnaire to be used as part of its plan.

The committee has made no attempt to control the details of the State investigations, but has requested that the results of investigations be forwarded to the secretary of the association, to be combined by him in such a way as to furnish for all of the States the results of the investigation in each State. The results of the investigations have not been furnished to the secretary, and, therefore, our report is brief.

The committee finds that many of the States, although admitting the importance of knowing the effectiveness of their efforts, have been unable to do anyth ng in this line of work, principally because of insufficient funds.

The committee recommends that if the boards and commissions can not or do not wish to follow up at the outset the four kinds of awards, that they follow up the lump-sum awards of over $500, either by mail or by questionnaire, using the questionnaire as part of their plan, and forward to the secretary of this association, before the seventeenth annual convention, the results of this investigation or the questionnaires themselves.

In Maryland we are allowing over $200,000 a year in lump sums. Our investigation now makes it practically impossible for lump sums to be received for the purpose of going into the grocery or the chicken business, and shows

that although lump sums are asked for in good faith, granted and paid in good faith, they seldom inure to the best interests of the injured party.

The matter of allowing lump sums in all the States lies in the discretion of the administrative body. How can we exercise proper discretion without weighing the results of past acts and endeavors?

The committee reports on the suggestion that the secretary of this association communicate with the universities and colleges in the United States, and offer the cooperation of the Bureau of Labor Statistics, and that of the International Association of Industrial Accident Boards and Commissions, that 650 universities and colleges have been communicated with and offered this cooperation, and the returns from these communications have been incorporated in the secretary's report.

[Meeting adjourned.]

TUESDAY, OCTOBER 8—AFTERNOON SESSION

Chairman, Charles R. Blunt, Commissioner of Labor of New Jersey

OCCUPATIONAL DISEASES

The CHAIRMAN. I do not know just why I was selected to preside at this session, I am so new in the work. I have been labor commissioner only since March, and before that I had not been connected with the labor department, but I presume it is because in New Jersey we are doing so much thinking along the lines of occupational disease and have recently set up an occupational disease investigation bureau which is doing splendid work in surveying and recommending to the department various procedures.

I was interested in listening to Mrs. Perkins this morning to find that we are in entire accord with her as regards three subjects on which she has reached conclusions.

On the question of standards, I can not quite agree that we should have nation-wide standards, because if we make States such as Alabama come up to the New York standard it probably would not be fair to the employers; on the other hand, if we try to make an average for the country it would not be fair to the employees. But I do agree that within sections we should get just as close together in our compensation awards and amounts as possible. For instance, in the section of Connecticut, Massachusetts, Pennsylvania, New York, and New Jersey the awards should be very near the same.

I happened to be a member of the legislature two years ago when we raised the maximum for New Jersey from $17 to $20, and I remember one of the strongest arguments the proponents of the bill had was that New York, our next-door neighbor, was higher than New Jersey, and it was a matter of pride on the part of many of the legislators to raise our rates so that they would be somewhat commensurate with those of New York State.

On the question of noninsurers, as recently as three days ago I called a meeting of our compensation board and we discussed for two hours the question of noninsurers, and I undertook to make a drive in the near future along the lines that Mrs. Perkins says they have recently had in New York State to find out as nearly as possible—it is never possible to find out 100 per cent, because our factory inspection, as in New York State, covers only manufacturing and mercantile establishments, but we are going to have such a drive in the near future, and we hope that the publicity resulting from it will bring in some of the others, such as the building contractors and so on, that we have not been able to get into line.

Then, on the question of occupational disease, New Jersey is situated exactly as New York, in that we just have certain diseases that are included in our law. A few years ago there were only 4.

To-day we have 10, and, like New York, I believe that our evolution in the future will be along the line of adding diseases to this list instead of getting a blanket bill through.

Before introducing the first speaker who is on the program, I want to ask your indulgence to read a short paper that I have prepared along the line of occupational disease.

Occupational Diseases

By Charles R. Blunt, Commissioner of Labor of New Jersey

The importance of health conservation as a feature of departmental concern has been so emphasized during the past 15 years by investigators' reports, medical studies, etc., that now almost every State has given some attention to the problem of removing noxious fumes, industrial dusts, and poisonous vapors from the breathing atmosphere of workrooms. It has been truly stated by eminent health specialists that the subtle nature of air contamination complicates the problem of control to a much greater degree than in the ordinary round of structural risks or machine hazards that make dangerous many of the work places of the Nation. It is easy to prove that health risks involve and cause more serious losses than do any other species of physical exposure; for a man may work in the presence of an unguarded machine for a long period of time without having an accident; structural conditions may violate almost every sense of engineering prudence, and still we have on record instances of workmen who go through long years of mechanical exposure without physical injury. But in the presence of poisonous vapors or harmful dusts the situation is different, for the workman by prudence or care can not protect himself from their evil effects. The lungs are exposed to the destructive particles that wreck their life-giving efficiency. The poisonous vapors can not be avoided by any conduct on the part of the worker, for often their presence becomes known only when certain well-recognized diagnostic symptoms appear. A man may go for 40 or 50 days without food and suffer no serious inconvenience, he may abstain from water for three or four days and still survive, but if his air supply is shut off, even for a few minutes, life becomes extinct. This to the ordinary layman would seem to show that a proper breathing atmosphere is a matter of such unusual concern that departmental enforcement should be ever on the alert to detect violations, while plant engineering departments and medical supervision should do their part as well.

In America occupational disease causes were given scant consideration until a few years ago when, in a few States, an injury to health was made compensable for the same reason that compensation was paid for an injury by violence to the human body. In these States compensation payments are now made for all occupational diseases on the ground that the injured man has been handicapped in earning a livelihood. For it can matter but little to him whether the handicapping cause came from a saw or from the inhalation of a silicate. In any event, he suffers a physical loss that should be recognized by society as needing compensation attention.

In many of the States groups of occupational-disease causes have been made compensable by State legislatures whose action was based probably on expediency rather than on a determination to render social justice in accordance with scientific modern ideals. I hope the time will come when all occupational injuries, whether they result from mechanical tools, violations of sanitary practices, improper structural premises, or harmful working methods, will receive full and adequate compensation.

In the realm of dust exposures, Doctor Lanza, who is to discuss silicosis, is an outstanding figure. His past connection with the United States Public Health Service and his research work in the mines where silicosis is only too common have given him a broad view of the whole field. The studies made by Lanza and Higgins in 1914–15 among the lead and zinc miners in Joplin, Mo., were probably the first of their kind that were made in this country, and the reports published showed the extremely high rate of silicosis and tuberculosis and had a great deal to do with arousing the public mind to the risks incurred by this class of workers.

In Butte, Mont., in 1921, Harrington and Lanza made their studies of large groups of miners, which proved definitely that this work was extremely dangerous to health and that the normal man had very little chance of passing through a long period of such employment without succumbing to the evil health-breaking presence of dust.

Winslow and Greenburg in their dust-hazards study in the axe-grinding industry found that the death rate due to tuberculosis was probably ten times higher among polishers and grinders than it was for the male population of the State. Previous to this time it was thought that wet grinding was safe, but their conclusions showed that wet grinding was extremely dangerous.

Probably no metallic poison has received more treatment from health writers than has lead. This is probably due to the fact that lead is used in a larger number of occupations than any other of the several trade substances that are listed as poisons. Recent investigations would seem to show that lead is even more dangerous than it was supposed to be by the writers who had given it consideration in the past. The symptoms of lead poisoning are more generally understood to-day than heretofore. Its deleterious effect on the health of the worker has been studied by experts who have decided that the health toll paid by the lead trades exceeds in volume that of any other industry. Dr. May Mayers, of the New York State Department of Labor, has given very careful technical attention to diagnostic signs of lead poisoning. Her research work has enriched current industrial literature and from it conclusions have been formed that lead poisoning is a greater menace than the public generally believed it to be.

It is fortunate for the worker that medical science is giving more thoughtful consideration to industrial poisoning than heretofore. In many of the States special bureaus have been created for the purpose of studying the clinical aspects of poisoning cases. This information is furnished to industries, and it is pleasing to note that in a general way industry is moving with a procession and is adopting measures of health preservation that will prove helpful to workers.

In New Jersey an occupational disease investigation bureau has been formed, consisting of a field director, medical director, expert chemical consultant, and a laboratory technician. Contacts are made with plants handling poisonous substances, physical examinations are made of the workmen employed, and in this manner an effort is being made to determine whether the enforcement of regulatory health measures by the department of labor is really furnishing adequate protection to workmen. The industries of our State are being furnished with definite information of the physical condition of workers employed, so that plant managers may know whether their work is being performed with a reasonable degree of freedom from occupational health losses. I am sure the time is ripe for pressing this kind of departmental service to its fullest extent and that, within the next few years, a very large percentage of all workers in the poison trades will be given adequate physical examinations with check-ups on health conditions that will stave off sickness due to the inhalation, ingestion, or absorption of trade poisons.

The CHAIRMAN. Now, I have pleasure in introducing Dr. A. J. Lanza, who will speak on the subject, A Study of Silicosis in Rock Drillers. Doctor Lanza is the assistant medical director of the Metropolitan Life Insurance Co.

A Study of Silicosis in Rock Drillers

By Dr. A. J. Lanza, Assistant Medical Director Metropolitan Life Insurance Co.

In April of this year, 1929, the recently appointed industrial commissioner for the State of New York designated a committee to draft rules relating to the regulation of rock drilling, sand blasting, and rock crushing for recommendation by the industrial commissioner to the industrial board. Mr. Edward J. Pierce, of the New York Department of Labor, was made the chairman of that committee.

Before giving you a brief background of the events that led up to the establishment of that committee, I would like to point out that that action of the New York Department of Labor is a really constructive effort to deal adequately with what is probably the principal industrial hazard that we have in this country to-day. I think the department of labor is to be highly congratulated for having taken such prompt action.

In November, 1927, a committee was organized under the auspices of the New York Tuberculosis and Health Association to make a study of the hazards of rock drilling in Manhattan, and that study was carried out by the New York Tuberculosis and Health Association, the Vanderbilt Clinic of Columbia University, and the Metropolitan Life Insurance Co. This study was made or carried on during 1928, and in February, 1929, the results of that study were published in the Journal of Industrial Hygiene for that month, and that study served to focus a great deal of general attention upon an industrial hazard whose magnitude, on the one hand, could be compared only by the general apathy that existed toward it on the other.

On February 8, the New York City Board of Transportation called a conference on silicosis at which were present the members and representatives of the New York City Health Department,

operating contractors, rock drillers' unions, manufacturers of drilling apparatus, and other interested parties.

Mr. Slattery, who was in charge of the conference, announced at the end of the conference that every possible effort to lessen the dust hazard would be undertaken in those operations which came under the control of the board.

The crux of the whole business lies in the expression, "Every possible effort to control the hazard." An enormous amount of research, second probably only to that done on lead, has been done on the action of silica on the lungs, primarily in South Africa. In England, in some of the British dominions, and in this country efforts have been made to lessen the dust hazard.

Studies and investigation made apparent that while the greatest extent of the dust hazard was probably in hard-rock mining, nevertheless it was a hazard that was spread throughout industry in general; it was found wherever work was undertaken in granite, in the pottery industry, in the grinding industry, in sand blasting, in the cleaning of buildings by the use of compressed air and sand, and actually there was a great deal more exposure to siliceous rock dust than had been thought possible.

We thought formerly that the problem was one of the application of water to rock drilling. Time showed that the application of water was not the solution. The introduction of wet drilling was an improvement, but it did not do the job, because we found that the fine dust particles came right on up through the water and got into the atmosphere just the same and caused silicosis as they had previously. In fact, the British authorities are apt to stress the fact that the presence of moisture in fine silica dust makes it somewhat more dangerous than it is when dry.

Now, in Manhattan it was obvious that on many of the operations there—foundation work, tunneling, and subway work—especially in the wintertime, water could not be used because of exposure to climatic conditions; in the wintertime you would have a lot of ice around and probably increase very considerably the accident hazard. So the State department of labor concentrated its attention on stimulating some other method of dealing with the dust problem.

It is a generally accepted proposition, that in dealing with a dust hazard you must control your dust at the point of origin. Once your dust gets into the air there is no practical method by which people working in that dust can be protected from it. Now, mind you, my remarks pertain only to silica dust. I am not discussing poisonous dust or arsenate, the reason being that the particles of silica dust which gain entrance into the lungs are so small that you can not construct a respirator that will filter the dust out and still permit the man to do his work. The Army gas mask will take them out, but you can not do an 8-hour shift with a gas mask on.

In its efforts to deal with the situation, the department was assisted by the contractors, who tackled the proposition from the viewpoint of trying to adopt some sort of a suction apparatus at the drill hole which would take the dust away as rapidly as it was formed. That sounds simple, but it proved to be, and still proves to be, not only difficult but, unfortunately, relatively quite expensive.

The only way to determine whether a dust-removal system is effective is to sample your air at the working place before your operation commences; when it is being carried on with your dust-removal system in operation; and after your dust-removal appliance has been taken away.

In July, 1929, the committee of the State department of labor made tests of a dust-collecting system devised by Mr. Kelly, of the George Atwell Co. Before I left New York I tried to get some pictures of Mr. Kelly's apparatus. He was going to prepare some pictures and a blue print, but I was informed by the department that they were not yet forthcoming. Essentially the apparatus consisted of a loose metal ring. It did not fit snugly—just a large, round, loose, hollow ring, resting of its own weight on the ground at the drill hole. Connected with it was a rubber tube, which, in turn, was connected to a tank with an exhaust.

That sort of thing had been tried before. I think the previous error probably consisted in the thought of the designers that such an apparatus would have to fit snugly around the drill hole. That is a difficult thing to attain and made the work of the drillers much harder, so that they did not want to use it, and as you know, you must always take into consideration the human equation, for the more reliance you have to put on each individual the weaker is the effectiveness of your scheme.

We tested this device for Mr. Kelly while it was in actual operation at a subway tunnel construction. First of all, we sampled the air before any work was done on that particular morning to determine the normal dust content of the air at that place, and we found twenty-three thousand and some odd-hundred particles per cubic foot, and by that I mean particles under 10 microns in size.

Four jack hammers were then started up with Mr. Kelly's device working. If you are familiar with a jack hammer, you know what its possibilities are in the making of dust. With the four jack hammers and the dust apparatus working, the dust count jumped from 23,000 to 114,000 particles per cubic foot. We then removed the dust-suction apparatus and continued our sampling, and the count jumped from 114,000 to 423,900,000 per cubic foot. Needless to say, all of us were very much encouraged. The United States Public Health Service has adopted as a permissible limit 10,000,000 particles under 10 microns per cubic foot.

"One swallow does not make a summer," and I would not go so far as to say that the efforts of the State department of labor have solved the dust hazard in rock drilling permanently, but that is the most hopeful, the most promising experiment that we have had yet.

Silicosis depends on the dosage of silica received. The dosage depends upon the amount of dust in the air, the percentage of silica in the dust, and the length of time which the man works. The longer he works or the more steadily he works, the greater the amount of silica, the heavier the dosage, and the quicker the disease condition is produced.

It is obvious, therefore, that to protect him for all practical purposes we do not have to remove 100 per cent of dust; in fact, I imagine under most conditions if we could get rid of 60 or 70 per cent we would have given him fairly ample protection. If these ex-

periments are borne out, I think we are upon the threshold of a method of dealing with certain types of dust hazards that is going to be very effective and save a great many lives.

On the table here are some pictures of dust sampling which I would like to have you look at at your leisure. The method of dust sampling itself is intricate and calls for training, and a number of inventions, methods, and instruments of precision have been devised to give us an accurate estimation of the dust in the air at any given place. Years of experience have attested the value of the method illustrated there, which is about the most efficient. If I remember rightly, it is ninety-odd per cent efficient on tobacco smoke, which is the general standard that is used in testing the efficiency of dust-sampling apparatus.

It consists essentially of a small glass flask about half full of water, to which a little alcohol has been added, and the tube leading down into the liquid, drawing in the atmospheric air, with a baffle plate at the bottom so as to break up the air current as it comes into the water; the suction tube is connected with a small motor. It can be activated by an electric motor or by an air injector if compressed air is available. It is rigged up with a U tube so that you can get the actual suction pressure in the bottle, and that, with the length of time, gives the number of cubic feet in the sample.

Now, in practice that bottle is put near the head of the operator—that is, you want to get the condition of the air which he is breathing. Not over there, or over there, but actually where he is located, and the advantage of that type of sampling apparatus is that you can run it for a long time—you can run it for a half hour and, of course, the longer you can run it the larger the sample you can take, the smaller is your margin of error.

Those bottles with the dust trapped in them are then returned to the laboratory, where the dust is removed by methods of evaporation and chemical treatment, and we are able to get the actual weight, and, the amount of silica present, but the important point is to determine the number of particles per cubic foot that are under 10 microns in size, 10 microns being about the largest particle that will gain access to the lung tissue. Larger particles are blocked in the upper respiratory tract. The particles that get into the lungs and do the damage average somewhere between 1 and 5 microns.

DISCUSSION

The CHAIRMAN. Doctor Lanza's paper has been very, very interesting. It is always instructive to listen to an authority on any subject, particularly a subject in which we are so vitally interested. I know we all would prefer preventing silicosis than to spend our time seeing that those who suffer from silicosis get just compensation. It is gratifying to know that you have arrived at such a stage of success in the experiment.

Does anyone wish to ask any questions of Doctor Lanza? There is no provision on the program for discussion of this subject, probably because there are two long discussions coming later this afternoon, but I am sure Doctor Lanza will be willing and glad to answer any questions.

Mr. WILLIAMS. Has Doctor Lanza succeeded in being able to form an opinion as to how long after exposure to the silica dust, disease may be expected—that is, how long a time may be expected to elapse after exposure to silicate dust before development of silicosis from that particular hazard may be expected to manifest itself?

Doctor LANZA. It depends upon the dosage, which depends upon the amount of silica. Let me put it this way: A silica dust, like flint, running 99 per cent plus of silica, men working in that steadily will be seriously and usually permanently damaged at the end of five or six years; the silica dust containing 70, 65, or 60 per cent silicate, with perhaps little better working conditions—and that is about the average that we get in this country, with one or two notable exceptions—will run 10 to 15 years. It is a slowly developing disease, and under most working conditions in this country, as far as I know, it is a matter of 10 to 12, 14 or 15 years before the man is aware, providing he has not been medically supervised, that he is thoroughly damaged.

Mr. WILLIAMS. I did not make my question quite clear. Suppose a man has been exposed to this hazard, say for 10 years. There is no physical manifestation of the disease. He does not know there is anything the matter with him—perhaps there is not anything the matter with him then, but he ceases to be exposed to the hazard. If silicosis does develop, how long a time should elapse before he could say that it was not due to that old exposure but to something else? How long does it take to manifest itself?

Doctor LANZA. I do not know that there is an answer to that question. For practical purposes the point is this: After a man has had even a moderate amount of silica dust enter his lungs, he will probably contract tuberculosis. The process, you might say, is almost inevitable; and, having contracted tuberculosis, he does not recover. He will not recover. He may have been dusted in this industry to-day, leave the industry without knowing that his lungs have been materially affected, and a year later develop symptoms of tubercle infection, and, of course, his chances for recovery then are practically nil.

Mr. KINGSTON. We have in Ontario a silicosis law which provides that there must be an exposure to silica for five years before a man is entitled to compensation under the silicosis provision. That is to say, we will not allow a workman to come into Ontario and make a claim for silicosis if he has been there only a year. We say he must be exposed five years in one of our Ontario mines before he becomes entitled to the benefits of the silicosis provision. Would you say that that fairly represents the proper provision for such a case?

Doctor LANZA. I think it does. I would say, further than that, that I have had the pleasure of visiting the Provincial silicosis clinic up there in Ontario and I think it is the best. There is nothing else in North America to compare with it in a practical effort to deal with a very difficult problem.

Mr. KINGSTON. Is it known how long silica dust will remain in suspense?

Doctor LANZA. Yes; it has been worked out. I can not tell you offhand. They have made experiments to determine the length of time it will float in the air, but I can not give you the time.

Mr. STACK. Are you able at any time to detect silicosis in the blood stream?

Doctor LANZA. No; we rely in our diagnosis almost entirely on the X ray. That is to say, you will get a very demonstrable lung shadow, which we check with the working history of the man, and it may justify a diagnosis of silicosis or whatever may be indicated even in the absence of clinical symptoms.

Mrs. PERKINS. Has any further work been done along the line of the theory that silica might, in itself, be a protein poisoning which has other effects on the entire system?

Doctor LANZA. The generally accepted theory to-day is that silica is a protein poison; that the fine silica dust in the lungs goes into suspension in the colloidal form and acts as a protein poison. Now, even so, we do not yet know why these people get tuberculosis; whether the colloidal silica in the tissue damages the tissues so that the tuberculosis bacillus can take hold, or whether it forms a tablement for them, we do not know. That remains to be discovered.

Mrs. PERKINS. They are more susceptible to tuberculosis?

Doctor LANZA. There is no question about that.

Mr. STEWART. I want to ask Mr. Kingston a question. Do I understand that Ontario accepts the experience of a man who has learned the trade of mining or drilling somewhere else, and in that learning and in that work has loaded himself more or less—we'll say less—with silicosis—that Ontario accepts and takes advantage of and profits by that trade knowledge and trade experience, but proposes to pay him only for the loading or dosage that he gets in Ontario? What do you think Jesus would say about that?

Mr. KINGSTON. I do not know what the answer to your last question would be, but all I can say is this: That is the way we started the question by saying that we will not take a man who—I do not care what his experience may have been, but if he is loaded up with silicosis and develops the degree of total disability within a year, we are not going to accept the burden of that responsibility. We say that he must be exposed longer than that time in Ontario before Ontario feels itself justified in assuming the full responsibility.

Mr. STEWART. Then do you train all your own apprentices?

Mr. KINGSTON. Let me go a step further. Just within the last year we have developed the practice of testing every man out before he is allowed to work at all, and if he comes to us with experience and a load of silica on his lungs, looking for our employment, our experts, who are now examining for silicosis, will say to him, "We do not want you at all," and we do not allow a man with a suspicion of silicosis to go into our mines, but we say, "You must have five years' exposure to silica in our mines before you are entitled to compensation."

Mr. WILLIAMS. Is the British silicosis act of 1895 a part of your law in Ontario?

Mr. KINGSTON. No. We studied very carefully in Ontario the provisions and the conditions in South Africa. I think probably South Africa developed the silicosis provisions to a much greater extent than in other parts of the world, and a couple of years ago a gentleman from South Africa visited us and gave us an immense amount of information as to what they are doing on this question, and eventually our law as it stands to-day was developed from the knowledge thus obtained.

Mr. CURTIS. Is the British Dominion making any provision for a preventive of silicosis?

Mr. KINGSTON. Well, our medical health department in the Province, which our compensation board has nothing to do with, is carrying out a very extensive program in an effort to arrest the progress of the disease as much as we can. I can not go into all that with you or tell you just what they are doing. That does not come within the jurisdiction of the compensation board but rather the medical health department of the Province.

Mr. CURTIS. Are you of the opinion that five years is doing justice to the workman?

Mr. KINGSTON. The legislature settled on five years, and we are there to administer that law. I have no opinion that is worth while presenting to you as to whether five years is fair. I asked the doctor whether he thought it was fair under the circumstances, and the reason why I asked the question is because I do not know. That is the law.

Mr. CURTIS. Would it not be better for us to find out whether it is right or not, and then suggest to our legislature what to do? I can say, regardless of what the medical profession may say, that is not so. We have had men contract silicosis in less than two years. I have four men to-day in the hospital who have not been working at drilling for over two years, and the four of them are dying of tuberculosis.

Mr. KINGSTON. When I mentioned five years, I was speaking of silicosis. We have pneumoconiosis and we have miners' phthisis, which is somewhat different from silicosis, and I think three years is the limit in those cases.

Mr. CURTIS. Well, of course, we call everything in New York State "tuberculosis." That is, when the doctors bury their mistakes they call silicosis tuberculosis.

Mr. KINGSTON. I think there is a difference, however, between tuberculosis and these other technical diseases that are mentioned in the act as peculiarly applicable to mining.

Mr. CURTIS. I happen to represent the men who are doing that class of work, and our death rate is climbing so that we are beginning to know what our men are dying of without the medical profession telling us. It is silicosis, but the form of diagnosis is tuberculosis. That is, when it has gone beyond anyone's being able to help the men; so I just wanted to check up on that 5-year limit and see if you can not reduce that to one year. You would be doing more justice.

Mr. KINGSTON. I appreciate the compliment paid to Ontario by our friend, Doctor Lanza, but I am not pretending that we feel in

Ontario that we have the last word in what is right in our silicosis law. We are groping and we are anxious to make progress along the right lines.

The CHAIRMAN. With a word of thanks to Doctor Lanza for this interesting paper and the discussion which followed, we will go on to the next subject, which will be presented by Dr. May R. Mayers, of the Department of Labor of New York, the subject being Occupational Diseases and Workmen's Compensation.

Industrial Diseases and Compensation

By Dr. May R. Mayers, of the New York Department of Labor

The subject of compensation for industrial diseases is so large, one is somewhat at a loss to know where to begin. One might for example discuss the lack of uniformity in the various States in their choice of the industrial diseases for which they are prepared to give compensation. One might lament the fact that in one's own State the list of compensable diseases is so very inadequate, and that recent attempts to add other important diseases such as silicosis, poisoning by radium, etc., met with almost complete failure at the last legislative session. On the other hand, one might very profitably discuss the statistical experiences of the various States in this country as well as that of other countries in terms of the number of persons benefited, the total expenditure involved, the administrative machinery required, and so forth. One might consider the recently much-debated question as to which is the more desirable and the more practicable—a so-called "blanket law," covering all diseases arising from occupation, or further extension of the law as we now have it in the State of New York, to specifically cover all occupational diseases now known—provided, of course, that the list is periodically modified to keep pace with scientific advances in the industrial world.

It is not my intention this afternoon, however, to treat of any of these things. As a physician, I should like very much to bring to your attention some of the medical aspects of compensation; some of the diagnostic problems and difficulties which makes the administration of the compensation law so perplexing at the present time—even as regards those diseases which are now listed as compensable.

Compensation for industrial diseases as distinguished from compensation for accidents is of comparatively recent origin. Its introduction has opened to the compensation tribunals a field of obviously vast importance and vast extent; a field, however, which is also of vast difficulty and complexity. To determine the extent of a disability and its true cause is frequently enough a matter of real difficulty even in cases where the disability is claimed to have resulted from an accident; immeasurably more difficult is it likely to be where the alleged and possible cause is a disease, possibly devoid of acute clinical symptoms; a disease of nonbacterial origin with no pathognomonic sign or symptom; and the very existence of which it may be difficult to predicate with confidence.

To illustrate: If a worker accidentally breaks his arm while at work, it is a relatively simple matter to get X-ray proof of the fact,

and he will in due course get the compensation due him under the law. While there may be some subsequent question as to the exact duration of the disability—particularly in a neurotic worker, who is perhaps subconsciously not overanxious to return to work—the original condition is well established and no one questions the fact that he broke his arm.

When we turn from the field of industrial accidents to that of industrial diseases, we find that those diseases which are of bacterial origin usually offer little more diagnostic difficulty than do injuries caused by accidents. Thus, if a woolsorter develops anthrax, or a butcher develops ringworm, the diagnosis can be clinched by actually isolating the offending organism, and there can be no dispute about it. The same holds true in the case of any of the industrial diseases of bacterial or parasitic origin.

Unfortunately, however, in the case of the great number of industrial diseases which are chemical rather than bacterial in origin, the diagnosis is far more difficult. This is due to the fact that the specific chemical substance to which a worker is exposed is not usually such as to make him ill at the outset. Indeed, he may feel no ill-effects whatever of his exposure for many months, or even for years. Nevertheless, if the substance is poisonous, a time may be reached when he has absorbed so much of it into his system that he may begin to appreciate that he is not feeling as well as he used to. This sense of a lack of well-being need not be acute at first. Nor will the symptoms of which he complains be characteristic of any particular disease entity. He may have a headache or constipation or a stomach ache, for example. And, if he consults a physician, the latter may be hard put to it to ascertain the cause. It might be due to lead poisoning, for example, but then it might also be due to any of the conditions responsible for those same symptoms in those of us who have never been exposed to lead.

While it is clear that the long-continued maintenance of abnormal biochemical and physiological relations in the body, such as result from prolonged exposure to the industrial poisons, must needs be harmful in a cumulative way; actual disease entities may appear only after gross injury has been done, and it is frequently very difficult to determine with any degree of certainty what is the true etiology. An environment not sufficiently injurious to produce a definite pathological lesion at the immediate site of injury, but which, nevertheless, for a long time unduly taxes or disturbs any or all of the normal regulating functions of the body, will eventually cause a break somewhere in the human machine. And this break is frequently at some point where the person is congenitally weak, or at some point where the local resistance has been lowered, as by trauma, for example, rather than where it would be naturally looked for on the basis of his occupation.

Let us consider lead poisoning, for example, since it would be manifestly impossible to discuss individually the diagnostic and compensation problems arising from exposure to all of the many industrial poisons met with in our complex industrial organization to-day. Among the limited number of industrial diseases which the Legislature of the State of New York has thus far seen fit to regard as compensable under the workmen's compensation law lead poison-

ing is easily the most important. The proper solution of the problems arising from claims of disability or death alleged to have been caused by lead poisoning is thus of especial importance to us, not only from the standpoint of the number of cases involved, but also because such a proper solution must have a large influence upon the proper development of the law and upon the procedure of compensation for occupational diseases generally.

There is perhaps no other industrial disease which has been the subject of so much study, as has lead poisoning. Indeed, there is no other industrial disease whose physiological and chemical effects upon the body are better understood. It is a very natural assumption, therefore, that if a man contracts lead poisoning in the course of his occupation he will receive compensation. It may surprise you, therefore, when I say that, as matters stand to-day, such is not necessarily the case. He will receive compensation only if it can be proved to the satisfaction of the compensation tribunal that he has lead poisoning. Obviously, if we are unable to establish the diagnosis, the fact that we are sufficiently enlightened to include poisoning by lead among the diseases for which we grant compensation does not help the individual in question in the least; nor does it give those who are keenly interested in the equitable administration of the compensation law the peace of mind which they desire. In other words, the ultimate success or failure of the compensation law as applied to industrial diseases is in the last analysis essentially dependent upon accuracy of diagnosis and a corresponding ability to prove that the diagnosis made is a correct one. The growing importance of the laboratory as an aid to diagnosis will be touched on later.

Despite all that is known about lead poisoning at the present time, its diagnosis in all but its acute or advanced stages is still beset with difficulties, both because of the indefiniteness of many of the symptom complexes—as already illustrated in the case of the lead worker with a stomach ache—and because medical authorities have differed in their interpretation of some of the terms used. Indeed, when one consults the voluminous literature on the subject, one is immediately struck with the fact that authorities have apparently disagreed for generations as to what should properly constitute a diagnosis of lead poisoning. There are those, for example, who consider that no case should be diagnosed as lead poisoning in the absence of lead colic. At the other extreme, there are those who take the position that no case should be diagnosed as lead poisoning in the absence of stippled cells, and still others who hold that the presence of stippled cells in the blood is, in itself, sufficient for a diagnosis, even in the absence of all clinical manifestations of the disease—in other words, even in the total absence of symptoms. Innumerable intermediate positions have been taken by as many different medical men. When these differences of opinion are examined, however, one is impressed with the fact that they are usually due to differences of opinion as to the precise definition of the term " poisoning " rather than to any fundamental differences in the medical interpretation of cases. Nevertheless, such a lack of standardization of terminology in connection with a disease entity which of necessity presents true difficulties in diagnosis, because of the indefiniteness of the clinical picture, must

unavoidably cause considerable difficulty for those charged with the administration of the compensation law. Such is the case at the present time.

It will be remembered that the absorption of lead into the body may result in the production of a great diversity of symptoms referable to almost every organ in the body. These symptoms need not necessarily differ in any respect from those produced by other diseases affecting the same organs. At the outset, therefore, the compensation tribunal is faced with the fact that the disability resulting from exposure to lead may manifest itself only in such subjective symptoms as headache, dizziness, and general malaise. There is no way of establishing with certainty in these cases whether or not the claimant is actually experiencing the sensations of which he complains. Yet, if he is, he may be just as truly disabled as if he displayed the most convincing of objective signs, i. e., those which can be elicited by the ordinary routine examination. In these cases, therefore, the usual processes of inquiry as applied to accidents must be reversed. Instead of inquiring first whether disability is present, we must first inquire whether lead poisoning is present, and if so in what form and degree. These questions answered, it is possible to draw from the resulting picture a useful inference as to whether or not the disabling sensations described by the claimant are attributable to this cause.

As already pointed out, the answer to the question as to whether lead poisoning or its sequelæ is present might be difficult enough even if the term "lead poisoning" as used in the law imported a well-recognized and clearly defined disease entity. As has already been pointed out, however, the term is wholly lacking in standard definition of general acceptance.

Time would hardly permit me to review at this time the work of the bureau of industrial hygiene, both alone and in cooperation with committees of the American Public Health Association, directed toward a standardization of diagnosis and terminology, not only in this very important and perplexing disease, but in others of chemical origin where the need for such standardization is equally great. I do want to take a few minutes, however, to tell you a little about an investigation of lead poisoning recently made by the bureau of industrial hygiene because the findings are peculiarly pertinent to the present discussion. In this investigation 381 lead workers were examined in a number of lead industries in various parts of the State. Complete occupational and clinical histories were taken, the workers were given a thorough physical examination, and laboratory tests were made of the blood and urine, for evidences of lead absorption into the body. It may surprise you that one of the first questions which presented itself at an early stage in the investigation, and one which grew increasingly difficult to answer as time went on, was, curiously enough, "Exactly what is lead poisoning?"

Let us consider the light thrown by this investigation upon the significance of the lead line in the diagnosis of lead poisoning. For example, is a lead worker with a lead line in his gums and a stomach ache, suffering from lead poisoning?

That the presence of this single and well-defined sign (when it is well defined) is direct evidence of lead absorption is generally ac-

cepted—lead was absorbed, and subsequently deposited in the gums. The practical questions presented to the examining physician are: (1) May active lead absorption occur in the absence of this physical sign? (2) May the lead line in the gums persist long after active lead absorption has ceased? (3) To what extent should the presence or absence of the lead line in a lead worker affect the interpretation of the symptom-complex which the patient presents at the time he is examined—as, for example, a stomach ache? It is a common experience that stomach ache in a lead worker is only too frequently diagnosed as lead colic without further investigation. When a lead worker with a lead line in his gums, however, comes to a physician and complains of a stomach ache, the diagnosis is almost a foregone conclusion. And yet a lead worker, either with or without a lead line in his gums, may have a stomach ache for any of the reasons that anyone else may.

An analysis of some of the data on the lead line obtained in the study above referred to brings out the pertinence of these considerations. There were in all, among the 381 workers examined, 31 cases of lead line in the gums, or 8.1 per cent. No attempt will be made at this time to discuss the difficulties in differentiating a true lead line in the presence of cyanotic gums and carious teeth, both of which are so common among lead workers. The 31 cases here discussed were sufficiently definite to leave no doubt as to the diagnosis. Of this number 10 gave no other evidence of lead absorption. Examination of their blood showed no evidence of lead anemia, and their urine was negative for lead, showing that there was apparently no active lead absorption going on at the time they were examined. It would seem proper to infer, therefore, that in the case of these 10 men, at least, the lead line had in all probability been deposited at some previous time when active lead absorption had taken place, and these lead deposits had remained there inert until the present time. Leleky has reported a lead line in the gums in a worker 11 months after exposure to lead had ceased. In the present investigation approximately one-third of the workers with a positive lead line in their gums appeared to be in the position of this man. For them the presence of the lead line would not necessarily be contributory evidence in the favor of a diagnosis of lead colic in the absence of other findings. On the other hand, in the series under discussion, there were 201 men who showed laboratory evidences of active lead absorption, but who nevertheless did not have a lead line in their gums. Evidently the lead line may be frequently absent, even when active lead absorption is taking place.

The practical importance of differentiating workers who are actively absorbing lead at the time the lead line is observed, from those who merely have inert deposits of lead in their gums, from some previous time, can not be overemphasized. In order properly to appraise the diagnostic significance of the lead line in any particular case repeated laboratory analyses should be made both of blood and of urine for evidence of active lead absorption. It is the presence of or absence of active lead absorption rather than the presence or absence of the lead line which is essential to a proper interpretation of the symptom-complex presented by a given patient.

It must be remembered, however, that every worker who has any lead stored in his body—whether in his gums, in his bones, or else-

where—is at all times a potential case of acute lead poisoning. The onset of an intercurrent infection or some change in his metabolism may at any time cause a sudden mobilization of the stored lead, with the result that it is thrown into his circulation in toxic amounts, and an acute attack of lead poisoning will ensue. Such workers not only require watching by the industrial physician, but they require proper prophylactic treatment directed toward a slow mobilization with a gradual elimination of these lead deposits from their bodies.

The lead investigation threw interesting light also upon certain other questions as well, which are peculiarly significant in their compensation aspects. May a clinical picture suggestive of lead absorption, for example, or even of lead poisoning, be present in the actual absence of lead absorption? On the other hand, can active lead absorption be taking place in the total absence of all clinical manifestations? Our findings were as follows:

1. Of the 381 lead workers examined, 232 showed total absence of symptoms or signs suggestive of lead absorption on physical examination. Laboratory tests showed, however, that approximately half of these men were actively absorbing lead at the time they were examined.

2. Of the 381 workers examined, 149 presented a clinical picture definitely suggestive of lead absorption. Laboratory tests confirmed the diagnosis in approximately two-thirds of the cases. In the case of the remaining one-third it was considered that the symptom-complexes presented, while suggestive of lead absorption, were probably due to other causes. While none of these workers were incapacitated, cases are constantly arising in which disability is claimed on the basis of clinical symptoms entirely analogous to those found in this group of workers.

Considering the first of these two groups of cases, it would appear that the absorption of relatively small amounts of lead need not necessarily give rise to a typical or indeed even to a suggestive clinical picture. Workers who are apparently healthy on physical examination and who complain of no symptoms whatever may nevertheless be actively absorbing lead. Active lead absorption in these workers presents no problem, however, from the standpoint of compensation, for there is obviously no disability present. These cases are of interest primarily to those concerned with proper medical supervision of lead workers, with a view to general prophylaxis and the prevention of acute cases of lead poisoning.

The cases which come to the attention of the compensation tribunals are those in the second group where disability is actual or claimed. The difficulties which arise with reference to these cases may be grouped under two heads: (1) Difficulties arising from a lack of standardization of terminology and diagnosis; (2) difficulty in establishing an etiologic relationship between the disability and exposure to lead.

In acute cases of lead poisoning these difficulties are not so apt to arise, since the diagnosis can usually be made with a sufficient degree of certainty. In the subacute cases, however, and those presenting a suggestive but rather vague and indefinite symptom-complex, the difficulties of diagnosis on the basis of the clinical picture alone are obviously very great. In the case of such symptoms as constipation, severe headache, or abdominal pain, as a result of which

a worker may claim that he is unable to work, lead may or may not be the etiologic factor. Nevertheless, the compensation courts are continually faced with the necessity for making a definite decision in these doubtful cases.

In the present series of examinations, the diagnosis of lead absorption in cases of this type was confirmed by laboratory tests in approximately two-thirds of the cases. In other words, the probability that lead exposure is the cause of a suggestive symptom-complex would appear to be approximately two to one. It might properly be argued, therefore, that if careful laboratory tests were made in all cases of this type approximately two-thirds of the cases which are so perplexing at the present time would be readily disposed of. On the other hand, it must be remembered, of course, that even where laboratory evidences of active lead absorption can definitely be established, the symptom-complex may nevertheless be due to other causes. An assumption that such an etiologic relationship probably exists would, however, seem to be warranted. Compensation would be justified in these cases and the worker very properly given the benefit of what slight doubt must exist at all times.

In approximately one-third of the cases no laboratory confirmation of the clinical picture was found. In these cases, while, of course, there is again a chance of error in that the laboratory can not be regarded as infallible, nevertheless it would seem fair to say that the presumption of evidence is rather against an etiologic relationship between the symptom-complex and lead absorption. If compensation were withheld in these cases, the making of repeated laboratory tests by the physician in charge of the case would automatically be stimulated, thereby reducing still further the chances of error in diagnosis.

Unfortunately, at the present time laboratory evidence is rarely available as an aid to the diagnosis of these cases when they come up for compensation because the physicians are not in the habit of making the necessary tests when the case first comes to them for treatment. Frequently in difficult cases it is attempted to make the tests at the time the case is being considered by the court. This procedure is usually a failure, however, because such a long interval has elapsed since the illness that positive tests are usually no longer to be expected. For several years the New York State Bureau of Industrial Hygiene has offered to make the necessary tests for physicians at cost, but for some reason they have not availed themselves of this offer.

If physicians could be persuaded to prepare their cases fully by making the necessary laboratory tests of blood and urine in every case of suspected lead poisoning, it is believed on the basis of the present experience that about two-thirds of the troublesome cases could very probably be disposed of with greater justice to the workers and with considerably less expenditure of time by the compensation courts; the presence of laboratory evidence of active lead absorption being regarded as presumptive evidence in favor of lead as the etiologic cause of the disability. In about a third of the cases the absence of laboratory confirmation would still leave the diagnosis somewhat in doubt, but it is believed that the presumption would rather be against lead exposure as the etiologic factor. Even taking into account the fact that a certain number of errors must

inevitably occur, these would be relatively small in number if laboratory evidences of lead absorption were available to the compensation courts to supplement the clinical picture in all cases presented to them.

It is not always appreciated, even by physicians, that there is a vital difference between the diagnostic problem which confronts a compensation tribunal and that which presents itself to the physician in his ordinary practice. To the latter, every diagnosis is tentative, and has usually for its chief purpose the determination of the treatment to be given the patient; if the patient does not respond to the indicated treatment, the correctness of the diagnosis may be reexamined. In the compensation tribunal however, the diagnosis must be determined at the outset.

The importance of the laboratory as an aid to the diagnosis of lead poisoning has already been emphasized. When one considers that before gross injury has been done and symptoms make their appearance, the ill effects of exposure to an abnormal environment can be measured only in terms of physiological and biochemical changes in the body, one is impressed with the need for developing proper laboratory tests for appraising these early ill effects. The difficulties which arise in any attempt to appraise abnormal physiochemical relations in the body arise not merely from the fact that the biochemical methods which are required for such determinations are relatively new, difficult to carry out technically except by those especially trained in their use, and that methods are entirely lacking as yet for many of the determinations required; but also because of the fact that many of the most important chemical elements in the body are to be found there in amazingly small concentrations, so that to detect variations in their relative amounts involves the application of quantitative analytical methods to almost infinitesimally minute quantities. That the chemical detection, not to mention the quantitative determination of complex organic substances such as these in the quantities in which they appear in the body, may be extremely difficult, and in some cases even impossible, can readily be seen.

If one were to stop for a moment and visualize the body as an elaborate chemical laboratory in which innumerable chemical reactions are taking place simultaneously, and where chemical substances in almost imponderable quantities may play determining rôles; and then imagine the introduction into this laboratory of foreign substances, even in relatively small quantity, which are capable of reacting chemically with any one of a large number of the substances already present; only then can one get some conception of the situation of workers who are exposed to the many chemical abnormal environments which form a necessary part of our industrial world to-day. One is no longer surprised, when on investigation of these workers one finds serious physiochemical and metabolic disturbances, even in those who at the moment may show no clinical manifestations of disease. The application of our newest and most up-to-date biochemical methods or laboratory tests to the appraisal of the health status of these men is not therefore theoretical in its interest, but is highly practical from the standpoint of properly safeguarding the health of our workers. They are, as we have seen in the case of lead poisoning, frequently indispensable to clinching

the diagnosis of many of our industrial diseases. And we have already seen that a law granting compensation for industrial diseases means nothing in the absence of proper diagnostic methods.

Thus far we have been considering lead poisoning as an example of a disease in which the diagnosis presents special difficulties. There are other industrial diseases, however, such as carbon monoxide poisoning, for example, where, though the diagnosis may be established, it is difficult to determine with reference to a given disability occurring at some subsequent time, whether or not this disability is the result of the initial disease. In other words, may the disability be regarded properly as one of the sequelæ or not? In the case of industrial diseases this is frequently far more difficult to answer with any degree of certainty than in the case of accident.

In the case of carbon monoxide poisoning, this question has come up again and again. As you know, when carbon monoxide is inhaled, it combines with the hemoglobin of the red blood cells. In doing so it displaces oxygen from the hemoglobin molecule and so deprives the various tissues of the body of their normal oxygen supply, and asphyxia results. When a person who has been overcome by exposure to the gas is resuscitated, the carbon monoxide is very rapidly removed from his blood stream; oxygen is once more restored to his blood, and thus to the tissues of his body, and to all intents and purposes, everything is restored to normal and he is restored to health. It has been a not infrequent experience that such an individual, some months later, begins to complain of cardiac symptoms of which he was never before aware, and which gradually become so severe as to incapacitate him for the type of work he has been doing. Are these heart attacks the result of his asphyxia, or does he just happen to have developed heart trouble which, as a matter of coincidence, began to manifest itself at this time?

The authorities are in virtually complete agreement that such belated cardiac disturbances may be the direct sequela of exposure to carbon monoxide; yet the burden of proof which rests upon the shoulders of the claimant when he appears before the compensation tribunal, to demonstrate that in his particular case his cardiac disability is the result of his exposure, may be well nigh insupportable, particularly when there is introduced evidence that his condition may be the result of innumerable extraneous factors. So long as the law places this burden upon the claimant, the task of correctly advising the compensation tribunals in such cases will impose a severe strain upon the resources of medical science.

From what has been said, I think it is apparent that in the adjudication of claims arising out of such difficult conditions as I have described, the referees and higher compensation tribunals are going to have to depend to a greater extent upon expert opinion than is necessary in the case of ordinary claims. And the question therefore suggests itself, What provision exists for obtaining such opinion. It has been the justifiable boast of those charged with the administration of the compensation laws of our several States that they have divested their procedure of all of that technicality and cumbersomeness which have subjected the procedure of the established law courts to such widespread and severe criticism. It must be confessed, however, that in this matter of obtaining expert opinion, our compensation tribunals have, in the main, but borrowed one of the

very features of judicial administration which has been most severely criticised, and which the courts themselves are beginning to discard. I refer to the method of seeking expert opinion, not from a disinterested scientific source, but from the testimony, elicited by the conventional method of direct and cross examination, centering largely about incomprehensible hypothetical questions, from contending experts in the employ of the claimant and the insurer, respectively. I venture to suggest that the time is ripe for compensation tribunals to follow the lead of the more progressive courts in discarding this antiquated, undignified, and wholly inefficient method of securing expert opinion, and attempt to elicit truth, not from the strife of interested experts, going into battle under the lash of hectoring attorneys, but from the matured thought of a body of disinterested and impartial scientists, having no contact with either party to the controversy, and responsible solely to the compensation tribunal itself, and to the bar of the public opinion of their profession.

DISCUSSION

Mr. STEWART. Since the doctor, in her paper, called attention to the fact that these diagnostic tests were largely at the expense of the claimant, I am reminded of the fact that last week a convention of physicians met in Washington and among other things, called attention to the enormous increase in the expense of diagnostic data. I do not know what the answer is, but I do know that we are getting to a place where the ordinary worker is absolutely barred from proving his claim in these obscure occupational diseases arising from the new uses of chemistry and from such causes as silica dust, and so on—not that the doctor is charging any more for a call but the cost of laboratory analyses for diagnostic purposes are also included.

Now, from the workmen's point of view, since it is the claimant who must prove his case, since in most cases it is the claimant who must pay these bills, I wonder if it is not up to us to say just how much laboratory information the physician must have before he knows whether a blue line on the gums means lead poisoning or not?

Are we not getting to the place—not only in compensation cases, but everywhere—where the diagnostic cost is practically eliminating the whole field of workmen from any reasonable medical treatment or care?

The CHAIRMAN. The program calls for a discussion of this subject, and the program states, "In the discussion of this subject delegates are requested to state for their jurisdiction the number of occupational disease cases handled in 1928, the administrative cost of such cases in 1928, the average duration, and how the coverage of occupational diseases has affected premium rates."

If you have that information, and it is too lengthy to read, you may submit it to the secretary.

I shall call the roll of the States having a general law covering occupational diseases, and we will be glad to hear from the delegates from those States who care to discuss the subject.

Connecticut (Mr. WILLIAMS). Of course, you may all read the Connecticut law on the subject. When we first adopted the compensation law we patterned it mostly after the English law, but we took one phrase from the Massachusetts law which we supposed

meant something. We left out of the statute the necessity for an accident, and supposed that that was settled. But our courts quickly said that our statute did not cover anything unless it could be traced to a definite occurrence that could be located as to point of time and place. Then we amended the law and said that that should not be necessary, and we dealt with occupational diseases under that system for quite a while.

In 1927 there was a general set of amendments and then, for the first time, occupational diseases, under that name, came into the statute, and this part of these amendments which were drawn originated in a joint committee of the Connecticut Manufacturers' Association and the Connecticut Chamber of Commerce. We had a joint committee, and our present statute on that subject was drafted at their request by a gentleman who I believe is the best-informed insurance lawyer in the United States.

"The words 'occupational diseases' shall mean a disease peculiar to the occupation in which the employee was engaged, and due to causes in excess of the ordinary hazards of employment as such." That is not perfect, but I do not know of any better one.

Now, as to these risks, we have all heard of dermatitis. We have had a duty thrust upon the Connecticut State Board of Health. We have a special man there now, to whom all cases of occupational diseases are supposed to be referred. There were 317 cases reported in 1928 and it is too long a list with which to take up your time.

[The list is as follows:]

Number of cases of occupational diseases reported to the Connecticut Department of Health in 1928

Disease	Cases	Disease	Cases
Allergy (vegetable dust)	54	Mercurial poisoning	17
Anthrax	1	Occupational neurosis	2
Benzol	1	Pneumonoconiosis	1
Chromium poisoning	1	Pulmonary tuberculosis (sand)	1
Conjunctivitis (various causes)	42	Silicosis	2
Cyanide burns	1	Turpentine inhalation	1
Dermatitis (various causes)	174	Zinc poisoning	1
Eczema	1		
Lead poisoning	17	Total	317

Number of cases of dermatitis and of conjunctivitis reported to Connecticut Department of Health in 1928, by causes

Cause	Cases	Cause	Cases
Dermatitis:		Dermatitis—Continued.	
Acid	1	Sand foundry	1
Acid plating	2	Soap	2
Arsenic	2	Soldering acids	3
Bakers	1	Turpentine	4
Benzene	1	Turpentine substitute	1
Bichromate of potash	1	Vegetable	2
Brass (probably oil)	2	Washing powder	1
Fish	3	Unknown	1
Mercury	127	Total	174
Nitric acid	1	Conjunctivitis:	
Oil	10	Acid	2
Phenol derivatives	1	Carbon disulphide	1
Plating acid	1	Hydrogen sulphide	24
Plating solution	3	Mercury	15
Rubber accelerator	2	Total	42
Sand blast	1		

We divide our lung troubles into silicosis, pneumonoconiosis, siderosis, and tuberculosis. These cases first arose and were most valiantly discussed in the case of concerns doing grinding work, and it was oberved that after a while those men became ill and died. Three of four such cases were taken to our supreme court before we learned that such work filled a man's lungs with metal dust and mineral dust, tuberculosis developing, and the man dying.

Then these companies began to devise methods of improving their processes. They did not want to kill their workmen, but they had not thought much about it. Now they do think a lot about it.

We are not a statistical bureau, as I have several times had occasion to remark. We have a commissioner of labor statistics and factory inspection, who receives copies of all of our accident reports. I do not know how many of those cases each of us has had, or how much they have cost us. You have the list there of the cases which Doctor Gray says were reported to him, but I can give you one or two practical illustrations of how this is handled.

Instead of long-drawn-out battles of experts, and long trials in the superior court, and then an appeal to the supreme court, it takes no longer than a week or 10 days to dispose of a case.

I was called by a representative of one of the large insurance companies, who said, "We have a gas case. There is no controversy about it. I suppose you want a hearing?"

"Yes; I want to see the marriage certificate of the claimant. I want to know whether there are any children, and what the man's average wage was." She told me about that and I knew enough about it, so I turned to the insurance man, and I said, "I suppose you concede that this man had pneumonoconiosis, which developed into tuberculosis and he died, and it was an injury within the meaning of the statute?"

There is no need of taking up time about that. That is being done as a routine matter, I think, in all our jurisdictions now, and it marks a distinct advance from the day when there were long battles of experts. I suppose that all your statutes have provisions similar to ours.

As former Chief Justice Andrews of our supreme court said, "The law ought never to be a brawl for hire," and it imposes upon the commissioner the duty of studying all the standard authors, and the latest medical journals, and of arriving at his own conclusions. I suppose that is the common experience of all of us. I know it takes up an everlasting amount of time, but there are fewer battles of experts than there formerly were, because we all know now that we can, and we do, read the standard works on the subjects, and we learn the latest views of the medical science.

So that with the rapid growth of industrial medicine, with the great light that has been thrown on it by Doctor Hamilton and the School of Industrial Medicine at Harvard—and Yale is going to have such a school later on—and the information to be gotten from such books as those written by Doctor Morehead; if we are willing to study we can know pretty much what the medical situation is, and it is not necessary to follow the lines, as Napoleon said, "God is on the side of the heaviest battalion." I do not ordinarily decide the case in favor of the man who has the most money and produces the most experts.

Doctor HATCH. Mr. Williams, from the language of your act, apparently there is no limitation as to classification of your occupational diseases?

Mr. WILLIAMS. Not at all. If the man is performing some work that exposes him to hazards not common to occupations generally, and he becomes ill, it is personal injury and he is paid compensation.

Mr. STEWART. What would you do, for instance, for anybody working with lead—painters? The ordinary exposure there is sufficient to lead him and kill him. Suppose it does? That is ordinary. Just what do you consider as an exposure in excess of ordinary exposure of the industry. Now, how much exposure must a painter have?

Mr. WILLIAMS. If he is a painter, he works around lead and he has a hazard which occupations in general do not have. I can tell you what I did with the last case that came before me. I rather thought from his symptoms that he had acute plumbism, and I sent him to Dr. George M. Smith, who is lecturing at Yale on various medical subjects, and who was formerly professor of surgical pathology at one the large colleges in St. Louis, and Doctor Smith took a drop of this man's blood and examined it under the microscope, and he found the typical stippling. The poor fellow has not recovered yet. I do not know whether or not he ever will, but he is being paid compensation.

District of Columbia (Mr. STEWART). The District of Columbia is not represented here by its compensation commissioner. The Federal law applying to the longshoreman was extended to the District of Columbia. It is reasonably liberal on the occupational disease question, and is liberally administered, I think.

North Dakota (Mr. MCDONALD). We have very few cases of occupational diseases in my State. Not all of you may know that it is not a manufacturing State. It is an agricultural State—sometimes; sometimes not. The covering of occupational diseases was made, in my memory, in the 1925 session of the legislature. Prior to that (the law was started in 1919) we had no coverage for occupational diseases. In 1925 the law was amended and the exact words as used in the Federal law were used.

The cases that we have had have been mostly from lead (painters and printers), and carbon monoxide, or gas poisoning in garages. But, as I said, we have had very few, and the cost has been so low that we have not separated them from the other causes of accidents.

A few moments ago the secretary made a remark about the cost to the claimant for examination, and I want to say that it does not cost the claimant one dollar in North Dakota for examination or treatment unless the claimant wants to pay for another examination at his own expense, because he is not satisfied. We have paid as much as $6,000 for one claimant for hospital and doctors' treatments, and had it cost us $10,000 we would have paid it. It would not have cost the claimant one dollar.

Wisconsin (Mr. WILCOX). I have discussed with this group on other occasions this matter of occupational diseases under compensation laws, and I get quite some satisfaction out of the fact that we warm up a bit each year as to the need for such coverage.

I appeared before the National Safety Council in Boston in 1921 and there read a paper urging that it was the duty of the States to

do the very thing that we are talking about to-day, and it was worth about as much as your life was worth to say to that group at that time that it was their obligation, and that a thing like this could be done and States and industries still survive.

I call your attention to the fact that not only Mr. Stewart, or some one in his bureau, has written an article which appeared in a recent issue of the Labor Review, but also Doctor Hayhurst, of Ohio, has written a lengthy article discussing this subject and what States are doing. Particularly from Doctor Hayhurst's article and his citation of costs I get some satisfaction, because it compares with the observations that I made back in 1921, that States might do this and still not go bankrupt, and their figures are much as are shown in my State.

A year ago, just as we were meeting, I sent to each of the jurisdictions a tabulation of seven years' experience in Wisconsin under a full-coverage provision, and I am quite sure all of you received it, and we are now prepared to give you the 1928 experience. I have just a brief tabulation of eight years' experience, and in those eight years we had 2,569 cases that we tabulated under the heading of occupational diseases, and the money cost of those 2,569 cases was $473,921, and the medical cost was $105,104. That means an average for each of these eight years of 321 cases out of approximately 20,000, with indemnity cost of $59,240, and medical-aid costs of $13,138. The average annual indemnity cost per case was $185, and the average medical cost was $41,

Our experience for 1928 shows that the indemnity cost of all of our cases under compensation was $178 compared with this $185, and that our medical cost in 1928 was $57 as compared with the average of $41 for the 8-year period.

A word of explanation ought to accompany those figures. We, from the very first, did not make any effort to separate into a different classification those cases which we would compensate and which we were compensating under our accident provisions. There are many of those cases and there are many of them in this very experience that I give you: Typhoid fever, carbon-monoxide poisoning (in most cases it is sudden), caisson disease. And there are various other types of occupational injuries: Poison ivy and poison oak, and things of that kind, which you compensate under the accident provisions of most of our laws.

They are included in these figures that I have given you, and I know from compilations that I have made that the actual cost of covering all of these diseases—not part of them, but all of them—under the compensation law does not exceed 1 per cent.

And just to illustrate this, as I have said before to this group, when we set out upon this field, we added 1 cent to the insurance rate to take care of this added cost. For example, if the premium rate was $1.56, we made it $1.57; if it was 40 cents, we made it 41 cents, because we had no experience to go on, and we traveled along on that basis for a year or two, and then we cut the whole thing out, in fact, and there is absolutely no loading in the Wisconsin rate for occupational diseases, except as our own experience may add to the rate for the State of Wisconsin.

We pay no more on the rates that we have—to use the national experience—for covering all of our occupational diseases, than other States are now paying for coverage under accidents alone.

Mr. STEWART. Do you mean 1 per cent of the pay roll?

Mr. WILCOX. One cent on the rate was what we charged at first, and then we cut it right out because there was nothing scientific about that.

If there was any disappointing statement that came out of this morning's session, it was Mrs. Perkin's statement that probably in New York they would go on doing what they had been doing, adding now and then another disease to their list, because of their experience during the previous year.

And I noted when I read Doctor Hayhurst's reports that in this last year or two, out of the very experience, Colonel Blunt, that you had in New Jersey, we have added radium poisoning. It took that catastrophe in your State to teach us that there was something else we could do with our laws. Well, we do not have to worry about that end of it, and you ought not to be worrying about it, and I had hoped that out of New York, with the attitude of Governor Roosevelt and his illustrious predecessor standing for full coverage, would be marked the way and we would be brought to the point of view that we would say that now is the time to wash the slate clean and cover these people with compensation insurance as we cover other people.

You will have many occupational diseases, just as we have, that are probably compensable under your accident provision laws, and your statistics will usually include those, but they ought to be distinguished, if what you are trying to do is to find out just how expensive this is.

The cost is so little for full coverage, over what you pay in your scheduled States, that you should not hesitate one minute to fix the law as it ought to be, and be done with it.

Mr. DUXBURY. In your experience in adjusting your rates, did you find certain classifications in which some particular occupational disease was common, materially affected by the occupational disease peculiar to that class of cases?

Mr. WILCOX. You will find now and then a death case in a grinding process; you will have some tuberculosis cases in the sand-blasting operations, and that will be quite serious and will influence the rate.

Mr. DUXBURY. Carbon monoxide?

Mr. WILCOX. They were compensated under the old system; that is, for the most part. I am talking practically instead of scientifically, because I can understand that you might have illness, calling for compensation from corbon monoxide, continuing over a long time.

Mr. DUXBURY. What I was trying to bring to your attention is the contention that while the total cost spread on the total loss would not be a startling thing it would affect the compenstion rates of certain particular classifications.

Mr. WILCOX. Yes; I am just so hard-boiled on that subject that I am going to say this: If industry on the whole, if thousands and

thousands of employers in your State and in my State, could know just exactly what this means they would vote it into the law, and they would let those industries that are causing those kinds of disabilities take on the added rate which they ought to carry until they do something to clear it up.

Mr. WILLIAMS. Do you have any hat factories in Wisconsin?

Mr. WILCOX. No; we have none.

Mr. WILLIAMS. Well, we have had quite a number of cases of poisoning in Connecticut because of fur being treated with mercury and when the manufacturers found they had to pay for it I think they found a method of treating the fur by omitting the mercury.

Mr. WILCOX. I ought to make this one more observation, and that is the schedules are continued in our States for the purpose of denying compensation to the silicosis patient and the tuberculosis patient. That is one of the reasons why we do not get away from the schedule plan, and the discussion we have had here by Doctor Lanza and Doctor Mayers ought to tell us where our course should lie.

Doctor HATCH. I just want to ask Mr. Wilcox one question, whether he has any leather or tanning plants in his State?

Mr. WILCOX. Wisconsin is one of the outstanding tanning-and-leather States in the United States, and we have all of the occupational diseases that go along with that industry, all of them; but we are worrying now because some particular industry in our home State is, perchance, going to have to pay its own way. Well, let us hasten the day. That is my parting message.

Mr. KINGSTON. As you know, some of our jurisdictions use that old expression that has been handed down to us for generations, "Any injury by accident arising out of and in course of employment." If the words "by accident" were eliminated, would you consider that complete coverage has been effected for all industrial diseases as well as accidents?

Mr. WILCOX. California did it in exactly that way, and I think that is about the situation in Connecticut and Massachusetts.

Mr. WILLIAMS. We tried it, but it did not work, so we put it in.

Mr. WILCOX. I think the safer way is to say it rather bluntly right in the act. We just said this: The benefits of workmen's compensation (of the provisions covering the entire compensation act) shall be extended so as to include diseases of occupation, and any other injury that comes out of the industry. That will be sufficient.

Doctor HATCH. You said that the cost of covering all occupational diseases in Wisconsin did not amount to more than 1 per cent. I think I know what you mean; but we want to get that perfectly clear. That is one of the most important statements it is possible to make in any State where it is proposed to cover all occupational diseases. Now, just what does that mean? Does that mean this: That, as compared with the cost of compensation without coverage of any occupational diseases, the cost of covering all occupational diseases in addition would increase the total cost under the act 1 per cent?

Mr. WILCOX. Not over 1 per cent.

Doctor HATCH. Is that just what you mean?

Mr. WILCOX. Is that what you mean, Mr. Altmeyer?

Doctor HATCH. That is just exactly the ghost that is held up in any State that does not cover all occupational diseases. "Well, if you make this coverage wide open, covering all cases arising out of and in the course of occupation, nobody knows how much you are going to increase the total cost of compensation." Your figures are exceedingly interesting and exceedingly valuable in that in Wisconsin, where you actually do that, the figures prove that it meant at the most not over 1 per cent more in the cost of compensation.

Mr. WILCOX. That is what I meant, and if you will just take these figures for the year, the average cost in these eight years was $72,000.

Mr. KINGSTON. Average cost of what?

Mr. WILCOX. Of all occupational diseases, and I am including typhoid, and caisson, and carbon-monoxide poisoning, and all of those groups that were formerly compensated under our accident provisions. They are all in that one figure, $72,000. That was the total cost of those items in benefits, whereas our annual cost for compensation benefits is $5,000,000. Now that is 1.44 per cent of the whole, but in those, mark you, you have those other classes of cases that would otherwise be compensated under the accident provisions, and I say, without very much fear of ever having it successfully disproved, that I per cent more is sufficient to cover it.

Mr. STEWART. In further answer to Doctor Hatch and to get it in the record, I want to say that Mr. Leslie, whom you all recognize as an authority on this subject, in answer to a letter written to me by the National Council, estimated, for insurance purposes, that occupational disease total coverage cost 2 per cent, but that their experience so far had demonstrated that this was probably very high, and that I could say to the State of Virginia, where the question was at issue at that time, that the cost of total coverage would be somewhere between 1 and 2 per cent, probably nearer 1 than 2 per cent.

Mr. CURTIS. Might I ask the previous speaker a question, Mr. Chairman? Does your act bring in the question of expert testimony on your occupational diseases?

Mr. WILCOX. Well, the Wisconsin act is like all other acts, a case must be proved.

Mr. CURTIS. In other words, the injured worker must prove his case?

Mr. WILCOX. The injured man must prove his case. Now a judicial administration of law always means that you will not let a man's case go down because he doesn't have the means to develop his case; and so we take the pains in those cases where he himself apparently is not preparing, and is not prepared, and can not prepare to produce the proofs, to see that there is some one to take care of him.

We have in Wisconsin what is known as a legal aid bureau, and if it is an attorney he needs, we put him in touch with the legal aid bureau. If it is a medical expert whom he wants, if he wants doctors' opinions, we can have it by independent examination which we pay for out of our administration fund, or we can arrange with university authorities to see that he has the experience of their experts.

Mr. CURTIS. What does it cost, as far as your experience goes, for a claimant to prove that he has an occupational disease?

Mr. WILCOX. I said to Senator Duxbury a year ago that I thought they were the easiest type of case to prove of all of the serious contested matters, because, after all, you have the symptoms of the disease, and we know what the known causes of the disease are, and those diseases are not likely to occur except through contact with those causes, and the question is, are they in the industry where the man is working?

My own notion is that they are much easier to handle than the question of whether or not the arthritis I find in this man's back has been aggravated or in any way influenced by a fall he sustained.

Mr. CURTIS. Have you many physicians in your State who could not even see a bruised arm?

Mr. WILCOX. Well, we have the same kind of experts in Wisconsin that they have in other States. The kind that are for hire.

Mr. DUXBURY. I never like to say that there is anything on earth better than what they have in Wisconsin, because it is likely to arouse a controversy, which I, of course, like to avoid, but in connection with the question the gentleman back here asked, I am reminded of a provision in our law, which I think is a very useful provision, one that we frequently use, and that is, we have a right to appoint a neutral physician at the expense of the employer and insurer, if we think the circumstances of the case are such that it should be done, and we frequently do that in cases of that kind, and the insurer pays for it without any regard to what the result may be, whether favorable or unfavorable.

Mr. CURTIS. Then you have impartial specialists in your State, and if you can find one for us in the case of New York we will give you a whole lot of money.

The CHAIRMAN. We will have to hurry along with the program, as we have another group of States to call for another discussion. The next group is composed of States having laws covering specific occupational diseases, and Minnesota is the first on that list.

Minnesota (Mr. DUXBURY). We have practically the same list of occupational diseases as defined in the New York law—not exactly the same, but practically the same. That is the method by which occupational diseases are compensated in the State of Minnesota, by particular reference to the schedule, of which there are, I think, 24 diseases, about 23 of which never occur in Minnesota.

New Jersey (the CHAIRMAN). My own State of New Jersey is next on the list, and I have here a table of all the compensable diseases we cover, but it is too long to read. I am going to submit it for the report, but I will read just the total, which is interesting as compared with Wisconsin because our total compensation paid out for the year was around $7,000,000, and we had 150 cases, and we only covered 10. We have no general law, as Wisconsin has, but our total claims were much larger—on just the 150 cases $85,000 as against $72,000 for Wisconsin.

Then I also want to submit a table taken from a letter written by the compensation rating bureau to our workmen's compensation bureau, taking issue with the commissioner from Wisconsin on the question of rates, because here, in parallel columns, are the rates of

lead manufacturing, leather manufacturing, and hat manufacturing. It shows that the manual rate on lead manufacturing, red or white, jumped from 1.55 in 1927 to 4.80 in 1929, an increase of about 210 per cent.

[The table and a quotation from the letter follow:]

To further illustrate the effect of occupational disease on manual rates I am listing below three representative industries in which the increase between 1927 and 1929 is considerably greater and out of all proportion to the average increase for all rates in the manual, which amount to 25 per cent. The cause of these abnormal increases is due to lead, benzol, and mercury poisoning and as recent experience becomes matured and available for rate making the present rate will undoubtedly be increased much more.

Class	1927 manual rate	1929 manual rate	Per cent of increase
Lead manufacturing, red or white	1.55	4.80	209.7
Leather manufacturing, imitation	1.40	2.80	100.0
Hat manufacturing, felt, etc	.38	.62	63.1
Average increase for entire State			25.0

We cover only 10 diseases—anthrax, arsenic poisoning, benzol poisoning, caisson disease, chrome poisoning, lead poisoning, mercury poisoning, phosphorus poisoning, mesothorium or radium necrosis, and wood-alcohol poisoning We would like to get general coverage, but I will have to repeat the statement I made earlier, which I think Mr Wilcox did not hear, that I believe we will get full coverage only by adding to the list, agreeing with Doctor Mayers' statement. As she said, our lead poisoning was 51.5 per cent of our total occupational-disease claims, although our total paid out on claims was much greater on benzol. There were 18 cases of benzol poisoning and $43,973 paid out, while there were 77 cases of lead poisoning with only $23,602 paid out.

[The table follows:]

Compensated occupational-disease cases closed in New Jersey in 1928, by causes

Cause or disease	Number of cases				Total days of disability (weighted)	Total compensation	Medical cost	
	Death or permanent total [1]	Permanent partial	Temporary	Total [1]			Cases reporting	Total
Anthrax	1		4	5	6,093	$2,832	3	$68
Arsenic			2	2	98	206	2	83
Carbon monoxide	1	1	6	8	7,010	6,730	4	680
Compressed air (bends)		4	3	7	1,865	3,770	3	260
Chrome ulceration			5	5	117	198	2	37
Dust			1	1	28	44		
Handling and preparing hides, furs, etc			1	1	16	22		
Heat and light (including heat from asphalt, not burns)			3	3	40	77		
Lead poisoning	(1) 3	6	68	(1) 77	24,221	23,602	41	3,571
Benzol, its homologues and derivatives	(1) 4	6	8	(1) 18	36,159	43,973	8	2,419
Cellulitis, etc.[2]		2	21	23	3,143	3,630	9	647
Total	(2) 9	19	122	(2) 150	78,790	85,084	72	7,765

[1] Figures in parentheses show the number of permanent total disability cases included.
[2] Cellulitis cases due to cuts and bruises from falls or handling objects.

A total of $85,084 was paid for compensation claims while medical expenses for 72 reported cases amounted to $7,935. As this is less than one-half of the total number of cases it is only fair to assume that medical expenses were really more than double this amount. In analyzing the contents of these tables it is to be seen that benzol and lead caused more losses than all of the others combined. The reason for this may be that, in New Jersey at least, the symptoms of lead and benzol poisoning are being recognized by an ever-widening circle of physicians, a situation which is probably due to the activities of our occupational disease prevention bureau that for a number of years has been promoting education along these lines. Even so, I am confident that the 150 cases in no way represent the total number that really occurred during this period.

I have been informed by the compensation rating bureau that a substantial increase in premium rates has been made in a group of plants where occupational disease claims have occurred. In one plant an increase of 50 per cent in the premium rate was noted, which should show the most skeptical-minded person who "pays the freight" for occupational diseases that require compensation adjustments. I think we may expect a larger increase in rates as time goes on and more cases are detected and adjusted according to the compensation schedule. It must be remembered that New Jersey is a large chemical-producing State; that we have a greater exposure to occupational disease causes than any of the other States and consequently if occupational diseases are detected and adjusted according to our elective schedule of compensation, the money must come from the risks affected.

Mr. STEWART. Before you leave that, do I understand that your rate on lead poisoning jumped from $1.55 to $4.80 in one year?

The CHAIRMAN. In two years.

Mr. STEWART. Well, is not that the answer—that the lead manufacturers of New Jersey ought to clean up?

The CHAIRMAN. Yes; that is the answer.

Mr. STEWART. That is not an argument against coverage of occupational diseases; in fact, to my mind, it is an argument for it.

The CHAIRMAN. Yes; I agree with you on that.

Mr. KINGSTON. You do not mean to say, of course, that the increase in the rate was entirely due to adding the occupational diseases?

The CHAIRMAN. No; it was due to the experience in those particular factories. That is all.

Mr. KINGSTON. And, perhaps without the occupational diseases you would almost have had the necessity of the same increase in rate because of adverse experience purely from accidents?

The CHAIRMAN. No doubt.

Mr. KNERR. Have you segregated the occupational cost and the accident cost?

The CHAIRMAN. Yes; I have.

Mr. KNERR. How much do you charge to the occupational diseases?

The CHAIRMAN. No; I have them on rates.

Mr. KNERR. In other words, you took the total experience including occupational disease and accident to fix your rate. You did not have a segregation of the two?

The CHAIRMAN. In New Jersey we have a compensation rating and inspection bureau, and they make the rate, based on specific inspection of individual factories, and these rates that I am giving you are just to impress the factories that are not listening to us on protective measures as to what their individual rates may jump to and have jumped to in these specific cases.

Mr. KNERR. We are raising the rates in our State, and we have not added occupational diseases or had the law changed within the last four years, yet we have had to make a material increase in many of our industries; so unless you have segregated the cost of your occupational diseases you really can not tell whether or not that should be charged to the adding of the occupational diseases, and it would be rather unfair to compare it with the figures from Wisconsin, would it not?

The CHAIRMAN. Yes; it would. I agree with you. These figures are not totaled.

New York (Mr. PATTON). Well, I went on record very decidedly last year at this gathering in favor of the blanket coverage of occupational disease. I heartily indorse all that Mr. Wilcox said in that respect.

It seems to me that the original idea of workmen's compensation was that the injured worker should be compensated for disabilities occasioned by his employment. At the time the workmen's compensation laws generally were enacted disability was conceived of as resulting from accident, but certainly ever since the World War and still increasing with great rapidity, as with the multiplication of chemical processes in industry, an ever-increasing number of workers are exposed to chemical hazards; so, if you want to carry out the original purpose of workmen's compensation and compensate a worker for the disabilities resulting from his employment, you must compensate those whose disability is the result of occupational disease and not merely the result of disability from accident.

In New York State, for the three years ending June 30, 1927, 1928, and 1929, we have had a classification which we call "Compensation for harmful substances." Harmful substances are divided into three groups: One is corrosive substances, one is occupational diseases, and the other is poisonous substances. Now, of those three, the heading "Occupational diseases" includes only those cases which are compensated because they are specifically listed in the occupational-disease schedule in the law.

For those three years the number of cases compensated under the heading of "Occupational diseases" were as follows: 305, 287, and 345. That is, for the year ending June 30, 1929, there were 345 cases of occupational diseases compensated, or considerably more than in either of the two preceding years.

I would like, however, while we are on this question of the coverage of occupational diseases to point out that under the general heading of "Harmful substances," which includes not only occupational diseases, but corrosive substances, workers in lime, for example, and poisonous substances and other irritant substances, for the year 1927

there were 1,338 cases actually compensated under the heading "Harmful substances." For the following year there were 1,350 cases, and for the year ending June 30, 1929, there were 1,492 cases.

The reason I cite these figures is to support my contention that even if we consider only the occupational-disease cases, we get in New York, under that heading, only one-third of the total harmful substance cases.

Now, without giving you all of the details, for the year ending June 30, 1929, the total compensation awards for the 345 cases of occupational diseases was $112,000. The average award in those cases was $325. That average award was greatly increased because there were 6 cases, 1 permanent total and 5 deaths from lead poisoning. Those cases, of course, had heavier awards. If you eliminate those 6 cases from the 345, the average cost is then reduced from $325 per case to $181 per case. In other words, for 339 of our cases the average cost was $181 per case, and by including the 6 fatal cases, the average cost is raised to $325.

And in this connection I would like to say this, in view of what has just been said in the last few minutes: The total compensation awards in New York for the year ending June 30, 1929, was slightly in excess of $32,000,000. Now, the $112,000 which was awarded for the occupational-disease cases was pretty nearly one-third of 1 per cent, and also, it curiously happens that in round numbers the total number of cases compensated in 1929 was 100,000, and the 345 cases of occupational diseases are, practically speaking, one-third of 1 per cent. So, I think that the New York figures would bear out the contention of Mr. Wilcox that the additional compensation premium cost by reason of the inclusion of occupational diseases need not frighten any of us. It need not frighten even the employers who have to pay it.

I might also say, in passing, that the great bulk of all our occupational-disease cases were lead-poisoning cases. Of the 345 cases in the year 1929, 246 were lead poisoning.

Ohio (Doctor OBETZ). During the year 1928 Ohio's occupational disease law included 15 diseases or subdivisions under which occupational diseases were compensated. Since that time the law has been amended and three additional divisions have been added, including manganese dioxide, radium poisoning, tenosynovitis, and prepateller bursitis.

The cost, I am told by our actuary, is practically 1 cent on each $100 of pay roll. Our total premium being about $15,000,000, the premium for occupational diseases would be about $150 per year.

The figures which I am about to give you are based upon the reports as they come into our department. Occupational diseases are classed in the occupational-disease list, and accidents are classed in the accident list as nearly as we can. Occasionally a case of carbon-monoxide poisoning or something of that sort comes in and is paid (as was ivy poisoning and some others) as an accident.

This includes the large number of cases that occurred in the Cleveland clinic disaster, which you no doubt read about. A number of those were carbon-monoxide deaths, but nevertheless they were paid as accidents because they were not drawn out as would be an occupational disease. That was quite an expense on the fund, and thou-

Compensated accidents due to harmful substances in New York State, closed during years ending June 30, 1927, 1928, and 1929

Cause	Total cases			Death and permanent total [1]			Permanent partial			Temporary			Weeks awarded [2]			Compensation awarded		
	1927	1928	1929	1927	1928	1929	1927	1928	1929	1927	1928	1929	1927	1928	1929	1927	1928	1929
Poisonous substances	239	276	307	(2) 17	(1) 21	17		3	4	222	252	286	17,902	22,577	18,178	$115,969	$155,979	$129,376
Carbon monoxide and dioxide	14	24	29		6	6				8	18	29	6,048	6,142	206	34,873	41,692	2,887
Arsenic		2									2			3			61	
Dyes and chemical preparation of same	35	25	24	(1) 1						34	25	24	1,111	126	113	6,215	2,017	2,047
Poison ivy and other plants	61	81	105							61	81	105	154	222	248	2,134	3,018	3,631
Illuminating gas	21	31	23	4	4	3				17	27	20	4,126	4,186	3,064	14,533	28,527	12,933
Hydrocyanic acid, cyanide gases, fumes	3	1	4	1		2				2	1	2	1,003	1	2,005	16,027	13	10,947
Carbon bisulphide	1		1							1		1	1		15	10		249
Septic infection			1									1			1			10
Poisonous substances, other or indefinite	104	112	120	(1) 5	(1) 11	12		3	4	99	98	104	5,459	11,897	12,526	42,177	80,651	96,672
Corrosive substances	743	740	796		(2) 2	1	103	96	101	640	642	694	9,831	11,670	10,972	177,291	207,703	194,685
Lime	324	317	336			1	52	47	56	272	270	279	4,943	4,769	7,530	92,890	90,225	134,091
Cement	33	54	73				4	8	5	29	46	68	270	1,016	635	5,024	16,635	12,060
Acids	225	214	216		(1) 1		29	22	24	196	191	192	2,942	2,696	1,350	50,836	38,979	23,097
Alkalies	161	155	171		(1) 1		18	19	16	143	135	155	1,676	3,189	1,457	28,541	61,864	25,437
Other irritant substances	51	47	44				1	2	3	50	45	41	266	294	404	3,883	5,419	7,605
Occupational diseases	305	287	345	2	11	(1) 6	1	3	2	302	273	337	4,817	14,099	9,806	61,683	146,337	111,975
Anthrax	7	13	8		1		1	1	1	6	11	7	38	1,055	56	487	5,812	762
Lead poisoning	244	225	246	1	8	(1) 6				243	217	240	3,443	10,576	8,724	45,860	109,411	94,847
Handling and preparing hides, furs, etc	8	17	9					1		8	16	9	36	101	46	562	1,461	828
Hydrocyanic acid		1									1			21			407	
Mercury	2	1	4							2	1	4	31	1	10	604	10	164
Phosphorus	1	1								1	1		2	15		29	290	
Arsenic		1									1			1			5	
Zinc		2	2		1						1	2		1,016	88		11,075	1,261
Wood alcohol			2									2			4			23
Dope (lacquers)	3									3			15			144		
Carbon bisulphide		1									1			29			475	
Chrome ulceration	2	2	5							2	2	5	13	4	33	142	35	346
Nitro derivatives of benzol	3	1			1					2	1		1,044	8		10,607	136	
Amido derivatives of benzol	3		1							3		1	14		1	234		23
Carbon monoxide	2	1	1							2	1	1	14	1	12	251	20	288
Compressed air	1	1	38							1	1	38	1	8	583	20	150	9,166
Dust	1	1	1		1					1		1	8	1,000	8	126	12,531	113
Heat and light		1						1						160			5,200	
Occupational activity (cellulitis, etc.)	27	18	27						1	27	18	26	157	103	240	2,600	1,319	4,139
Copper and copper salts	1									1			1			17		
Formaldehyde			1									1			1			15
Total, harmful substances	1,338	1,350	1,492	(2) 19	(3) 34	(1) 24	105	104	110	1,214	1,212	1,358	32,816	48,640	39,360	358,826	515,439	443,641
Total, all accidents	98,984	93,565	100,462	(41) 1,083	(52) 1,181	(61) 1,278	18,518	17,021	19,077	79,383	75,363	80,107						

[1] Figures in parentheses show the number of permanent totals included.

[2] Includes the standard weighting of 1,000 weeks for each death and permanent total disability.

sands of dollars were spent in medical expense. I believe the bill for oxygen alone was something in the thousands of dollars.

For the year 1928 we had 1,215 occupational disease cases reported, and 84 of these were classed as noncompensable. That is, they were filed for conditions which were not covered by the occupational disease law, leaving a total of 1,131 cases of compensable occupational diseases. Of this number, 886 were for some form of dermatitis. We have a great many claims filed for diseases of the skin of some sort, and a great many of these are for medical expense only, there being no disability as the man continues at his employment. That left 245 claims for conditions other than dermatitis. Of this number, practically 180 were lead poisoning. The total days lost for all compensable claims was 148,273. That included 10 death claims, and in our method of estimating time lost, a death is rated at 6,000 days. So there would be 60,000 days lost due to the 10 death claims.

I can give you no figures on the permanent total disabilities, if there were any, or that would be an average of 131 days' lost time for each case of occupational disease. I am unable to give you the total amount spent for occupational diseases or the amount per case, but, as I explained, the 10 death claims being estimated at 6,000 days each, would run our days loss very high. That is the reason for the 131 days lost for each individual case.

Nova Scotia (Mr. ARMSTRONG). The Nova Scotia law names specific diseases: Anthrax, lead poisoning, mercury poisoning, phosphorus poisoning, arsenic poisoning, beat hand, miners' beat knee, miners' beat elbow, and frostbite. I guess it is new to many here to learn that frostbite is classed as an occupational disease. I do not know whether any other jurisdiction has frostbite under the head of occupational diseases.

Mr. WILCOX. We have it so classified in our State.

Mr. ARMSTRONG. On account of the limited coverage in Nova Scotia we had only 30 cases of occupational diseases the past year, and we found in many cases that it was rather hard to decide whether it was an accident or an occupational disease. We make no special rate for them and the cost is lost in the general figures. So we have no data on the occupational diseases.

Ontario (Mr. KINGSTON). The Ontario law as first drafted 15 years ago, incorporated the industrial diseases that were then in force under the English act, and were enumerated the same as Mr. Armstrong's I think, namely, anthrax, lead poisoning, mercury, phosphorus, arsenic, and ankylostomiasis. The board got underway with a few years' experience, and from time to time, up to the present, have added miners' phthisis, benzol poisoning, stone workers' or grinders' disease, silicosis, pneumoconiosis, caisson disease, and then one other that was added this year, namely, chrome poisoning.

I have figures as to the number of industrial-disease cases for two years only. For the year 1927 we had 140 cases, as follows: Lead poisoning 36, mercury poisoning 1, arsenic poisoning 1, silicosis 29, pneumoconiosis 1, and compressed-air illness 72. That year there was an enormous surge of caisson disease.

In Toronto they were putting in a number of very deep sewers, and men were working in compressed air, and the conditions were such that the contractors could not get men to work in the sewers unless they were covered by compensation. So they went to the legislature, and a law was enacted which placed caisson disease under the act, and they made it retroactive to include the operations of this construction work for a period much prior to the enactment of the law. So that all of the men who were engaged in the construction of that sewer were benefited by the act, and, of course, the employers agreed to pay an assessment to cover the period during which their exposure to this trouble arose, and made the coverage necessary.

The previous year we had 230 industrial diseases on our list, as follows: Lead poisoning 49, mercury poisoning 1, caisson disease 55, and silicosis 125. That was the year previous to the one I mentioned, and there were not nearly so many silicosis cases in 1927 as there were in 1926, which rather led one to feel that the close examination of employees or preventive measures were having some effect in reducing the number of silicosis cases.

I am not able to give you the actual cost of our industrial diseases as a whole, but we have a special silicosis act. When the silicosis provisions were added to our law as described a while ago (that applies only to the miners and the big mining companies up in the Timmins Camp, Cobalt and International Nickel District), they came forward and agreed to a proposition by which there would be, in addition to the ordinary assessment for accident cost, a special assessment to cover silicosis, and they organized a bureau in connection with that. Full-time doctors are engaged with every possible facility and provision for examination and care of persons who are suspected of being afflicted with silicosis.

The silicosis act, for the year ending December 31, 1928, cost $51,000. For the previous year the total cost was $66,000.

Now, when I mentioned the number of accidents a moment ago, 230 in one year and 146 in another, bear in mind we had a total—and these are included in them—of about 79,000 accident cases reported last year, and 70,000 the previous year. Although the results I give you and the number of accidents I give you were for a limited list of industrial disease cases, it leads me to feel that Mr. Wilcox, of Wisconsin, is not very far out in the suggestion that a complete covering for industrial diseases is not going to be a large factor in compensation cost. Of course, nobody can say exactly what it will be, but then I don't suppose Mr. Wilcox pretends to say that his figures are absolutely accurate, but they are sufficiently accurate to form a reasonably safe conclusion that 2 per cent additional would be sufficient for a complete coverage of industrial diseases.

The CHAIRMAN. Two States cover occupational diseases by construction as a form of accident—Maryland and Massachusetts.

Mr. KENNARD. I have stated, and I am prepared to state again, that the Massachusetts act does not cover occupational diseases, and by that I mean occupational diseases as such. We have no schedule of occupational diseases, but those who framed our act, through some good fortune, said nothing about accidents in the

Massachusetts law. Our law says that a man who receives an injury in the course of and arising out of his employment, which results in his being incapacitated for earning wages, shall be paid compensation weekly within the statutory limits, during the period in which he is incapacitated.

Let me interpret that in terms of occupational diseases. I will change the word "injury" to "trouble" and I will change the words "out of" to "because of" and I reach this result: "Any man who has any trouble acquired in the course of and because of injury which incapacitates him is compensated."

There is not a disease which has been mentioned here to-day which has not been paid for in Massachusetts under the compensation law, by the insurance company, voluntarily and without argument.

We are not troubled a great deal with diagnosis, because the supreme court has been kind enough to say that the findings of the industrial accident board on questions of fact are final. If a man has been exposed to lead and has symptoms which satisfy us we are warranted in finding that the man has lead poisoning; that decision is final so far as that fact is concerned and compensation is paid. The word "injury" has changed the whole situation with us in Massachusetts and leads to that result.

As I have said before, we do not cover occupational diseases, but I am becoming satisfied that we have the most liberal law in the United States upon that question, in view of the interpretation which the courts have permitted us to place upon it, and the interpretation which we have placed upon it.

We have silicosis in Massachusetts. You know there are a few hills there, and we have quite a granite industry. If we were to follow Mr. Wilcox's suggestion, I do not know what would happen. They can not move their plants out, that is certain, and I do not know where else they are going to conduct their business; indeed, that has become a problem in Massachusetts with the granite industry.

Down in Quincy it is practically exclusively a granite industry. They are very much disturbed down there because of the number of cases of death claims which we have had to pay because of silicosis, pneumoconiosis, and other diseases in the granite industry; and, as I said before, we are not always disturbed about making an exact diagnosis. We do not have to be. We have an act which says that as long as you contracted silicosis in the business, which is responsible for it, we can award compensation without making an exact diagnosis, and I have heard a number of cases about which the doctors have quarreled among themselves as to what the diagnosis was, and I have written in my decision, "I am not disturbed about what that man has. That does not trouble me. I am satisfied that what he has has been caused by his work and has come out of his employment," and we award the compensation; and I submit to those of you who have not got your laws in a solidified form that you might well consider whether or not you want to use the word "injury" instead of the word "accident."

The English law used the word "accident," and they changed it in Massachusetts; and the Supreme Court of Massachusetts, in a

very early decision having to do with lead poisoning, pointed out the difference between those two words and upheld the decision of the industrial accident board awarding compensation for lead poisoning, and that is the decision which formed the corner stone of what, perhaps, has turned out to be the most liberal occupational disease act there is in the United States.

Mr. KINGSTON. Do you provide any limitation of time to a workman in the granite industry; or, if he has symptoms of silicosis, do you say that he must be employed a certain length of time in the State?

Mr. KENNARD. We have met that difficulty with the assistance of the court in one case by saying that the man receives his injury at the time he becomes incapacitated, and the cost of that is assessed against the insurance company that happens to be covering the last employer. I am not arguing for the equity of that decision.

Mr. STEWART. Mr. Kennard, it seems to me I remember that the Supreme Court of Massachusetts one time sustained a ruling that you made, and authorized compensation for sunstroke; is that true?

Mr. KENNARD. Absolutely. Yes; we have sunstroke cases, and we have frostbite cases. It must appear, in that type of case, that the exposure to which the employee was subjected was greater than that to which the ordinary workman out of doors is exposed on that particular day. In other words, if it is 10° below zero and the man is frostbitten, it must further appear that he was doing some sort of work which exposed his hands to a particular risk which another man who was out of doors would not have. That is easier stated than it is decided.

Doctor HATCH. On that question of sunstroke, Mr. Kennard thinks that Massachusetts has the most liberal disease law in the United States, and I am not sure but that it has, but in the State of New York our court of appeals has gone one step farther than any I know of taken elsewhere, in a decision which holds that sunstroke is an accident if it occurs to a man who, by reason of his occupation, is exposed to the direct rays of the sun on a day of excessive heat. It does not make any difference whether the whole community in which he was working was also exposed to rays of the sun, the sunstroke is an accidental injury growing out of his employment, a very broad decision, which has the panacea of bringing nearly all sunstroke cases into the category of compensable accidents in the State of New York.

I think, on the question of covering all occupational diseases in the State of New York, the truth is we are already covering so many of them, either as accidental in origin or under our schedule, that the question of going the rest of the distance and covering all occupational diseases—which, by the way, is what I believe should be done and I think you will also find that Mrs. Perkins believes the same—is a question of ways and means of arriving at that goal. I think the question of cost is no longer a serious proposition. That is why I have been so much interested in the cost figures that I have heard given here to-day. I think the record of this day's session is going to be one of the most useful pieces of ammunition in

the campaign for the coverage of all occupational diseases that we have had in a long time.

The CHAIRMAN. We will proceed to the next subject, and call on Mr. Fred M. Wilcox, chairman of the Industrial Commission of Wisconsin, to speak on the subject, Medical Care and Cost.

Medical Care and Cost

By Fred M. Wilcox, Chairman Industrial Commission of Wisconsin

Workmen's compensation ushered in a radical change in the method of determining liability for wage loss to employees resulting from personal injury. Still more radical was the proposal of the law respecting medical attention in such cases. In most jurisdictions it had the effect in practice of taking from the workers a right which had theretofore been treated as so personal a matter that men who have stopped long enough to view the situation calmly have been amazed at the surrender of this right by employees with so little of protest. These injured men gave up the personal privilege of selecting the physician who was to attend them, the surgeon who was to operate on them, the hospital in which they were to be confined, the assistant who was to give them an anæsthetic, and the nurse who was to dress their wounds and measure out their medicines—all for the purpose of developing a well-balanced and harmonious compensation system by which employers should have opportunity through contact with the medical attendance to protect themselves from fraud.

Since the adoption of the compensation system in my home State aproximately 300,000 men and women employees have been treated for injuries which disabled them for more than a week, by doctors as to whose choice they had substantially no voice. A larger number of employees have been treated for lesser injuries, likewise by doctors not of their choosing. Large numbers of these men and women have been conveyed to strange hospitals at the direction of employers or insurers rather than by request or even express consent. They have submitted to anæsthetics, to the removal of limbs, to the most radical type of operation, by doctors never known to them before—doctors selected by an employer with whom they have had no personal contact or by an insurance carrier directing the service from distant headquarters.

The average expenditure per injury for all medical attention in these cases where disability lasts more than a week is $40. Just how responsive would a business or professional man be to any scheme by which another person takes over the selection of his doctor? Where is the employer who in order to save $40 is willing to submit himself or his family to the care of a physician, strange to him, of skill unknown, and as to whose selection he has no voice? And where is the doctor who is ready to "go under the knife" in the hands of the surgeon who has not been tried and proven to him over and over again?

This is not a criticism of the abilities of the physicians who are treating injured workers, or of the hospital care they are given. It is an endeavor to have the doctors and the hospitals and the

employers and the insurance companies appreciate as they should what sacrifice of personal right and what resignation to legislative plan has been made by the industrial workers.

Members of the medical profession know and appreciate full well what unbounded dependence families place on their family physician. No other person may inspire in that family so much of hope and confidence. No other person assumes greater responsibilities. And no responsibility to another was ever met by firmer faith. What then has this same physician to say of the hopes and fears of the injured worker who comes under his care without having had time or opportunity to develop confidence in this new relationship which means so much to him? It is to the everlasting credit of the workers that they are responding so well to the plan of medical selection by employers. It displays unusual faith in the judgment of those who legislate and direct and adminster compensation affairs for them to meet this radical reversal of what had come to be recognized as an indisputable personal right. True, an injured employee may yet refuse treatment by the company doctor, but the extremity of their financial circumstances, particularly so when earning ability ceases, usually forbids such course. Submission to employer-selected medical attendance is next door to compulsory.

The near universal plan of employer selection of medical attendance is based on the theory that the employer is better able to judge of the needs of the injured worker and of the capabilities of those called upon to treat him. Back of the employer is a volume of experience with doctors, an intimate knowledge of their reputation and skill in the profession, a keener appreciation of the results of scanty or unskillful attention, and the faculty of determining emergency questions without a moment's delay and with real vision. Rarely indeed would an injured employee have experience so fully fitting him to make the proper choice. The times when he has had to assume the responsibility of selecting a physician to treat accidental injuries are nil—at most just a few times in a lifetime. The employer of a few hundred persons in a plant of average hazard will have to meet the need almost weekly of calling a physician to attend some one of his employees who has been injured so seriously as to cause him disability ranging from a day of lost time to fatal termination. These observations will illustrate the better training of the employer for the task.

The employee has no thought that he will ever have need of a doctor for such an injury. Others may be injured but he has slated no such mishap for himself, and so he has no plan for treatment when the unexpected happens. The employer knows that accidents will happen. He has his course well thought out in advance. He knows just how he is going to proceed when the time comes to act, when minutes are precious and frittered time means sacrificed lives and limbs. Because the employer has prepared himself for the job and knows how and where to procure the service and skill necessary to meet the situation and has a very direct interest in obtaining for his employee the fullest and largest measure of physical repair that is possible, the legislature gave him the privilege of making the medical selection.

Judged from the standpoint of preparedness for emergency service, skillful treatment, and physical restoration and repair, employer selection of medical attendance has demonstrated the soundness of the plan. Not so much may be said for it on other and quite as vital grounds. The surrender to the employer and insurer of the right to determine the medical attendance calls for something in return besides good doctors and good hospitals. The privilege accorded the employer and insurer puts upon them, and upon the doctor and hospital as well, obligations which, if not met in full measure, will in the end sacrifice the whole plan. I refer to the morals involved in the relationship of physician to patient which demand that the former exert no partisan influence in the determination of indemnity benefits and that he does not violate the privileges which statutes and professional ethics have laid upon him.

In each case the period of disability becomes a matter of vital importance. With chances for fatal results well past, with no need for further medical attendance, and with healing period ended, the measuring of disability then becomes the matter of dominant interest to the employee. The pain and discomfort that an employee may suffer as he works with body or limbs once broken or bruised, the realization that he may not again hope to do his former task as well or at all will call to his mind often and again any lack of fairness to him when his disability was measured. It will cause angry thoughts and criticism and resentment against the laws and every one having to do with the miscarriage of justice long after he has forgotten all the care and skill with which the physician sought to protect him from pain and suffering and to bring him back to health and usefulness.

In our insurance scheme of distribution of compensation cost the overestimating of disability in an individual case is of comparative minor importance to industry and to the consuming public upon whom the burden eventually falls. On the other hand, any underestimate of disability is of supreme importance to an employee because he must bear the loss alone. In the fixing of the disability period and the adjustment of compensation liability exceeding care should always be exercised to the end that no employee be overreached. Employers and their insurers have abundant means of protection. The employee is of the dependent group. The need that is usually present after a period of disability will force him to yield what he believes to be his rights. The unequal opportunity to withstand pressure must not be used to obtain unfair advantage of him. The self-insured employer in his financial strength and his ability to pass the cost of compensation to the consumer may not long reap unfair advantage in adjustments and still retain right working response from his employees. The insured employer has paid for just and liberal protection to his workers and should see that they get it. The insurer can not afford to apply common-law liability practice to the adjustment of compensation claims. And the doctor—well, he should be the last to tolerate any skimpy treatment of an injured employee. This man was his patient and he had best not forget about it, even though the period of treatment has ended.

The right of selection has led the employer and insurer to expect, and all too many physicians to admit, that the relationship calls for aid in establishment of disability at a minimum. They give advice to the employer and insurer at the end of the treatment respecting extent of disability, and withhold this information from the employee for no sufficient cause. They inquire into the personal affairs of the injured man, into his other physical ailments, and then relay this information to the employer and insurer with a zest that betrays unmistakable partisanship. They deny the employee access to the hospital records for no better reason than the false notion that their responsibility beyond the treatment of the man is to the employer who pays them.

Many developments from the relationship must necessarily be made known to the employer and the insurer and the commission, as well as to the employee, in order that rights may be preserved and responsibilities fully discharged. Good conscience will tell a physician whether he is discharging his duty in such cases impartially. These things that are really vital to the rights and liabilities of the parties when treated by the physician with impartial frankness will violate no privilege and give no offense. Beyond that, the information is privileged; it belongs to the injured man, and the physician who violates that confidence is hastening the day when the employers and insurers will no longer enjoy the unusual privileges they now possess. And it is hastening the day when the amount of practice he has in this field will be limited to those cases in which he is able to gain and maintain unassisted by the confidence of his patient. The fact that the legislative plan made it possible for him to establish the relationship of physician to patient, not by consent of the patient but at the instance and pay of an employer or insurer, does not warrant him in treating his obligation to his new patient as differing in the least from his obligation to any other patient. He should never again assume that aside from his obligation to give the injured man the most skillful treatment possible, all other calls for service belong to the employer and insurer.

The Wisconsin Legislature of 1921 passed the so-called medical panel amendment. It represented an earnest effort to pry employers and insurers and the industrial physician loose from the notion that the framers of the first compensation act intended to give a monopoly in the medical and surgical aid field to a comparatively few members of the medical profession and to disregard in whole the right of an injured worker to have any voice in a matter more vital to him than to all the other interests combined. It was an endeavor to give the injured employee something approaching a choice of physician, and to insure impartiality of the physician selected.

This legislation has been productive of good. For one thing, it forced upon the attention of those immediately interested the understanding that the public was demanding fairer play for the injured worker and fairer play for the physicians of the State who were being held out of the field of industrial medicine notwithstanding the fact that their competency ranked well with the qualifications of the chosen few. But the attitude of employers and insurers varies widely. Some self-insured employers allow their employees to have the service of any competent physician in the community. Some

insurance companies allow employees in individual risks like opportunity for choice. Although the medical panel provision is in effect a minimum requirement, the majority of employers and insurers treat it as a maximum requirement and give nothing of service beyond what the law demands. And still others violate both the letter and the spirit of the provision. Those who chose to limit attendance privileges to bare statutory requirements found opportunity in the naming of clinics and partnerships to hedge in the employee's right of choice. It took a legislative amendment to free the compensation system from that evasion of the spirit of the act.

It will not prove specially helpful to this group to present the question of medical care at further length. I have dwelt thus far on one phase of medical care—the selection of the physician—rather than on the broad general aspect; this for the reason that as I meet up with the administration of the requirements for securing medical benefits, I see in the matter of the intelligent choice of physician what seems to me the key to the whole scheme. Because employer selection is calculated to secure a higher type of skill than would otherwise be obtained, I am insisting that it be not sacrificed by overzealousness on the part of employer-selected physicians by partisan support of the employer and insurer in the rating of the degree of disability.

The most trying situation results from the entry of the attending physician, either voluntarily or by solicitation, into more or less active part in the conduct of the compensation hearing. Sitting elbow to elbow at the counsel table with the personal representatives of the employer or insurance company, coaching the attorney, formulating questions, even going to the extent of cross-examining witnesses—these are the lengths to which some doctors are willing to go and the lengths to which some employers and insurers are willing they should go. If they have not attended the employee and are simply there as expert witnesses, their zeal for the success of the cause many perhaps be their own affair. Physicians rarely appear before the same circuit court jury on more than one occasion, so there is in courts less loss of prestige because of frequent calls upon them for service as expert witnesses. In compensation, however, the appearances are before the same commission time after time, and the cumulative effect of serving one or the other party in and out of season is bad. The commission knows the physician whose attitude is against the spirit of the system which gives him access to the case, and it knows the physician who places his obligation to well-rounded out administration of the law above any partisan influence. The opinion of the former is discounted. The counsel and advice of the latter is solicited.

My observations will appear overcritical of the attending physicians if I do not recognize that they, too, have a problem to meet. They do have. The setting is bad. It is calculated to array the physician on the side of the employer, and it will lead the employee to assume that, after treatment has ended, his interest and that of the physician are distinctly adverse. But if this is so, the strong, independent, guarded physician who weathers the test and maintains an impartial attitude to the end will be the preserver of the employer's best interest. If the system will not produce an absolutely fair

and impartial attitude on the part of the physician under all conditions, then such physician must not have certified entrance to the family. The relationship entitles the employee to that consideration regardless of all else.

Reference to the program makes it evident that Mr. Stewart expects me to give attention to the cost item of medical and hospital service. Earlier in this paper I stated that the average cost per case where disability exceeded one week was about $40, That figure must be understood as the average cover cost since the advent of workmen's compensation in my State. It was a much lower figure in the early years, and is a much higher one at the present time. As the medical service item became somewhat stabilized in 1912–13 and statistics became measurably dependable we found the cost averaged about $28 or $29 per case. Then for the succeeding 4-year period the average cost dropped to $25. By 1918 it was back to $28, and from that time there has been a very considerable and rather regular increase so that the average cost is now between $57 and $60 per case.

We hear much, read much, these days of a critical complaining type about "mounting medical cost." While I do not think doctors and hospitals and nurses and masseurs are lagging behind other skilled servants in the matter of getting pay for their services, the facts do not justify singling them out for special criticism. While medical cost doubled between 1911 and the present time, so also did the average weekly wage of those employees who had the medical benefits and likewise their indemnity benefits.

There is after all another and important reason why medical cost has increased. While for illustration I must use the situation and development in my own State, I feel reasonably certain that the experience in other jurisdictions will be equally convincing. At the outset medical benefits were recoverable for 90 days only. There was no dollar limitation. Now, the right to medical service is unlimited both as to time and amount. In the early years an employee could not compel reimbursement for his expense unless he made affirmative demand upon the employer for service and was refused. To-day, failure of the employer or insurer to tender service establishes the right of an employee to reimbursement for his necessary expense. These two changes alone materially affected the average cost as compiled in my State, because in our statistics it is only the expense of the employer or insurer that gets into the tabulation. The medical expense incurred by the employee is not in the picture except as to those items for which he obtained reimbursement.

But that is not all of the story. Medical attendance to-day is of very different character and quality from what it was in the early days of compensation. It was like pulling teeth to get an injured man into a hospital. He and his family were perfectly sure that it was only the exceptional patient of a hospital who came out alive. Now hospital care is the rule for thousands of cases of such mild severity that in an earlier period such care would have been deemed wild extravagance. And these hospital patients now stay their time out. You have difficulty in convincing them that they will be safe outside the hospital.

The attention of trained nurses has developed at a pace which gladdens the hearts of those who visualized great promise in that

service. To-day the X ray is used as liberally as disinfectants were in 1911. Massage, heat, light, and the varied devices for limbering joints and muscles and for ironing out the pain and soreness are as common now as the use of the physician's thermometer. The care now given to injured workers is a marvelously superior service over that accorded in the earlier days of compensation. It costs money and, of course, has its effect upon the figures. But cost what it will, I do not want to go back to the plans and experiences of 1911, and it will take something more than the facts now available to me in my State to make me believe that the added cost for added service does not return fat dividends in reduced disabilities and decreased indemnities.

I wish at this time to say a word in support of unlimited medical attendance, both as to time and amount. If limitations mean anything, if they are to be claimed by the employer or insurer, they operate in their harshness upon the injured employee who is least able to bear the burden. He is the one whose injuries were the most serious. He is the one who has been compelled to live longest on a percentage of his former earnings. Why leave him to his own resources when he has no resources? What brand of justice do we assign to such a system? It seems to me neither humane nor good economy.

We may well expect the attending physician to do much toward returning the man to active labor and thus relieving against indemnity liability. Withdrawal of medical aid before cure has been effected usually leaves the physician to lug the burden of further treatment without hope of pay, or to abandon him and take on the ill regard of his patient and violent condemnation by all his friends. While Wisconsin indulged the 90-day limitation, one of our surgeons told me that he continued the treatment in all his industrial cases where the limitation attached, without added charge. He said he could not afford to live under the charge of abandoning his patient because the employer or insurer stopped paying. And, furthermore, that if a physician did withdraw from attendance in such case, the disappointment of the injured man would often be such that he would undertake to build up a claim for malpractice. And the man who is so minded can usually find a physician who is willing to give support to such a claim. Even juries do not have regard for the physician who quits because pay is not in sight. The setting is altogether bad in a case where the limitation is claimed. The wiser course for all concerned is to rid compensation acts of such provisions.

I am not able to give you much helpful information on the items suggested for discussion. We have never undertaken to tabulate the actual source of the selection of the doctor and of the hospital. There has been no effort to set up a fee schedule, or to undertake regulations of charges in any other manner than by individual consideration and endeavor to fix upon a reasonable figure for the specific case.

As one would expect, the medical cost will vary according to whether the injury is classed as temporary or falls in the permanent-

injury group. In the temporary disability injuries, the average per case cost ranged as follows:

Medical cost in temporary-disability injuries in Wisconsin

Year	Number of fee cases	Average medical cost per case	Year	Number of fee cases	Average medical cost per case
1916	11,978	$17.74	1922	14,122	$31.71
1917	15,915	19.10	1923	17,189	32.30
1918	14,507	21.55	1924	17,927	40.86
1919	14,779	23.40	1927	16,232	40.13
1920	12,900	24.78	1928	17,584	42.73
1921	15,635	27.68			

In our tabulation of the experience in cases of amputation of members we found as follows:

Medical cost in scheduled injuries (amputation cases) in Wisconsin

Year	Number of fee cases	Average medical cost per case	Year	Number of fee cases	Average medical cost per case
1916	532	$61.70	1922	769	$86.63
1917	722	58.08	1923	808	102.15
1918	770	64.69	1924	813	106.00
1919	984	60.49	1927	730	119.00
1920	827	68.32	1928	759	132.00
1921	944	73.37			

For the permanent partial disabilities of the relative injury type we obtained the following results:

Medical cost in permanent partial disability (relative injuries) in Wisconsin

Year	Number of fee cases	Average medical cost per case	Year	Number of fee cases	Average medical cost per case
1916	194	$124.59	1921	826	$149.69
1917	278	104.68	1922	769	201.84
1918	366	131.14	1923	821	175.71
1919	444	151.23	1927	868	244.00
1920	539	122 87	1928	988	235.00

While the average cost per case in amputations and relative injuries increased in about the same ratio from year to year as did the experience for the temporary injuries, the cost item was much greater at every stage—approximately three times as much for amputation cases and six times as much for the so-called relative injury.

For death cases the volume of experience is too small to furnish an average figure that is dependable. From an average of $41.67 in 1916 the figure increased to $159.60 in 1920, $239 in 1924, and $289.37 in 1927.

In conclusion, let me give you a tabulation of our medical-cost experience for each calendar year beginning with 1912 and covering all cases where disability exceeded one week:

Medical cost experience in Wisconsin

Year	Compensable cases settled	Total medical aid	Average paid per case	Year	Compensable cases settled	Total medical aid	Average paid per case
1912	1,725	$50,470	$29	1921	15,898	$661,562	$42
1913	5,092	174,700	34	1922	16,705	746,429	45
1914	11,111	249,527	22	1923	20,941	924,032	44
1915	10,941	293,512	27	1924	22,766	1,153,332	51
1916	15,382	367,277	24	1925	21,137	1,100,852	52
1917	16,109	396,639	25	1926	22,177	1,122,624	51
1918	17,230	477,727	28	1927	20,473	1,154,171	56
1919	14,996	481,664	32	1928	21,818	1,250,216	57
1920	16,246	569,571	35				

The medical benefits over the entire period have proved to be about 30 per cent of the money benefits. The importance of the service, however, is not to be judged by what it costs, or by how it rates with the indemnity benefits, but by that bigger and better scale—accomplishment. How quickly and how completely did the service provided cure and relieve the injured employees of your State and of mine and return them to regular, self-sustaining employment?

DISCUSSION

Mr. FITZGERALD. I see here under this heading you want a little data on a number of other things, and I know it is near dinner time. I have a few figures here that will not be a great contribution to the literature of this conference, but I will hurry over them, and follow along by saying that under the system that prevails in Oregon about 75 per cent of the injured workmen are free to select their own doctors. There is a provision in the law that gives the right to the employer to contract medical aid, and it also gives the right to the commissioner to contract medical aid, at any one given plant, or for any one employer. We believe that about 25 per cent, therefore, of the injured men are confined to treatment by these contract doctors.

There are some objections to that. The objections are becoming fewer, however. Usually these contract doctors are quite high-type men, learned in their profession and skillful, but there is the objection of the man who wants to be free to select his own doctor. Perhaps he has been treating for years with a certain surgeon, and when he meets with an accident he would like to go to that particular surgeon to be cared for. If the contract is in existence, he is not free to do that unless he pays for it out of his own pocketbook.

We have a fee system in Oregon upon which the doctors bill the commissioner for their services, and I refer to those doctors who are treating patients where no contract is in existence, and a schedule is published. I have one with me. If it is of any value, you may have it.

Mr. STEWART. I would like to have it.

Mr. FITZGERALD. The schedule is circulated among all the doctors in the State, and when they treat an injured man or woman their bill must be in accordance therewith. The average medical fee paid for temporary total cases where no disability exists after the man returns to work amounts to $22.22. We made another segregation of injuries which left a permanent partial disability or a permanent total disability, and the average paid for medical aid in that classification amounts to $90.35.

In fatal cases—the number taken into consideration in this brief study, however, is not great enough to be dependable, but taking the first year, ending July 1, 1928, 97 cases were given medical aid, with an average of $81.45, and the following year, ending July 1, 1929, on 90 fatal cases the average medical aid was $113.59, and the average for the two years was $96.87.

A little different picture is presented in permanent total cases, injuries which resulted in permanent total disability. However, this is a brief study, and for the year ending July 1, 1928, 14 cases, the average medical aid paid for their care was $943, and for the following year, in the same number of cases, the average was considerably reduced, being only $633 and a few cents, making the average for the 2-year period $788 and some odd cents.

Mr. WILCOX. Is that for unlimited attendance?

Mr. FITZGERALD. Unlimited medical attendance.

Mr. WILCOX. How do you figure it on permanent disability cases? Are those cases that died within the year?

Mr. FITZGERALD. No; permanent total disability.

Mr. WILCOX. How do you know how much you are going to pay in those cases if the men are still living?

Mr. FITZGERALD. Those are cases which have been closed and awards made, and a man may have lost an arm; he may have been hospitalized for three months. He may have walked around, ambulatory, for six months more, and nearly all this time under medical care, and finally the doctor tells us that he is surgically healed, an award is made, and——

Mr. KINGSTON. Are you talking about permanent partial disability or permanent total?

Mr. FITZGERALD. Permanent total cases.

Mr. KNERR. Do you mean permanent total for life?

Mr. FITZGERALD. Yes. I should not have made the illustration about the arm being permanent total. The lowest amount paid for medical aid for any permanent total disability case was $30.30, the highest amount paid for any permanent total disability case was $3,010.38, and the highest amount paid for medical aid for a case which recently terminated fatally was $1,758.35.

Mr. KNERR. Does that include hospital cost?

Mr. FITZGERALD. Yes.

Delaware (Mr. MCMANUS). I shall endeavor to be very brief in describing the practice in Delaware. The injured employee accepts the physician of his employer. The physician of the employer is invariably acceptable to the insurance company, and we have very

few complaints from the injured man as to the medical care rendered by this physician or surgeon, and we also accept the hospital of the employer. We have several hospitals, and one man may be of the old school and the other of the new school, but we accept the hospital assigned by the employer, and we have practically no trouble on that end of the work.

If there is a question in dispute between the injured man and the physician, and the injured man is unable to employ a surgeon, the board will assign a surgeon to examine that man and submit his report to the board. If we are obliged to go outside of the State to get a surgeon for the examination, we usually have an agreement and it is understood between the employer and the board that the surgeon will submit this report in writing, and that is accepted by both parties.

We are unable to submit at this time the cost per case, the medical cost per case. It is one of the most difficult problems we have, to have the medical cost submitted to our board. We are making an effort this year to get that part of the cost, and we hope to submit these figures to you later on.

Mr. STEWART. Will you repeat the statement you made to me about the percentage of cost?

Mr. MCMANUS. I am afraid, Mr. Stewart, that I erred in stating those figures to you. I made the statement to Mr. Stewart that our compensation for the year would be approximately $74,000 in compensation, and that the medical cost would be around $96,000, but after further consideration—of course, that was an estimated figure—I feel obliged to revise those figures because I do not believe they will carry out, but there will not be a serious difference in them when they come down to the final estimate.

Mr. STEWART. You believe, then—we will correct this in the records if it is wrong—that your medical bills exceed the cash compensation in amount?

Mr. MCMANUS. That is the feeling at the present time, yet we have not been able to verify that by actual figures, but there is much belief that it does exceed that.

Let me state, in regard to the hospital, we have contracts with the hospital that they will take all ward cases at $3 a day, and that includes the medical and surgical treatment and the attendance by the staff physician on the floor.

Georgia (Mr. STANLEY). We have in Georgia the $100 medical limit during the first 30 days. Very few of the stock companies ever take advantage of that, however, but see the injured man through. A great many—I will say most all of the mutual companies do take advantage of everything they can and just as quickly as they can. Most of our very large employers in Georgia, particularly the utility companies, the express companies, and the telegraph companies, are self-insured, and nearly all of them pay full medical attention.

Now, in noncompensable cases we had $41,172. The average cost was only $6.36 per case, and in the temporary total the average was $24.11. In specific cases it jumped up to $44.18. In permanent total cases we only had two, and in one of those cases the employer paid $19,802 medical costs. In addition to that, that employer has paid

several thousand dollars in rehabilitation. They sent a man from the college to the hospital every day to teach this man accounting. The insurance carrier got rid of the other case very quickly and only paid out $91.86.

Massachusetts (Mr. KENNARD). The law in Massachusetts provides that the insurer shall pay for medical expenses for the first two weeks and thereafter in unusual cases or cases requiring surgical or specialized treatment for as long a period as the discretion of the board dictates.

The law provides that the injured employee may choose his own physician. The medical question has caused us more trouble in Massachusetts than all of the rest of the compensation law put together, and when I tell you that under those provisions of the law the insurance companies are paying out in Massachusetts, of their total benefits of something over $8,000,000, more than one-third in medical expenses, you can see that there are complications there far too numerous for me to mention, and they are purely local, and I am sure they would not help this convention in any way, shape, or manner; but that has been the result. The doctors say the best thing to do is to get the man back to work. Probably so, but the injured employee wants something to live on in the meanwhile.

New York (Mr. PATTON). It will not take New York long to give what results it has. The bureau of statistics does not get the medical cost, but what I regard as reliable evidence is that out of every $100 that are paid both for awards and for medical cost, $25 is for medical cost and $75 for compensation awards. I can not prove that from my own figures, but I think it is probably a reliable statement.

On that basis, New York State's compensation awards for the year ending June 30, 1929, were a little over $32,000,000. That would make the medical cost something over $10,000,000, and in connection with what Mr. Wilcox was saying, our industrial council of the State department of labor had three sessions, one in March, one in April, and one in May, devoted exclusively to the medical problems arising under the workmen's compensation law. A tremendous amount of testimony was received from insurance carriers, from physicians, from hospitals, from claimants, and from all possible angles of this matter. The department is still considering the suggestions and the statements made, but we have not yet evolved a satisfactory solution.

As Mr. Kennard said, and putting it in a different way, the medical problems are the thorniest features of the entire workmen's compensation game, and the man or the commission, or organization that can devise and put into effect a workable plan to simplify, to smooth, to lubricate the medical situation is going to deserve the plaudits of everybody who is at all interested in workmen's compensation.

Doctor HATCH. If I may supplement, along the line indicated in the program, what Doctor Patton has said: There is no limit on the medical treatment to be supplied to the injured claimant in the State of New York. The statute specifies that he shall receive such treatment, and as long as the process of recovery may require.

The choice of the physician or hospital is, in the first instance, with the employer. If the employer, upon request of the claimant, fails to provide it, then the claimant may seek his own medical attention.

As to the matter of regulation of fees, the fee charged by a physician or hospital is subject to regulation by the industrial board, in the sense that any dispute over the reasonableness of such charge is a matter which is adjudicated by the board upon the proper presentation of the case.

Utah (Mr. KNERR). We have no limit in Utah—we fix the medical-fee schedule in Utah. We fixed it in this fashion: We called the medical society together and asked them to appoint a committee. We then asked the insurance companies to appoint a committee. We then handed that joint committee a tentative-fee schedule and retired, so that the doctors and the insurance companies, in fact, adopted the schedule.

We hold in Utah that the employee has the right to select his doctor, excepting in self-insured cases. The figures show that in 1927 in 73.7 per cent of the cases the physician was selected by the injured employee and in 26.3 per cent of the cases by the employer; in 1928 in 75.8 per cent of the cases the physician was selected by the injured employee and in 24.2 per cent of the cases by the employer.

The medical cost was as follows: Average medical fee per case in 1927, fatalities (burial excluded), $48.83, and in 1928, $50.60; permanent totals (no segregation), $15,000 in 1927, and in 1928, $15,000 (estimated). Permanent partials in 1927 were $227.30, and in 1928, $140.90. Temporary injuries in 1927 were $16.44, and in 1928, $15.71.

We have a lot of trouble with doctors who pad their bills. We told the medical society that they were responsible for this medical-fee schedule, and that we expect them to play square; so that whenever we have a disputed bill we have a special committee appointed by the State medical society composed of three doctors. They usually select the three most independent doctors they can find, and those bills are submitted to that committee and they call in the doctor.

We had one case where the bill was very excessive for a very minor injury, submitted by a doctor who does not enjoy the best reputation in our community. The bill was cut by this committee from $150 to $14.

This is what happened: The employee was very honest. That doctor was actually treating that man for a venereal disease and included that cost in the bill submitted to the insurance company for payment, and he was apprehended. But the medical society, instead of expelling that man for that action, simply reprimanded him, and I want to say to the doctors—if there be any here—that it is time you cleaned house. It is time that you tell the disreputable physician that he must play the game squarely.

In our State, unfortunately, we have developed what we call the ambulance-chasing doctors, who actually have runners out, men directing injured workmen to go to them, and they are not very particular in their treatment. That is an unfortunate situation, particularly in a State where we are trying so hard to preserve to the injured workman the right, the absolute right, to select his own physician; and I would like to see the day come when our medical society would take hold of this question in the right way and serve notice on all of these men who are not playing the game squarely

that if they hope to be members of that society they will have to change their tactics.

Mrs. ROBLIN. For what reason are the employees of the self-insured excluded from selecting their own physician?

Mr. KNERR. For this reason: They are composed of the largest employers in our State—in our coal mines, metal mines, in isolated districts—and it is necessary to have the doctor on the job. Now, if the employee were permitted in those cases to select his physician I do not believe the result would be good. The employer sees to it that a doctor lives right in the camp to give treatment to those men, and we had to make that exception in those cases for that reason.

Virginia (Mr. DEANS). Our law requires the employer to furnish medical attention for 60 days. The commission itself passes upon the necessity of medical attention. Should the employer fail to furnish the necessary medical attention, the employee has the right, then, to select his own physician. We have not found it as difficult as my friend Stanley from Georgia. We find the mutual as well as the standard insurance companies cooperating so far as giving medical attention after the first 60 days is concerned.

Our statistician tells me that the total medical expense will amount to one-fourth of the entire compensation expense. That is practically what Doctor Patton told you about New York, although their law requires unlimited treatment, while we have 60 days.

We find in Virginia that the compensation expense for injuries has not increased, but we do find that the medical expense is increasing each year. The average, or approximately the cost in each case carrying compensation, including fatalities, specific and temporary total disability, will amount to about $56. Cases where there is no compensation will amount to about $9, and we figure in Virginia that the approximate cost of each case will be $22 as an average.

Ontario (Mr. KINGSTON). I have just a few figures that I would like to put into the record. We have in Ontario full medical aid, without any limitation, and last year the total cost of all accidents, including medical aid, was, in round figures, $5,000,000. Of that amount, in round figures, $1,000,000 was medical aid, $4,000,000 being compensation; so that the ratio is about 4 to 1.

The average cost of all cases in which compensation was paid was $183, of which $147 was compensation and $36 medical aid. That does not mean anything except to the statistician; but taking the whole of our accident list and averaging the cost of medical aid in these various cases, that is the way it works out.

Some one said a moment ago that the cost of medical aid was increasing. That seems to be the case with us. The figures I gave you a moment ago were for the year 1928. For the previous year the cost of all accidents was $4,700,000 as against $5,000,000, and of that figure $3,700,000 was compensation and $1,000,000 medical aid. The ratio of medical aid to compensation seems to be increasing slightly.

We have our problems which, as Mr. Kennard said, are largely local and will not interest you folks here. We will always have medical-aid problems as long as we are administrating compensation laws.

We have a schedule of medical fees and surgical fees which we adopted some years ago, with the approval of the medical society

of Ontario, and if we have any difficulty with any of the doctors over the correctness or the incorrectness of that fee we simply say, "You folks approved of this when we adopted it, and we adopted it in good faith with your approval, and we are living up to it." Of course, some of the doctors were not present when the fee schedule was approved by this association; but take it on the whole, while we have our problems here and there, I think the medical profession is reasonably well satisfied with the situation, because they all admit—if it is put up to them they must admit—that they are getting much more money in accident cases under the compensation law than they got in the old days when they were dealing each with his own case.

In the old days, of course, with an employers' liability company behind them, there was lots of money for the doctors in order to get a settlement through. If there was no employer's liability in the case, everybody knows that unless the workman was successful in his action against the employer the doctor received no money for his services, and, as I say, the doctors admit now that they are getting more money for their services by and large, with individual exceptions, of course, than they did under the old system, and they are reasonably well satisfied; and I do not think the occasional grouch and the occasional exception to the rule—I should say "occasional exception to the rule of being reasonable"—really affects the situation, because they are very much better off.

Mr. STEWART. Who selects the physician?

Mr. KINGSTON. The board does not like to interfere with that situation if it can help it. In our Schedule No. 2—that is our self-insurance cases—just as they do in Utah, the selection is made, naturally, by the employer. In the Schedule No. 1 case—that is the group of employers that contribute to our accident fund—in 99 per cent of the cases the question of selection of a doctor never comes to the board.

If a man is hurt, he is sent to the nearest doctor. If the employer's doctor is near at hand, he is called in, and usually carries the case through to completion. We have adopted the practice that the first man called in to the case must carry it through, and the case must not be taken away from him unless very good reasons are shown.

But we always answer the question as to who chooses the doctor by saying that neither one has an inherent right to choose the doctor. If there is difficulty in the way, the board will try to settle it, but as a usual rule, even in Schedule No. 1, the employer's doctor is the doctor who is chosen.

The selection of a physician is a very small problem with us. In our system we do not have hearings to the extent that you folks have in most of the States. I would say 90 per cent of the cases are decided upon the record without the necessity of a hearing. That is to say, when an accident happens and we learn about it, the necessary forms are sent, which, when completed, will put before the board a complete statement of the accident: One form from the workman, one form from the doctor, and one form from the employer. If those three forms tell the story in substantially the same way, and are in fair agreement as to the estimate of the injury, we accept that as a fact without a hearing, and compensation is paid on that statement, subsequent reports, of course, coming

from time to time as the case progresses, but we do not require these people to come before us.

In long-continued cases, of course, where disability lasts 1, 2, 3, or 6 months, we have reports every two or three weeks, or every month, as to the progress of the case, and finally we may require the man to come before us to see the extent of his injury.

Mr. KNERR. Do you send a man out to check up?

Mr. KINGSTON. The extent of the injury?

Mr. KNERR. Yes.

Mr. KINGSTON. We get reports from time to time on its progress. If there is any suspicion thrown on the progress of the case by anybody—sometimes an anonymous letter may throw some suspicion which might be enough to put us on watch, although I do not, as a rule, pay much attention to anonymous letters, yet occasionally a letter indicating that there is a nigger in the woodpile will come in and that immediately leads to an investigation.

Mr. STACK. Do you mean, Mr. Kingston, your law requires the doctors to make a report to the board in every case?

Mr. KINGSTON. Absolutely. The doctor, for the purposes of administration of our act, is an officer of the board just as much as I am.

Mr. KENNARD. What do you do with the disagreements?

Mr. KINGSTON. We try to settle them. As to the condition of the man?

Mr. KENNARD. As to any question arising in the compensation law?

Mr. KINGSTON. We get the people around the table if there is a real disagreement. We have to settle it either by sending investigators out or by bringing everybody in before us. That is the exceptional case. The great majority of the cases are disposed of on the record without having the people come before us, but in problem cases we sometimes bring the man before us, and sometimes we send a man out.

Mr. STACK. Are those reports made by the doctors in triplicate?

Mr. KINGSTON. No; the reports are sent into us in the form that we send out. Some doctors, for their own record, keep a copy of the report, because when a subsequent report is asked for, they naturally want to know what they said before.

Mr. STACK. I wondered if he had a copy for his office, one for his lawyer, and one for your board.

Mr. KINGSTON. You see, the employer in our Schedule No. 1 is not a factor in coming up before us, even in disputed cases. The employer, when he pays his assessment to the board, is probably more interested than not in seeing that his employee gets compensation.

Mr. FITZGERALD. Does the employer make a report?

Mr. KINGSTON. The employer makes a report. If the employer's report disagrees with the workman's report, we immediately put on an inquiry, and the statements must be reconciled before the case is passed or approved.

[The meeting adjourned.]

Chairman, Verne A. Zimmer, Director New York Bureau of Workmen's Compensation

MEDICAL SESSION

Mr. STEWART. I want to say that the State of North Carolina, which has just passed a compensation law, has representatives here to-day in the person of Maj. Matt H. Allen, chairman of the commission, Mr. J. D. Dorsett, and Mr. E. W. Price, secretary.

North Carolina is not as yet a member of the association, but they assure me they intend to join, and in any event, I move you that North Carolina be given the privileges of the floor, not only as to voice but as to vote. There is a precedent for this. The same privilege was extended to Missouri, at the Atlanta convention I think it was, and I move that the privilege be extended to North Carolina, and I want to ask the gentlemen, if they are in the hall, to stand up so we may identify them.

[The motion was seconded and there being no objection, was passed and the representatives of North Carolina were introduced to the association.]

President PERKINS. Mr. Stewart thought it would be interesting and illuminating to the members of this convention if we should set aside a morning here for a clinic, to which some of the physicians of our department would bring clinic material, as it is called in this case, gentlemen who have been kind enough to agree to come here, and to show and demonstrate to the members of this convention the method by which we arrive at an agreement as to what constitutes a proportionate loss, and also illustrate some of our other medical problems. Before going on with that program I wish to extend, on behalf of this whole convention and particularly on behalf of the Department of Labor, our very great appreciation to the injured men who have been willing to come here to-day, and, in the interest of better workmen's compensation administration all over the country, have been willing to allow their injuries to be demonstrated for the benefit of this audience.

I have assured them that this is an audience of serious people who are profoundly interested in doing justice to injured workmen, and because of that fact they have been willing to come here. I wish to express to you [the injured men] my personal thanks and the thanks of the whole convention for your presence here to-day.

Doctor Raymond G. Bell, who is the medical examiner in the Buffalo office, and who has had a long experience in the examination of such cases, is going to act as the clinic physician in this case. I am going to ask him to come forward and call the cases in much the same way that he would if he were having an actual hearing. He will be very glad to answer questions and to explain any matters which may not be clear to anybody in the convention.

Doctor BELL. Of course, we strip the man. It is necessary that we look at both arms. We look for atrophy. We look for swelling. We look for discolorings, and we look for anything of an abnormal nature. The shoulder is the first part of the arm that we look at. We look for restrictions in motion, with special reference to external and internal rotation, which is this movement [demonstrated], and elevation forward and elevation laterally, and we go down to the elbow and we look for restrictions in flex and extension, and the forearm is next.

We look for loss of supination. This motion here [demonstrated] and pronation. Then we go to the wrist and look for loss of extension and flex, and lateral motion, and the fingers and thumb looking for swellings and enlargements, and extension and flex losses in all the fingers and both thumbs.

Mr. Enser is 75 years old. He sustained a common fracture of the lower end of the radius, also the tip of the styloid of the elbow—that is, the wrist—the forearm. Also a fracture of the fourth and fifth ribs in the axillary line. All his difficulties are due to the arm.

Mr. WILCOX. What was the date of the accident?

Doctor BELL. The date of the accident was September 17, 1927.

I will demonstrate how we arrived at the schedule on this case. [Demonstrated.] Now that is what we term active elevation. In addition to active elevation, we try to elevate the arm passively to see whether the restriction is organic, or whether it is due entirely to pain.

You will recall that this claimant's injury was down here—the fracture was down here, and he has marked defects at the shoulder. In these old gentlemen we always find defects at the shoulders, due in a great part to inactivity. Fibrous-joint changes intervene. The normal tissues become thickened, and the inactivity, of course, is due to pain.

He favors his arm. The motion of function at the elbow is normal. Owing to pain, he has practically no internal rotation at all. If we could get this man under an anæsthetic we could demonstrate that he has no loss organically at the shoulder.

You will note here at the wrist there is marked bony enlargement, due to his fracture and the excess callous that followed. He has marked restrictions because of this new bone formation.

We do not like to handle these men too rough. They always have a great deal of pain, but we try to get as much passive motion as we can so as to come to as clear an understanding of the case as possible. The most important parts of the whole arm, of course, are the fingers and thumb. You will note that he has very little flex in any of his fingers, and still he did not injure any of his fingers, another evidence of fibrous joint change following injury. These are very common in men past 50. If we could give this man treatment, we probably could get those fingers down to normal, but within one month following treatment they would revert back to the condition now seen.

I gave this man 85 per cent of the entire arm, which includes the hand—from the shoulder to the tip of the fingers—85 per cent.

Mr. KINGSTON. What is the arm with relation to total disability?

Doctor BELL. The entire arm is 312 weeks. He gets 85 per cent of 312.

Mr. KINGSTON. You do not speak in terms of percentage?

Doctor BELL. I speak in terms of percentage when I say 85 per cent. If he was given 100 per cent of his arm, that would be 312 weeks, and if he obtained the maximum he would receive it at the rate of $20 a week. It would be six thousand and some odd dollars, but he received approximately five thousand and some odd dollars for the disability arising out of this injury.

Now, this has nothing to do with the case, but it is an interesting feature. It is a normal condition of this claimant, and it is what is known as a cobbler's breast, seen very often in the old-time cobbler. The depressed area here is due to the fact that he holds his shoes up against his chest.

Mr. WILCOX. If he was 30 years of age he would receive exactly the same compensation?

Doctor BELL. He would receive the same compensation, but he would not have these restrictions, because a man 30 years of age would not have these restrictions in the shoulder.

Mr. WILCOX. He might if he had the injury in the shoulder, but supposing he had it all the way up, would he receive 85 per cent?

Doctor BELL. Yes; if he had these same restrictions. Age has nothing to do with it. Neither has occupation.

Mr. KINGSTON. Supposing the claimant should die before the number of weeks are up, does the money inure to the benefit of the fund?

Doctor BELL. If an award has been made, then the remaining money that he has coming to him goes to his estate. If an award has not been made, the estate is out of luck.

The CHAIRMAN. The balance of the award goes to the dependents, if any, not to the estate. The dependents named in the compensation law are the wife or the minor children.

Mr. WILCOX. Does the question of whether or not the award has been entered make any difference?

The CHAIRMAN. If there has been an examination which indicates exactly the schedule that would have resulted, we may make such award after death.

[Examination of another claimant.]

Doctor BELL. This is another arm case. I gave this man 40 per cent of an arm in this particular instance. Mr. Michaels, in addition to fracturing the left radius, sustained a laceration of the left elbow and a fractured pelvis. Now, with regard to his pelvis, he has made a good clinical recovery. He still alleges pain upon motions requiring a squatting position, and he still alleges pain in motions requiring twisting, but on the whole the X ray shows that he has made a good recovery.

So far as new bone formation is concerned, his bones are in good position, with good callous formation, so that the only thing to consider here is the arm.

Now, if this man had not fully recovered from his pelvis fracture, then we would not give him a schedule on his arm. He would go on permanent partial disability, depending upon what he would be able to do. We can not make a schedule on an arm when a man has

another disability, such as a fractured skull, or a back injury, or a fractured pelvis, because we can not schedule those particular conditions.

This man was injured in December, 1928. It has not been quite a year, but it has been our experience that these old gentlemen do not show a great deal of improvement irrespective of the time that has elapsed beyond a period of six or eight months.

[Demonstration.] You see he has forward elevation at the shoulder level only. He has fairly good internal rotation.

This is the way we test external rotation. [Demonstrated.] He has no defects in the external rotation. His motion of function at the elbow is normal. [Demonstrated.] He has normal motion and functions at the forearm, wrist, fingers, and thumb. All his defects are traceable to the shoulder area.

Mr. KINGSTON. Was there direct injury to his shoulder?

Doctor BELL. Not to his shoulder; no. He suffered a fracture of the forearm just as this other old gentleman whom I presented to you, but it is another instance of fibrous joint changes taking place in the shoulder, due to inactivity. These men never recover except, as I said, under treatment. These men can be given intensive diathermy and physiotherapy to the shoulder and they revert to normal—the normal motion and function of the shoulder, but one month following the expiration of the treatment, they go right back to the same condition in which you see them to-day. I have seen that happen so many times, I have come to the conclusion that after six or eight months in that type of case, it is useless to have them come in and keep checking up on them.

Mr. KINGSTON. You would say for a man after 40 or 50——

Doctor BELL. I would not set any specific age. I would rather determine by looking at the man, but if an age must be set I would say probably after 60.

Mr. WILCOX. May I ask, Doctor, how you rate the relative injury of these two men? Is it your judgment now that it is 40 and 85 per cent?

Doctor BELL. Yes; the last man whom I presented I gave 40 per sent of an arm. That was because I felt he was unable to do any type of work that required motions elevating his arm. In other words, he is unable to do any work that would require him to place anything upon a shelf, for instance, or to lift something from the floor and place it anywhere above the shoulder level. You noticed on the lateral motion he was not able to come to the shoulder level.

Mr. WILCOX. He could do any kind of work below the shoulder level.

Mr. KINGSTON. And there is perfect recovery of the actual injury.

Doctor BELL. Yes; that is the peculiar part of it, especially in old gentlemen.

Mr. STEWART. You say you gave him 40 per cent of an arm. Do you mean 60 per cent disability, and 40 per cent of an arm, or do you mean that you gave him 40 per cent of the compensation?

Doctor BELL. I gave him 40 per cent of an arm. As I stated before, the entire arm is 312 weeks. That is a specific loss, as against

the pelvis, which is not a specific loss. We can not schedule a pelvis, back, or head.

Miss BECKER. That is a permanent loss?

Doctor BELL. That is a permanent loss.

Mr. KINGSTON. You gave him 40 per cent of 312 weeks?

Doctor BELL. Yes.

The CHAIRMAN. I think Mr. Stewart meant, perhaps, whether we base that on functional loss of the arm. Doctors' examinations of the arm are all supposed to be functional disability of the arm, not applicable necessarily to this man's particular occupation, but functionally he has lost 40 per cent of the use of his arm. In this State loss of use is equivalent to the loss of.

Doctor BELL. I wanted Mr. Repka to be here to-day, and he promised me he would be. It is an interesting case. Mr. Repka was working in the chrome industry, and he has a perforation of the septum of his nose, due to chronic acid deposits upon the septum. His perforation is about a half or three-quarters of an inch entirely through the septum. This took about eight months to form entirely, and, as you folks know, the chrome industry is something not entirely new, but the industry has grown by leaps and bounds, and all of our automobile accessories are now plated with chrome where formerly they were plated with silver, and our plumbing supplies are now all plated with chrome; so that although it is not a new hazard, still the industry has grown so rapidly we are seeing more of these cases now.

With the proper ventilation of the tank—you see this chromic acid is formed when the various elements are placed in an electrolytic tank, the acid rises as a fume from this tank, and the deposits are made upon the septum of the nose, and in addition to the septum of the nose the chromic acid has a special predilection for the skin. It will produce a skin eruption, but we so far have not seen any of those cases of skin eruption.

Coincident with my finding of this case at the commission, Doctor Dixon, of Cleveland, came out in the American Medical Association Journal with an article about 18 cases that he had seen in Cleveland.

Doctor Legge, of England, in his practice has found 71 per cent of the workers in the chrome industry with perforation of the nose. It is a very high percentage, and I think with the increase in ventilation, and the strides that have been made along preventative measures, we will not find such a high percentage as that here.

I am sorry Mr. Repka is not present. He promised he would be but, of course, he is working. From the standpoint of disability in this case, the man has no disability, and he is able to continue working. The condition is annoying, and he has a distinct loss, and in this case I advised that a lump-sum settlement be made. He will always be annoyed by this crust formation that takes place about the perforation and undoubtedly there will be periods of bleeding. He should wear some sort of a mask and there should be some air currents placed in some way so as to carry these fumes elsewhere than over the nasal apparatus.

Mr. WORSTELL. What was the settlement?

Doctor BELL. That is still under consideration. I have not heard. Can you tell me, Charley; that was one of your cases?

Doctor O'CONNOR. There was no disability in the case, and the insurance carrier refused to grant any lump sum for the reason that he had lost no time, received his wages, and there was no schedule of loss. At any time that it gives him any trouble, he can come back and have the case opened up again. In this case the medical bills were paid, and the case was closed so that any time it disabled him he could have the case opened up again. The insurance company, in view of the fact that he had no pecuniary loss, did not consent to a lump-sum settlement.

Doctor BELL. This is the first I knew that settlement had not been made in the case. It seems unfair. If a man has lost something that he will never get back again, and it is going to be a source of annoyance to him at all times, it would seem to me that the claimant is entitled to something along those lines, but, of course, we can not force settlement. The carrier and the employer are not under any obligation to pay him anything, but if a man has lost a distinct part of his breathing apparatus, it seems to me that it is distinctly unfair that some settlement is not made.

Mr. KINGSTON. Does the New York board agree with that contention, or has there been any appeal from the man to the New York board for reconsideration?

Doctor BELL. The man can not get anything until he loses time, and then he must show by the medical testimony that the time he has lost is the result of this injury.

Now the condition is not disabling in itself. It does not prevent him from working, but he will always have to put petrolatum up his nose at all times to keep the condition soft, to prevent crust formation, to keep it from bleeding, and that is a distinct source of annoyance.

Mr. GOODWIN. What is the age of this man?

Doctor BELL. He is still a comparatively young man, in his early thirties as I recall—32—still a young man with his whole life to face.

Mr. GOODWIN. Did you recommend a certain sum?

Doctor BELL. No, I just recommended a settlement, and the settlement is up to the carrier and the claimant to agree upon, and if the referee thinks it is reasonable, he will make such an award.

Mr. WEIDNER. Then, in other words, this man, injured as he is from the work that he has been employed at, is compelled, from now on for the balance of his days, unless he loses time, to pay for the constant medical attention he will require out of his own pocketbook without any recompense?

Doctor BELL. No; any medical attention required as a result of this perforation is chargeable to the employer.

Mr. WEIDNER. But you have already stated that the case is closed without prejudice. "Without prejudice" means unless he loses time.

Doctor BELL. His case is closed in the sense that he is still able to work, but a case in the compensation court is never closed. A claimant can always reopen his case, even 50 years after injury, if he can show by medical testimony that there has been a change in his status, or, in this particular case, if he finds himself unable to work by reason of this perforation, all he must do is to get a medical certificate to show that, bring it before the board, and his case is reopened for further consideration.

Doctor SESANSKY. I think I had one of the first cases of chrome poisoning in this city, and after having observed the condition following this chrome poisoning, I find that it is not a serious defect. It is purely an ulceration of the septum of the nose. In other words, it is a complete connection between both airways, and the main factor, in this case, is an attempt to prevent the condition.

After we studied the condition we went to this concern and we laid our cards on the table, and since that time there has been no chrome poisoning or ulceration of the septum.

Now, the actual condition readily responds to treatment by removing it from the source of irritation and local applications of vaseline or some oil base, and when the acute condition subsides, it is purely a matter of skill in penetrating a hole through the septum, and it does not reoccur, and they have no ill effects except that they feel a whistling every time they breathe, and as long as they take care of themselves there is no disability whatever.

Mr. STEWART. I would like to ask the doctor if he would recommend puncturing of the septum as a general practice.

Doctor SESANSKY. No; because the chrome does that.

Mr. SHARPE. I would very much like to ask some member of the New York commission how they justify the fact that if an injury comes under their schedule, even if it does not interfere with the man's earning capacity, he receives a certain compensation. If the injury does not come under the schedule, apparently he gets nothing if it does not interfere with his earning capacity. Is there any explanation of that?

The CHAIRMAN. Oh, I think there is. It may not satisfy you. The law in this State and in most of the other States was copied after the English act, and in the old English act they set forth a number of definite schedules. Now, the 312 weeks that we apply to an arm is nothing more or less than a theoretical calculation of the reduced earnings of that man for the rest of his life. It is entirely theoretical in itself, and it is probably arbitrary. I do not know how they arrived at it. We have never determined any better way of making comparative schedules than existed in that act. That is exactly what a schedule is in this State.

Now, schedules do not apply to the back, the head, the nose, and so forth. We have nothing for that. The doctor spoke about an attempt being made to get the carrier to agree to a compromise settlement. Whenever, in these non-scheduled cases, there appears to be a permanent condition which at the time does not cause lost time and for which there is no schedule applicable, then an attempt is made to effect a compromise, which will supposedly settle for any possible reduced earnings in the future.

Now, take this particular man with the punctured septum. He may lose only occasional days for the rest of his life, perhaps, two or three days at a time when he needs some extra medical attention. Of course that is, by the way, paid for by the employer as long as he lives. Then he goes back to work. His lost time will be very hard to keep track of and to keep restoring the case to the calendar to consider, and so, if they can come to an equitable and reasonable settlement, the referee permits it and approves it.

I think that every State that has scheduled losses has the very same idea in mind. They are theoretical calculations of future reduced earnings. We do not know in this State, nor do they know anywhere in the United States, whether that is anywhere near exact.

I believe Professor Dodd is attending this convention. Professor Dodd, in the investigation he is going to carry on throughout the United States, is going to follow up many of these schedules that have been made in this and in other States and see whether, in actual practice, this man with the loss of an arm actually was damaged to the extent of 312 weeks, or $5,000 or $6,000, in his actual earnings. It never has been demonstrated.

Mr. STEWART. I would like to ask the commissioner a question if I may. In your judgment, had this employer been insured in the State fund of the State of New York rather than in a private insurance company, would settlement have been made?

The CHAIRMAN. Well, of course, the State fund is under much the same type of expert insurance management as the other carrier. There are likely other carriers aside from the State fund who would have compromised the case in order to get rid of it. It is perhaps, an expensive thing to drag out, not knowing when it may be reopened any time in the future. I hardly would want to answer that question, Mr. Stewart. The State fund, in this State, carries along pretty much like the best of the other carriers.

Mr. YEOMANS. Is there a possibility that the man might have recovered in civil suit against his employer?

The CHAIRMAN. No; in this State if an employer is covered by compensation insurance he is released from any possibility of a damage suit in civil action.

Mr. HOFFMAN. Is it not a fact that the real answer to that problem would be that the compensation law in the State of New York is not a damage law and by making him a settlement in a case of that kind you are actually giving him damages?

Now, may I ask those who believe a settlement in that case would be the proper thing, how one could determine a lump-sum settlement or final adjustment in that case?

The CHAIRMAN. Well, again it is purely an estimate, but perhaps the estimate would be as good as the estimate we put upon these various schedules. We do not know that.

A MEMBER. What would happen to this individual should the concern he is working for now go out of business? Would the State fund take care of that? Would they take over that responsibility, or would his benefits be defunct?

The CHAIRMAN. Any carrier who is on that risk is there for good, whether that employer goes out of business, or goes in bankruptcy, or what not, it does not make any difference.

Mr. WEIDNER. In this case, as the man grows older, naturally the injury will become aggravated. You state that he now loses, one, two, or three days at a time for treatment, and as he grows older he will lose a great deal more time. Does he draw compensation for that loss of time, or must he wait seven days, in future treatments, before his compensation is paid?

The CHAIRMAN. After the first seven days have elapsed, then he draws compensation for any day that he is disabled or that he goes to the doctor for treatment.

Mr. WEIDNER. But he has already lost the seven days. Must he lose seven days each time?

The CHAIRMAN. No, there is only one 7-day waiting period in any one case.

Mr. KINGSTON. Mr. Chairman, I would like to make a remark before you proceed with the next case. It seems to me, from what I have heard, that these schedule cases are, in a sense, preferred cases, whereas I always had the idea the legislature included these scheduled cases simply because, perhaps, somebody else had done it before, so that it was easy to think of this particular type of injury; but I always had the idea that other injuries, not enumerated in the schedlue, were to be considered with relation to those that were named in the schedule; for example, it is an easy matter, when you see so much given for an arm at the shoulder, or so much given for a leg, or certain of these scheduled injuries, to determine some other injury in relation to what has been allowed for that injury.

I judge, from what has been said, that that is not done; that because an injury is not stated in the schedule unless there is actual time lost, there is no compensation for the person. Take the pelvis injury, for example, that is not stated. You have something stated for a leg injury. It is surely not very difficult to determine by reference to the leg injury, what a certain pelvis injury may amount to.

The CHAIRMAN. Well, I do not know, it seems to me it would be pretty hard to figure out schedules for back injuries or head injuries. Those are pretty sensible nonscheduled cases. The doctor told you correctly when he stated that if a man has a scheduled loss of an arm combined with a back injury, such as the man whom you saw, we would not fix the schedule for the arm. It would be dangerous to do it, because when the schedule has been paid—and this has happened frequently in the old days—and the case closed, the man will come back a few years later and say, "I can not work on account of my back." Now we can not, according to the court's interpretation, superimpose awards for other disabilities onto these schedules. So we steer clear of making a scheduled award when there is combined other types of nonscheduled injuries. Rather we continue the whole thing under what we call paragraph 153 U; that is, permanent partial disability other than scheduled.

[Examination of another claimant.]

Doctor BELL. This is another arm case. This claimant, in October, 1928, suffered a dislocation of the left shoulder. This is a case of recurrent, repeated dislocation. Following his original dislocation, with a certain period of disability, he returned to work and again suffered a dislocation of the same shoulder. This happened four times following his injury, so that it was necessary later on to perform an operation, of which you see evidence in this long scar.

This case was recently settled. I gave the claimant 20 per cent of an arm. All his disability is at the shoulder. He has normal motion and function at the shoulder, forearms, and hands.

[Demonstration.] You will note that he has about 10 to 15 per cent full loss of forward elevation. [Demonstration.] His lateral elevation, however, is only at the shoulder level.

He has normal external and internal rotation, so that the only defects are 50 per cent of the lateral elevation and 10 to 15 per cent loss of forward elevation. For these defects I gave him 20 per cent of an arm.

[Maj. C. K. Blatchly assumed the chair.]

Mr. BAKER. Your examination there is purely of a subjective nature. What would you term the objective nature?

Doctor BELL. No; the failure to fully elevate is objective. Any complaints that he makes to me are subjective in nature.

Mr. WILCOX. Is there freedom from pain in the shoulder now?

Doctor BELL. That is one feature he told me about this morning. Since his case has been closed he has attempted to go into the open market to try to get a job, but, of course, he has a handicap for which he has been paid when he gets this 20 per cent loss of the use of the arm. He is not able to do all types of laboring work. He is not a skilled workman. He is an ordinary laborer and he is not able to get out and do the things that an ordinary laborer is supposed to do, so that he is handicapped. Later on he may find that his condition is such that he will want his case reopened, and he may feel that he is entitled to further compensation.

[Examination of another claimant.]

This boy is a case that I never saw before, but it is an interesting case for the reason that he has lost a great deal of his hand, and following this specific loss he developed neurosis, and following the development of neurosis, he has been rehabilitated, and now is a useful member of society.

You will notice that he has lost three fingers by amputation, the index finger being amputated apparently at the middle joint, with the second and third finger amputated through the proximal phalanges, and the little finger because of a marked extension defect at the middle joint, with the result of extensive scarring, and apparently the extensor tendon is involved. [Demonstration.] He is unable to extend that finger. So far as extension goes he has lost approximately the entire finger. He has fairly good flex. He was given 90 per cent of his hand.

His thumb is normal as to function and motion, but the interesting phase of the case to me is the fact that he developed neurosis and was rehabilitated. It would be a shame for a young man such as he to remain a permanent neurosis case.

Mr. KINGSTON. How was he rehabilitated?

Doctor BELL. He did not return to work until a year and a half following his injury. When he did return to work, he returned to work at the Bethlehem Steel Co., where he was formerly employed and where he was injured, as a sweeper. Well, he became discouraged. He did not care for that type of work, and he wanted a lump sum so that he could buy a home for his folks and himself. The Bethlehem Steel Co. is a splendid company to work for. They are very good to their employees. They cooperate with the commission and they cooperate fully with their employees and they get splendid results from their injured workmen as a result.

He was referred to the bureau of rehabilitation and it was discovered that he was interested in tool making. They did not think they could do much with him on account of the enormous loss of his hand, but he was sent to the Seneca Vocational School for a period of about nine months, and there he learned a great deal of the tool-making trade. He did not finish the course because he was anxious to get back to work. His mental condition had changed and he wanted to get into an earning capacity.

In the interim, of course, the Bethlehem Steel Co. made it possible for him to continue at this. They paid him his compensation, and incidentally this is one phase that the private carrier is not able to do. They do not feel as though they ought to pay a man while he is taking up a course of rehabilitation for a period as long as nine months. Of course, in this particular case he had it coming to him because he had 90 per cent of his hand, which is 90 per cent of 244 weeks. He had that number of weeks' compensation coming to him, so that nine months in this particular case would not make any difference when he has three or four years' compensation coming to him. But it it the spirit of cooperation that I am trying to get over between the employer and the employee in this particular case and in all Behlehem Steel Co. cases.

Mr. WILCOX. Did you have a schedule for the loss of all four fingers?

Doctor BELL. Specific losses for each finger. This finger is 46 weeks, the thumb is worth 75 weeks, this finger is worth 30 weeks, the third finger is worth 25, and the little finger is worth 15, and here is a peculiar quirk in the law that I have never been able to understand: The little finger is worth 15 and the little toe is worth 16.

Mr. WILCOX. Does that include the healing period?

Doctor BELL. There is no healing period. There is no excess healing period over a certain number of weeks. I do not know just the actual number of weeks. The referees could give you that information, but I know for the arm it is 40 weeks, and for the leg it is 32 weeks, but I do not know just what the healing period is for each individual finger.

Mr. WILCOX. The difference in the healing period is probably accounted for in the fact that there probably would be that much less injury to the little finger than there would be to the toe; that is, I mean inability to get back on the job.

Doctor BELL. If the claimant made a normal recovery, such as the average case does, without infection, then there would not be any excess healing period in any of these cases.

Mr. WILCOX. Did he pay for his board during the rehabilitation period out of his compensation?

Doctor BELL. Yes. I might say here that the bureau of rehabilitation also has a provision, through State funds, whereby they can pay a man whom they think is cooperating and who is a good patient, $10 a week. That is, of course, left to the discretion of the man who is handling the case.

Mr. KINGSTON. In addition to compensation?

Doctor BELL. Yes.

A MEMBER. How do you arrive at 90 per cent?

Doctor BELL. It is purely a question of opinion. This opinion, of course, is first based on experience. When I came into the department I did not know what it was all about. It was all Greek to me. I did not know how to arrive at 90 per cent of the hand. You must first have your foundation in the law. You must know that the thumb is worth 75 weeks, that the index finger is worth 46 weeks, that the second finger is worth 30 weeks, the third finger 25 weeks, and the little finger is worth 15 weeks. You must know that the whole hand is worth 244 weeks. Then it comes down to a question of experience.

When I first became associated with the commission I did not see any case like this, but my judgment would probably have been 75 per cent of the hand. At that time I had not reached this maturity that I could tell that it was worth 90 per cent of the hand.

Mr. KNERR. In other words, if the man had lost one more finger, it would have been the loss of the hand?

Doctor BELL. While we are on this subject of the hand, the courts have recently handed down a decision that seems manifestly unfair to me, and I hope that by the time this next legislature convenes it will be corrected.

The decision reads to the effect that a man with an injury to his fingers only—no other part of the hand involved, merely the fingers or thumb—in which ankylosis results, and his defects are all confined to the fingers and thumb, shall be given a schedule of fingers rather than a schedule of hand.

Now that is unfair in this way: Supposing a man had, we will say, ankylosis of these four fingers at any one of the joints, the proximal joint, the middle joint, or the distal joint. If he had ankylosis at the proximal joint, he would not be able to do this. He is not able to make a fist. He has not any grasping power. Still, under this ruling this claimant does not get a percentage of the hand. The same thing would apply to the middle joints. If he has ankylosis at the middle joints, he has no grasping power, but still he is not able to get a percentage of the hand.

Mr. SULLIVAN. If that hand was injured as you have stated, and there were two or more fingers amputated, would not that be considered as a partial loss?

Doctor BELL. Amputation; yes. Amputation is covered.

Mr. SULLIVAN. That decision has been made on a technical point?

Doctor BELL. That is only when there is no amputation of the fingers, merely where there are restrictions, and I have taken ankylosis as an example because I can demonstrate it easier.

Mr. ALTMEYER. The scheduled allowance for the fingers separately adds up to 116 weeks. Now that is approximately 50 per cent of the loss of the use of the hand as a whole. Now this man does not have loss of the use—the amputation of all those fingers is at the proximal joint—and still you allow him 90 per cent of the loss of the use of the hand as a whole.

Doctor BELL. Yes; and I will tell you how that come about. There has not been anything said yet about grasping power. The grasping power is very important in any hand. You can obviously see that the hand to an injured man who is a muscle worker is very important. If he has not his hand, then he is considerably disabled. He is not able to do anything. The grasping power, therefore, is taken as the number of weeks between 116, such as you figure, and 244.

Mr. ALTMEYER. What grasping power would there be if there was amputation of all the fingers at the proximal joint?

Doctor BELL. The law—I might interpose here for a moment, and say that the law states that the loss of one phalange, or more than one phalange, shall constitute the loss of the finger. You see this claimant, in addition to one phalange, has lost two phalanges; so he has a full finger loss here.

Mr. WILCOX. But for the loss of all four fingers he would get 116 weeks. He has much less loss than that.

Doctor BELL. He has not much less loss than that. You see this finger is practically useless. He has an extension.

Mr. WILCOX. That only makes 116 weeks.

Doctor BELL. The rest of it goes into grasping power. You see he has ankylosis of this thumb. That is 37.5 weeks alone.

Mr. KINGSTON. I thought you said the thumb was normal.

Doctor BELL. Well, I made a mistake. I am sorry. This is a case that came before I came on. I was not entirely familiar with my subject.

Mr. ALTMEYER. Even that would only give him 152 weeks.

Doctor BELL. The rest goes into grasping power.

Mr. ALTMEYER. But he would not have any grasping power if he had——

Doctor BELL. He would not get any more with those four fingers off and the thumb normal. I gave the man 90 per cent of the hand.

Doctor HOURIGAN. That hand is the same as the hand Joe Burke has. Joe has not lost 90 per cent of his hand.

Doctor BELL. He has accommodated himself to his conformity. Then, of course, he is a skilled workman. He is under the class of skilled workman.

Mr. KNERR. Are you allowed to take that into consideration, or must you confine your decision to the atomic loss?

Doctor BELL. We can not take the man's occupation into consideration.

Mr. KNERR. So you confine your decision strictly to atomical loss?

Doctor BELL. It is given to the medical examiner to decide.

Doctor HALEY. I want to disagree with the statement made by Doctor Hourigan that Doctor Burke has the same kind of a hand. Doctor Burke has lost the index and little finger. I think the primary thing to consider is the function of the hand. The law gives about 190 weeks' compensation for the digits alone. The hand extends as far as the elbow. With all digits gone, the primary function of the hand is destroyed, so that any adjunct functions that remain in the wrist or forearm, although remaining, are useless to the man. For that reason loss of the digits or loss of the use of the digits constitutes an entire loss of the use of the hand; while on the other hand, I feel that very frequently too high schedules are given in the loss of the use of the adjuncts to the primary function of the hand, to wit: Restrictions in mobility of the wrist or forearm, which, in my opinion are merely adjuncts to allow the hand to function in different positions.

Doctor BELL. Is there anything more about this hand case? Would anybody like to ask a question?

Mr. SHARPE. I would like to ask the doctor if amputation of about half of the terminal phalange is treated the same as the whole phalange.

Doctor BELL. The half of the terminal phalange of any finger is merely 45.

Mr. SHARPE. How do you estimate whether it is half or three-quarters?

Doctor BELL. We take comparative X rays. If it is the index finger, we take X rays of both fingers and then measure the bone loss.

Mr. SHARPE. Do you think that is fair?

Doctor BELL. Yes; the courts have interpreted it that way. Now if this individual had lost one-half of the terminal phalange of any finger, then it is up to the examiner who sees him to determine how much percentage he has lost. I give a man with half of the distal phalange missing 50 per cent of the finger.

Mr. BAKER. Does your act allow a scheduled amount for the distal phalange itself?

Doctor BELL. No; it does not. It just says that the whole finger shall be 46 weeks.

Mr. BAKER. Some acts provide that just the terminal phalange is a certain disability.

Mr. KINGSTON. You give for half of the distal phalange half of the whole finger?

Doctor BELL. Taking the index again, if he has his entire distal phalange and one-half of the middle phalange, I give him an entire finger. This boy has an entire finger. He could still have part of

his middle phalange present. I would give him an entire finger. That is, the index.

Mr. KINGSTON. For the distal phalange you give him half of the finger—for the distal phalange alone you give half of the finger. For any more than the distal phalange, you give the whole finger?

Doctor BELL. No; if he has half of the middle phalange missing in addition to the distal phalange. Now, if he only had, say, one-third of the middle phalange lost and two-thirds remaining, I would give him two-thirds—75 per cent of the finger, depending on what the rest of the hand shaped up to. It is purely a question of personal opinion. One man's opinion is as good as another's. My opinion is not worth any more than the other fellow's and it is not worth any less.

Mr. WILCOX. If I may just say one word right here. I think the doctor ought to get out of that. This is not a matter of personal opinion at all, and the law which says that an amputation just short of the middle phalange entitles the injured man to the same amount of compensation as the fellow who has his finger taken off at the proximal joint, is just trying to uphold a schedule that will not stand.

Now understand, this is not personal, Doctor, because I believe these conferences ought to be the place where we ask no quarter. We ask for none and we give none and it is all friendly, and that is the way it is with me, but I condemn the schedule that tries to tell the man who has lost his finger at the proximal joint that he gets no more compensation than this other fellow who has them taken off at the middle phalange. I want to make myself clear that I stand against that sort of thing.

The CHAIRMAN. Of course, the previous speaker understands that is the law. The law says that the loss of the first phalange of the finger constitutes the loss of the finger.

Mr. WILCOX. I am condemning the law.

The CHAIRMAN. I just wanted the members to understand it is not the doctor you are criticizing.

[Examination of another claimant.]

Doctor BELL. This case is another Bethlehem Steel Co. case, with which we have had splendid cooperation as always. This boy suffered a fractured skull. He suffered a fractured pelvis, and in addition he fractured a forearm. Following his injury he also developed a neurosis. He is another youngster, as you can see, and with the aid of the bureau of rehabilitation we also accomplished something in this case.

This boy was also sent to the Seneca School and he has been made a useful member of society. This case has not been scheduled, and it probably will not be scheduled for some time. He is just in the formative stage now. He has not been back to work long. They have accomplished a great deal with him so far, and I am sure that John has gotten rid of those mental ideas that he developed immediately following his injury, and will continue along the same vein that he is now.

John, like so many of our unskilled workmen, is a foreigner; and when foreigners get a serious injury they oftentimes are not able to rise above it. That was the situation here. You have to treat these neurotic cases with kid gloves. You can not be rough with them. You must baby them along, in other words, until you get them in the frame of mind that something can be done for them. Fortunately they were able to do something with John right away. He was also sent to the Seneca Vocational School, and has become a toolmaker. How much do you make, John?

Mr. MEDICKI. $36 and $40.

Doctor BELL. And how much were you making before you were hurt?

Mr. MEDICKI. $27.

Doctor BELL. You see he is making more money now than he did before he was injured. These two cases are interesting, this case and the former case, because of the fact that they were both neurosis cases that were rehabilitated.

Mr. KINGSTON. You are not giving him any compensation?

Dr. BELL. He will not draw any compensation at all. We are keeping his case open because of the fact that he did have a fractured skull. The last time I saw him he was still complaining of some headaches and dizziness, but not to any great extent; and he still had some pain upon performing squatting motions.

Mr. STEWART. I see he is lame. Do you not recognize that?

Doctor BELL. That is the result of the fractured pelvis. He did not sustain any injury to either lower extremity, and this attitude—the lameness—that he has developed is merely a defense against pain. He still has defects, I might say, in his forearm, but, as I said once before, we can not schedule his case. If all of his defects to-day were referable to his forearm we could give him a schedule and get rid of it, but as long as he complains subjectively and presents objective signs of disability referable to the pelvis and head, we can not schedule the case.

Mr. STEWART. Doctor, do you think a good way to prevent "lump-sum" neurosis is to abolish the lump sum?

Doctor BELL. I will have to agree with you that it is remarkable the number of cases that do improve or entirely recover following lump-sum settlements, but if we can not determine whether a man is trying to fool us, it is our policy in the department to give the claimant the benefit of the doubt.

Mr. WILCOX. You don't have a lot of trouble in determining when a man has neurosis?

Doctor BELL. I can recall distinctly one case. This man was discovered a number of years after he was injured working for the Bethlehem Steel Co. at $1.10 an hour. This man had been declared a total permanent disability because of his neurosis following his injury.

Mr. WILCOX. He might have had it at the time of the settlement.

Doctor BELL. That is the charitable view. He did have it, but when a man is discovered like that, I have my doubts as to whether he did have a neurosis at any time.

Mr. WILCOX. You are not of the school that believes that an intent to get a lump sum is the reason for neurosis?

Doctor BELL. Oh, no.

Mr. WILCOX. Then abolishing lump sums would not have any effect on the people who have neurosis.

Mr. STEWART. Oh, yes; it does.

Doctor BELL. Well, if you could see this claimant whom I speak of in this particular case, I think there would be no doubt that you would all say that—in the vernacular—the man was "goofy."

Mr. WILCOX. He put it over on the board and made you believe that he had neurosis when he did not have it?

Doctor BELL. He was examined by, I recall, four of the cleverest mental specialists in Buffalo. That is one of the things that we have the advantage of. If there is any examination that we medical examiners desire, the carrier and the employer are always glad to furnish specialists of any type, in order to give us some idea as to whether our opinion is sustained or whether it is not sustained. We can have as many doctors as we desire to look at a man.

Mr. WILCOX. I was concerned only in not having the impression made here that neurosis is not a serious illness, and that want of a lump sum has anything to do with neurosis.

Doctor BELL. No, no; it is merely—now, for instance, I will give you an example of where a lump sum in a neurosis case would be of some avail. You take, for instance, a man who has developed neurosis following a fractured leg, as a result of which he finds himself unable to get around except with an artificial leg, such as a cane or a crutch. His mentality has not risen above his injury, and as a result he has all kinds of mental symptoms. He is depressed. He cries very easily, and he is excessively nervous.

He cooperates as well as he is able, or as much as his mentality will permit, but he does not feel himself able to work, and the man is worth very little out in the open labor market. What employer would take a man carrying a crutch, for instance, or a cane? What employer would take him? If his old employer would not take him—the man who employed him at the time he was hurt—then you can not expect any other employer to take him.

In that particular case, we might advise a lump-sum settlement, so as to make the man a useful member of society. We would work in conjunction with the bureau of rehabilitation, and we would get their ideas, and they would get the man's ideas by questioning him. He might say, "I would like to run a little store somewhere, where I can do something that will bring me in an earning capacity, and the work will not be arduous." In that case, if the man is agreeable to that, then the bureau of rehabilitation finds some location near where he wants to be located, and they take it up with the employer, and say, "I think a $2,500 settlement in the case would be a reasonable sum to get this man started, and I would so advise." Then I would go before the referee, and the referee ordinarily would permit the settlement.

Mr. CURTIS. I just want to differ with my friend Stewart. This is the first time he and I are going to lock horns on the question of

lump sum. The doctor cites one case, and then we say, "Why do we not abolish lump sums?" You can cite thousands of cases that have been settled by lump sums, where the men never could go back to their former work, but lump sums are made rather than to continue the case at the expense of the administration.

In New York City or New York State, it would be physically impossible, even if they had five times as many commissioners and boards as they have, to take care of those cases without lump sums. I have attended a number of these conferences, and it seems that there is always some one to advocate the abolishment of the lump-sum settlement, and the lump-sum settlement has worked very successfully in the State of New York. Of course there are isolated cases, but we must put some blame onto the shoulders of our medical department, or the medical science, if they can not tell when a man is a malingerer.

That is where the whole point comes in, and when it comes to the question of medical evidence, you can get them on both sides, and when the commissioner or the referee has heard all of the evidence he almost has neurosis himself listening to the doctors. That is the condition that really exists, so that when physicians do not know whether the man is truthful or not, there is another system, and this system is to try to relieve the man's mind if possible.

However, it does not in a great number of cases, because any member of a board knows that the men are constantly coming back to have their cases reopened, and that is why the lump sum is a sort of a preventive, or an aid to get the man's mind off his injury and get him back to some kind of work; and that is the only way you can do it.

Mr. STEWART. I just want this for the record. In the first place, do not confuse malingering with a "lump-sum" neurosis. Second, we thought we were getting away from the ambulance chasers when we passed the compensation law. The lump sum gives us the lump-sum chaser instead of the old ambulance chaser.

I want to say to Mr. Curtis that he does not agree with the New York Department of Labor. They have said time and time again that the lump sum was full of dynamite; that the tendency was to use it less and less; that they very much doubted the efficacy of the lump sum.

I believe that lump-sum neurosis is caused by lawyers and doctors more often than it is caused by the person who is injured. I want to say that the compensation law was meant, partially, at least, to take the place of the loss of earning power; that it was intended to be a weekly or monthly sum for the person to live on. It was never intended to start men who did not know a hen from a rooster into raising chickens. It was not intended to start grocery stores next door to three or four other grocery stores. It is an absolute perversion of the whole idea of the compensation law.

I know Mr. Wilcox can tell of cases, and I know that Mr. Little, of the rehabilitation bureau, can tell about a lot of things they do. The lump-sum settlement, however, is a violation of the spirit of the law of compensation; and Patton or Hatch can tell you that you have developed a bunch of lump-sum chasers, and so can the men of any other State who see the "wheels go round."

The CHAIRMAN. We have on the program to-night the subject of lump-sum settlements, which Doctor Hatch, a member of the Industrial Board of the State of New York, is going to discuss, and I think we had better leave this until to-night. I see that we are going to have a very interesting session on that subject. Let us permit Doctor Bell to proceed now and reserve the discussion for to-night. He has a long list of cases, and he has examined only seven or eight.

[Examination of another claimant.]

Doctor BELL. This claimant suffered a compound comminuted fracture of the femur on January 8, 1928. He was unable to get around at the time of the last examination without the aid of a cane. He walked with a marked limp favoring his right leg.

I might say that in all of these cases we strip the claimant and get a view of both legs, the same as we do of both arms.

The examination here revealed an enormous callous at the junction of the lower quarter with the upper three-quarters of the right femur. The fracture was well united, with considerable anterior and exterior growing, which means that the leg at the femur is bent upward.

The motion at the left is normal as regards flexion and adduction, but he has no external and internal rotation. His knee is ankylosed in the position of extension. He is unable to flex his knee at all.

Mr. KINGSTON. What about the hip movement?

Doctor BELL. The hip movement is okeh in flexion and adduction, but internal rotation—that is this movement—and internal rotation—that is inside—he is unable to move at all.

Mr. WILCOX. And there is some shortening?

Doctor BELL. The ankle presents a 75 to 80 per cent loss of lateral motion. His inflection and extension at the ankle are normal. There is a 2.5-inch shortening of the entire leg as compared with the opposite side, so it is necessary, if the patient is to walk with any degree of comfort, for him to wear a raised shoe.

The left, or injured foot, showed a marked deformity at the proximal joint of the great toe. Now this claimant was given 85 per cent of the leg. You see the ankylosis of the knee joint automatically makes it a percentage. Any involvement of the knee joint, means leg; anything below the knee joint means foot, except in cases of actual amputation.

Mr. KNERR. That is written in your law?

Doctor BELL. Yes; where there is actual amputation of the leg below the knee and above the ankle we can give the claimant a percentage of the leg also, but if it is simply restrictions without amputation, then the law says that it shall be foot up to the knee joint but not including it.

In this case, of course, we never give a schedule unless it is considered permanent and the claimant must adjust himself to his present disability.

Mr. KNERR. Has that man gone back to work?

Doctor BELL. Yes.

Mr. KNERR. At the same job?

Doctor BELL. What are you doing now, John?

He tells me he is doing nothing at the present time. Of course, he is an unskilled laborer. He must go out into the open market and seek work, and it is going to be difficult for him. With the labor situation as it is to-day, he is going to have a hard time finding a job.

Mr. KINGSTON. How much shortening was there?

Doctor BELL. Two and one-half inches.

[Examination of another claimant.]

Doctor BELL. The next case I have to show you is a case of a double schedule. In other words, the claimant has been given one-third of the arm and one-third of the leg.

Mr. KNERR. Do you take the bodily function into consideration?

Doctor BELL. When the referee makes an award in a case like this he gives him one-third of the arm, which is one-third of 312 weeks, and one-third of the leg, which is one-third of 288 weeks. He receives his compensation every two weeks until it is entirely paid up, or if he has a good reason for wanting a lump-sum settlement, he is given a lump-sum settlement. For instance, a man may have a mortgage on his home which he wants to pay off, and the bureau of rehabilitation investigates, and if they find that it is reasonable, it is granted; but in all other cases the compensation is paid to the claimant every two weeks.

This claimant was injured on March 5, 1928, having suffered an oblique fracture of the head of the left radius and a compound fracture of the great trochanter of the left femur. In other words, a fracture of the hip.

This is another instance of that same condition which you saw in the earlier cases which I presented, where the claimant has a disability in the shoulder resulting from disuse.

Mr. KINGSTON. Really all the difficulty he has in the arm is the trouble at the shoulder?

Dr. BELL. He has some defect at the forearms as the result of the fracture. These are not as pronounced as the defects in the shoulder. [Demonstration.] It is rather difficult for you folks in the back of the room to see these cases demonstrated, as we have not a high enough platform, but I will read his defects to you: "Examination of the left leg revealed a quarter of an inch shortening of the left leg as compared with the right leg. Pain alleged over the left hip area. Claimant walks with a limp and motion of the left hip is limited, by pain, 20 per cent in all directions.

"The knee joint is okeh as far as motion is concerned and there are no extension defects. However, there is a full 40 per cent flexion defect. He has a fairly good muscle tone of the left lower extremity and there is no involvement of the ankle joint or any of the toes, no soft tissue swelling. There are no unhealed areas and there is nothing of an acute nature." If there was anything acute, of course, we would not settle the case.

"Motion at the elbow is restricted 15 per cent in full flexion, with 5 per cent extension defect. There is lateral elevation to the shoulder level, and forward elevation just slightly above the shoulder level. There is no loss of supernation or pronation. All fingers and

thumbs are okeh as to motion and function. There is a small cyst to be seen over one of the extension tendons, but it is better left alone.

"The claimant is wearing a shoe which is raised one-half inch, and in my opinion it is raised entirely too much. One-quarter of an inch is plenty. I believe claimant should be furnished with new shoes to take care of this quarter-inch shortening.

"It is now one and a half years since the injury and in my opinion the condition which exists to-day is permanent. The claimant was given 33⅓ per cent of the loss of the use of the left leg, and 33⅓ per cent loss of the use of the left arm."

[Examination of another claimant.]

Now, this case is a highly interesting one. He has not come up before us yet in our capacity as medical examiners, but it is very interesting from the standpoint of subjective complaints. This claimant fell from the top of a crane, 40 feet, into a mass of pig iron below, and suffered a complete fracture of the left frontoparietal region, with fracture of both the inner and outer tables of the skull and laceration of the dura or the lining of the inside of the skull. causing an oozing of the cerebrospinal fluid. In addition to that he suffered a complete fracture of the sixth cervical vertebra. That is the reason why you see him wearing this reinforced steel brace about his neck.

The interesting part of the condition to me is the fact that he has no head symptoms at this time. He was hurt the 21st of July, this year [1929]. That is, roughly, about 10 weeks ago. It is interesting to note further in this history that three days following his initial injury he developed terrific hemorrhage from the nose, and following that has had absolutely no head complaints. Now this may sound paradoxical to you folks, but we have more trouble from head injuries that are of a slight nature than we do from severe head injuries.

I have seen men with fractures of the skull that you could almost put your fist in, and they did not make any complaint at all. It is remarkable. I confess that I am unable to understand it, except that I have reasoned it out that a great many of these men are skilled workmen, and after they do have an initial period of disability, their job is waiting for them. They can go back and make the big money they did before, but the ordinary, unskilled laborer who gets a slight head injury, where there is hardly any evidence of laceration, will complain of headache, he will complain of dizziness, and say he is unable to work.

In these types of head cases where they have slight injuries, we always make a complete physical examination, and a man is stripped entirely. His blood pressure and his pulse are taken, and a complete neurological examination is made to determine if there is any organic defect and this is always done at the first examination. If the man is an unskilled laborer and he complains of headaches and dizziness, we ordinarily see him about three months following his initial injury (sometimes it is two months) and if he still complains of headaches and dizziness and we find nothing objective in nature, then it is my policy, at least, to give him the benefit of the doubt and advise light work. I give him what I term a 50 per cent disability, and then I advise another examination in 30 to 60 days, so that I can recheck the case.

If a man with a severe injury in which there is depression and fracture, or in which there is a fracture of both tables of the skull, does not continue to have symptoms, then I confess I do not see why a man with a slight injury and with no fracture and a slight laceration, should continue to complain.

Mr. KNERR. Do the employers respond in cases of that kind?

Doctor BELL. Yes; the employers usually do respond. Now that is another factor which I think has a tendency to keep the subjective complaint alive. Oftentimes these unskilled laborers following a head injury, or following any type of injury, lose their job. They have no job to go back to. They must go out and look for another job. Well, they come up before the board. They complain of headaches and dizziness, and it is questionable whether the condition is disability or not. I always give them the benefit of the doubt.

In my first examination I give them the 50 per cent disability, and the next time, we will say, for instance, that it is four or five months later, if the claimant still complains of the same symptoms with the same degree of severity, without any improvement, then I must judge for myself whether the claimant is magnifying his complaints or whether he really has complaints.

This is a splendid boy. We do not have very many of this type of claim, and I will bet he would go back to work to-morrow if somebody would say that he was able to go to work. He is just that type. He cooperates wonderfully and his employers have and are doing all they can for him.

Doctor Handel, the surgeon who handled this case, is here, and he kindly consented to bring this boy over and allow me to present him. I think it is a prize case principally because of the lack of head complaint at this time after such a severe injury.

Mr. KINGSTON. What about the cervical fracture?

Doctor BELL. That, of course, is serious. Any fracture to the cervical vertebra is serious, because the vertebræ are so fragile, but recent X rays, Doctor Handel assures me, show that the condition is coming along nicely. The fracture is in good position and new bone is forming, so that eventually he will undoubtedly make a recovery. He probably will have some stiffness for some time, perhaps always. It is hard to tell. We can not figure out what is going to happen in this particular case, but we know he has no neurological signs, indicating any pressure on his spinal cord.

Doctor HANDEL. I might say that this man now takes his harness off at night and sleeps with it off. He has never complained of any pain in the morning since then. This has been about two and one-half months now. He drives his automobile against my orders, and I have a hard job holding him down.

Mr. KNERR. How long was he in the cast?

Doctor HANDEL. When we first got him to the hospital we put him in a temporary extension until we were able to turn him around and put him in a cast, and he was in that cast for a period of about eight weeks. Then we put him in a jacket, and he was in that for about six weeks. Then we took him out of that and put him in this harness.

[Examination of another claimant.]

Doctor BELL. My next case is an occupational neuritis. It is interesting from the standpoint that it is not covered in our law. This claimant is an ironworker. He has been an ironworker since he was a boy, and he has complained recently of inability to perform his regular work as an ironworker.

The history is very interesting. In January, 1929, he went to work for the Houdaille Engineering Co., handling an air gun and also acting as a calker, which required him to use a small hammer, continuously hammering. In July, or, roughly, six months following his employment by the Houdaille Engineering Co., he complained of weakness in the hand, and, in fact, he complained before that, but it was in July that he had to stop work because he was unable to do this work.

The history is that he has been unable to work since July at his former trade. He has not sought other work, and he has been wondering whether he is entitled to compensation, and he put in a claim.

The examination of his hand revealed atrophy of the thenar, the muscular part of the thumb, and the hypothenar, and slight atrophy over the dorsal surface of the hand. The grip of the hand is considerably lessened because of atrophy, and there are some sensory disturbances.

The history is typical of an occupational condition. It does not indicate any specific injury at any time. He did not, on any particular day, have something specific happen to him. Therefore, under our law, it is not an accident and the condition becomes occupational. It is a serious loss to the man. He will undoubtedly have to readjust himself to some other type of work, where he will not have to use the hammer or use the air gun, because he is now unable to do that because of weakness and loss of grasping power.

Mr. KINGSTON. Is it not one of your occupational diseases?

Doctor BELL. No.

Mr. HATCH. There is a very simple way to cover that kind of injury. The way has been pointed out by the Massachusetts law. If our law, instead of reading "Accidental injury arising out of and in the course of employment," read "Injury arising out of and in the course of employment," it would be precisely as the law is in Massachusetts. A case such as we have just seen would be compensated in the State of Massachusetts, because they eliminate that word "accidental" which means some single event or unexpected episode.

[Examination of another claimant.]

Doctor BELL. This is another percentage loss of hand. This claimant suffered a fracture of the radius of the right arm on December 21, 1928. This claimant shows a marked deformity of the prominence of the styloid of the elbow. [Demonstration.] You see the forearm is very much broader through here than it is through the normal side, due to the prominency of the ulnar. There is 10 per cent loss of supernation. He is unable to put his forearm over as far as he should and there is 20 per cent loss of pronation. This is, of course, best demonstrated with the arm against the shoulder. That is pronation in that position.

There is marked bony enlargement at the wrist. There is no loss of dorsal flexion. The arm flex is limited one-third and the lateral motion at the wrist is limited one-third. There is no interference with the function of the fingers or thumb. The little finger of the right hand is missing as a result of a previous injury not connected with this injury.

This case is interesting because of the fact that the claimant previously fractured this same forearm in the same area. It would take a Houdini to determine how much of that arm defect is the result of his former injury and how much of it is the result of this injury. We have no record of his former injury. All we know is that he fractured it. He, himself, tells us that he fractured it.

Mr. KNERR. How do you adjudicate that?

Doctor BELL. My method here was to give him a percentage loss as the actual findings exist to-day, and I left it to the judge to determine how much percentage loss the claimant should be given.

Mr. KINGSTON. Was the former injury a compensable one?

Doctor BELL. No; it happened a long time ago. It was unrelated to industry. As I said in my report, it is absolutely impossible to determine just how much of the defects which now exist resulted from this injury and how much resulted from the former injury, or how big a part both injuries play in the defects seen. The only thing I can do is to give a schedule as it exists to-day. This schedule, in my opinion, is 30 per cent loss of the use of his right hand. Now, I know, following the resumption of the hearing at the table after I examined it, that the claimant was given 25 per cent loss of the use of his hand. It could not be demonstrated, you see, that he had lost anything as a result of his former injury. There was no medical report to show that he had made complete recovery. All we had was the claimant's story that he had fractured his arm before and that he had made a full and complete recovery.

If we had accepted his statement as a fact he would have been given 30 per cent loss of the use of the right hand, but in view of the fact that he had had a previous fracture of the forearm, and they usually do leave some defect, 5 per cent was deducted for his former injury, and I think he was given the benefit of the doubt when he was given 25 per cent as a result of this injury.

[Examination of another claimant.]

Doctor BELL. In this case the original injury occurred on August 1, 1928. He suffered an abrasion, swelling, and ecchymosis to the bone, with open wound, and periostitis. That is the original report filed by the attending physician. Now his complaint to-day, or at the time of examination, is pains of some kind through the hand, occasionally radiating to the forearm, and especially noted when performing hard work which causes any jarring of the hand, and there is some tendency to swell. There has been no change in his condition since the last examination, and he has been examined repeatedly.

The bluish discoloration has slightly disappeared but there is still some remaining. There is slight œdema of the dorsum of the hand. The measurement is 8⅞ inches posterior surface. The defect as

noted makes it impossible for claimant to close his fingers, and loss of grasping power is marked for small objects.

You gentlemen who are up here in front can see that there is considerable swelling over this area. It is a question of diagnosis here. Sometimes a malignancy will produce a swelling like this, but an X ray was taken of it and it showed periostitis with rarification of the bones, and the œdema is quite marked and is permanent in nature because of the length of time that it has existed.

Mr. KNERR. Will it get worse?

Doctor BELL. There may be a possibility upon continued grasping and the type of work that the swelling will take place. The claimant may have to lay off a day or two until the swelling subsides, but we have not that type of history. All we have is the continuous enlargement that we see here, which does not seem to get any worse nor does it seem to improve, and we figure that the condition is permanent.

[Demonstration.] You can see that his grasping power of the small objects is considerably lost. He has a little bit of grasp in that.

Mr. KNERR. Has he been rated?

Doctor BELL. Yes; he was given 25 per cent loss of the use of the left hand. You see he has not lost anything by amputation and his wrist is okeh. It is merely the soft tissue swelling with inability to make a fist, a complete fist. This was in August, 1928.

The swelling is chronic in nature. We have observed this swelling over a period of months and the swelling has been stationary. We have not seen any improvement in the condition and we do not get any history from the claimant that there is any increased swelling.

Mr. KINGSTON. There were no bones broken?

Doctor BELL. There were no fractures of any kind, merely an abrasion with periostitis following. The claimant tells me he is doing the same type of work. He probably is not able to do all types of heavy construction work that he had done, but he is able to do considerable. There is no loss of earning power, as he is earning the same money.

[Examination of another claimant.]

Doctor BELL. This claimant's disability is due entirely to infection, another case in which we have no specific losses by amputation. His injury was on August 24, 1928, over a year ago. He was given a schedule in September, 1929. You will note the marked loss of grasping power in this hand. [Demonstration.] He has very poor grasping power even for large objects.

This man is a muscle worker, pure and simple. He can not be classed as a brain worker. All he can do is go into the open market and get a job as an ordinary laborer, and the loss of his hand is quite a thing to him. I gave this man 70 per cent loss of the use of the left hand based on this marked interference with the inflection and loss of partial extension of all fingers and thumb.

[Examination of another claimant.]

This is a foot case. It is profoundly interesting to note that following this man's injury he developed tuberculosis in the foot; and he was in the Perrysburg Hospital for a period of 19 months.

He now presents a healed lesion, but has defects referable to his ankle joint and his toes. Ordinarily in tuberculosis cases we do not like to close them, but we do close them with the understanding that the case may be readily reopened at any time, and we do not give the man a schedule until a great many months have elapsed following his entire technical healing, and the X ray must show complete lack of osteomyelitis or any other infection of any kind.

He was discharged from the tuberculosis hospital in May, 1929, as clinically cured. The examination of his leg reveals considerable atrophy of the entire left lower leg with a discoloration and thickened area. There is very little lateral motion at the ankle joint. There is normal plantar flexion and about 20 per cent loss of full dorsal flexion. There are no unhealed areas or sinus to-day, and this foot has been healed for about a year. There are to be seen several well-healed scars on the lower third of the left leg unrelated to the injury.

My conclusion is, in view of the time that has elapsed and in view of the clinical picture to-day, that this condition is permanent and equivalent to the loss of the use of 25 and 40 per cent of the left foot. The claimant actually was given 38 per cent loss of the left foot. He has a pretty useful foot to-day. He has not returned to work as yet. He is apparently satisfied to rest awhile.

Mr. KINGSTON. The tuberculous condition was not a factor in your award at all?

Doctor BELL. Yes; it was a great factor. The tuberculosis was a result of the injury, indirectly.

Mr. KINGSTON. Is he cured of that?

Doctor BELL. What I meant was that following his injury when he developed tuberculosis, his tuberculosis is a factor in it.

Mr. KINGSTON. That had to do with his temporary total; but is tuberculosis not a factor in his permanent partial disability?

Doctor BELL. No; as long as he is clinically cured of tuberculosis, tuberculosis is out of the picture. It is possible at this time, or at any time in the future, if he should develop tuberculosis, to easily reopen his case. He can go back on compensation.

Mr. KINGSTON. Then the compensation in this case is for 20 per cent loss of dorsal flexion, and in the ankle I understand he has complete plantar flexion or 38 per cent of the foot.

Doctor BELL. I distinctly remember stating that he has no lateral motion at all. There are three big motions in the foot—the extension, flex, and lateral motion. The most important motion of the foot, however, is the dorsal flex, that is, extension; and the next important is the lateral motion.

[Examination of another claimant.]

This is another unusual leg case. This claimant had a long period of disability following his injury. He originally suffered a fracture of the left patella. That was his original injury, but following the original injury he sustained a marked swelling and œdema of the entire leg with synovitis and it prolonged his disability tremendously. Instead of having a normal period of disability (roughly, 8 to 10 weeks) such as he should have had following a fracture, his disability was continued for months and months. In

fact, his injury occurred December 15, 1927, which is nearly two years ago, and it is only within the last month that this claimant has been certified as being able to return to work.

So his defects to-day are measured increase in the lower third of the femur. There is three-quarters of an inch increase in the size of the left calf to-day as compared with the right, with one-half inch increase in the size of the left lower leg as compared with the right, with no œdema existing to-day, and none of the bony induration or unhealed looking tissue which was noted the last time this claimant was seen by me.

The claimant has been advised to wear the support continuously in view of the past history of the swelling, and because of the statement made that swelling occurs to some extent in the leg. The support the claimant now has is elastic, taking in the lower leg and posterior dorsal half of the foot, and it is doing him a great deal of good. The claimant is now able to have adjustment of his case. As long as he wears the support he is able to get around. I would advise, therefore, that the case now be closed out on a schedule, such as I have previously given, namely, 50 per cent loss of the use of his left leg, which is permanent, the restriction being the same as noted in my report of December, 1928.

The motion at the hip in this particular case was normal. There seemed to be some hyperextension at the knee with 50 per cent flex defect. Motions at the ankle are somewhat restricted by secondary fibrous joint changes, being most marked in lateral motion at the ankle.

His greatest handicap, of course, is the knee, and he is unable to flex it one-half what he should normally do, and with the defect in hyperextension which is not marked.

[Examination of another claimant.]

I gave this man 50 per cent of the leg. You see, the knee was involved there, so I naturally gave him a percentage of the leg rather than the foot.

Doctor HOURIGAN. That is pretty nearly all absorbed?

Doctor BELL. No, he gets an excess healing period.

Now, this is a case of where one of the gentlemen in the front row spoke about the healing period. This man was given 72 weeks healing period. In other words, in addition to his 40 weeks normal healing period allowed for the leg, 72 weeks additional healing period was allowed because of total disability; that is, there were 112 weeks total disability in this case. He is entitled, under the law, to any excess over 40 weeks, which would be 72 weeks in this case in addition to his schedule. He gets 50 per cent of a leg plus 72 per cent of this excess healing period.

[Examination of another patient.]

My next case is a back injury. It seems lately that I am getting so many of these backs where there is a preexisting osteoarthritis of the spine. In other words, there is new bone production about all of the vertebræ. If not in all of them, at least the lumbar and dorsal region, especially, and these claimants come in with a history of falling on the back, or falling on the spine, in some way or other so as to produce an aggravation of the preexisting condition.

This man was in an explosion. He worked at a gasoline station, and he was on the ground floor of the gasoline station when an explosion took place, and the next thing he knew he was in the cellar of this gasoline station. Fire had taken place, and in addition to that there were two or three timbers over his head and he tells me that his hair was on fire at the time.

The important thing here is the claimant's preexisting condition. He had X rays taken immediately, which showed without the shadow of a doubt that he did have a preexisting back condition, and X rays taken at repeated intervals have shown that there has been an increase in the bony production of this man's vertebræ, which bore out my theory of aggravation of symptoms.

This man has been declared by me recently a total permanent disability. In other words, I do not think he is fit for industry of any type. [Demonstration.] You will note the peculiar way in which the claimant stands because of osteoarthritis. They all do that as a defense against pain. They adopt an attitude of stooping forward. This is the easiest way for them to be relieved of pain. They have continual pain at all times. The normal cushion or shock absorber between the individual vertebræ or segments has been lost; therefore any shock, such as coming down with any force on the heel, would produce a pain shooting way up to the head, because of lack of shock absorbers in the cartilaginous disks that are between the vertebræ. In addition to that he presents a fixation of ribs; the cartilaginous area between the rib fixation is absent. It has also been destroyed by this process, and the bridging between the vertebræ is marked. This man has what we call the Marie Strumpell type of spine and the condition is progressive. It is painful, and the outlook is bad. The prognosis is bad. The only relief we can give the claimant is to furnish him with a reenforced steel brace covering his entire dorsal region and lumbar spine, which admits of rigidity.

He is unable to flex his back in any manner which would be considered useful from the standpoint of industry. There is not any employer who would take him and you must demonstrate in these types of cases a difference between a practical earning capacity and a theoretical earning capacity. He is 58 years old.

You may say, "Well, can't he sign papers? Can't he address envelopes? Can't he sit down at a bench and sort out bolts and nuts?" Yes, he could do any of those things, if an employer could be found who would give him that type of work. His own employer where he was hurt will not give him work. This man is a total loss as far as earning capacity goes from the standpoint of the employer, because he is useless to him.

A sympathetic employer might be found to give this man work, and if such an employer is found I will change my recommendation, instead of making it total permanent disability, until he loses his job or until he finds himself unable to work.

Mr. KINGSTON. You said awhile ago that you are not allowed to consider the question of employment in considering the question of permanent partial disability or permanent total disability.

Doctor BELL. The question of employment?

Mr. KINGSTON. Special employment.

Doctor BELL. That is in the schedules. This is not a specific loss. This is a back injury. Of course, we are often asked on the stand, "Don't you think there is something this man can do?" And I invariably answer, "What is it you have in mind?" or "What do you think he can do?" And they will probably ask me if he can not sign some papers, or words to that effect. It does not mean anything. In other words, he has a theoretical earning capacity but not a practical earning capacity. He could not go out and get a job in the open market, and that is what we must consider.

Mr. HEADY. Might I ask if this man's total permanent disability is due to some functional defect in mobility of the spine or member or whether it is due to pain?

Doctor BELL. It is due to both. He has marked bony pathological changes in his spine. They existed before the injury, as I said before, but they were aggravated by this injury.

Mr. HEADY. Might I ask if this man did not have pain, whether he could perform some type of work?

Doctor BELL. If he did not have pain I should think that possibly he might.

Mr. HEADY. Is it regarded that pain is a permanent condition?

Doctor BELL. Pain is permanent in this type of case; yes.

Mr. MCDONALD. You declare this man a permanent total. Does he draw compensation for the expectancy of life?

Doctor BELL. He draws it as long as he lives. He gets paid every two weeks at the rate of $25 a week. Every two weeks he receives a check for $50, and that will continue as long as he lives, or unless it is brought up that he is not a total permanent disability.

Mr. KINGSTON. Could you venture an opinion as to how long he would have been able to carry on with that old condition had this accident not happened?

Doctor BELL. No; that is purely speculative.

Mr. KNERR. Was not the old condition bothering him?

Doctor BELL. The old condition was possibly latent. It might have been growing slowly. He might have, in the natural course of events, had he not been injured, probably become totally disabled in a speculative number of months or years by reason of this focal infection irrespective of the injury, but that is getting in the speculative realm, and we have too much speculation as it is.

Doctor HOURIGAN. Is it not possible, in giving this man total permanent, that at his age we are likely to have such condition because of the age?

Doctor BELL. I admit there is something to the employer's side in these cases. It might seem unfair to the employer that he should be penalized.

Doctor HOURIGAN. Unfair to labor.

Doctor BELL. Or it might be the other way. It works both ways, but all we can consider in the case is whether he was able to work, or whether he was unable to work, and then we make our findings from that.

Doctor HOURIGAN. That is an argument in favor of the old-age pension.

Doctor BELL. Well, I do not know, Doctor; it depends on the viewpoint.

Mr. MUCKLER. Is the primary cause of this, focal infection?

Doctor BELL. Always.

Mr. MUCKLER. Local infection?

Doctor BELL. We do not know where it is. It might be in the teeth. It might be in the tonsils or in the kidney. It might be in every organ in the body. No one knows where the focus of infection comes from. The most commonly accepted theory is that osteoarthritis is due to focal infection, although some men do not believe it.

Mr. MUCKLER. If that focal infection were removed and his vertebræ became stationary, would his pain cease?

Doctor BELL. No; because he already has bony changes which will not be absorbed.

[Examination of another claimant.]

This is the only lady claimant I have to present to-day. This is a percentage loss of the hand, illustrating amputation here. This lady was given 45 per cent loss of the use of the right hand. Her amputation involves only the second, third, and fourth fingers. The second finger has been amputated at the distal joint. In other words, the terminal phalange is missing. The ring finger has been amputated at the middle joint, and there are two phalanges missing from the ring finger. The little finger has been amputated at the distal joint, with one more phalange missing there.

Her thumb, index, and wrist, and the rest of her right upper extremity is normal. This is merely a question of percentage based on amputation. Personally I gave this young lady 60 per cent of a hand, but in the final analysis, due to difference of opinion, she was given 45 per cent of her hand.

I always figure that in amputation or any serious injury to a woman, the results are more far-reaching, more serious than they are in a man. A woman is more sensitive, and will oftentimes develop neurosis following such an injury as this. Fortunately, we have not such a condition here. The lady will accommodate herself in time. She has not as yet accommodated herself to her loss. During the last examination she had an emotional upset, but possibly that was merely a temporary condition. But that is liable to happen with any of the ladies, and I feel that with this type of injury in a woman, that one can afford to be a little more liberal if the employer does not object. He usually does not object if it is not too liberal, and for that reason I gave this lady more than I would a man for this particular type of injury.

I have been criticized for this and possibly the criticism is merited, but I do not think any of the carriers of any of the employers object if the schedule is not placed too high.

These are all the cases I have to present.

Mr. BELL. I wish to offer my thanks to my namesake for the lucid manner in which he has conducted this remarkable display along the lines with which he is familiar, but in this particular case I

am more interested from an angle of a case that he very clearly explained this morning and indulged in humanitarian views.

I refer to the chrome case. That in itself gave me an idea that we could adopt remedial measures in this particular instance. I assume—and I am not socialistic when I give utterance to this opinion—there is a contractual relationship between the State and its citizens: The right of the pursuit of life and happiness under happy conditions.

I believe those in authority are familiar with the laws that have been enacted and they are familiar to all of us because when a law becomes mandatory we all become familiar with it.

I believe it is well within the jurisdiction of the State commission to exercise supervision over all factories and employers engaged in employments that are of a character that might be catalogued as objectionable in nature.

The CHAIRMAN. That is now being done.

Mr. BELL. I assume it is. Well, we are now confronted, as Grover Cleveland said, not with a theory but with a condition. The doctor examined a patient and, if my memory is correct, he stated that these conditions have prevailed for quite a considerable period of time. I believe that an analysis of a statement of that character would show that there had been some delinquency on the part of the State, or, may I be charitable in assuming that this inaction is a case of the lack of sufficient inspectors to make an investigation of these conditions? However, the fact remains that this man acquired this condition because of the condition that existed. He was examined by the doctor and found to be not disabled, and finally there was a desire on the doctor's part, because of the humanitarian views expressed by himself to compromise this case. Am I correct in making that statement?

The CHAIRMAN. That is correct.

Mr. BELL. Now, in this particular case it appears that the insurance carrier did what was well within his statutory rights when he refused to attempt a compromise, for the very simple reason that there was no disability existing, and there was no loss of wages, and the medical angle of it had been taken care of, and he claimed he was under no obligation, and therefore he refused to compromise or to pay any sum of money, no matter from what angle it could be advanced. That is the state of affairs that is existing.

I am asking this question in my own mind. Assuming that it had been a State case, would the State reject the moral right, because of the contractual relationship between the citizen and the State, and take an attitude such as that? I believe the compensation law was enacted for the express purpose—and I am only quoting the industrial commissioner now, who says that the humanitarian point shall be given full cognizance at stages of the game, if possible—of doing something definite from an angle that will be conducive to the benefit of the claimant.

In this particular instance, assuming from a hypothetical angle, the State had rejected a compromise, it would place itself in a very obvious and dubious position.

Assuming again, Mr. Commissioner, that, as I contend, this state of affairs is due to inaction or delinquency on the part of the State, is it not liable under the damage law?

The CHAIRMAN. My answer to that question—if you desire an answer at this time—is no.

Mr. BELL. Now, Mr. Commissioner, that is all I wish to say upon that subject. I assume that the commissioner may have sufficient influence along legislative lines to see that some remedial measure is adopted, but I am here for the express purpose of taking into consideration matters that are entirely personal to the organization which I have the honor to represent. I believe I am sufficiently acquainted along compensation lines to tell this audience that most of the large builders in New York City at the present time are self-insurers, and because of that very statement I am here to present to them a view which I think will meet with their deep and thoughtful consideration.

Consider a building such as the Chrysler Building or the Cheney Building. They are self-insurers, and at the present time they have—I assume you all know this—a stipulated sum set aside for the express and specific purpose of paying compensation when an accident occurs.

I may tell you beyond the fear of contradiction—I will not say through the generosity of the employer or the builder, but because of his knowledge based upon good economic reasons—they have employed a safety supervisor or a man possessing mechanical ability, and competent under all conditions to rectify any defect that might create an accident, and that suggestion is one that I wish to have this audience give a deep and thoughtful consideration to when that subject becomes a theme of deliberation.

Now, I am not desirous of creating jobs for any of us. That is not my hope. My contention is that if there is any lessening of accidents, there must be a lessening of expense so far as the compensatory angle is concerned, and with that contention expressed, I thank you for the privilege you have accorded me.

The CHAIRMAN. You all know that the present administration of the labor department of the State of New York—the industrial commission and the members of the industrial board—have worked very earnestly to secure such amendments to the compensation law as will protect the workman in the State of New York, and they are always glad to have the cooperation of the various labor unions, social workers, and others interested in the laborer.

There is no question that the law can be strengthened for the benefit of these injured workmen in the State of New York. However, how far it can go along those lines will have to remain for future discussion.

[Meeting adjourned.]

Chairman, R. B. Morley, Secretary Industrial Accident Prevention Associations of Ontario

ACCIDENT PREVENTION

The CHAIRMAN. Accident prevention is a subject that is very close to my heart, and, as I have occasionally said to some of my good friends in Canada, I have both a job and a hobby in one. Our workmen's compensation act contains a clause (No. 114) which authorizes the industries to set up accident-prevention associations. That same clause in the act also authorizes the workmen's compensation board to make grants for the maintenance of those organizations; that is to say, they calculate that it is better to prevent accidents than it is to compensate them, that it is reasonable that the accident fund of the compensation board should bear the expenses of accident-prevention work.

I think the nearest you have to that condition is in Ohio. So far as I understand it, none of your compensation laws in the United States have a clause similar to the one of which I am speaking, but two of our Provinces have—Nova Scotia and New Brunswick.

Under that section of the act, in Ontario approximately 99 plants have set up accident-prevention associations, or at least have combined into accident-prevention associations, and under the authority of the board they are spending approximately $100,000 a year—slightly over that.

Our statistics—as I understand it, it is practically the same in many of the jurisdictions under compensation—show an increase in the number of accidents reported to the compensation board. That increase lies largely in accidents that involved no money payment whatsoever and in the medical aid only, so that the matter is not quite so serious; in fact, I am inclined to agree with some statisticians who say that there is no definite proof that accidents are increasing. Certainly the system of reporting has improved.

I think that I am safe in saying that with us in Ontario a fairly large number of plants are operating for long periods of time without lost-time accidents. Now that is largely a result of the interest taken by the executive head of the particular industry involved. He starts something at the top, and it goes on down through. I think that the average executive has become convinced that accident prevention is both economically sound and sound from the humanitarian point of view.

And, speaking of compensation, I think that we have, with all due deference to all of the other jurisdictions here, certainly one of the most generous laws on this continent, and that, of course, means anywhere in the world. Our law has not been a burden to industry for two reasons: One is because we have a State fund and a competent board administering it and we are doing fairly effective accident prevention work in our Province.

I think employers more and more are coming to realize the tie-up, the hook up, between safety and efficiency, and the statement that I heard made last week at the National Safety Council annual congress at Chicago, to the effect that accidents are the result of underlying inefficiency, is quite correct and is something that should be taken to every executive whom we have.

Now, to-day we are devoting our time entirely, for the balance of this afternoon and evening, to the general question of accident prevention, and in connection with this program I am going to call first on Mr. Frank E. Redmond, of this city. Mr. Redmond is director of the Educational Bureau of the Associated Industries of New York State.

Safety Progress in New York State Through Organized State-Wide Accident Prevention Campaigns

By Frank E. Redmond, Educational Director Associated Industries of New York State (Inc.)

Associated Industries, the State organization of manufacturers in New York, is now fostering its fifth annual state-wide accident prevention campaign with the largest and most enthusiastic enrollment yet of wide-awake firms, working cooperatively and concertedly toward the elimination of unnecessary waste occasioned by preventable accidents. Approximately 1,400 industrial firms, employing more than 300,000 workers in the manual trades, started September 1 on a 13 weeks' drive against accidents, with the object of bettering the excellent records made in past efforts of this kind. I believe I may state without fear of criticism or contradiction that this campaign, in point of exposure, is about the largest effort of this nature yet put forward in the interest of safety. Best of all, it is a campaign of action, an organized drive in which each one of the 1,400 industrial firms is working among its employees, promoting safety within the confines of its own plant, while at the same time it is joined with the others in this one big state-wide movement. It is not a campaign of safety propaganda alone, sent forth in hit-or-miss style with the hope that it may reach a few, but, I repeat, an active campaign based on a common-sense method of arousing and sustaining interest in safety.

What do I mean by a campaign of action? Just this: That each one of these firms has first been approached and the campaign outlined to them. With the idea sold, each firm has then formally enrolled as a contestant with the agreement to report to the general supervisory committee, in charge of the drive, their weekly experience as expressed in terms of man-hours worked and man-hours lost, if any, through accidents.

Associated Industries does not conduct the campaign. It merely fosters it. It provides a reason for greater accident prevention activity within the plants, does the clerical work necessary to keep a record of progress made, and provides prize awards. The conduct of the campaign is in the hands of the competing plants themselves, right where the causes and the responsibility for accidents arise. Associated Industries lays out a basic plan for all contestants to follow and aids in every manner within its power for its success but

in the last analysis results are obtained solely through the effort each individual plant puts forth. That is what makes this a campaign of action and concrete results rather than one of hit-or-miss type with intangible benefits.

Campaigns of this nature can not be a success unless the employees themselves take part in a spirit of wholesome cooperation. It has been proved to us many times over that the employees in these campaigns are just as enthusiastic as the employers. The drives are looked forward to with lively interest. We have had numerous examples of employee spirit brought to us. I have had the good fortune to be present at a great many plant meetings held in connection with the campaign and have seen for myself the fine spirit displayed by the workers.

I attribute this to the very nature of the campaign, which appeals to the red sporting blood of every man and woman. The fact that they are competing against other workers in other industries in other sections of the State seems to put everybody on his toes with a resultant real interest in safety and honest effort put forth to reduce accidents.

As an educational feature of accident prevention, we believe the competitive campaign to be a great force. Education is needed not only among employees, but in some instances among the employers. The fact that these drives have enlisted such a large number of so-called small plants is evidence that the small employer is ready to do his share if the opportunity is presented. In the present drive we have enrolled 675 firms with an average employment of 56 workers. This group makes up class 3 of the campaign, devoted to firms with from 15 to 104 employees.

The work of organizing and carrying on a drive of this nature is considerable. Many problems arise which demand immediate action if the campaign is to be kept moving. We find firms fighting to keep from the records those odd and unexplainable injuries which arise so often. It is neccessary to refer these problems to the general supervisory committee of 15 and often the vote as to whether or not the disputed case shall be counted is very close, but in all instances, the majority opinion of the committee rules and the ruling is accepted in the very best spirit.

Once the reports for a week are received, it is necessary for us to separate those with 100 per cent standing, figure the percentages of those reporting accidents, total the figures to date on all reports, arrange them in their proper order in their proper groups, and then make mimeographed copies of the class and group standings for mailing to all contestants. This is a weekly task throughout the campaign and one which is of great importance, for these weekly standings are a big factor in maintaining interest in the drive. Associated Industries, in the present campaign, is issuing 100,000 special safety posters. These are supplied weekly to the contestants in a number sufficient to fill the needs of the bulletin boards of all plants.

Now, as to the progress made through these state-wide drives: The most gratifying progress, I think, is the increasing interest of employers and employees as shown by the great number of new firms enrolling each year. In our first drive we were able to interest just 175 firms. In the second year this number was doubled and

doubled again in the third year and increased annually until, in the present drive, as I stated before, we have an enrollment of 1,400 plants with 300,000 manual employees.

Our system of scoring is on a percentage basis, calculated on the number of man-hours worked to the number of man-hours lost through accidents, this latter figure to include a charge of 12,000 man-hours lost in case of any accidental death. This system has never been changed. Our records each year, therefore, are comparable with those of the previous drive regardless of the number of firms participating. The percentage figure reached each year, therefore, represents a severity experience. With 100 per cent representing a perfect record, the campaigns to date show that in 1926, the first year in which records were kept, the entire group of contestants completed the drive with a percentage figure of 99.636, in 1927 with a percentage of 99.682, and in 1928 with a percentage of 99.755, a constant and steady improvement in severity over preceding years. In the present campaign, for which reports of the first three weeks only are available, we find the experience is a little behind that of 1928. There seems to have been an unusual number of fatalities so far in the 1929 drive, which has worked havoc with the record. The general experience, aside from the death cases, however, is considerably better. We hope to have a brighter tale to tell at the conclusion of the drive.

Statistics are uninteresting to talk about but are most interesting to study. I shall not go further into statistical data, therefore, at this time. It is enough for us to know that these campaigns have shown a steady and gratifying decrease in accident severity. It is enough for us to know that so many firms are anxious to take part in these annual drives. It is enough for us to know that employees look with favor upon this system of safety education as a means toward the conservation of lives, limbs, and wages. It is enough for us to know that the employers of New York State are fully alive to their responsibility in accident prevention and are able, through their central organization, Associated Industries, to promote these annual state-wide drives. The statistical data obtained are valuable to us in planning future efforts of this nature and in informing us of the progress made to date.

There are in this drive 74 separate contests, firms being placed in that number of groups according to their size and the nature of their accident hazards. To the firm in each of these groups with the best record on the final day of the campaign, Associated Industries will award one of these mounted trophies. [Displaying trophy.] In case of percentage tie the trophy will go to the firm having the largest man-hour exposure. Where more than one firm completes the campaign with a record of 100 per cent, the trophy will be awarded to the firm having the largest man-hour exposure, but to the other 100 per cent firms a certificate of merit will be presented. The general supervisory committee will award, also, a few certificates of honorable mention to those firms which, in the opinion of the committee, are deserving of them because of the record made.

I would like to take this occasion to announce something which I believe to be new in the line of accident prevention campaigns. This is the age of nonstop flights and endurance contests of all

sorts—spaghetti eating contests, marathon dances, and other endurance feats. Efforts are being made to hang up new records in all lines of endeavor. That a new record for sustained safety may be made, Associated Industries wishes to announce that at the conclusion of this fifth annual campaign a safety endurance contest will be launched, in which all those class 1 contestants who are still 100 per cent on November 30 will be enlisted. The contest will continue until the last of these firms has lost its 100 per cent standing. Then to the firm which completed the greatest number of man-hours without accident from September 1 until the date on which the last firm is eliminated, a special cup or other trophy will be awarded. The firm winning this cup will have made the best no-accident record among all contestants and will have set up a mark which contestants in future campaigns may strive to surpass.

I should like to thank, publicly, in the name of the board of directors of Associated Industries, the various chambers of commerce, insurance carriers, industries, and individuals throughout the State who have worked with us to make our annual drives successful. It is due to their efforts as much as our own that the annual state-wide accident prevention campaigns of Associated Industries have been made possible.

DISCUSSION

The CHAIRMAN. I think the value of the record that Mr. Redmond's organization is going to build up from year to year is going to be something that will show very considerable worth, and I think that their method of dealing with the small firms shows a satisfactory idea in the background in this effort to get the small firms interested, because the small firm is a very real problem.

Mr. STEWART. I would like to ask just one question, and that is, do they take only severity records, or do they also take frequency records?

Mr. REDMOND. We base our standing in the campaign solely on severity. At the conclusion of the campaign we are able, from the figures given us, to work out a frequency figure also, but we are basing the standing in the campaign solely on severity, that being the simplest way and we believe the best way to set a standing.

The CHAIRMAN. I am now going to call on Doctor Hatch to read Senator Wagner's address. Senator Wagner was to have been with us to-day, but owing to the tariff, or some other matter of that type, he has been prevented from coming, and Doctor Hatch has his paper.

[Dr. Hatch, before reading Senator Wagner's address, read a letter from the Senator expressing regret that he could not be present.]

Safety in Industry

By Senator Robert F. Wagner, of New York

[Read by L. W. Hatch]

For the past two decades the doctrine has been preached that the promotion of industrial safety is a function of government. Basically that doctrine rests on an article of faith—the firm belief that the so-called hazards of industry can be eliminated. Upon this conviction was erected a moral precept: That industry has a right to the labor but not to the lives of those who are employed in it.

In less than a generation both the doctrine and its moral have become the accepted principles of the economic world. To-day they seem so obviously right, so compellingly sound, that it is difficult to imagine that they have only recently supplanted the heartlessly cruel notion that each industry had its risks which those who entered it assumed and bore; that if they lost in the gamble and brought misery upon themselves and destitution to those who depended upon them, only the fates were to be blamed.

Those who first rebelled against the complacent pessimism of the belief in the inevitable risks of industrial occupation had little evidence to support the new faith. There were no records, no statistics, few observations, and fewer experiments. We did not know how to make industry safe. We did not know what it would cost to make industry safe. We could not measure the effect of the competition of those who would refuse to join in the enterprise. The only force which motivated us was the violent reaction against the useless maiming and killing of which the factory was guilty with increasing frequency. Out of that spirit of rebellion were precipitated the two specific remedies which are to-day coming to be universally applied. The first, workmen's compensation, rests on the proposition that if there be an industrial risk its burden should be distributed by insurance and not be permitted to lie where it falls. The second, industrial safety, is devoted to the task of reducing the risk by eliminating the danger.

The safety movement has gone far beyond its first stage. It has gradually built up a body of information. It has devised for its use a statistical method. Thousands of safety mechanisms have been contrived and hundreds of salutary statutes have been placed upon the law books of the country. All this, however, is only secondary to its true accomplishment which is hidden in the unrecorded number of lives saved, of accidents prevented, or of families shielded from the occurrence of that terrible day when the bread-winner fails to return.

None can now deny that the faith and the hope upon which we built have been justified beyond the most sanguine expectations. Now, then, is the time to pause to take inventory of our problems, to find our bearings, reset our compass and fix a more distant objective for our journey.

Already many of the laws that have been written legislate against a past which is no more. As such they constitute a barnacle which is possibly harmless but certainly useless. Meanwhile, new industries, new processes, new methods and practices are developing at a pace at which the law has not yet learned to follow. The methods of industrial supervision have been somewhat sluggish. It has not interceded until the price of delay has been paid in broken lives. In this speeding century safety administration must keep pace with the industry it is designed to regulate.

My point is that safety legislation must continuously reorient itself to the new and ever-changing industrial environment in which it is meant to operate. The law must be such as will not hinder industrial progress; the progress must be such as will not jeopardize life.

To illustrate my proposition, let me cite two instances, each representing a type of change which calls for adjustments in the handling of the safety problem.

When we first started to civilize the factory it was with so-called big business that we had to contend. The opposition was organized against what was termed the intrusion of Government into the private management of business. Now, however, our concern is no longer with the large enterprise. Large-scaled business has definitely mastered the lesson that industrial safety and health pay in terms of increased production, in terms of waste elimination, in terms of fewer sleepless and fretful nights for employer and employee alike. Corporate industry has come to realize that the same energy and application which are devoted to the improvement of production and the increase of dividends must likewise be devoted to the reduction of hazards and the promotion of safety. In innumerable cases the large plants have gone far beyond the minimum requirements of law.

The legislator or industrial commissioner is now confronted with a new kind of resistance to the safety program. He is now met by the indifference of the small-plant operator who combines within himself the functions of owner, financier, production director, and sales manager. He literally has no time to think of safety. He can not devote to it the constant thought and diligence which it demands. Payment of an insurance premium, in his case, serves only to eliminate the apprehension of possible legal liability.

Comparisons recently made between the small and the large plant have shown that the former is the more serious offender against the safety code. To be specific, in machine-tool factories it was shown that one large plant had an accident frequency of 12.8, whereas 11 small plants together employing as many operatives as the one large plant, had an accident frequency of 34.15. In paper making one large plant showed an accident frequency of 4.82, while 10 small plants together employing as many as the one large one had a combined record of 63.18. In automobile manufacturing, 11 plants showed a frequency of 36.12, when one large plant had succeeded in reducing its accident frequency to 0.4.

In spite of the apparent trend toward large-scale production, it is nevertheless true that a tremendous portion of our manufacturing is done in plants of moderate size. The problem of the small plant will therefore have to be solved if the record of improvement in safety and accident prevention is to be continued.

Another change concerning which industrial legislation and administration must bestir themselves is the increasing importance of chemistry in industry. We have always had some occupational diseases but never before have they come upon us with such plaguelike rapidity and variety. The new uses of chemical energy and chemical processes have let loose a flock of new poisons frequently mysterious in origin and always insidious in attack. In combating this menace the Government must become more alert to the dangers and exhibit greater celerity in forewarning and forearming those who will be exposed to them.

What I urge is that the Government be one step ahead of industry in its acquaintance with industrial chemistry. The Government ought not to wait until it is called to action by some dreadful calamity. If radioactive substances are to be employed in industry their utilization should be rendered harmless before wage-earning men and

women are invited to use them. If caissons are to be used in bridge construction it is the province of government to insure their safety before workmen are invited to work in them. If a spray gun is to be employed in painting, it is the duty of the Government to ascertain in advance that it may be done without danger to health.

I do not want to shackle the adventurous spirit of invention, but I believe that we are moving forward fast enough to afford the short pause necessary to make certain of safety for the sake of the health and welfare of our working people and the resultant well-being of our entire population.

In the sphere of industrial lawmaking the States are, of course, the primary jurisdictions. Since I have been in Washington, however, I have interested myself in the assistance which the Federal Government might render toward the accomplishment of the objectives of the health and safety movement. The Federal Government has three divisions concerned with these problems—the Bureau of Labor Statistics, the United States Public Health Service, and the Bureau of Mines. Each has to its credit many major accomplishments. There is one unique service, however, which the Federal Government might have performed but it has failed to take advantage of its opportunity.

I refer to the fact that the Federal Government is in its own right probably the largest employer of labor in the world. Contrary to common belief, the men and women which it employs are by no means all engaged in clerical work. Several departments operate plants in which the conditions of work are comparable to conditions which prevail in private enterprises. The Navy Department employs over 40,000 men in its yards. The War Department has similarly over 40,000 employees on its pay rolls engaged in industrial pursuits. These agencies of the Federal Government had it in their power to teach a mighty lesson in safety by example rather than by precept The Federal Government should have established the standard to which private industry might aspire. That opportunity the Federal Government has not seized.

There is particular reason for dissatisfaction with the record of the War Department. In 1926 the Navy reported an accident frequency of 17.62 per million hours of exposure. The War Department accident frequency was during the same year 43.82. That is considerably in excess of the average accident frequency for all industry during that year, which was 27.7.

In 1925 the record of the War Department was even worse. Its accident frequency during that year was twice as high as the average for all industries and almost four times the accident frequency reported by the Navy Department.

I am authoritatively advised that the work of the Navy Department and War Department is comparable. Why, then, is there so marked a difference in their records? I assure you that upon my return to Washington I shall take the necessary legislative steps not only to discover the reason but to provide the remedy.

Let me name another definite direction in which the Federal Government might usefully have taken the lead. The Budget of the Federal Government yearly includes hundreds of millions of dollars for construction. It spends in that manner more than any other

single agency. Of all our industries construction reports the greatest relative number of accidents. The Government does not directly act as employer in its construction work. The projects are usually executed under contract. But the Federal Government might have written into these contracts a safety code which would have been a practical piece of instruction to the building industry of the country. That it has failed to do.

In the short history of the safety movement we first passed through a period of emotionalism. At the present time we are in the midst of developing the technique of safety, its rules and mechanics. These have been vital influences in reducing the risk of factory work. We still report, however, 3,000,000 accidents a year, of which 24,000 are fatal. It must be apparent to us all that we can not achieve the final goal of industrial welfare by a mixture of ballyhoo and mechanics alone. The realization is gradually growing upon us that safety can not be isolated as an individual objective; that it is the product of perfect coordination in industry in all its phases; that it is a necessary aspect of civilized business wherein men respect themselves and respect each other, where life is highly regarded, where man is master of the machine and not its servant.

There are thus brought into the scope of those who promote industrial health and safety a host of correlated problems which concern hours of labor, adequacy of wages, satisfactory housing, opportunities for self-expression and self-improvement on the part of the worker. The safety movement must consciously recognize that it both contributes to and is dependent upon the general advance of industrial security.

The CHAIRMAN. We have another story of no-accident campaigns this afternoon. The Merchants' Association of New York City has been carrying on safety work for the last two years, with a committee under the general chairmanship of Mr. L. A. DeBlois. a man who is known throughout this country for the safety work he has done.

Mr. Yeomans, the manager of the Industrial Bureau of the Merchants' Association of New York City, will give us an address on the subject, "No-accident campaigns," and that, as I understand, will be simply a statement of the progress made up to date.

No-Accident Campaigns

By W. E. Yeomans, Manager Industrial Bureau of the Merchants' Association of New York City

I sometimes quarrel mentally with the program committee that places me on this program, usually following Mr. Redmond's report of his association's activities, because as I listen to him I get the impression that what we have been doing in the Merchants' Association seems so small by comparison, and still when I consider the problems of an association such as ours, working among concerns in a city such as New York City, I realize that a statement I heard made by Doctor Robinson, of the city administration in Chicago, last week, to the effect that where there is stimulation there is irritation, is all but too true.

We discover in New York City, acting as we do as the chamber of commerce, that just as soon as we start to stimulate something, we start irritating something else; so that we have had to start quite modestly. We have had to proceed quite carefully. We feel that we have been doing a constructive piece of work, and we are glad of the opportunity to appear here and let you know just what New York City is doing, through its chamber of commerce, in the prevention of accidents.

Last year in the report which was made in Syracuse before this body we told of three small accident-prevention contests which we were at that time conducting among three groups of industries in our membership: The metals group, the warehouse group, and the food products manufacturing group. Those were all short contests. We chose the metals group first because, with a great many others, we had the opinion that where there was machinery there was hazard. We discovered that the hazard in the metals group, just as others have before us, is not so great as it is in others where the human element in the process of manufacture has greater play.

So, as our second experiment we chose the warehouse group. The third, the food products manufacturing group, was a sort of a hybrid group.

Each one of those three contests of the four months' duration in 1928 was conducted along the same lines so far as reports were concerned, the individuals participating in the contest or the individual companies participating in the contest sending to us a small card weekly upon which they noted the number of man-hours worked and the number of lost-time accidents which had occurred, and we computed those into relative standings, which we sent back to the contestants monthly.

In all of those three contests there were but 143 plants. However, we were greatly delighted when 128 of the 143 went through the 4-month period of the contests, and we were interested in the records they set up.

Thirty thousand employees in those three contests, I believe, worked 24,000,000 man-hours of exposure and reduced their frequency during the contest, according to our monthly reports, from 22 and a fraction during the first month of the contest to something like 17.

In each group the association awarded trophies. In each group they awarded a different sort of trophy purely for the sake of the experiment. In one group it was $100 in cash, gold, to the employees of the winning company. Another group received banners, and the third group received a cup.

In one group we set up the experiment of placing on our staff a contact man. We borrowed him from an insurance company, and there came some of our irritation, because he was a mutual insurance man. Our good friend, Mr. DeBlois, was chairman of our committee, as the chief safety engineer for the Bureau of Casualty & Surety Underwriters, and immediately his association, representing the stock companies, came to the front with the kick that we were allowing a mutual insurance man to get into plants that were insured in stock companies, and that he would probably wean them away. However, we were not interested in the insurance phase of

the problem so much as we were interested in what we could do by maintaining on our staff a contact man who would do nothing except circulate among the contestants in our movement.

Those three contests were eminently successful, so far as the number of small plants which we were able to get into them, the interest which we were able to maintain, the number of plants finishing, and the records they set up, are concerned. They were so successful that out committee met and decided that it was foolish to attempt to bite off each industrial group in our membership successively and conduct a program of accident prevention among them, at the same time holding the interest of those groups which we had previously attacked. So we abandoned our first idea of having successive group contests, and we decided to experiment with a longer contest among one of the groups which had already been attacked, opening it to other than members of the association and letting it run over a period of one year, to satisfy ourselves that interest could be maintained in a larger contest, where we were not able to get such close personal contact with the contestant, in order to evolve some plan by which we could attack our entire membership at once.

So we invited the metals group again to come into our fourth effort, it being the second phase of our movement. We chose the metals contest because most of the metals companies, operating as they do with machine processes, are fully aware of the need for safety and for the elimination of hazards, and we were able to get (I think this contest was in process at the time of our last appearance before this group) 117 companies into that second metals contest of one year's duration.

The contest was run just as the other had been so far as reports were concerned. The association awarded a trophy and certificates to all plants which went through the entire period of the contest without an accident.

Just as the other contests were conducted under a group, a committee chosen from among the executives in the plants entering the contest, so was this contest supervised and guided by a group of metal manufacturing executives working under our special committee on accident prevention.

We estimated that 10,000 employees were concerned with that contest. During the year they worked approximately 20,000,000 manhours of exposure with but 269 lost-time accidents and no fatalities, although, I believe, in the city of New York during that year there were 1,185 fatalities in other plants than those in our contest. The frequency rate which that group set up, 13.89, was the lowest that had been set up by any contesting group.

This contest, too, we believe was successful. It sold us on the idea of further expansion of our movement, and during this summer our accident prevention committee again met and decided that they would run a contest or promote a contest among all of the industrial members of the association.

For the sake of the survey and the results which it might show we grouped our association's industrial members arbitrarily, taking the grouping of the associated industries. We discovered that we had something like 3,000 members who were essentially manufacturing in nature and that we could divide them into arbritrary groupings of 30 groups.

Our committee met after we had grouped them, decided upon a plan of contest, made recommendations to our board of directors that the association conduct or promote a contest among all industrial concerns in the membership of the association, and, upon the approval of the board of directors, called together a committee of about 30 men representing other chambers of commerce, other trade associations, insurance interests, those groups which we had already had in contests, and others whom we thought might be interested in the movement.

The first recommendation which that committee made was that we had started wrong. It felt that the association would be neglecting an opportunity in its program to foster the welfare and trade of New York City if it eliminated from participation in our accident-prevention movement any concern that was not a member, and sent back to the board of directors the recommendation that it open its future movements to all industrial concerns in the metropolitan area, which covers an area of about 40 miles radius from New York City.

Just before I left New York to attend the National Safety Congress in Chicago, the board of directors approved that plan, and it will be my first duty when I get back to New York City to call together again this committee and to work up with them, or to help them work up, or have them work up some plan by which the association can get into an intensive accident prevention campaign all of the industrial plants in that New York City metropolitan area.

It is going to be a stupendous task for the association to undertake with the machinery which it has at the present time, and it no doubt will have to be expanded.

According to the census there are 62,000 industrial establishments in the metropolitan area. There are about 1,000,000 workers in those 62,000 establishments. I have no estimate of the number of man-hours they are likely to work, but in the next report which I will make—if I am invited to—I feel that we will have something really constructive to offer as a result of this effort on the part of the association.

Many folks have asked us why the association is interested in such things as accident prevention and accident-prevention movements, and while some of you here are familiar with the work of the merchants' association, some others are not. It might be well to explain, for those who are not familiar, that the merchants' association is, in effect, as I stated before, a chamber of commerce of the city of New York. It is an organization of 8,000 companies who have headquarters, or offices, or who operate in New York City.

The program of the association, which is organized somewhat on the lines of all chambers of commerce, with committee organizations, boards of directors, etc., is based upon direct personal service to its members and to the city. It is organized into a series of bureaus, each of which serves its members directly in a consulting capacity on the problems which come under that bureau's supervision. The industrial bureau, serving our members as a consultant in industrial problems, is interested in safety.

It is interested for the reason which you know only too well. We believe that we can save our employers dollars and cents. We be-

lieve that we can assist them in saving their employees and society that loss in dollars and cents and in suffering.

The plan by which we have promoted these contests so far has been based upon personal contact. In each case the plant is invited to come into the contest, and if no reply is received to our first letter of approach, the firm is called upon personally by a representative of the association and the employer is induced, sometimes by high-powered salesmanship, to enter his plant. He is sold on safety so far as we can sell him, and at least far enough, if it is humanly possible to do it, to get him to come into the contest once. Then we feel that the lessons he learns by participation in the movement will be so valuable that he will not want to forget them.

After he is in the contest we have a contact man, as we did during our food products contest, who visits him at intervals and asks him how things are getting along, questions him on the way he is keeping his records, makes plant inspection, helps him to conduct safety rallies, and as far as he can, appears for him before the industrial commission in behalf of injured workmen. He performs all of the work that an insurance carrier service man might do if he were carried by that insurance company.

This has an immense advantage we feel in dealing with small plants. As a matter of fact our whole effort in all of our programs, not only of accident prevention but in other things, is directed toward the small company. The large company has its safety engineer. It has its industrial relations department. It is equipped by machinery and can afford the machinery to do the things which we feel we can do for the small plant.

The small-plant owner is too busy to think of safety, and sometimes it is not until we get to him that he has ever given it a thought.

The members of our association are represented in the association by an executive of the company designated as its representative. We have no contact with any of our members except through the representative. If he needs salesmanship, we give him salesmanship. Every report that we send to that company goes to the individual who is their representative in our association. He gets an analysis of every accident and its cause. If there seems to be something which should be corrected, he is advised of it.

That is not done in the spirit of interference. It is done purely because the company has designated him as their representative in our association, and we are merely following out the line of our organization in approaching him, but we find often that a company's officers are never aware of accident occurrences in setting up experience of accidents, and we have found that we have awakened those officers, and the company in many cases, to the importance of safety organization and accident prevention.

Many small companies, of course, have said, when we approached them, and they will when you approach them on the question of accidents, "We never have any accident. We have not had an accident in, oh, so long. We do not need any more accident prevention than we have. We are careful." And it is hard to sell them, of course, on their part in the frequency of accidents as they occur in all small plants as a group.

You can not do that by sending them a letter and asking them to enter the contest. You can not do that by purely circulation methods. When you circularize any group of industries on the question of entrance into an accident prevention contest you get those which are the easiest to get. You get those who will reply to a letter. You do not get the follow who, so far at least, thinks it is all a lot of bunk. You must go see him and sell him, and our program, at least so far as we have been able to maintain that program, because of the small group that we have attacked, has been to get to them personally and sell the fellow who has not been sold, and possibly forget for a while the large fellow who has been sold all of the time and who enters a contest only because it is one more thing that he can easily enter and possibly win a trophy with the machinery which he has already set in motion and is working effectively, and will work effectively whether or not he is in this contest or any other contest.

Oftentimes we have had the experience that the small-plant owner who has refused to enter our movement comes to us in a little while and asks us for permission to enter, because he has had an accident, and while he realizes, upon explanation that he can not win a trophy because he can not work man-hours enough to compete with the larger plants, he will derive from it the service which we are able to render by this contact service, and possibly be shown how his small plant can set up an effort which will be effective.

I do not know that I can show you the actual benefit to the small plant of coming into these contests better than by reading a paragraph from a report on our second metals contest. The contest was won by a comparatively small plant—250 employees. This report tells that until July, 1926, which was in advance of our work, this plant had no safety organization. Their compensation rate for that year was $2.16 per hundred dollars pay roll. In 1927 they developed a definite safety program and their rate decreased to $1.66. When they entered the merchants' association contest in 1928 they had had 18 months of organized safety work. As a result of that experience, and the added effort they claim they gave in attempting to win our contest, they reduced their compensation rate so that their rate for 1929 is $1.01.

I will warrant that if that experience were placed before any number of small companies, not one of them would fail to see the advantage of setting up some sort of safety effort.

Now the work of the merchants' association is not to reduce insurance premiums. It is interested, yes, in showing any of its members how they might reduce a cost or an expense. The work in accident prevention of the merchants' association is purely educational. We believe that you can not have safety in any plant without the full cooperation of the employees in that plant and the management of the plant. We believe that employees are more easily sold on safety than are employers. In the first place, the employee is brought closer to accidents.

You who were at the clinic this morning and who saw those men, know that if you were working alongside of a man who had lost four fingers, or if you were working alongside of a man who fell and who came around as soon as he was able with his head or neck in a cast, you would be mighty careful for at least a little while, until the

effect had worn off or you had become calloused to seeing him. The employee has the actual experience, the contact with accidents, that the employer never has. We believe, therefore, that the way to get cooperation between employers and employees is not to first attack the employee. We believe it is to educate the employer, particularly of the small plant, especially the hard-boiled employer, that it means dollars and cents to him, and we further believe that once having sold him on that idea, there need be no outside force entering into attempt to educate his employees. He will see to that; and so we believe that—because of our organization we are able to do this piece of educational work, to contact with executives—we should continue to do that at least until we see some other phase of accident prevention work into which we can logically enter.

DISCUSSION

The CHAIRMAN. I think there is one thing that we in accident-prevention work must never overlook, and that is the fact that mechanical accidents are often of very considerable severity. I think that too often people will tell you that the so-called human-element accidents are greatly in excess of the mechanical accidents, but all of us who know anything at all about the mechanical accidents will remember that too often they are extremely severe.

Has anyone a question to put to Mr. Yeomans in connection with the campaign of the Merchants' Association as he has outlined it for us?

Mr. STEWART. I would like to ask one question. In talking with Mr. P. G. Agnew, of the American Standards Association, I got the impression that the Merchants' Association was doing something in the building-construction industry in New York. If that be true, I think we ought to have some idea as to what they are doing.

Mr. YEOMANS. Mr. Stewart, you have led me to talk on something of which I am not privileged to speak fully at this time. However, I can give you a hint. I spoke of our plans for the future. Our committee of 30 has been asked to promulgate a plan by which we can conduct a contest among all of the manufacturing industries in and about New York City. We are not able to say now what that plan will be, but we have a hunch, as we secretaries sometimes do, that the committee will decide somewhat in this fashion: We think that we will ask every trade association who has manufacturing members to conduct a contest among its members, setting up prizes or awards if it cares to do so, whereupon we will agree to give awards for the grand winners, or a grand award for the winners of all of the contests, and certificates to all plants that go through the entire contest without an accident.

In that way we will conserve our own machinery. We will not only sell the individual plants but we hope to sell trade associations on the advantages of doing safety work among their members.

We have one experience with our warehouse group, who, after the completion of our contest, started a contest of their own, independent of any work that we might do. It is true that some associations have already been sounded out on that. It is also true that

one of those associations, the New York Building Trades Employers' Association, is on the eve of starting some sort of a safety movement among its members. It covers almost the entire construction field in New York, and we have at least an unofficial assurance from it that it will come in on this plan. As a matter of fact, Mr. Wheeler, of the Building Trades Employers' Association, is a member of this larger committee just mentioned.

Mr. SULLIVAN. I heard a remark made about offering trophies and rewards to the various employers of construction labor. We have an element in that body that no human persuasion will change so long as they are able to make a few extra dollars by the methods which they are pursuing, and trophies mean nothing to them. The only way they can be reached is through their pocketbooks.

The gentleman has told us that the Building Trades Employers' Association of New York City is about to start a campaign. They told us a year ago, in Syracuse, that Mr. Bowman, of the Employers' Association, had appropriated $15,000 for a campaign, and asked for the cooperation of the labor organization. I belong to an organization and I immediately went back and had the secretary of my organization, through vote, communicate with Mr. Bowman, offering him the cooperation of that organization, and that is the last we heard about it.

Now we admit that we have the careless workman in our organization. We have the jumping jack, the fellow who jumps around in order to make a good fellow of himself with the boss, and he does not suffer the penalty until others have suffered for his carelessness.

As I stated before, we must reach the employer who does not give the proper protection to the employees under him, and there is only one way of reaching him and that is through his pocketbook. You must pass legislation to compel him to carry out the provisions of the safety law and protect human life, and that is the only way he can be reached. He is the man who is a menace to industry to-day, the man who carries his office around in his pocketbook.

There is no doubt in the world that the legitimate contractor protects and has at heart the interest of human life and limb, but it is the contractor who jumps around and who gets a job to-day and to-morrow—God knows where he is—who is the menace.

As was stated yesterday by Commissioner Perkins, he is the one who will take out insurance and never even pay the premium. That is the element that we want to reach, and as soon as that is done we will be able to educate organized labor, or organized labor will be able to educate its members, or the majority of its members, as to safe practices; but what is the use of educating a man if when he goes into a building there is an employer who will not give him the proper protection, who will fire him if he does not go out on a flimsy scaffold to work in an unsafe position? That is what we are up against. Until such time as we can get rid of that element we will have the same trouble right along.

The CHAIRMAN. I will answer Mr. Sullivan's question, if I may, Mr. Yeomans. In the first place, I think that the commissioner showed us very clearly yesterday that so far as New York State, at least, is concerned, the proper authorities are cognizant of the situation and intend taking some action.

We have, in our Ontario act, a clause that authorizes the workmen's compensation board to penalize an employer who has too many accidents, or who, in the phraseology of the act, "Maintains his ways, works, machinery, or appliances in any defective manner." Something of that type would seem to be almost necessary but, Mr. Sullivan, there is one phase of your remarks that personally, not as your chairman but simply as one taking part in the discussion, I am inclined to object to, and that is the use of the word "carelessness." I do not like the word carelessness. I think that men engaged in any business care whether they are hurt or not.

If you analyze the word "carelessness" you will see that the use of the word in the promiscuous fashion in which we have become in the habit of using it, I am afraid, in the safety movement is all wrong and, as I said, I do not like the use of the word "carelessness" when applied to men on a job. Those men do care whether they are hurt or not and their families do care whether they are hurt or not, so that as far as I am personally concerned I have written out of my vocabulary the word "carelessness" when it comes to any attitude of mind of any worker on any job at all.

Mr. SULLIVAN. The reason why I used the word "carelessness" is because, if you will pick up any of the statistics about the causes of accidents in any industry, submitted to you by the heads of those industries, you will find that they all state, "The cause of the accident was some carelessness on the part of the worker."

The CHAIRMAN. Not always, Mr. Sullivan.

Mr. STEWART. Mr. Chairman, it seems to me that we might just as well face the situation. The law of New York, and the laws of most of the States of the Union, do not provide for even the inspection along safety lines of buildings under construction. New York inspects factories and mercantile establishments. It has no business to inspect for safety purposes a building under construction, and the inspection that the builder has is a city inspection which has for its purpose and object simply public safety; that is, to see that the walls are not going to fall over on the sidewalks and kill somebody passing along.

They have no legal interest in how many bricklayers or carpenters are killed in that construction. Now, that is true in most all of the States. The building trades have a grievance, and I do not believe in using words that do not do any good, and yet I am rather weary of pussy-footing on this question of accidents in the building trades.

Those fellows do not pay any attention to the ordinary rules of safety, and in Ontario, in Chicago, New York, and everywhere the accidents are increasing most in the building trades, and when you try even to get them to agree upon any sort of a safety code they get up and howl and they do not hesitate as to what they say about me or anybody else who proposes to jam the Government into private business.

I do not know what to do, but I know what I would like to do. We are not going to decrease the total number of accidents until we get hold of the building trades industry.

Mr. WIDDI. I have been attending these safety conferences now for the last 12 years, and for the first time, to-day I have the urge to

say something. I can not say it with the fluency of my friend of the labor organization and the industrial commissioners, because I have not the experience in speech making, but I have a little thought that I want to give to you.

Personally I do not think that safety campaigns and giving out medals and parchments or anything of that kind is going to prevent accidents. The only way to prevent accidents is to have satisfied employees, and when you do have satisfied employees you have no accidents, because it is to their interest to prevent accidents, but you may have thousands of campaigns and thousands of medals, and you may preach safety, but when a man is injured and he appears before a referee and his employer makes him lose six days' wages in order to get $12, and when someone prevents him from getting what the law provides is justly due him, preaching of safety means nothing.

Therefore, to my mind the most important thing to do to prevent accidents is to teach employers of labor to give the employees what the law intended that compensation for injuries sustained during employment should be.

Mr. WEIDNER. A moment ago Mr. Yeomans stated that he represents what takes the place of the chamber of commerce, and he talked very strongly about interesting the manufacturers.

They have contractors among their membership who insist that the employees work with absolutely no scaffolding, and the men must steal from other contractors on the job. It may be boards that have been eliminated by the other contractor, and the new man coming on can not tell what it is because it is covered with débris. The scaffold is put up, and the men get up on it to work, and there is an accident.

I think if that same organization would spread a few of their pamphlets among their own members, making sure that none is missed, and advocating that each contractor assuming a contract make sure that adequate scaffolding is furnished, he would have fewer of these accidents or man-hours lost on his next report.

The CHAIRMAN. I think we are getting just a little ahead of our program.

Some of you know a little something of the governor's safety committee that has been set up in New York. We have been talking about certain problems here that I really feel should come after this part, at least after the address on accident prevention campaigns among State unions.

We have with us to-day, Mr. Thomas J. Curtis, the vice president of the New York State Federation of Labor, and he is going to speak to us on that subject.

Accident-Prevention Campaigns Among State Unions

By Thomas J. Curtis, General Manager Building and Allied Trades Bureau, New York City

I am in a very peculiar position here, because nearly all of my thunder has been stolen, so that I must omit some parts of my speech, but at this time I want to correct Mr. Stewart's statement that there is no inspection of buildings in New York State. There are six

inspectors, of course not half enough, but we have six inspectors who inspect buildings in the city and State of New York, and that is under the department of labor.

On June 26 of this year the governor called to Albany all of the organizations of the State—I mean all of the unions of the State—and appointed a committee on safety. The large majority of those men came from the building trades, because the governor realized there were so many accidents in the building trades that the organized workers should start a movement among themselves.

So a committee consisting of 37 men was appointed and the committee met in August of this year and appointed a subcommittee of 10 to cooperate with the department of labor to have all accidents reported and to get statistics on the occurrence of those accidents. That committee is now functioning, and the department of labor has set up an organization to cooperate with the committee, and we are receiving 100 per cent cooperation.

The unions, in order to carry out this campaign, are holding meetings. Those meetings are addressed by persons from the department of labor and also from the different labor unions, and pictures are shown.

We have developed a novel scheme to insure the success of this plan. We have in our unions what we call a summer meeting, and we assess a fine against our men if they do not attend the meeting; so we have a full attendance at that meeting. That is done every three months, and under that plan we are able to reach practically every man in that union, ranging from 500 to 1,500 men at a meeting, and we are receiving wonderful cooperation from the men in this respect: They are reporting the different violations or the different things that might be made safe on the job.

We have no protection in our building code as far as the city of New York is concerned, and up until two years ago we had no protection whatever from the State, until a committee got together and asked the attorney general for an opinion as to who had the jurisdiction over buildings. The attorney general held that the department of labor and the city both had a responsibility and that is the reason why those inspectors were appointed to inspect buildings. We are in a position now so that if there is a violation or conditions are not safe, we can call on the department of labor to send an inspector to that work and inspect those conditions, and he has the power to stop the work until it is made safe.

We are having some difficulty in making workers understand how to report. A number of them fear that they will be discharged if it is found out that they reported the conditions on the job. So we have established in the organization a committee of two to whom all reports may be made, without anyone knowing who the man was who made the complaint, and in turn that committee will report to this committee that has been set up by the governor or to the labor department; so that we are correcting a number of the conditions that existed in the building trades.

The greatest difficulty we are having is with the subcontractor. We have a general contractor who is willing to do the right thing, but he is careless in letting his subcontracts, because he does not see that safe contractors get the work. We have the noninsured sub-

contractors. We have the subcontractor and the submarine contractor, so that when a man is hurt it is almost a physical impossibility to find out who he was working for. It has taken as many as five and six hearings before the industrial board to determine who was the employer in the case, and yet it reverts back to the general contractor if there is no insurance.

Those are the men with whom we must contend. I had an example only last week of a contractor doing work in the Borough of Brooklyn. He had six jobs, and one out of the six insured, so that he had an automobile waiting at each job for an accident to happen, and when it did happen they got the injured person to the job where the insurance was carried. He was a regular business man.

A man was very seriously injured. He fell five stories and was taken in an automobile at least 8 miles from where he was injured to this job that was insured, and the ambulance was called at that job. I asked the man where he was when he first came to. He said, "My God, I came to in that automobile, and I think they must have been making 90 miles an hour to get me to the job where the insurance was carried."

Those are the conditions that exist in the building trades. There are six jobs going on and only one insured.

Under our system in the city of New York or in the State of New York, before you can get a permit to start a building you must show that you are insured. I think sometimes our officials do not go into it very thoroughly to find out whether they have a policy and they are granted a permit, and in a large number of cases there is no insurance.

There is no way of preaching safety to those people who will not take out insurance. The only way to do it is by law, and to make our laws so that there may be a penalty charged to the employer who does not obey the safety orders.

I had a man call on me last Monday morning before I left to attend this meeting. He went to work at 8 o'clock and he had four fractures of the arm. He was working on a scaffold, and he said the plank was so warped that when he got on it he thought he was at sea. He told the foreman that he could not work under those conditions, and the foreman told him that he would either work or get out, and he got out, because he was there only about 25 minutes when he fell off the scaffold, falling two stories, and the result of the fall was four fractures of the arm; so that is the kind of men with whom we must contend.

We do have some employers who are willing to cooperate, and some of them are taking the men right from our ranks and making them inspectors; and they have on one job in particular in New York, where the rate would run at least $39 on the hundred, reduced that to 1.5 cents on the dollar by putting a competent man, a mechanic, on the job to inspect conditions.

They had four mechanics on that job going from the top of the building; one was going up while the other was coming down, and they covered all the floors, and if they saw a hole left open or a barricade down they would nail it up, and in that way there was not a serious accident on the entire construction.

That goes to prove that where safety is taken in hand it is cheaper for the employer, but we have a most peculiar situation in the building trades in New York City—not so much up the State here as we have in the city—to try to educate both the worker and the employer. We are making wonderful strides and it is our hope, the hope of the commission appointed by the governor, that one year hence we will be in a position to state that we have at least reduced the accidents in the building line 25 per cent.

There are more accidents happening in the building line now than when there were three jobs for every man, and there is one way of reasoning that out, and that is that working men are taking greater chances to keep their jobs and they are meeting with more serious accidents.

I have a very striking example of a young boy at his first day's work. He was put on as a timekeeper. He had just graduated from high school. He was up on the seventeenth story of the building and he walked into an opening, and his people were not permitted to see him, because of the condition he was in.

If we can, in our campaigns, bring this to our public schools and to our unions and educate the younger element along lines of safety, we will be doing the job that the governor expects us to do. I desire to say, on behalf of the labor movement of this State, that we are very thankful to the governor for asking us to do this job, and we mean to be 100 per cent successful if that is possible.

I want to say to you that I am glad of the opportunity to be here with you to-day and all through this session, and I hope that when we meet again we will have a report from the building line that we have reduced the accidents almost to a minimum.

DISCUSSION

Mr. Hutson. In regard to the previous speaker's remarks and also those of my friend, Mr. Stewart, I just want to relate my experience in the building industry as I found it in the last 25 years.

No doubt every workman is familiar with his own particular line and can see the remedies and offer suggestions, but I think Mr. Stewart hit the nail on the head in regard to our industry. I am an ironworker in the construction of steel buildings and bridges, and when he said that the inspection in the city of New York was done by the city to see that the walls of the buildings do not fall on the sidewalks, he is more right than wrong as far as inspection is concerned. That is our code.

The most important thing, in my opinion, in regard to the safety campaign, is that we must educate the members of every organization; in fact, everyone who works for a living, but in this education we certainly must have the cooperation and the protection of the city, the State, and the builder.

Take my line. I think I can offer a suggestion here that will reduce accidents at least 25 per cent. In the code, concerning the construction of buildings where steel derricks of any nature are used in the construction, it says that a flagging of the derrick floor must be securely covered and project three feet over the building line. That is safe as far as the operation of that derrick at that

time is concerned, but when the derrick is taken out of the cellar to the first floor, the second floor, the third floor, and the fourth floor, the material that it rests on must be moved up, and in the course of raising the derrick, all the floors that have been built up to that point are more or less open. There are numerous things on those floors—broken pieces of planking, bolts, washers, and the material that is used in the erection of the steel. Planks are torn up and they fall below.

At the Syracuse convention it was contended that the principal causes of accidents in the building line were falls and falling objects, and I agree with that.

My point is that I am maintaining that the code should be changed, and in the construction of buildings the contractor should be compelled to use two sets of planking, and when the derrick is resting on the second floor, those planks should remain there, and a covering should be furnished for the fourth story, and when the derrick is raised to the fourth floor, whatever objects may be on those planks will rest there, and should a workman happen to fall he will fall only two stories.

What I mean by that is that we should have two sets of planking on a building where there is steel construction and a derrick of any kind is used, and it should start from the second story. I am sure if that is done at least 25 per cent of the accidents in the building line will be prevented, not only for the ironworkers, but for the men who come after us. There are many accidents happening to the men who work underneath us for which we receive the blame, caused by carelessness and everything else, but it is because we have not the proper protection to work under and work on.

Now I want to cite another thing that has cropped up in the city of New York in the last year, and I do not know that there is any rule or regulation governing it, and that is the wrecking of buildings. I do not know of anything in the code pertaining to the wrecking of buildings.

Previous to a year ago, in dismantling a building they took it down two stories at a time and you had your floors to work on, but very recently, within the last 60 days, a new process has been started in regard to wrecking buildings, and that is done by one of the biggest contractors in the city of New York.

The scheme is to close all of the windows in the building from the cellar up, cut all concrete out of the floors, from the top floor down to the cellar, and then allow the space that is required to take down that building, whether it is light or heavy, and all the steel is burned off and dropped to the cellar.

On the particular job I refer to there were three men killed. Why? Because there was nothing for those men to get around on, and when anything fell it fell in the building. The contractor protected himself so nothing would fall out of the building because he would have a damage suit, but it seems that the fellow on the inside was not looked after at all, because there were three deaths on that one job.

Now, there is something that the labor department should take hold of immediately, because it is a condition that is going to get away from us, and it will be hard to correct. As I said, there is nothing in the code that covers the wrecking of a building.

On the other point that I brought up, our code needs amending. Our code has not been amended for a long time and I think that is one of the things the labor department should take up and consider as soon as possible, because when it is all said and done the laboring man is not considering the compensation. He must conserve his health, and that is the important thing in industry.

The CHAIRMAN. I think there are certain suggestions likely to be advanced here this afternoon that might more properly be put either to Mr. Curtis or to the governor's committee. As I see it, this floor is not a place for debating other situations as they may apply to New York State or New York City alone, to the exclusion of a lot of other material that we have on the program for this afternoon.

Mr. GERNON. I would like to correct a misstatement. Mr. Stewart said that we do not cover buildings in New York State or in New York City. It is true that we do not cover them to our satisfaction. We have 17 inspectors instead of 6, as incorrectly stated by Mr. Curtis.

Seventeen inspectors will not cover the buildings that are now in the course of construction from Twenty-third Street to Sixtieth Street.

With these 17 inspectors we have prosecuted so far this year 140 contractors. We have tagged over 1,400 pieces of equipment for buildings and declared them unsafe, but you can readily realize, if you know the State of New York or even the city of New York, what a fallacy it is to say that we are covering building construction work with the number of inspectors we have.

Basically we had better find out what is causing accidents, and I am only going to refer to a couple of phases of accidents. We know that falling objects stand highest, falls are second, and the condition of the machinery in the State of New York is third.

Basically we have not as yet taught people to stand industrially. They can not keep on their feet industrially. Why? We get right back to the problem that industry is not properly maintained. The machinery of this State is not maintained in the condition that it should be, and somebody said that the employees were injured because of their carelessness. It is not their carelessness. They are supposed to work with these tools, and if they do not work with them somebody else will; so conseqeuntly they try to work with them, and there is an injury. It is not the fault of the employee. It is the fault of the maintenance of that machine.

The thing that causes the most accidents or injuries, whichever term we desire to use, in the building industry is maintenance—the failure of maintenance. I will defy anyone in this audience to go into an ordinary building under construction and keep on his feet, no matter how efficient he is on his feet, and the war demonstrated how inefficient a great percentage of the people are, as far as their feet are concerned.

Every Thursday at least 25 contractors are called before me for failure to comply with the orders, and every one of them is told that if he has not complied with the orders by the time the inspector makes his next inspection he will be taken into court. That is a stock phrase that we use, and we do take them to court if they do not comply with the orders.

They comply to-day, and to-morrow that building is just as unsafe as it is possible to make it. Why? Some employees tear down the barriers. They must tear the barriers down in order to do their day's work, as the employer does not furnish them with the equipment necessary.

And then we have Mr. Speculator Builder. You say you can not find him. Well, we can not find him. We make an inspection of a building, and we do not know who owns it. It is almost impossible to find out who is the owner of the building. Of course you can always tag the equipment, but primarily in the enforcement of this law you are not going to do it for the purpose of putting people out of work, if it is only for a day or for a week.

The building industry is practically new as far as that phase of it is concerned. It is only a few years that we have been applying a very obsolete law. This law was enacted when they did not construct buildings as they do to-day—nothing like it. The construction was entirely different. The law was enacted when the walls carried the structure. That is not so to-day. When you enter a building you are taking all kinds of chances unless there has been a real effort to make it safe. We must admit that the very nature of the industry makes it unsafe. We know that some wonderful records have been made on buildings, but still there is a hazard. It is always there and always will be there, but we can minimize it to a great extent. There are accidents happening every day for which there is no excuse, and the best thing we can do is to make these people clean up the building.

Nobody ever thinks of taking a broom or a rake and raking up the material that is on the floor, and you do not know what is going to happen when you walk across some floors. Just notice the temporary stairs and the permanent stairs they put in some of these buildings.

That is the situation and it must be remedied, but any remedy you may suggest will require a fairly adequate force of inspectors. I do not believe you are ever going to be able to enforce all of the laws with inspectors or officials. We have basically something more to do than that. We have to educate many people. We must educate the employer and the employee, but it is not fair to ask people to work in an industry under conditions as hazardous as in a trench.

The only new thought I got at the National Safety Council was this: The people who are selling equipment for men and women to work with have done considerable in the last few years in the making of shoes and hats. Anybody who was at that council last week saw that instead of making the trench hat of steel it is now being made of a heavy fiber. At the display there I saw hats which would eliminate many of the hazards if the men in the building line would wear them. Of course, it is a problem to induce men to wear certain clothes.

Mr. SULLIVAN. I am going to offer a suggestion, and that is for a starter—qualified inspection of all buildings by qualified inspectors paid a living wage, because the wage paid to factory inspectors to-day is not at all a credit to the State of New York. If a living wage were paid, many more men would be induced to leave the building industry and take examinations to become inspectors, be-

cause when you want a man in the building industry you do not want to select a dry-goods clerk. That is one suggestion.

The other suggestion is what was embodied in the talk by Brother Bell this morning, that a safety adviser be installed, whose duty would be to look after the safety of buildings only. I will cite you an instance of Reilly & Son, a contractor, who had two men whose duty it was to look after safety in the construction of a large building, one of the largest buildings in New York City, and they did not have even one minor accident in the construction of that building from the start to the finish. So there are many ways of doing this if we are sincere in our effort.

Now, in regard to Brother Curtis's statement. Let us call a spade a spade. We do not go to a fish store to buy drugs, and there are many of the 37 members of Governor Roosevelt's committee present to-day, and we can have an exchange of ideas from men all over the Union, from every State in which compensation laws exist, and this is the place where you are going to learn by the exchange of ideas on safety, and let us be sincere. I am sincere in this movement. I know Brother Curtis is sincere, but I am not going to accept an appointment by the governor on a committee just to get my name in the paper. I would not accept the appointment unless I meant to work.

Mr. McGRANE. I have a sugguestion which I think is good. I think if the builders of New York and the architects of New York, or of any part of the world for that matter, would investigate the character of the subcontractor and see that he carries insurance to take care of the injured worker, it would help a whole lot.

The CHAIRMAN. I think that is getting into the general question of human nature and that is a large problem for us to handle this afternoon.

Mr. YOUNG. I have been working on a job in Brooklyn which has been going on for two years and which I think is one of the largest reenforced jobs that has been done in some time, the remodeling of Loeser's old building in Brooklyn, being done by John Thatcher & Sons, and at times we have had as many as 60 men on the job, and I am very glad to report that we have not had one accident on that job, because Mr. Thatcher is on the job every morning instructing the subforeman to leave nothing open, no loopholes. In other words, acting as an inspector on the job and, as this brother says, 17 inspectors could not cover half of the jobs in New York, not to mention Brooklyn or Long Island.

I think this job in Brooklyn has established a record. It has been under construction for two years. I am working there myself and I am very glad to make this report for that particular job.

Mr. STEWART. In New York City in 1928 there were 8,395 buildings erected and there were 2,920 buildings torn down.

The CHAIRMAN. I am going to suggest that we go on with the program. There has been sufficient said in regard to the matter of the building trades here this afternoon to indicate that there is a very considerable responsibility resting on all lines, all trades, in connection with that industry, the same as there is in any manufacturing business.

We are going to switch over from building and construction to the chemical industry, as I understand that there have been a certain number of chemical accidents that have called for considerable discussion, and Mr. Burke, the chemical engineer of the Bureau of Industrial Hygiene of New York, is going to speak to us. Mr. Burke's subject is, "Accidents and Health Hazards in the Chemical Industries."

Accidents and Health Hazards in the Chemical Industries

By William J. Burke, Chemical Engineer of Bureau of Industrial Hygiene of New York

As another paper is to be read at this meeting on accidents and health hazards in the chemical industries, I have decided, in order to eliminate repetition as far as possible, to treat the subject more from the viewpoint of the investigations of the department of labor of New York State in connection with some of those industries in this State.

It has been said that this is an age of science and ours a nation of science. The advance in the conservation of health and safety is, indeed, an index of the progress of modern civilization.

Health and safety conservation with all of its wealth of scientific achievements, with all its learned and earnest workers, would never have progressed to the point attained without the aid of a sympathetic and intelligent public sentiment. Public attention to health in the manufacturing field was directed in particular to the chemical industry during the late war because of the hardships and suffering caused by some of the mushroom chemical plants which appeared almost overnight, and in most cases little thought was given by the manufacturer to the welfare of the worker. The slogan in use at the time of "production at any cost" provide a costly one in pain and suffering to the employee.

When men in different walks of life think independently of each other and come to the same conclusions, action usually follows and with the evidence weighed there is likely to be progress along the right lines.

Education or advancement in knowledge is, therefore, the dynamic force of our civilization. Education has broken down the barriers of folly, superstition, and ignorance and it will continue to break down many more, of which, may we not include the accidents and health hazards of the chemical industry? The most cherished thing in life is life itself, with health the most important controlling factor and if man's principal asset is health, it follows that any impairment of this great gift results in decreased or inefficient work, misery, and even early death. While these things apply in all forms of industry the chemical industry offers no exception.

What constitutes the chemical industry? Is it a branch of industry in which acids, alkalies, salts, colored pigments, and dyes are made, or is it a part of industry, which includes also the manufacture of such articles as soap, white lead, metal reduction, calcining carbonate of lime, making plaster of Paris from gypsum

rock, for, bear in mind, finished products are made from raw materials involving chemical changes. May we not also include the compounds of the numerous drug products, of varnish stains, lacquers, and paints. If all of these articles are included in such a branch of industry, then surely the chemical industry in New York State is a large one and covers a great field.

The object of this assemblage is, I believe, to determine what progress has been made in accident prevention in industry and to attempt to devise ways and means toward health conservation and prevention of accidents.

The Statistical Bureau of the New York State Department of Labor reports that accidents have decreased in the chemical industry in this State during the last two years. What has been the cause of this decrease? Why should accidents decrease, and by that I do not mean only number of accidents, but also accident severity. The answer is that the workmen are becoming wiser day by day, and take a keener interest in their work while employers take an interest in their employees with a different spirit than they formerly did. Workmen's environment has improved; it will continue to improve, it is hoped, and keep pace with the new hazards that may occur with the progress of the chemical industry.

It was stated that men are becoming wiser. Let us consider some of the things in which the average chemical worker is becoming wiser. He is becoming wiser in the matter of personal hygiene; this is plainly shown by the care he is exercising in keeping his body and apparel cleaner, in the use of soap and water and individual towel for the removal of poisonous or injurious chemicals from his person and especially from his hands, where contamination is more likely to occur, and in the avoidance of such dangerous practice as wiping his hands on his clothing. In relation to the avoidance of unclean habits I would like to mention one of the many cases which were investigated by some of the personnel of the Bureau of Industrial Hygiene of the New York State Department of Labor.

In this case, which resulted in death, the man was employed in a concern which manufactured antimony sulphide. He was very unclean in his habits and absolutely disregarded the ordinary rules of personal hygiene. He was provided with a suitable locker, which he used alternately for street and working garments, but it was so rarely cleaned that its floor was covered to a depth of one-sixteenth of an inch with dust, which chemical analysis showed to contain 22 per cent of antimony sulphide. The fatal poisoning in this case was undoubtedly largely due to the man's own careless habits.

The average worker in the chemical industry is giving a great deal more thought pertaining to proper working shoes. He is realizing the danger resulting from wearing leaky or defective shoes which no longer serve the purpose for which they were intended, protection of the feet. Defective shoes not only expose the wearer to the hazard of poisonous chemicals by absorption through holes or otherwise, but may result in fallen arches or other body deformities due to the continued use of shoes run down at the heel. While I am on this subject of shoes, permit me to stress the importance of proper working shoes, as a great many of our industrial maladies can be

directly traced to the continuous walking or standing in improper shoes.

Men are becoming wiser in the avoidance of such accident and health hazards which may result from—

Eating in workrooms in which injurious chemicals are handled or manufactured;

Carrying matches or cigar lighters into, or smoking in, places in which inflammable liquids or gases are present;

Neglecting to seek first aid for apparent slight illness, eye injuries, cuts, bruises, or burns;

Placing ladders near open vats which are filled with liquids of a dangerous or poisonous nature;

Entering a tank without knowing whether it contains fumes or vapors of a dangerous nature, or failing to provide themselves with a life line held by helpers outside of tank;

Blowing a stream of compressed air into an acid carboy in order to force out the acid content;

Leaving their station without permission when they are supposed to watch constantly a tank or device which may explode by the generation of unusual heat if the cooling device fails to work;

Without permission, try to melt, burn, or otherwise destroy containers or utensils in which dangerous or explosive materials have been stored;

Failing to use properly the lock and chain provided for the purpose of locking control valves to tanks when men are at work therein;

Neglecting to clean tools which have been in contact with poisonous or explosive materials;

Allowing salts or liquids of a dangerous or deleterious nature to remain on the floor when dropped or spilled;

Sweeping floors, walls, or machines during working hours in any manner which may cause dust of a dangerous nature to be released into the workroom;

Throwing oily rags or other dangerous refuse near steam pipes;

Lowering an electric light globe which is not furnished with a safety vapor-proof globe and guard into a tank in order to observe conditions therein.

I wish to cite one case of fire which was investigated, the direct cause of which was the lowering of an unprotected 40-watt incandescent light through a small opening in a closed tank which contained benzine, to observe the amount of liquid. The fire was definitely determined to have been caused by the ignition of benzine vapor which came into contact with the glowing filament of the light when the globe was broken against the inside of the tank. This fire caused the severe burning of five employees and the destruction of the factory.

Men are taking an interest in their work more intensely than they formerly did; this fact is borne out by the decrease of injuries resulting from unsafe methods and practices. It can be said without any fear of contradiction that unsafe methods and practices (which include carelessness, chance taking, disregard of established rules, and lack of knowledge and judgment) cause more accidents with injury to limb and body, loss of life, and damage of material and property, than the accidents which are classed as unavoidable because their occurrence could not be foreseen.

Many chemical firms in New York State take an interest in their employees in a different spirit than they formerly did; this is shown in most cases by the whole-hearted spirit in which they are meeting all the provisions of the labor law relating to sanitation. These laws require an adequate supply of good drinking water; an ample supply of hot water, soap, and individual towels where lead is handled; a suitable place, separated from the work room, in which meals may be eaten; clean windows, floors, walls, ceilings, and unoccupied space; covered receptacles for waste; adequate light, at least one-quarter of a foot candle of light at the floor level; and most important of all to my mind, an efficient ventilating system for the proper removal of dusts, fumes, vapors, and gases. A word here about the efficiency of these ventilating systems: Some manufacturers seem to think that any tinsmith can devise and install a suitable ventilating system, and that such a system will fully accomplish the purpose for which it has been installed, the adequate removal of dusts, fumes, vapors, and gases. It has been demonstrated time and again that such a system is worse than useless for the purpose sought to be attained. The installation of a suitable ventilating system is a rather difficult engineering proposition and should be handled by engineers familiar with work of this nature. The bureau of industrial hygiene is willing to cooperate at all times with the manufacturer in New York State relative to the installation of adequate ventilating systems.

It can be said with all fairness to the management of the chemical industry in New York State that a great many of them go a step farther than only meeting the requirement specified by law and have themselves installed some of the following safeguards for the elimination of accidents and health hazards:

They have a properly organized and well functioning safety organization in which they are devoting the same amount of interest as is given to their production problems. They are aware of the danger of letting such organizations drift along by themselves and, without proper accounting of their activities, reach such a dormant state as to their usefulness that their work along safety lines can be identified in name only.

The manufacturer is also becoming awake to the necessity of the proper education of the employees pertaining to accident and health hazards. The modern method of education along safety lines is for the safety organization to explain to the prospective employee, before he leaves the employment office, the nature of the hazards which might result from his employment and to outline ways and means by which he can protect himself against their occurrence. It is only fair to the new employee that he be made fully familiar with the nature of the hazards involved in his new employment at the time of hire, in order that he may be in a better position satisfactorily to judge the merits or demerits of the new work and also properly to safeguard himself against those hazards, should he decide to enter the employment. Ignorance of methods, equipment, or materials handled is one of the outstanding causes of industrial accidents. I will give for illustration at this time only one of the many cases which were investigated where ignorance resulted in hardship to the workman. In this particular case the man was employed in a factory engaged in the manufacture of colors; he was found to

have suffered from five attacks of dinitrobenzol poisoning, each attack necessitating his removal to a hospital, where a diagnosis of "carbon monoxide poisoning" was made, the error being due to the similarity of the symptoms produced by the two poisons. Investigation of this case proved that the man, never having been informed, was totally unaware of the poisonous nature of the material which he was handling, and was not only exposed to the fumes in the usual way but even wiped his hands, soiled with dinitrobenzol, on his clothing and thus presented for evaporation a large surface from which he inhaled the fumes at close range.

The chemical manufacturers in many cases are providing safeguards to their employees along the following lines:

Equipping all tanks in which a pressure is carried or may be generated with one or more safety valves of sufficient size and capacity to relieve all the pressure from the tanks should it become greater than the maximum working pressure allowable for these tanks.

In all works where inflammable gases, vapors, or dusts are present or likely to be present, the lighting system is usually of such a type as to prevent ignition of any of these substances. This is accomplished by the use of vaporproof globes and the location of switches and controllers so as to insure that there shall be no means by which ignition shall take place.

All shafting and belts are electrically grounded and no motor of a sparking type is installed where there may be present any danger of the ignition of inflammable materials.

Installation of radiators or steam pipes are conducted in a manner to allow at least two inches of space between the walls to protect against the accumulation of dangerous chemicals.

Air intake of all fans used in conjunction with drying ovens or drying rooms are so placed as to insure that the incoming air shall be absolutely free from contamination of inflammable dust or gases.

Browning tubs, or showers, are provided in places where acids or alkalies are handled or used.

Separate double lockers for care of both working and regular clothing are provided for each employee where necessary to protect him against poisonous materials, and it is mandatory that the employee keep the lockers clean at all times.

Shower baths in the proportion of at least one to every twenty employees are provided in places where irritant or corrosive chemicals (such as aniline colors, Paris green, chromium compounds, naphthalene, acids, alkalies, etc.) are made, handled, or used in quantities.

In addition to these safeguards, the manufacturers in a great many cases are equipping valves connected with pipe lines or tanks with tags and are placing them to be within easy reach for safe and speedy operation when necessity for operation arises.

Posters are furnished to the employees detailing the safe method of handling and storing carboys which contain acids, as well as the proper equipment necessary to safely handle the same.

Adequate aisle space is provided in at least two directions to furnish safe exit for attendants near tanks or vats in which there is the possibility of danger from the sudden boiling over of the contained material.

Proper ventilation of pits, tunnels, vats, or tanks in which employees must enter, where there is danger of fire, poisoning, or asphyxiation.

They are also providing special clothing and devices to protect the employees from the inhalations of injurious dusts, gases, or fumes or to prevent contact on their skin with irritant or poisonous substances. The special clothing and devices include respirators, protective devices for the head, neck, ankles, and feet, jumpers, overalls, aprons, shoes, gloves, goggles, and masks.

They are realizing the necessity of teaching the workmen to thoroughly examine and properly clean pipe lines, traps, machines, or other devices which may contain substances of a nature detrimental to health, before making repairs on same.

The providing of suitable reliefs to the outer air on receptacles to conduct the vapors of volatile liquids of a deleterious nature, which may arise during the filling operation, and also the conducting of experiments relative to the substituting of chemicals of less hazardous nature and are making such substitution wherever it is possible.

The ever-changing processes and introduction of new chemicals of which very little is known of their toxic properties, impose unusual requirements on safety measures to protect life and property in the chemical industries. The avoidance of such hazards can be accomplished only by constant vigilance on the part of the management and works.

While it is true that the management of many of the chemical concerns in this State are taking pains to safeguard their employees, it is equally true that the less progressive concerns are still wasteful of this human factor.

They do not seem to see that it is sound business properly to guard the invironment of the workers intrusted to their care. The accidents of both health and traumatic nature that occur in some of these plants are due mainly to ignorance or greed on the part of the employers.

Such conditions keep the worker uncomfortable; they hinder his work and make him an easy prey to such accidents. They are likewise harmful to the employer, for he is the constant loser from poor and careless work, spoiled stock, absences, and high labor turnover. It is an old axiom that good health and work go hand in hand.

The Bureau of Industrial Hygiene of the Department of Labor of New York State recognizes the inherent health and accident hazards in its chemical industries, but also realizes the possibility of the elimination of these hazards.

The department is anxious and willing at all times to work with the manufacturers and workers of the chemical industries in an endeavor to overcome these health and accident hazards.

The CHAIRMAN. I suggest to you that we combine the discussion on the three addresses relating to the chemical industry after the other two addresses have been presented.

Mr. Burckel is going to give us an address on "Accidents and health hazards in chemical industries." I think that we will find that safety fundamentals are pretty much the same in all lines of industry, and it is a very great pleasure for me at this time to call on Mr. J. A. Burckel, the vice president of Du Pont Viscoloid Co., New York City.

Accidents and Health Hazards in the Chemical Industries

By J. A. Burckel, Vice President Du Pont Viscoloid Co., New York City

E. I. du Pont de Nemours & Co. has long been associated with the work of your organization and has received considerable help and benefits from its cooperation with representatives connected with your association, gathered together from all sections of the country and of the world and representing the interests of all parts of the general public. We hope that our company has contributed to the good work you are carrying on, and I can assure you that nothing is considered by the management of our company to transcend in importance the protection of health and life of the employees engaged in manufacturing its products.

To such an extent is this true that recognition of safety performance and special incentives for improvement in safety records have for many years been established by the president and board of directors of the company. A plant which surpasses a standard of safety performance established by the company receives more commendation and recognition than would result from the establishment of a new record in volume production, cost of production, profit on sales, or any of the generally accepted measures of commercial success.

In appearing before this assembly I realize that there is little if anything which I can contribute in the way of concrete ideas or plans. I have not the technical training of a chemist, of a mechanical engineer, or of an expert on safety devices. I am here to express to you the attitude of the Du Pont company and all Du Pont subsidiary companies in supporting with 100 per cent sincerity the idea and the practice of safety in industry.

In discussing accident and health hazards in chemical industries it is appropriate to ask ourselves first, what is included in the term "Chemical industries." There is, I believe, no commonly accepted definition, no hard and fast rule by which it may be determined whether or not an industrial enterprise comes within this scope, but Dr. John Teeple, one of the leading chemical engineers of this country, has pointed out four characteristics of a chemical industry which are significant.

1. A chemical industry manufactures and sells materials which are essentially different chemically from the raw materials.
2. The production involves a preponderance of chemical processes.
3. The operations are controlled by trained chemists and engineers.
4. The management possesses chemical understanding and a chemical outlook.

If we consider this a fairly good description of what the chemical industry is, and look back over the developments of the last decade or so, there are several points which stand out impressively. One undoubtedly is the magnitude and diversity of this industry. According to the last census figures available (1925), the annual products of American chemical industries amounted to $21,021,875,000 not including the metallurgical industries, which would raise the total to over $23,500,000,000. The annual increase in the

value of the products resulting from chemical and metallurgical processes was over seven billion dollars. The figures for 1929 will probably be even greater. Another measure of the size of the chemical industry is the power consumed. According to the same census report, the chemical industries used over 7,800,000 horsepower, while it is interesting to note that the mechanical industries, in what we consider to be the mechanical age, used only about 6,500,000 horsepower. The products of the chemical industry include such contrasting materials as rayon, chlorine gas, rubber, dynamite, medicines, fertilizers, flotation agents for ores, cement, paint, etc.

Another point is the number of new industries constantly being developed by chemical research. Historically, of course, the synthetic dye industry, to which synthetic medicines are closely related, is a conspicuous example. Another instance is the whole electrochemical industry, with such products as alkali, bleach, aluminum, and carbide, which in turn is the starting point for a variety of other products. The manufacture of an ever-increasing variety of synthetic plastics with a multitude of applications, the fixation of the nitrogen of the air to make explosives or fertilizers, the manufacture of new motor fuels, of new kinds of lacquers, and of new solvents for use in chemical industries are developments which are very important not only in the size of the commercial developments but also in their effects on the living conditions and convenience of all of us.

A third point, equally significant but perhaps not so frequently stressed, is the extent to which old established industries are becoming chemical industries in the somewhat restricted sense of the definition suggested above. What I mean by this can perhaps best be shown by the mere mention of three such industries; for example, the preparation of food, the tanning of leather, and the making of glass. All of these processes are extremely old. They were carried on before there was any science of chemistry or indeed any science. But to-day we listen to the expert advice of food chemists, leather chemists, and glass chemists, because it has been found that chemistry can make extremely important contributions to these industries which are to a greater or less extent in individual cases becoming chemical industries. As another example, the United States Steel Corporation is now one of the largest manufacturers of by-product chemicals, and metallurgical processes are more and more the subject of chemical control and research. A similar change is taking place in the petroleum industry, where, in addition to increased chemical processing and control, we note the use of petroleum derivatives for the synthesis of new organic materials such as solvents.

It is perhaps superfluous for me to emphasize the widespread ramifications of the chemical industry, for you must be aware that in our modern industrial civilization chemistry is becoming more and more a dominant factor in providng new materals for our constantly heightened standard of living. It has been said that the measure of a civilization may be taken by the amount of soap it consumes. Chemists have measured it by the amount of sulphuric acid, but as Doctor Herty has said, the criterion does not matter, for both soap and sulphuric acid are chemical products.

The numerous contacts of the average citizen with the products of chemical industry have been brought home to audiences by the device of following a man through his normal day's activities and noting that almost everything he touches has to a greater or less extent been the result of chemical operations. Another method of visualizing the same truth is to consider such a familiar object as the automobile, which presumably most of you are accustomed to think of as distinctly the achievement of mechanical industry. Yet, if you go over the different parts of this machine, the glass of the headlights, the finish of the body, the electric storage battery, the fabrics used for upholstery or for the top, the special alloys from which the engine is made, the synthetic material for the distributor, and even the lubricating oil and fuel used in the engine, you will be impressed by the fact that there is not one of these items which is not the result of chemical industry.

To-day, in fact, we are in the midst of a chemical revolution which will perhaps be as wide-sweeping in its effect as the mechanical revolution which began a century ago. The chemical industries underlie nearly all others. The paper and ink of the daily paper, the glass of the window, the wire of the electric lamp, the paint or paper on the wall, the color of your clothes—all are products of chemistry.

There is another viewpoint from which we may consider the chemical industry, one which is perhaps of particular interest to this group, and that is the increasing variety of methods which are available to the manufacturing chemist. The use of electric current has become familiar. Such means as extremely low and extremely high temperatures have been followed by the use of extremely high pressures. In the synthesis of ammonia from the air, for example, the gases are compressed to nearly 15,000 pounds per square inch and this not in a small laboratory, but on a regular manufacturing scale. The use of contact substances to speed up chemical reactions is another modern development which may truthfully be said to be the foundation of many modern synthetic processes.

While these new resources have increased the possibilities of chemical industry, they have not, I think, greatly increased the hazards. Those to whom the chemical industry is not familiar possibly think of its hazards in terms of the corrosive action of such material as sulphuric acid or of molten caustic which destroy human flesh with which they may be in contact. Or possibly, they think of such hazards as toxic gases of which a few breaths may be sufficient to kill. These of course are the more spectacular hazards, and it can not be denied that they are real. Nevertheless they are the sort against which safeguards may effectively be raised, and are less difficult than those cases where, for example, a worker may be slowly and quite unconsciously poisoned by the gradual absorption into his system of materials with which he works, whose toxic nature is not yet understood. This sort of hazard will possibly increase with the numerous new synthetic materials which modern industry utilizes; but it has not been possible for the chemical industry to avoid processes because they were known to be or might possibly be hazardous.

The fact that the chemist in industry can not avoid processes or products because they may appear hazardous is justified by experience in numerous lines where, because of the public need for the accomplishment of certain results, industry has accepted the initial

risk of dealing with dangerous materials and has not only accomplished for the public welfare the beneficial results which constituted the goal of achievement but also, by recognizing and studying the source of the hazards, has developed safe processes so that operations which appeared extremely hazardous have been made safer than many other processes where, because the hazard was less evident, the study of protective measures has been less thorough.

Perhaps no better example can be cited than dynamite and other explosives, which have become one of the absolute essentials in everyday industrial life. Explosives, which were originally designed for destruction, have come to be recognized as an absolute necessity in constructive work throughout the world. When Nobel first discovered dynamite the process was considered so extremely hazardous that restrictions were made, so severe that a large part of his early development work had to be carried out on a barge anchored at sea. Contemplate for a moment what would have been the result had this product been abandoned as being too dangerous for development and production. During the past year more than 500,000,000 pounds of commercial explosives were consumed in the United States in industry. Without this tremendous, controlled, safe force, it would have been beyond human possibility to have mined the millions of tons of metallic ore and coal; to have provided the millions of tons of stone for buildings, for roads, for railroads; to have provided the materials for the millions of barrels of cement, etc. In short, the hundreds of products which are cheaply provided in unlimited quantities from nature's bountiful mineral resources would have remained unavailable except to the extent that they could be excavated by hand labor. The production, storage, transportation and use of this enormous quantity of explosives was accomplished with so small a toll of injuries or loss of life that the industry compares favorably with dozens of other industries which the public never thinks of in terms of hazard. The inherent danger in the process of manufacturing explosives is no less now than it was at the time of the early experiments. The safety accomplishment has been the result of recognizing and studying the hazards and providing the necessary precautions regardless of the trouble and expense involved. Safety of operation has been made absolutely the first consideration.

The soundest basis for safe practice in industry is to know the facts and provide precautions.

The National Safety Council in carrying on its splendid work recognizes that the safety problem centers in education. The series of talks recently broadcast throughout the country by that most modern educational factor, radio, has accomplished a tremendous result in bringing the safety idea into the homes of millions of industrial employees who have heretofore heard safety preached only in industrial plants. One can not fail to be impressed with the statements so amply supported by statistics that the safety work which is being done by all of the representative industrial organizations is producing constant reductions in the number and ratio of accidents and fatalities. It is no less impressive to recognize the fact that almost wthout exception the leading organizations in any line of industry are also the leaders in safety accomplishments.

The published accident statistics of the National Safety Council for 1928 cover 2,557 establishments, 1,828,186 employees, and

4,266,262,858 hours of exposure. These statistics are tabulated separately covering 16 industries, in which the chemical industry is included. As has already been said, the segregation of chemical industries as such is largely arbitrary, so that in these statistics the chemical group represents industries covered by the narrow definition. As the chemical group in the above statistics represents approximately 5 per cent of the total, the figures showing frequency and severity of accidents should be fairly comparable. Taking the average rates for the three years of 1926, 1927, and 1928, the frequency rate for all industry was shown to be 27.27 and for the chemical industry 18.30. The average severity rate for all industry was 2.17 and for the chemical industry 2.07.

One of the most interesting and significant disclosures of the National Safety Council statistics is that the record of the 2,557 establishments which report accident statistics and which recognize organized safety work as sufficiently important to receive special attention, have a decidedly better safety rating than the total for all industry. Expressed in another way, the statistics indicate that if all industry had the same safety rating as those industries cooperating with the national association, the industrial fatalities for the year 1928 would have been 8,600 less. It is further significant that the establishments which have operated under organized safety plans over a period of years show lower ratings that those establishments which have more recently adopted safety work.

The importance of these conditions as indicating the need for extended education among all industrial organizations, along with education of employees, can not be overemphasized.

The Hon. James J. Davis, Secretary of Labor, has listed the causes of industrial accidents as follows: Faulty instruction, 30 per cent; inattention 22 per cent; unsafe practices, 14 per cent; poor discipline, 12 per cent; incompetency of employees, 8 per cent; physical unfitness, 3 per cent; mental unfitness, 1 per cent.

The causes of accidents in the chemical industry differ very little from the causes of accidents in industry as a whole. The large majority of accidents in the chemical industry do not occur from what may be called process hazards or hazards peculiar to the particular industry, but from the common everyday causes encountered in all industry. For example, falls rank as the first cause of accidents in the chemical industry and rank fourth in industry in general. The fact that the hazards which cause the accidents in the chemical are not peculiar to the industry is not difficult to explain. The obvious hazards are surrounded with maximum safeguards, and the presence of an obvious risk engenders greater care on the part of employees. Poisons or corrosive chemicals encountered in the chemical industry are handled so far as possible in closed equipment and usually under the protection of elaborate ventilating systems. In other words, the hazards peculiar to the industry are largely eliminated in the design of the equipment used. Goggles, gas masks, protective clothing, etc., are provided for emergencies.

Since the accident prevention problem of the chemical industry is so similar to that of industry as a whole, a brief discussion of the subject of accident prevention should concern itself not with the few accident hazards confined to the chemical industry, but rather with the fundamentals of accident prevention applicable to all industries.

Accident prevention appears to embody at least four fundamental activities: The elimination of hazards through the design of buildings and equipment; the guarding of machinery or mechanical hazards; the provision of protective devices and clothing; and most important of all, and most difficult of all, the education of employees in safe practices.

The first of these four fundamentals requires that any installation be studied carefully from the stage of design to the finished unit for the purpose of eliminating accident possibilities. The processes, the machinery and equipment, and the buildings housing them should all come under the scrutiny of these careful studies.

The second fundamental is virtually the same in all industries. It can be accomplished, except in a few special cases, by observing established standards for guarding machinery.

The third is also comparatively simple, merely requiring a study of the materials handled and the method in which they are handled, and thereby determining what devices are necessary to protect the workers. The care of these devices so that they do always protect, and the problem of seeing that they are used by employees, are not so easy, however, and demand unceasing vigilance.

The fourth, the safety education of employees, is the most important and also the most difficult. It is accomplished by instruction and supervision of employees and by safety incentives such as safety rallies, contests, prizes for safety records, and other forms of propaganda intended to promote carefulness in the employees.

Very important in the carrying out of all of these fundamental requirements is the safety organization of the individual plant or unit of the industry, and a word about the plant safety organization should not be out of place.

As accident prevention on the plant is one of the most important parts of the plant operation, the operating organization must be the safety organization. There appears to be some tendency to-day, perhaps hanging over from the early days of organized accident prevention, to charge a certain individual—the safety engineer if there be one—or a small group of individuals of the plant personnel with the whole task of preventing accidents. This is theoretically and practically wrong. The responsibility for accident prevention on the plant should be divided among the personnel so that each is given his responsibility in the same field and to the same extent as for the other phases of his operating duties. The coordination of the safety work is accomplished by an arrangement of safety bodies or committees; a central or guiding committee composed of the staff of the plant, a departmental committee in each department, consisting of the department head and his foreman; and workmen's safety committees under each foreman. The plant safety engineer, if there be one, should act in an advisory capacity to the safety organization as a whole.

The control of health hazards in the chemical industry, like the control of accident hazards, is dependent upon the two basic principles of recognition of hazards that exist and adoption of adequate measures to control these health hazards.

The manufacture and handling of certain materials are definitely recognized as health hazards, and the methods of protection against them are well defined and understood. This group includes such

materials as lead, benzol, aniline and its derivatives, mercury, arsenic, toxic gases, etc. In addition to this first group, which we may classify as known hazards, there is another group whose status has not been fully established, and it is this group which at this time must be given most careful and scientific consideration.

In order to recognize health hazards it is essential carefully to study and analyze the effects that the chemicals under consideration have upon the human body. Do they enter the body and after so doing, do they disturb the function of certain organs or perhaps impair them to such an extent that they seriously jeopardize health and even life?

The skin, the digestive tract, and the lungs are the three most likely channels through which poisons may be introduced, and entrance may be by one or all of these channels. Thus it becomes necessary to study carefully and scientifically all chemicals and determine just how they may produce injury to health, and learn as a result of this study just what may be expected in the way of physical signs and symptoms. This work should be investigated by animal experimentation in the laboratory, and by careful and frequent physical examination of employees, this examination being for the purpose of detecting signs of absorption. Thus it becomes imperative that every employee be carefully examined before beginning work in chemical operations, in order to have an accurate record of his existing physical condition and in order that we may at the time of periodic physical examination be able to detect any changes, and after careful analysis determine whether or not they have been caused by working conditions or bear no determinable relation to the work. It is of course undesirable to send into an operation an employee who is already suffering from some condition which may be aggravated by his work. On the other hand, it would be a grave injustice to choose the healthiest types of industrial manhood and then fail to do everything humanly possibly to protect and maintain this standard of health.

Having determined that a certain chemical is toxic and may enter the human body by one or more routes of entrance, every possible effort must be made to surround the handling of this material with safeguards to protect against its hazards. There must be careful study of the methods of handling throughout the course of manufacture with the thought in mind of introducing newer and better methods that will entirely eliminate the possibility of any health hazard. The surest method of determining the success or failure of these methods is carefully to follow up the physical condition of the employees so engaged, watching carefully for any signs of absorption as manifested by physical signs and symptoms.

With a recognition upon the part of industry of its responsibility for providing safe processes; with the assistance of such organizations as this association in bringing to light the types of hazard requiring special study; and with the education of employees to the point of full cooperation in safety work, the chemical industry as well as all industry will continue to fulfill its function of meeting the increasing demands of an ever-increasing scale of human progress—the objective being to make the world a better place in which to live.

[Meeting adjourned.]

Chairman, Parke P. Deans, of the Industrial Commission of Virginia

The CHAIRMAN. It is a pleasure of mine to present at this time the incoming president of this association, Mr. W. O. Stack, of Delaware, who will address you on the subject, "Accidents resulting in no lost time." Mr. Stack is also president of the Industrial Accident Board of Delaware.

Accidents Resulting In No Lost Time

By Walter O. Stack, President Industrial Accident Board of Delaware

In addressing a large group of superintendents, employment managers, and foremen at an industrial safety management meeting, one of a series of safety meetings sponsored by the Delaware Safety Council, in my home city on May 24, I said, in referring to the subject matter of this meeting: "Again I digress, this time to call your attention to what is considered by some a very serious matter. As all of you know, safety campaigns, such as the one now on here, are being conducted in many sections of the country, and so keen is the interest manifested where such campaigns are in progress that some plants in their efforts to go for a long period of time without a lost-time accident are, I was recently told in Washington, keeping certain injured employees about their plants, although not able to work, paying them their usual wages, so they may continue their safety campaign without having to report a lost-time accident. Such practice, my friends, is considered bad not only by the administrators of the workmen's compensation laws but also by the medical profession, because it robs the injured worker of the proper medical treatment, sanitary isolation, and rest which nature demands to bring around good recovery. It tends also to defeat one of the very purposes for which workmen's compensation laws were created. So serious has the matter become it is to be discussed at the meeting of the International Association of Industrial Accident Boards and Commissions to be held in Buffalo in October, and as I have been named chairman of the session called to discuss this very important question, I sincerely hope I may be able to report that none of the Delaware employers have indulged in this unsound and improper practice. Your failure to carry out the provisions of the Delaware workmen's compensation law will result in the industrial accident board penalizing the offenders."

I do not know, my fellow members of the International Association of Industrial Accident Boards and Commissions, to what extent this reprehensible practice has gone, and I regret that I am not able to recommend some definite action without the waste of time and words. It is not, I am sure, the desire of a single member of this association to discredit the splendid achievements of those engaged

in safety (prevention) work. They deserve our support and cooperation, for they in their unselfish services for the conservation of life and limb give substantial evidence of what President Hoover has called "the surer forces of human advancement."

Since industrial accidents cause an annual loss of many millions of dollars and create much grief, sorrow, and distress in many hitherto happy homes, I believe it should be the duty not only of this association but also of all individual accident boards and commissions to aid and encourage the world-wide accident-prevention movement so effectively in progress. Delaware has had for some years a very active safety council, supported financially and morally by its citizens. Its success in reducing accidents and saving lives and property has been most gratifying.

The most cordial and helpful relations exist between the council and the State industrial accident board. I am a member of the council's advisory board and attend so far as time will permit the board's bimonthly luncheons, and there learn what is being done in our industrial plants in the furtherance of safety. So illuminating are the reports made at those luncheons, I have not hesitated to say to the officials of our industrial plants and to the press, that the council is materially assisting in stabilizing the cost of compensation insurance in the State. Earnest and intelligent accident-prevention work means more than the saving of dollars in compensation insurance, however. It goes further. It saves the lives and limbs of human beings—of husbands and fathers, of our women and children, of dependent sons and daughters of aged parents. We, charged with the responsibilities of administering laws enacted for the benefit and protection of our industrial workers, should continue to cooperate in such humanitarian service, so ungrudgingly rendered; but we can not do it if unfair and illegal practices are resorted to by ill-advised or thoughtless plant officials. The rivalry among large groups of industrial men for the longest period of no lost-time accidents is not surprising. Our senses would indeed be dull if we did not with admiration applaud their enthusiasm. Whether such enthusiasm always creates a safe and sound accident-prevention policy is a question that time and experience will determine. The Electric Railway Journal has said: "The ideal man for safety work is not an enthusiast, but a man with keen, analytical mind, a proper sense of values and, above all, a thorough understanding of human nature." While there is much to be commended in what the Electric Railway Journal has said relative to the type of man best qualified to do safety work, I can not subscribe to the whole of it. Personally, I believe the enthusiast frequently succeeds where others fail. But it is possible that too zealous enthusiasts have been responsible for the delinquencies we are to discuss at this meeting. Personally I haven't the slightest patience with such practices. No employer should be allowed to take a chance—to gamble with a personal injury the result of an accident.

To keep an injured employee physically unfit for work around a plant under such conditions is not only contrary to the intendment of the workmen's compensation laws, but also may result in a permanent impairment of a hand, a foot, or fingers or toes, so that the temporary advantages the injured employee may receive in full-time

wages during such period may in the last analysis cause him an untoward financial loss in depreciated earning power due to such impairment to the physical function or usefulness of a member.

The so-called trifling injury of to-day may develop into a very serious affair to-morrow. For, as an example, a splinter from a rough board has brought about such a serious infectious condition as to cause the loss of the hand. A slight puncture of a finger by a nail has set up such a bad case of blood poison as to all but cost the injured worker his life. A slight abrasion of the skin has left a twisted and useless hand; in every case some one left maimed for life because some one's injuries were considered trifling. This, gentlemen, is not a fanciful picture but a statement of facts founded upon the actual work done by your board and by mine. Therefore it is your duty and mine to see to it that every injured worker is properly treated and housed that he may recuperate with as little pain and discomfort as possible and, above all, be anatomically sound. We owe it not only to the injured worker but to his family, to the end that he and his loved ones may enjoy the fullest advantages and opportunities of life.

So serious has the matter of industrial accidents and resultant effects become during the past few years that those at all familiar with the true conditions are demanding a fuller conservation of life and limb. Can we, then, as administrators of the workmen's compensation laws justify the jeopardization of human life or body members by an overzealous employer striving for a community, State, or national "no lost-time record"? In dealing with this grave question I am not sure you all agree with me that such an employer has no desire actually to violate a law or jeopardize life or limb. I want to believe that he, like other employers, possesses that newer spirit founded upon a broader brotherhood of men that touches alike the hearts of employers and employees, courageously accepting that centuries old challenge "Am I my brother's keeper" in the affirmative with the enthusiasm which is so characteristic of the American and the Canadian employer. I want to believe that his act is an act of omission rather than an act of commission; the result of a blinded ambition to do the job just a little better than his neighbor. But, gentlemen, such actions on the part of employers not only are positive violation of the intendment of the workmen's compensation laws but will, if continued, discredit accident-preventive campaigns; therefore such practices should be stopped. As it took years of patience, sympathy, and toil to create the industrial world in which we live to-day, an idealistic world of common interest, we can not hope to succeed in our efforts to reduce accidents and save human lives and property unless we exercise the patience, sympathy, and toil that so strongly predominated in those too often inhumanitarian days of our fathers when capital and labor were so widely separated.

Problems incidental to accident-prevention work, particularly those that enter into modern industrial relations, have so many intricate ramifications that they can not be solved overnight. We must apply patience, intelligence, and sanity to our task or we will fall short of the goal we would reach. It was Pope, I believe, who said "To err is human, to forgive divine"; so I would suggest we first

deal leniently with our erring brothers, and if we can not thereby eradicate the injustice done this class of injured workers of which I speak, we must resort to more drastic means, that the workers may not be further denied the medical care, hospitalization, and rest which the framers of the workmen's compensation laws so wisely provided for them.

I know of no part of our work that demands a more thorough supervision than medical treatment for the injured. If we fail in this, we have been unpardonably derelict. It is your duty and mine as administrators of workmen's compensation laws to keep whole, as far as medical science can make it possible, the human body that God has so wonderfully created. Regardless of any opinion I have suggested as to what I believe should or should not be done in dealing with this subject, I hope those who speak will be perfectly frank in their opinions. As I see it, the subject is one of great importance.

DISCUSSION

The CHAIRMAN. Mr. Stack's paper is an excellent one, and it deserves the consideration of all branches—the employer, the employee, and the accident board. I sincerely hope that some of you present at this time may have some remarks to advance the thought suggested by Mr. Stack.

Mr. STACK. I hope some of you will speak very freely on this subject. I do not care whether you agree or disagree with me, we will be friends when we leave here.

Mr. REDMOND. We have been directing the state-wide campaign in New York State for some five years and the campaign has, as I said this afternoon, grown from a group of 175 firms to 1,400 firms at the present time; we anticipated just such conditions, and we placed in our rules the penalty that if such practices were carried on that such firm was on the outside looking in and not on the inside looking out, and that happened to those firms which we found doing that very thing.

I want to say there were very few, extremely few, in consideration of the number of firms that were entered, and during the 5-year period we have carried on a campaign of education along with our safety campaign, attempting to prove to these people the fallacy of such a thing, and I think we have succeeded quite well. As I said this afternoon, and I want to repeat again to-night, I believe that in our campaign to-day our competitors are reporting truthfully, and that even though they are zealous in their effort to hold their 100 per cent standing, when they do lose it they report it to us.

I do not think there has been one instance in the present campaign of bringing back to the plant a man who should not be there. I do not think there has been even a small lost-time accident that has not been reported, and it is due to the fact that we foresaw this practice, and we have been working along this educational line. If a firm knows that they are out of the campaign if they indulge in that practice, they are not going to indulge. That is all there is to it.

Mr. WILCOX. Some years ago a hospital was afire in Madison, and that prompted our commission to set about a survey of the doctors of the State, as to what sort of orders ought to be adopted in order to make certain that fires would not occur in hospitals, and at that time we had the picture in our minds of the horror of hospital fires with so many, many people there unable to take care of themselves.

This fire occurred while one of our doctors had a patient on the operating table for a serious operation, and it was necessary for him to temporarily close the wound he had made and get the patient out of the operating room. It was a serious matter.

Now I speak of that because we had a few doctors who said that it was the obligation of the authorities to see that hospitals were built absolutely fireproof, but we had a very large percentage of our doctors who said to us that we must not set up standards for hospital construction which would mean that hospitals were not to be built that did not comply with what we might call modern standards, and to which the hospitals then in existence would not comply.

This may shock you, but the doctors said that the danger from hospital fires and the hazards to patients and employees was insignificant compared with the damage and harm that might be done if the hospitals were not permitted to develop.

Now I make my application: I have no patience with the employer who in order to remain in the accident campaign will keep a man on duty when he is probably doing him some harm. Of course there is no one who will justify that, but it is a drop in the bucket—and Mr. Redmond will bear me out—compared with the harm that is done if we stifle no-accident campaigns.

You will save more lives and you will do more good by the no-accident campaign, and if someone violates his moral obligation to an injured man—cheats—it is just too bad, but we ought to take care of that in some other way, and let us not stifle no-accident campaigns in order to prevail against that sort of thing.

Mr. WILLIAMS. The Workmen's Compensation Commission of Connecticut, in its latest report, called special attention to the type of accidents and the methods of treating them, so that there is no lost time.

I do not know anything about drives and campaigns. I have never taken part in them, but we have noted that in the large self-insured plants, with perfectly equipped emergency hospitals and staffs of trained nurses in attendance, and skilled surgeons visiting the plants daily, there are very many workmen who receive prompt attention to what might otherwise be serious injuries resulting in a good deal of lost time. Because there is a good hospital and a good nurse and a good doctor there to give them prompt attention, they go right to that emergency hospital and have the injury dressed, and they come again when the nurse or the doctor tells them to come, and they do not lose time.

The way to prevent accidents from resulting in lost time and in doing anyone harm, is to have good care given the workman as soon as an injury occurs.

Mr. HUTSON. I would like to ask the commissioner if the injured workman has a right to choose his own physician.

Mr. STACK. Under the Delaware act; no. There is a sum for the first 30 days and then, when the 30 days have about elapsed, if the physician feels that the patient will require additional service he so advises the injured workman, and the law permits the injured workman to apply to the board for additional service, and we are permitted to grant that additional service. We grant it from time to time, and some of the medical bills run into quite large sums of money. Of course if the employer refuses to furnish necessary hospital service as required by law, then the employee has a right to select his own physician and the law requires the employer in that case to pay the cost.

Mr. CURTIS. Who is the judge of whether the treatment is necessary?

Mr. STACK. The attending physician.

Mr. CURTIS. Do you mean the carrier, the employer's physician, or the physician who has the authority to treat?

Mr. STACK. No; when I speak of the attending physician I am referring usually to the physician selected by the employer.

Mr. CURTIS. Does he determine when the treatment should stop? My point is, where does the commission come in?

Mr. STACK. If in our judgment the physician is trying to get rid of the patient before it is time to discontinue medical attention, we step in and say, "Continue to treat this man or we will put somebody else on the job."

Mr. CURTIS. Is that determined by the physician for the commission or by the commission itself?

Mr. STACK. Under amendment to our law we have full jurisdiction in those cases.

Mr. CURTIS. I do not know whether you got the question or not. Does the commission determine that or the physician for the commission?

Mr. STACK. No; the commission determines that.

Mr. CURTIS. That is a very good law.

The CHAIRMAN. The next subject seems to be particularly important to every commission in existence; that is the subject of lump sums. It is with pleasure that I introduce Dr. L. W. Hatch, who will discuss the subject, "Lump-sum settlements, when, if ever, and how."

Lump-Sum Settlements—When, if Ever, and How?

By L. W. Hatch, member New York Industrial Board

In this paper I have undertaken to answer the question asked in my subject by the method of considering the main aspects of lump-sum compensation in the light of the basic principles of a sound compensation system and noting the conclusions which these principles seem to make necessary. In other words, I have endeavored to outline a theory of the subject in accordance with the general principles of workmen's compensation. It has seemed to me worth while thus to weigh the matter not only as the necessary means in the last analysis

of making sure of a sound answer but as particularly desirable because it is very easy in dealing with this question to be led astray by considerations of convenience in disposing of troublesome cases or of accommodation of importunate parties to claims. This is a matter in which constant taking of bearings by recalling correct principles is necessary to keep practical expediency within safe bounds at all.

Definition of terms.—It will conduce to clarity if our terms, as used in this paper, be defined. In the first place, the term "lump-sum compensation" will better indicate the scope of the present discussion than "lump-sum settlements," meaning by the former payment of compensation in a single sum covering all that the claimant is to receive instead of payment in periodical installments in the manner of wage payments. This will leave the term "lump-sum settlement" as an appropriate designation for one class of lump-sum compensation, namely, when the lump sum represents a settlement of the compensation claim where practical difficulties have prevented definite determination of weeks of disability or rate of compensation, or both. Another class to be distinguished is that in which the lump sum represents the present capitalized value, actuarily computed, paid in lieu of future installment payments which have been definitely determined as to rate and period over which they would be made. This class may be termed "lump-sum commutation." I shall also have occasion to use the term "installment compensation" as a short designation for compensation paid in installments in contrast to "lump-sum compensation."

Lump sums a departure from the normal.—At the very outset it is to be noted that lump-sum compensation must always be weighed in the balance as being a departure from the normal as to mode of payment of the benefits conferred by compensation laws. Compensation is granted for loss of wages for the purpose of affording partial relief from such loss, and in order to fit such relief most effectually to the loss, its payment is required ordinarily, in all laws so far as I am aware, to be in installments in like manner as wages. Installment compensation is for sound reasons the rule and lump-sum compensation is an exception with the burden of proof of its justification on its side.

Desire of employer or insurance carrier alone not sufficient to justify lump sums.—Lump-sum compensation can not be justified simply on the ground that employers or insurance carriers desire it for the purpose of closing out an indefinite liability much as such an end may be useful for more certain determination of reserves or for the purpose of avoiding expense of continued installment payments. Compensation is not for the aid of employers or insurance carriers, and their convenience or interests, while by no means to be ignored, can not be admitted as controlling in the matter. There is something of an exception to the foregoing in the case of alien claimants residing abroad. Here, as is commonly recognized in the laws, considerations of practical difficulties attendant upon installment payments going abroad afford ground for substitution therefor of lump-sum commutation.

Desire of claimant alone not sufficient to justify lump sums.—The desire of an injured employee for lump-sum compensation constitutes

in and of itself no sufficient ground to justify it. Request for it may be an occasion for granting it, but is no proof that it may not be disastrous rather than beneficial to the claimant. Something more than a claimant's desire must be in evidence before safe ground for it is reached. Why this is true on general principles will appear later in this analysis. If further support of the proposition were needed, it would only be necessary to cite the lesson of experience in not a few cases where claimants having had their desire for lump-sum compensation have thereby suffered loss and not gain.

Agreement of both parties alone not sufficient to justify lump sum.—The question of whether lump-sum compensation shall be awarded is commonly presented in the form of a proposal agreed upon between employer or insurance carrier and injured employee or his dependents. But the fact of such agreement between the parties, and as a joint request for it, while it may be better reason for considering the proposal than request for it by one party, does not of itself warrant approval of it. To accept such ground as sufficient warrant for lump-sum compensation is virtually to hark back toward the claim settlement of employers liability days and open the door to the evils of compromises where the two parties are far from any equality in negotiating power, with the claimant the one who is handicapped. It runs counter, in fact, to a fundamental principle of the compensation system, namely, that the benefit for a given extent of disability shall be certain and uniform in all cases as specified by statute, and not subject to the variations and inequalities resulting from suits or compromises.

Lump sums must benefit employees to be justified.—It is axiomatic that compensation is for the benefit of injured employees. This fundamental purpose gives the general clue to the answer to the question of when lump-sum compensation is permissible, namely, when it is evident that such will be to the benefit of a claimant as compared with installment compensation. Here is sufficient ground for it in keeping with the very purpose of the compensation system but without it there is no other justification for it.

The compensation administration must make sure of benefit to claimants.—The question of when lump-sum compensation will be for the benefit of a claimant is one for the compensation administrative authorities to determine. This responsibility of the compensation administration is, of course, but a part of and necessarily follows from its general responsibility in all cases to see that claimants receive all that the law intends. Any lack of such responsibility, or any failure to live up to such duty under any compensation system, marks it as falling short of what all experience shows to be a necessity in compensation practice. But in lump-sum compensation because of the peculiar difficulties indicated below attaching to determination of and assurance of its benefits, the necessity of vigilance and care by the administrative authority is increased.

Both amount and security of benefit by lump sums must be weighed.—In determining with any degree of accuracy whether lump-sum compensation will benefit a claimant, two elements must be considered. One of these is amount of compensation, and the second is security of compensation. In other words, two questions are to be weighed: (1) Will the claimant receive as much money

relief by the lump sum as by installment compensation? (2) Will he be as sure actually to realize that much relief? It seems obvious that unless a claimant receives by lump-sum compensation economic benefit equal in amount and security to what he would receive by instalment compensation, the former will mean less of compensation than the law intends. If amount and security be the same, either lump-sum or instalment compensation will fulfill the intent of the law. If with security the lump sum realizes a greater amount of economic benefit, then the scale tips positively in favor of the lump sum as affording a greater benefit.

Lump sums naturally tend to uncertainty of benefit.—Upon analyzing possibilities as to the two elements of amount and security of economic benefit under the two forms of payment, it is clear that in the nature of the case lump sums tend to introduce uncertainty in both amount and security of benefit as compared with installment payment. This is most obvious in the matter of security. Under installment compensation future payments are as secure as modern insurance under compulsion of the State can make them, which means that they carry about as high a degree of future security as is humanly attainable in financial matters. But under lump-sum payment all security for the future becomes dependent upon the claimant's ability to manage a capital investment. The same is true also, though in lesser degree, with respect to actual amount of benefit realized. The difference is virtually that between an assured income and a speculative investment. The degree of difference varies, of course, in different cases but it is a difference that, as a rule, is bound to be in the direction of substituting a lesser for a greater certainty in the case of lump-sum payment of compensation.

Thorough investigation of lump-sum proposals imperative.—Since lump-sum compensation necessarily involves dependence upon the claimant's so handling the capital sum turned over to him as to realize the economic benefit intended by compensation, it is evident that the compensation administration can have no assurance of a probability, let alone any certainty, that that benefit will follow except by a careful investigation of the prospect of the claimant's actually accomplishing that result. Such an investigation must cover not only the claimant's general capacity for such a responsibility, but also the actual use to which the claimant proposes to put his lump sum because the average wage earner has had neither training nor experience to fit him for such an undertaking.

Adequate investigation not a simple matter.—The investigation necessary to determine what the prospect is that a claimant will use successfully a lump sum, is more often than not, particularly if the sum be a considerable one, far from a simple matter. It often requires weighing of a more or less complex business proposition which looks speculatively into the future. Such investigation, therefore, to be adequate requires ability to investigate thoroughly the claimant's circumstances, to appraise his personal qualities, and to apply, or secure, experienced business judgment upon proposed investments or enterprises.

Follow-up after award needed.—If lump-sum compensation is to be safeguarded by anything like reasonable assurance that it will

realize a benefit to claimants, there must be not only thoroughgoing investigation of prospects at the time the question of granting a lump sum is decided upon, but oftentimes a follow-up of the case to see that the course proposed is actually working out as hoped or to guide by counsel and advice in its working out. Aside from the fact that experience bears witness to this, it is the only logical view in the light of what has heretofore been pointed out as necessary to justify lump-sum compensation. Only by such follow-up in many cases can the uncertainty introduced inevitably more or less by award of lump sums be reduced to a minimum.

Rehabilitation agencies best fitted to investigate.—In view of the importance and the inherent difficulties involved in investigation of lump-sum compensation prior to award and in follow-up afterwards, a problem is presented as to how the most adequate facilities for such work may be provided. I believe I am correct in saying that experience is more and more demonstrating that where there is a public agency charged with the general work of rehabilitation of injured or crippled persons, such agency is best fitted for this work. Aside from experience there is logical reason for utilizing such agencies for this work on general principles. In large measure lump-sum compensation aims at, and, if it is to pass the tests of admissibility at all as indicated in the foregoing analysis, must tend to promote the economic rehabilitation of claimants. Such rehabilitation is also the aim of the work of the rehabilitation bureaus, though the method in other cases may be somewhat different. Furthermore, the investigation work itself for lump-sum cases is for the most part different as to both matter and method from that required in the ordinary adjudication of compensation cases, and is much the same or very similar to that necessary in general rehabilitation work. Where available, therefore, the rehabilitation agencies are the logical aid to the compensation administration for this. Where such do not exist, the compensation administration itself must be provided with facilities for skilled and thoroughgoing investigation of lump-sum cases if mistakes in this field are to be adequately guarded against.

Lump sums put on the defensive.—What now is the answer to our question of this brief analysis on broad general principles? I said above that lump sums must bear the burden of proving themselves beneficial. The trend of our analysis is to an even stronger conclusion as to the admissibility of lump sums to compensation practice. If it does not compel a totally adverse conclusion against them, it certainly puts them on the defensive. They should always be considered as a doubtful substitute for installment compensation.

Particularly open to question and to be weighed with the greatest caution are lump-sum settlements as above defined. With these there is not only the element of uncertainty as to amount and security of money benefit involved through the problem of the claimant's capacity to handle the lump sum wisely and safely, but also the initial uncertainty as to what he would be entitled to under the law anyway. Lump-sum commutations do not have this initial uncertainty and at the start can fit the lump sum to the amount of compensation intended by the law. But these are still liable to the uncertainties of the claimant's capacity to properly use the lump sum. They are less open to question, but still require great caution.

Conclusion.—To give an answer to our question which in less technical fashion will express what this theoretical analysis leads to by way of conclusion, in respect of lump-sum settlements, by some odd mental suggestion there occurs to me as about fitting the case the reply of the admiral in the opera of "Pinafore" to the queries of his crew concerning his seasickness. You remember his emphatic assertion in his solo that he was "never, never sick at sea," to which the flagship's crew in chorus respond sceptically—"what, never?", and the admiral's first reassertion of "never," but final qualification, in face of the chorus' continued incredulity of "well, hardly ever." So to the question of when, if ever, should lump-sum settlements be resorted to, the answer on general principles may well be: "Never—well, hardly ever, and then only when benefit to the claimant is assured." As for lump-sum commuted payments, an answer may be borrowed from traffic signal terms about thus: "Proceed with caution and go ahead only when you are sure by survey of things in all directions, that the way is safe for the claimant."

Now, if I am right in my pronouncement that lump sums, if they are justifiable at all, will contribute to the economic rehabilitation of the claimant, then it seems to me we have the most logical reason for including under this contemplated Federal rehabilitation act, and the New York State law, and I have no doubt in some other States, this kind of cooperation. Now, as a matter of fact, that is exactly the position at which we have arrived in the State of New York, and under the present industrial commissioner of the State, arrangements have been completed definitely and formally for the referring of lump-sum proposals which come to the compensation administration authorities to the bureau of rehabilitation of the State educational department, for their thorough investigation of the proposition as an economic rehabilitation proposal.

Now that is where I am going to stop with my paper, but the next speaker will give you, I am sure, some most interesting examples and points relative to the actual work of this sort of cooperation in cases of lump sums.

The CHAIRMAN. At this time I present Mr. Rufus Jarnegan, of the New York State Rehabilitation Bureau, Buffalo, N. Y., who will speak on the subject, "How to investigate proposed lump-sum settlements."

How to Investigate Proposed Lump-Sum Settlements

By Rufus Jarnegan, of the New York State Rehabilitation Bureau, Buffalo, N. Y.

I am happy that Doctor Hatch, in his able presentation of his paper, has concluded it by showing to you so definitely the connection between bureaus of rehabilitation which have been created in some 43 States of the Union, in practically every State where compensation commissions function. I am happy also that he has taken occasion to refer to the fact that the practice which has been in vogue in the Buffalo district the past six years has been extended just recently throughout the State, under the administration of the present industrial commission.

Early in the beginning of rehabilitation work we realized, those of us in rehabilitation work, the definite connection between all lump-sum commutations, all lump-sum settlements, and the constructive rehabilitation program. It was in the fall of 1923 and the spring of 1924 that we had some 80 cases brought to our attention where lump-sum settlements had been granted. These men and women had been referred to our bureau for rehabilitation, that is, for their return to remunerative employment.

The fact that they had been granted lump-sum settlements, or had their compensation commutated to lump sums, and the fact that it had been dissipated, or lost, multiplied the rehabilitation problem. Frequently it compelled reemployment in stop-gap jobs, when the compensation moneys, if conserved, would have made possible a far more constructive program.

We found some of these people with their morale shattered by the financial loss, and it required months and months of advice and guidance to bring them back temperamentally and mentally to the point where they could seek employment; others who had lost the work habit had to be nursed along for weeks and months before they were employable. Many never could return to work, and from a rehabilitation standpoint they were a total loss.

When these facts were brought to the attention of Bernard L. Shientag, the industrial commissioner, he directed that in the Buffalo district, embracing the eight western counties of New York State, our bureau investigate all lump-sum settlements or commutations in excess of $500, and since that time all have been referred to our bureau, investigated by our bureau, and a written report submitted to the industrial board.

The first thing we did early in April, 1924, was to visit each of the leading banks in the city of Buffalo, interview the president, the chairman of the board, or other responsible officers, and point out to them the definite need of assisting us to conserve any moneys commuted into lump sum and paid over to crippled people, widows, and orphans. We approached them on the ground that it is the civic duty of the bank, and as private citizens interested in the welfare of the community it was their duty to help us save this money. Without exception each of the larger banks, all of the banks solicited, agreed and for nearly six years the representatives of the banks have appraised properties, they have gone into the stores, they have appraised stores, and they have helped us in every way.

We have not felt that we were competent to pass judgment on some of these investments that were proposed, and we did not dare; we would not recommend to the industrial board the commutation of any compensation into lump sum until we had competent authority to justify any such award.

We do have applications for lump sums in the rural communities, and as these were submitted and investigated we called upon the local banks, and without exception the country banks, the banks in the smaller towns, agreed to and did extend to us that same cooperation in appraising properties or any other investment submitted by a claimant who requested compensation in lump sum.

We visited tax appraisers' offices. We got the appraisal of all the properties, where is was a question of the purchase of a house or

a farm. Frequently they were in a position to give us an estimate of the value of these investments.

When this foundation was laid, securing the aid of these cooperating agencies—and to me that is most essential if any lump sum is commuted or paid in a final settlement—we began to handle all of the investigations of lump-sum applications.

The process has been for the lump-sum application, as heretofore, to be filed with the industrial board. It, in turn, is referred to our bureau and contact is established with the claimant by efforts of our bureau. A thorough and careful analysis of the man's character and his past experience and his education is gone into, with a dual purpose in mind: Rehabilitation, that is, returning him to remunerative employment, and determining whether or not conditions exist that will warrant deviating or departing from the spirit and intent of the law.

I might just allude here to the fact that Doctor Hatch touched upon in his paper, and that is, the bureau of rehabilitation is more interested in the whole circle of information surrounding crippled people, because it is their job and always their job to return them to employment and to keep them in employment. The compensation men are interested primarily in the physical or the financial side of the adjudication of compensation claims. We, as rehabilitation men, are interested not only in the physical side as to compensation, but also in the physical, the economic, the education and social aspects.

If we are going to succeed in returning a man to employment and keeping him in employment we must have a whole cycle of information.

When our investigation is completed we submit a formal report to the industrial board, embodying all pertinent facts that might be connected with the case, whether it would warrant the lump sum being granted or disallowed. We definitely recommend what action shall be taken in every single case.

You might be interested in some of these figures. For the five years ending March 31, 1929, there were referred to our bureau and investigated 833 lump-sum applications. Five hundred and forty-six, or 66 per cent, were disallowed. Two hundred and eighty-seven, or 34 per cent, were approved. That is, we recommended that two out of three be disallowed during that whole 5-year period.

I am interested in this, and I am sure you are, from the rehabilitation angle. Of those cases investigated, 224 were rehabilitated, that is, returned to employment with reasonable assurance of permanent and steady work. The surprising fact to so many of you may be that a big majority of those cases that we returned to remunerative employment, with reasonable assurance of good and steady work, were the cases where we recommended that the lump-sum application be disallowed. In 128 of the 224 rehabilitated we recommended that the lump-sum application be disallowed, and in only 96 cases did rehabilitation result where we recommended that they be approved.

You will be interested, I know, in the purpose for which these lump-sum applications may have been granted. As I said, the industrial board upon our recommendation disapproved 66 per cent

of the cases and granted 34 per cent. Of that 34 per cent, 15 were for the purpose of purchasing homes or paying off mortgages. No homes were purchased unless unusual family conditions existed that would seem to make that a social and economic investment if not a necessity.

Early in our work of making these investigations we did recommend the commutation of compensation for the purpose of retiring second or third mortgages. We have since tightened up on that and do not recommend that compensation be paid in a lump sum for the purpose of retiring any mortgage unless the equity of the claimant or crippled man is in jeopardy. If it is jeopardized we do recommend the commutation of his compensation in a lump sum for the purpose of protecting any substantial equity which he may have in the property.

In 72 cases, or 9 per cent of those filed, we recommended that the lump-sum application be granted for the purpose of establishing the man in some form of business, whether it be a store, garage, restaurant, trucking, contracting, depended entirely upon the man's background of experience and education and general probability of success in that line of employment.

In 28 cases, or 3 per cent, we recommended that the lump sum be paid for the purpose of establishing the man on a farm, and, bear in mind, in every case we had a thorough investigation into his background with reasonable assurance that he would succeed in that venture.

In 5 per cent of the cases, or a total of 41, we recommended that the lump-sum application be granted for reasons which I have described as social service. I will be glad to touch on that in more detail later.

In 18 cases, or 2 per cent of the total, we recommended that the compensation be paid in a lump sum for the purpose of permitting a man to return to his native land, a foreign country.

There is another interesting feature of this experience which we have gone through. Prior to the inauguration of these investigations by this bureau, from the best figures available it was apparent that in this district more than 90 per cent of the lump-sum applications were granted. It was only an occasional case that they disallowed. The first year that our bureau recommended these lump-sum applications we recommended that less than 50 per cent be granted, and they were. The second year and third year we recommended that less than 40 per cent be granted. The fourth and fifth year we recommended that only between 16 and 17 per cent be granted.

You will observe from that that we have gradually looked with more and more reluctance upon the granting of these lump-sum applications. I think that the reason for our recommending that fewer and fewer be granted was the fact that, as we learned more about the work, we learned to solve the man's problems in some other way than through lump sums.

I have included in my figures here lump-sum applications disallowed where we would recommend an advance of $50 or $100 or $200 in order to meet certain pressing obligations, unexpected sickness on the part of the wife, or some member of the family, or a boy about to get married. We have had cases of girls entitled to compensation

who wanted to get married, and $100 or $200 was allowed to tide them over. We recommend that the lump-sum application be disallowed, but this small award granted, and it solves their problems and satisfies them.

I think perhaps I can explain this work better by citing, as Doctor Hatch suggested to me, a few cases.

I have a note here of a young boy who applied for a lump sum on four different occasions, and he was very badly hurt. He was working for a house wrecker and was struck in the back. A vertebra was fractured, and there was an indenture in his back in which you could put your fist.

He was advised by a friend—with a question mark after the friend—to get this compensation in a lump sum. He submitted one application after another, and he and his friend began to reason why we were disallowing them, and he thought if he refused our rehabilitation service he would be given the lump sum. We stood firm, and finally we gained his confidence and prevailed upon him to enroll for training in a vocational school. He was trained in battery work, and he was returned to employment at a wage of $24.30 a week. He is now receiving $40 a week. I do not doubt if that man's compensation had been paid in a lump sum it would have been lost within a year. To-day he is restored to society at a cost to the carrier, and indirectly to the employer, considerably less than he would have been paid if they had settled that case in a lump sum.

I feel that the man has been fully protected under our State compensation law, because we followed the case very carefully and saw that he was given full compensation for so long as he was entitled to it while he was in school. After he was returned to employment we watched the case very carefully and saw that he was paid in full on his reduced earning basis until such time as his wage was in excess of that to which he was entitled, that which he was receiving when he was hurt.

Here is another boy. Frank Euder was also advised by a friend to secure a lump-sum compensation, and no less than nine different applications were submitted for almost every conceivable purpose: Buying a home, buying a farm, investing in a silver fox farm was one of them, buying some gold-mine stock. We stood strong in opposing that lump-sum application.

Finally we prevailed upon that boy to return to school. He had a good high-school education. We placed him in a training school, a commercial college in this city, and after about nine months of training he was returned to employment at a wage of $18 a week. Our last check up six months ago indicated that he was making $45 a week. His was a scheduled loss, and he was entitled, at the time his first application was filed, to something more than $3,000.

When he returned to employment we prevailed upon him to deposit his compensation money in a bank. We went to the bank and arranged with the banking officials—with his permission—that that money could not be withdrawn over a certain period of time. We had no legal right to do that, but the bank was working with us and the result was that this boy saved for something more than a year every dollar of his compensation. How much he has now I do not know because we have not seen him in more than six months.

Here is another boy, about the same age, who wanted his compensation in a lump sum for the purpose of buying a home. He had, I think, about $1,300 coming to him and he wanted to put $800 of that into a home and give it to his mother, and take the other $500 to go to New York to find a job. We trained him here in bookkeeping and stenography, placed him in employment at $18 a week after nine months of training, and our last report was that he was making $22.50.

I could go on and cite you any number of such cases. Many of the applications that were disapproved resulted in rehabilitation, that is, returning the man to employment at a wage that makes him, at least self-suporting.

There are many other reasons why lump-sum applications should be disallowed and why very careful investigation should be made into them. I have a note here of a young man 29 years old who lost 46 per cent of the use of his hand while engaged as a punch press operator receiving $22 per week.

He was a very ambitous young man. For several months following his accident he was not physically able to return to the kind of employment he had been following, that is, a punch press operator; so he started a cigar business. He had formerly had some experience making cigars, and some money was invested in that establishment, something less than $100, but approximately that amount.

After he had been going along six months, he requested that his compensation be commuted, into a lump sum. He had something like $2,200 coming to him. He thought he would hire two men to help him make cigars and he would buy at least one truck for deliveries. Our investigation and the reports we received from the banks and others indicated that it would be a most unwise thing for him to continue this venture, or to enlarge on this venture of making cigars, so many of them are made by machinery now, and it is impossible for a man in this part of the country, at least, to compete with these machines. We advised him against enlarging upon this and we recommended that the lump sum be disallowed. It was.

He was persuaded to dispose of that business, much against his wishes at first, but when we were able to procure employment for him along the lines that he had been working, as a punch press operator, at $30 a week, he was glad to take that job because he really had not—we had an accountant show him that he had not—been making any money.

There is one other point that is very important. That is, if any lump sums are granted anywhere in the United States I think it is the duty of the compensation administrators to see that the money is used for the purpose for which that money was awarded, and you can not get that assurance unless you detail some responsible person to see that the money is used for that purpose. We have been doing that for nearly six years in the Buffalo district, and in several cases in which we have recommended that the lump-sum applications be granted we have had the checks sent in care of the industrial board which saw to it that the money was used for the purpose for which it was requested.

We have had several cases, five I believe, where it has been necessary for us to return the check to the insurance carrier and have

biweekly payments renewed, and the lump-sum check canceled, because the man had pulled the wool over our eyes. He wanted to use that money for some other purpose than that stated in his application, and, because he would not or could not follow through the recommendation, we returned that check to the carrier and biweekly payments were renewed.

We have had a number of cases where we have recommended that the lump-sum application be granted, but only after a most careful investigation. I have in mind one case where the insurance company thought it was a permanent and total disability, and several of our doctors in Buffalo advised us to the same effect.

This was another back injury and for nine months the man was totally paralyzed in both legs, and for two years very seriously partially paralyzed. He was an Italian with not much education, but good intelligence—a splendid appearing chap. The doctors said that we could not do much with him from a rehabilitation standpoint, because he could not stand for more than two or three hours at a time and he could not sit for more than two or three hours at a time on account of this back condition. They constantly advised operation. After the man had been operated on three times he refused to have another operation.

Well, we trained that man to be a barber, because he had a splendid personality and a nice appearance, and he was given employment in four different shops, but he was unable to follow the trade for more than three days in any one case because it was necessary for him to stand longer than his physical condition would permit.

It then occurred to me that if this man had a shop large enough to have two or three barbers working for him he could run the shop for himself. I was convinced he had the intelligence to do it, and so I went to the insurance company and asked them, when we had selected a suitable place, if they would advance $1,800 to purchase this shop for this man. They agreed to do that. It was nearly two years' compensation, and the case was closed without prejudice. That is the way it stands on the docket to-day. It may be reopened at any time and the man paid additional compensation, but what has been the result?

It was four years ago that we bought that shop for that fellow. He had been a common laborer all his life. He had never earned more than $30 a week. For four years now he has operated this shop, and he has two men working for him during the week and three men on Saturday, and his income runs from $42 to $57.50 a week. That is his net profit. His home surroundings are better than they had ever been before.

It would have been an injustice, I think, to have denied that man that much money. It meant the restoring of that man to usefulness, at employment that could not possibly have been provided any other way, because as proprietor of the shop it is not necessary for him to take care of every man who enters the barber shop. He only helps out when the trade is pressing. He does take care of the cash.

I would like to tell you about a number of other cases, but I am a little pressed for time.

There is a case of a man in Fredonia, a man 42 years old who fell from a telegraph pole and sustained permanent paralysis of the internal organs. The insurance carrier was most cooperative. When we saw we could not rehabilitate him in any other way they agreed to advance $1,500 to purchase a cigar store for this man. A store was located and purchased. At the end of six months he apparently was doing quite well, and making about $25 a week clear.

The insurance company wanted to settle the case, as Mr. Hatch says, for the purpose of reducing their reserve, and they offered to settle for $5,000. Our referee told me that it was a good settlement, and I think perhaps it was, but I took the stand that we were interested in this man from a rehabilitation standpoint, and that his case should not be settled until such time as we definitely knew he would be successful in that employment.

Well, in another two months the insurance company raised that ante to $6,000, but I took the same stand as before and said that it made no difference how much they wanted to pay the man, the case should not be settled until he had definitely been returned to employment, with more than reasonable assurance of a steady income for the balance of his life.

I stood firm on that in spite of the advice of our referee, and when this man had been in business something more than a year his accounts were audited by Ernst & Ernst, public accountants, and they showed a clear profit of $1,300. There were other conditions that entered in which gave us more than reasonable assurance that the profit would increase in the next few years, and I was then quite willing and happy to recommend that a lump-sum settlement be made, and this was a lump-sum settlement instead of a lump-sum commutation. I think the final settlement was $7,000, which with the $1,500 that had been advanced to him amounted to about $8,500.

That man to-day has one of the most successful stores in Fredonia. He has money in first mortgages and on deposit in the bank in excess of $6,000. He has a business that is netting him more than $3,000 a year. Of course, his wife helped him. We capitalized on her and there were other factors which entered into the case.

That man and his wife could not live happily on the $19 or $20 a week he was receiving. They were constantly going into debt. They were most cooperative. It depends entirely upon the man whether you are going to be successful in rehabilitating him or in helping him to conserve his compensation if it is granted in a lump sum, and unless you can be reasonably sure of full cooperation in every case, it should be disallowed.

I would like to tell you about a Polish man, 44 or 45 years old. He sustained a back injury and an arm injury. The scheduled loss of his arm was 65 per cent. There was no schedule on the back, of course. It is not provided for in our law. The insurance company paid the full schedule for the arm and we had great difficulty in prevailing upon them to pay more money for his back injury. Meanwhile a neurosis had developed, and all in all it was about as bad a case as we had ever had. It seemed hopeless to restore him to employment; that is, to restore him in the employ of others.

Our only hope of getting that man back into employment was to establish him in some sort of a business for himself.

Finally, when it looked like we were not going to be able to get another dollar from the insurance company, they agreed to advance him $700. He had little education and was not highly intelligent, but it was our only hope. We selected a very good corner for him with the help of the banks and others and established him in that store, and with the help of his children—there were several, I think the ages were 16, 18, and 20, and the 16-year-old girl was the one on which we capitalized most—we were able to get him started.

I visited that man eight or nine months after he was established in that business and found that he had spent $300 out of the profits from the store for a fur coat for his wife. He had spent $250 in cash for a stove for his kitchen in the back of the store. He was making money.

He continued in that employemnt for a couple of years, or less than two years—20 months, I think—and then he failed. Off-hand that would be a failure from the rehabilitation standpoint. I look upon it, however, as a conspicuous success from our standpoint, because when he failed he had debts. The people in the community owed him something like $1,400, or twice as much as he originally invested in the store. Much of that was not collectible, but before he failed, or about that time, we were able to return him to employment as a truck driver at a wage of about $27 or $28 a week, and the man had not worked for years before we established contact with him.

Establishing him in that business and permitting him to operate that business, even though he failed at the end of 20 months, restored that man's morale and made him employable again.

DISCUSSION

Mr. KENNARD. May I ask one question? Do you have any question of lump sums in the case of widows or dependents?

Mr. JARNEGAN. Yes.

Mr. KENNARD. Do you have a lump sum?

Mr. JARNEGAN. We have, yes.

Mr. KENNARD. I ask the question because in Massachusetts we never had lump sums in widows' cases.

Mr. JARNEGAN. We never do for dependents and minors, of course, and it is only in the most unusual cases that we recommend it for widows, and then it is thoroughly safeguarded.

Mr. KNERR. How do you handle your lump sum in the case of foreigners who want to return to their native country?

Mr. JARNEGAN. The money is turned over to our bureau through the industrial board. Such money as is necessary to pay the fare and the fare of his family, railroad and steamship from Buffalo to the point to which he wants to go, is turned over to him, or the tickets are usually purchased. The balance of the money is transmitted through a Buffalo bank to the town nearest to where the man is going, whether it is in Rome, Italy, or Budapest, or Moscow, or Madrid.

Mr. KNERR. We follow the same practice in Utah.

Mr. STEWART. What do you mean by "safeguarded"? What do you mean by "lump-sum settlement"?

Mr. JARNEGAN. I am sorry you were not here to hear Doctor Hatch's paper. He gave a very pertinent definition of lump-sum settlement, and also of lump-sum commutation.

Mr. STEWART. They are two different things?

Mr. JARNEGAN. Yes.

Mr. STEWART. How do you safeguard a lump-sum settlement in the ordinary meaning of the term?

Mr. JARNEGAN. I suppose that is an exaggerated phrase. It is safeguarded as much as it is possible for us who are making the investigation to safeguard it. We are calling upon these cooperating agencies, the banks and others, to help us out in these things. It is safeguarded so far as human limitations and our own personal limitations permit.

Mr. STEWART. That does not answer the question. Let us be plain about our definitions. A lump-sum settlement, as I understand it, is where you settle the case, pay the man the money, and you have nothing more to do with the case. You have no business to ask him any questions. Now then, in that kind of a lump-sum settlement how do you safeguard it?

Mr. JARNEGAN. We do not pay him the money.

Mr. STEWART. Then you do not make a lump-sum settlement. Let us understand what we mean by lump-sum settlement.

A lump-sum settlement is where the amount of the disability is fixed. The man is entitled to $25 a week, or $20 a week, for a certain number of weeks. Instead of paying weekly, as the spirit of the compensation law requires, you multiply the number of weeks by 20 and you give him that much money down and the case is closed. He goes ahead and does as he pleases. What I want to know is, how do you safeguard it?

In Salt Lake City we tried to learn what was really meant by lump-sum settlements. Mr. Clark, of Ohio, discussed the subject, but as far as I could learn from him lump-sum settlements meant taking care of widows.

Commutation, or a supervision of that sort of thing, is an entirely different question. I stated my position on the lump-sum settlement in the convention in Baltimore, and I have not changed my opinion. To begin with, I do not think much either of the supervision or of the commutation. Let us stick to what we mean by lump-sum settlement—cases in which a man is paid a certain amount of money, and that is the end of it.

Now, you talk about investigation. Just let us be honest with ourselves for a minute and see how funny it feels. If I could look into the womb of time, as Shakespeare has said, and see what seeds will grow; if I knew what business would pay and how much it would pay, believe me, I would not be commissioner of labor statistics, nor would you be commissioners of workmen's compensation for three minutes! If we would, we would be fools! If, by any sort

of investigation, we knew what investments were safe and sound and would pay, we would not be here to-day. This would not be the place for us.

Any investigation that you can make means nothing, because you do not know. The fellow who started a cigar store and, finally, at the end of two years went broke and became a truck driver because he bought his wife a $300 fur coat—you can not foretell that, nor can anybody else. Lump-sum settlements are in absolute violation of the spirit of workmen's compensation.

Mr. ROBINSON. After hearing Doctor Hatch define a lump-sum settlement and lump-sum commutation, I want to say that Virginia makes no lump-sum settlements. It is commutation of lump sums based on a specific award, but for the satisfaction of Mr. Stewart I want to say that, regardless of any settlements that are made, they are subject to reopening on a ground of change in physical condition. We make no lump-sum settlements.

Mr. STEWART. Well, it is not a lump-sum settlement.

Mr. ROBINSON. It is a lump-sum commutation. What provision is made in New York, where compensation is payable to a widow and infant dependents, and where that family has a home that is mortgaged, and where they have a considerable equity in it? Does the New York commission allow a commutation or lump-sum settlement in that case?

Mr. STEWART. Do not confuse the two terms. A lump-sum settlement ends the whole transaction.

Mr. ROBINSON. If the amount necessary to pay it off does not require the whole amount, I would say it would be a commutation, but if it required the entire amount I would say it would be a settlement.

Doctor HATCH. I do not know. We are quarreling over terms. When you get to quarreling over definitions, there is no end to it.

To answer your question, we could, as far as the law is concerned, grant a lump sum or a partial or an installment in a lump sum in such a case. That does not say we do it, necessarily. It all depends upon circumstances.

Now, if Mr. Stewart thinks we can not safeguard that business——

Mr. STEWART. I am not opposed to installment commutation. I am talking about a settlement.

Doctor HATCH. I understand what you mean, I think, Commissioner, and if we all are ready to accept your proposition that you can not safeguard such settlements, then I think we are about ready to vote unanimously that they ought to be out of the picture of compensation, but it is not true in my opinion. I think the kind of experience that Mr. Jarnegan has described to you here in New York proves that under certain conditions sometimes it does appear that a lump-sum settlement, or commutation of part of the compensation or all of it into a lump sum, may benefit the claimant. As I said in my paper, when that is proven, as it is asserted, within a reasonable degree, as reasonable as you could get in this world, then it seems to me you have sufficient ground for granting a lump sum. Call it a settlement, or commutation, or what you please. It

does not make any difference what you call it—a settlement or commutation.

The problem is created, just as Commissioner Stewart has suggested, by the fact that what you do is to turn over to the man a capital sum and trust to his ability to handle a capital investment successfully. Now that is why I said in my paper that it is a doubtful proposition in the nature of the case, but sometimes you can resolve the doubt to the point where your lump-sum settlement seems desirable from the point of view of the claimant. Now, that is a thing we can dispute about all night, but there is nothing certain.

Suppose you give a man $20 a week compensation, or $40 every two weeks, you are doing just the same thing. You are trusting to that man's ability to use $40 every two weeks. For aught we know it means one drunk biweekly, and no more of the $40 afterwards. You have the same proposition there. We are dealing with human uncertainty.

Now, the point of the whole thing is that this is a dangerous business unless you know exactly what you are doing. The man can get drunk biweekly, but he must repeat it a great many times before he will use all of the compensation for the loss of an eye. If you give it to him in a lump sum, in one sum, he can have one tremendously grand spree, and it is all done. It is a matter of degree more than anything else.

What we mean by safeguarding in New York is to determine by all reasonable prognostication what this man's ability is and probably how he can handle money; but more than that, as Mr. Jarnegan has pointed out, by counseling with him, by checking up and helping him, sometimes you can rehabilitate better than you can by paying him by installments.

Now, I am not prepared to rule out that possibility completely from the picture of workmen's compensation, but I do say, as I said in my paper, proceed with the very greatest caution.

Mr. DUXBURY. I have been perplexed with this question like every other administrator of a compensation law, and I always have a considerable doubt and but little confidence in my judgment, because, as Mr. Stewart has pointed out, if I had the judgment that ought to be required for this momentous responsibility, I probably would not be doing the job at all; but we must realize that the primary purpose of the compensation law is rehabilitation.

The law wisely provides that in most instances rehabilitation, or returning to useful occupation as an independent, self-supporting member of society, is accomplished best by the periodic payment provided by the compensation law, but that is not absolute. There are many cases where that fails, and when the claimant is through drawing these periodic payments the object of the law has not been accomplished.

There are, no doubt, instances in which the peculiar character of injured persons and the circumstances and the economic conditions will promote that return to useful endeavor more certainly and more expeditiously if they are financed to accomplish the thing which they wish to accomplish. If you do not finance them, but keep them on

that mere pittance each week, they never will be returned to useful employment.

Now I know it is presumptuous for anyone to say just which case belongs in the one group and which case belongs in the other group, but you have that responsibility.

Up in Minnesota I use a lot of slang expressions because they seem to be more effective. One of them is that we are hard-boiled on this proposition of lump-sum payments, or lump-sum commutations. In other words, we sometimes say that we are from Missouri. They must show us or convince us that that is the best thing to do in that particular case for that particular individual, and that it is more likely to promote the primary object of the law—restoration to useful endeavor, either employment or in his own capacity in his own business—than the periodic payments. We have many cases in which, hard-boiled as I am, and much as I like to shirk responsibility and let things take their own course, I do take the plunge—the chance on that being the best way to restore them, or the best way to accomplish what I consider the primary object of the compensation law.

Mr. FITZGERALD. I am from Oregon. Personally I am in accord with the paper read by Doctor Hatch, and the rehabilitation gentleman from New York. There is no doubt if the Oregon commissioner were to be consulted he would say that they were trying to carry out the policy, as far as they are able, and the principles as outlined in these two gentlemen's papers; but, of course, when applications come before the commission in Oregon the human element enters into it and sometimes good resolutions are broken.

The commission, many times after granting a lump-sum advancement observes that they did not use very good judgment, they were not lucky because the injured man has soon dissipated that portion of the award which the Oregon commission had authority to grant. By legislative enactment, the Oregon commission is restricted and can grant only up to 50 per cent of the amount set aside as an award in payment of the permanent partial or permanent total, and when a lump-sum advancement is made to the applicant his monthly pension—we pay it by the month out there, not weekly—is reduced in proportion.

What influences us, perhaps, in granting a larger number of the applications for these lump sums is what we think is an inadequate monthly pension. Oregon is not liberal, we think, in the amount paid monthly. The time in which it shall be paid is spread out over a longer term than in most States.

The highest single award to be made for loss or separation of an arm, or total lack of use of it, is $2,400, and that must be paid out at the rate of $25 a month, which means 96 months. When an application is made for lump sum the commission in its discretion, by a legislative permission, is allowed to grant one-half of it to the applicant, that being the maximum. Then his monthly payment is reduced to $12.50 a month.

We often are forced to face this situation: A mistake has been made. The commission did not exercise very good judgment. It thought it was a judge of human nature and that the applicant would make good use of the $1,200, but the business opportunity did

not pay. The cigar store or the pool room was in the hands of a sheriff in a short time.

Then the man with the one arm goes around and he says to his neighbors and friends, "The great State of Oregon is paying me $12.50 a month for the loss of that arm." He does not tell the whole story. He does not tell that he put the commission to the expense of several thousands of dollars, perhaps, in medical aid and hospitalization, and to additional expense for the award. People think, of course, that it is an outrage that he receives only $12.50, and he receives that for a period of 96 months.

Of course, we refuse many applications for lump-sum advancements, and we never have any regret over having said "No," because if afterward we find that it perhaps would be advisable, we change our order, but if we grant it we have many times cause for regret. We can not get the money back. The money has gone over the wheel, into the hands of some business-opportunity fellow.

However, I would not want to see striken out of the theory of the compensation law altogether the right to grant lump sums if those who have the administration of the law think it desirable or advisable. I do not believe that we should adopt that premise.

I think the flower of manhood and womanhood who are engaged in gainful industry, and who come within the benficence of the workmen's compensation law because they are so unfortunate as to lose bodily functions, should not be told by the administrators of the compensation law, "No, we have superior judgment. You can not use any capital sum. You will receive this money in the monthly or weekly pittances." I think many thousands of the injured workmen are just as good business men as we are and in many cases lump-sum payments should be made, and they inure to the benefit—to the financial and moral benefit—of the injured workman.

The CHAIRMAN. May I call attention to the program for just one moment? We have been discussing two subjects for 2 hours and 10 minutes. We have 75 minutes more in which to discuss four more subjects, and I wish some one would make a motion to limit this debate or discussion in some way in order that the Chair might at least control this situation.

[On motion it was decided that the subject of lump sums be discussed until adjournment, that other subjects on the program be deferred until Thursday afternoon, and that in the debate on lump sums each speaker be limited to 3 minutes.]

Mr. CHARLES D. SMITH. I want to say one word about the investigation of lump-sum settlements. For the information of Mr. Stewart I want to say that our supreme court, in a very recent case, in the case of Tim Cannon against the compensation commissioner, has ruled that there is not any such thing as a lump-sum settlement; but I want to indorse what the gentleman from New York had to say relative to the investigation of a lump-sum settlement, and I want to add just one other thought, and that is, investigate the claimant.

The CHAIRMAN. Next on the program is a gentleman from Virginia.

Mr. ROBINSON. I had hoped that the gentlemen from New York, Doctor Hatch and Mr. Jarnegan, would pass on one question and give us some light on one phase, and that is, what to do with compensation that is payable to a widow and the infant dependents? You may look at compensation as being for rehabilitation of the injured employee, but here is a family who have a mortgage on their home. They have considerable equity in the place, and yet they are not entitled to compensation. They will receive it weekly or monthly.

Virginia does one thing there, and that is where there is only the widow, they discourage it in every way possible. Of course, if she is not apt to get married, if she is running a business, some mercantile establishment, and needs the money and the insurance carrier is willing, it may be considered, but in most cases it is not considered.

There is always the possibility that the widow may remarry and part of the compensation which would not be payable to her will have been used, but I would like to hear some discussion on how this would be handled in cases where there are infant dependents to be educated, or a home to be saved. I don't want to advance the thought, but I would like to hear some discussion on the subject from New York.

Virginia does, in those instances, allow a lump-sum payment, or partial payment necessary to save that home for that family, or necessary for the education of the children, so that they will become wage earners—and, by the way, that is under the supervision of the rehabilitation department.

We do not turn over all cases to the rehabilitation department. We do put under the guidance of the rehabilitation department, the cases that involve the training of some minor member of the family to become a wage earner for the benefit of that family, but the industrial commission itself assumes responsibility for the other cases. If a personal investigation is required it may be referred to the deputy commissioner, or one of the men from the office may go out and investigate.

There must be three recommendations in behalf of the applicant; that is, from the bank or the store, or some person with whom we can establish contact before we really consider seriously that application. If it is for the saving of a home we want to know what the appraised value of the home was, what they paid for it, the indebtedness against it, and the date of maturity of the mortgage. If we find that it is worth while to make a personal investigation we make one.

In those cases I don't think we have any regret, but those cases, Mr. Stewart, would be where the widow and the dependents are entitled to a definite amount, we say a limitation of 300 weeks. If that is paid out and paid out under proper supervision, invested toward the saving of the home, or the education of those children, we are not prejudicing at all the rights of those applicants.

Now, that is not a lump-sum settlement. I told you Virginia doesn't make such settlements.

As to the injured employee, we do, for rehabilitation purposes, allow a partial lump-sum payment, or entire payment, for the pur-

chase of a farm if the claimant is qualified and has been raised on a farm and is qualified to go back to the farm and he is partially disabled and unable to follow an industrial pursuit. It is with close scrutiny, however. Or, if he is qualified to go into some business, but it is only in scheduled cases, and if we allow an entire settlement, under the Virginia act it is possible for that man to come in and if he shows a greater disability than that for which he has already been compensated by weekly payments and by commutations, his claim is then reopened and additional payments made in accordance with the injury.

There is no inducement for the self-insurer or for the insurance carrier in Virginia to try to commute or make any kind of a settlement at all in order to end its liability. There is never an end to liability unless there is no physical disability present.

Mr. LITTLE. I do not wish to trespass upon the time of the audience, but from the point of view of both rehabilitation and workmen's compensation, if lump-sum settlements were to be interpreted strictly as Commissioner Stewart speaks of them, I would quite agree with him that the whole system ought to be stopped, because of the loss of money, the waste, the inefficiency that follows the giving of lump-sum settlements to injured workers.

It has been a fundamental weakness in workmen's compensation since it was started, but Commissioner Stewart fails to recognize the intent and purpose of the rehabilitation act enacted by the Federal Government and by 43 States, and if he will follow through the intent and purpose of the Federal rehabilitation act and the State rehabilitation acts, and that which is available to you workmen's compensation officials in coupling up with the rehabilitation service of 43 States, he will find therein, by law and by procedure, a method by which to handle this question of lump-sum requests. It is written into the law. It is in the procedure. It is in the nature of the case, and it was put there by people who knew what they were doing.

The rehabilitation movement in this country was started by officials of the Federal Government, some of whom were acquainted with workmen's compensation. It had its rights and its motive power out of that experience that there needed to be a follow-up service, a follow-up service not only to conserve the money, but to conserve the worker and his economic and social welfare, and to restore him to gainful occupation whenever it was possible.

It was discovered by careful investigation in some States in this country, taking hundreds of records, and going to the field to follow them up as to what became of the permanently partially disabled worker, that one-third of them never got back to a job; that they had spent their conpensation; that they received their medical or surgical benefits, but they were adrift, and they were dependent upon their families, and upon their friends, and upon the community.

That was one of the motives for starting this rehabilitation work; others need not be mentioned. Therefore it was coupled with the very question that you are discussing, and it is written into the Federal rehabilitation act, and no State can have the advantage of the Federal aid for rehabilitation unless it sets up a cooperative

relationship with the compensation officials of the various States, and a follow-up service in compensation itself.

The immediate, direct purpose of it was to brace up and strengthen this very point that you are discussing here to-night, and it is written into the Federal act; therefore, it is also written into the State acts. They had to write it into the acts to get the advantage of the Federal fund. Therefore, you will find that provision in the law in every one of the 43 States.

Now, you will not find it in all the functions of the rehabilitation agencies of your various States, because it is such a complicated question. It is so full of misunderstandings that very few of the States have worked it out, but you have listened to-night to one district at least, the State of New York, where, for over five years, it has been worked out, and it has not only been worked out but it has been worked out constructively. It has been worked out successfully, and if you paid close attention to it you will see its importance, both in law, in procedure, and in constructive results; therefore, Commissioner Stewart needs to enlarge his idea a little, or at least his definition of a lump-sum settlement, that it is giving to the hurt worker a settlement, complete, of his claim, in a check, and that he can do with it as he pleases.

If that is all there is to it, I agree with him that the whole affair should be stopped, but that is not all there is to it, nor ought it to be, because there is written into the act of this State and of every other State, the words, "In the interest of justice," and the courts of this State, as well as the industrial board, have interpreted the words, "in the interest of justice," the economic and social advantage of the claimant and his family as above the advantages of biweekly payments, and anyone who deals—not merely in the office but out in society—with the hurt worker knows perfectly well that there develops situations in the lives of the injured workers and their families, and that their economic and social advantage may be advanced by granting to them the advance award or lump-sum commutation of their compensation, that it will meet the exigencies of their situations better, and by careful planning of it with them, and following it up, we will get a more constructive result than by paying it to them at the rate of $20 or $25 per week, biweekly, in compensation, and that has been demonstrated again and again, and it is a feasible and it is a workable proposition.

Therefore, what I mean to say is this: You touched upon something here to-night that since workmen's compensation was started in this country and in the world it has never yet been well solved, but you have found the place and you have found some men who know how to do it in harmony with the purpose of the law, the economic and the social benefits of the law, and you may check up the results and find that it is beneficial.

Mr. STEWART. I think it is due to me to say that when I announced my opinion of lump-sum settlements at the Baltimore convention there was no rehabilitation movement on foot. I want to say that lump-sum settlements then meant settlements which ended the whole transaction. Doctor Little has well said that other things have been hooked on, and I want to italicize the "hooked on."

I was just as much opposed to lump-sum settlements as it was understood then as now, and Doctor Little agrees with me. Since then a lot of other things have come up and you still say lump-sum settlements when you mean a commutation for a specific purpose of a part of the compensation award. I have never said anything about that nor have I ever said that I am opposed to that.

I want to repeat what I said at the rehabilitation conference in Memphis, that the compensation legislation was never intended to be "hooked on" that way. If you can rehabilitate, have special legislation for rehabilitation—make it a separate issue. You are muddying the waters—confusing the whole thing. You are getting some of the compensation money for rehabilitation, which is not a part of the essence and theory of compensation. It is a thing apart and ought to be able to stand on its own feet.

While I am in favor of rehabilitation, I am not in favor of using the compensation fund for any purpose except that for which it was intended. I am in favor of commutation occasionally, perhaps, but that is not settlement. You still have a hold on the injured employee. He is not absolutely divorced, without alimony, from the whole compensation question. Let us talk in a language which means what it says. You have entirely distorted the old idea of lump-sum settlements; and I do not believe there is a man in this house who believes in the old idea of lump-sum settlements.

Mr. LITTLE. Just for clarity now, the New York law used the language, "commutation to one or more lump-sum payments." That is the language that we are using. Do not forget that, Commissioner Stewart. We are talking within the meaning of the law as written when we talk about the commutation of compensation to one or more lump-sum payments. That is a quotation from the act.

Now, this question of lump rehabilitation being hooked on, no, it is not hooked on. It is extended, and that is decided by the United States Supreme Court; that the rehabilitation is an extension of the principle of compensation. Do not forget that, Brother Stewart.

Furthermore, there is not any denying or taking from the injured worker his compensation benefits to pay for the purpose of his rehabilitation in the State of New York. Nothing of the kind. We help to get him more compensation money than he otherwise would receive, many times. We do not deny him. It is not a question of the amount of money the man receives. It is how, and it is when, and it is the method of receiving it, and the use to which he puts it, and in that act—and New York is the only State in the Union that has it, and it is worthy of the attention of you compensation officials—in the rehabilitation act of the State of New York there is a part of it an amendment to the workmen's compensation act, and it is an amendment to the education act, and virtually an amendment to the health act of the State. It is a composite act, and that part of the rehabilitation act of the State of New York which is an amendment to the compensation act has in it this very interesting provision: An injured worker, under the compensation act, who dies or who is killed by an industrial accident that is compensable, and there is no claim, the insurance carrier or the employer, if he is a self-insurer, pays into the State $1,000 for the industrial death, where there is no claimant, in addition to $100 funeral expense.

That $1,000 paid into the State is divided into two funds; the first is the special disability fund, administered by the department of labor, to cover that element of permanent total disability after a scheduled loss has been paid out following a second injury. For example, in the case of the man with one eye or one arm who is reemployed in the State of New York, and who loses another member, or combination of members, the insurance carrier pays a scheduled loss for that particular member, and then the subsequent and following years of his life are covered by this insurance provided as I have mentioned. The carrier is assessed for deaths where there are no dependents.

The other $500 is turned over to the rehabilitation fund for the payment of all necessary expenses for the rehabilitating of compensation cases and can be used only for those cases, and that provision of the law was adjudicated through the courts of New York and through the United States Supreme Court and it has been sustained, and it gives to New York 50 per cent more of the money that they use for rehabilitation, because 60 per cent of the cases we handle are compensable cases, but it does not diminish by one cent the scheduled rate of compensation to an injured man whom we rehabilitate. He receives this other in addition by the extension of the principle of the workmen's compensation, and it has been sustained by the United States Supreme Court.

Mr. HORNER. In the State of Pennsylvania practically 90 per cent of the contacts that the bureau of rehabilitation makes come through cooperation with the bureau of workmen's compensation. When an application for a lump-sum payment is filed with the workmen's compensation board in a permanent injury case, the case is referred to the bureau of rehabilitation for investigation and a report, with a recommendation to the workmen's compensation board, just as you do in New York.

However, in fatal cases there were some questions as to whether the bureau of rehabilitation had the authority, because of the fact that the money was appropriated to them by the National Government, and they did not rehabilitate in fatal cases, whether it was good policy to have the bureau of rehabilitation investigate those cases. Therefore, when petitions are filed and applications are filed for lump-sum payments in fatal cases they are referred to adjusters connected with the bureau of workmen's compensation, for investigation.

In answer to the gentleman from Virginia, if there are minor dependents under 16 years of age who are beneficiaries under our law, the board requires that a guardian be appointed for those minor dependents, and that guardian must join the widow in the application for a lump-sum payment. The purpose of that is, in the event the money is granted to pay a mortgage or for the purpose of buying property, the interests of these minor dependents are preserved, either by a mortgage, or in the deed, or in some other way; so in that way we try to protect the interests of the minor dependents when lump sums are granted in fatal cases in the State of Pennsylvania.

Mr. WILCOX. I think the distinction that Mr. Stewart is making as to what constitutes a lump-sum settlement and what constitutes

commutation is thoroughly confusing to the administrator of compensation, and that it means nothing to those who adminster the law.

I was unfortunate enough not to be able to attend the Baltimore meeting, and I never have known until this evening that Mr. Stewart was contending for any different definition on this practice, or any distinction between a commutation for one purpose and a commutation for another purpose. I had understood that the objection that he entertained was one which directed itself to the fact that the compensation laws contemplated that the payments were to be made in weekly amounts, representing the wage lost, and that his objection to the whole thing was because it set aside that theory.

This other matter of distinguishing between those cases where you just turned the money over and forgot about it, and the cases where you exercise a measure of control as to how the money shall be used, never occurred to me. I did not believe there was any person under the heavens administering workmen's compensation in this country who was so foolish as to forget about the purpose for which this money is to be used. I thought that we expected that we were going to look after it, to see that the money went for a definite and good purpose, and that we kept a sufficient amount of control over it to see that it did.

I never heard of any State yet that thought of such a thing as turning money over to individuals who had no competency for the handling of it. Now, I have no patience with that notion, with a good deal of the contending against lump sums. I have no sympathy whatsoever with a notion that you can pay—how much for an eye injury? One hundred and sixty weeks? The idea of turning over $25 a week, as they do in New York, for the loss of an eye, added to the wage that a man earns, because we know, as administrators of compensation, that these men go back sometimes into the same industry in which they worked before, without any loss of wage, and we build up their weekly income by $25, and let them go on and work through 160 weeks, and reach a standard of living that they can not continue. That ought not to be. That is the worst thing that can be done for any family; so I believe in controlling the investment of these moneys when commuted for payment of debts.

We commute for payment of mortgages. We commute for various purposes, for the purpose of buying homes. When we purchase a home we write into the deed a clause prohibiting them from disposing of the property or the mortgage or doing anything with it.

If it is for investment purposes, we require the securities to be left in the bank or in the trust company, or somewhere where we know they can not get them, and we make sure that the money goes for a decent or legitimate purpose. We do not turn money over to anyone who has not built up with us a record of ability to handle it.

We use the rehabilitation department, but I object to this notion that every one of these commutation matters shall be turned over to any rehabilitation department. If I have a man who has bought on a building and loan plan, and he is paying for his home at the rate of $30, or $40, or $50 per month, and I look at his little book, and I find that he has paid out half of the original purchase price of that property, that he has been meeting his payments weekly or

monthly, as they were to be made, do not tell me for any single moment that I can not trust that man. He knows more about how to take care of his money than I know how to take care of it for him. I can depend on that type of fellow, and I do not need to worry about him, and there is not any advantage in turning that over to the rehabilitation department. That is not rehabilitation. It is not anything of the sort.

We use all the agencies we are able to use, and I detest the sort of man who does not avail himself of the things that are available to him to teach him how best to handle the problem before him.

This morning, in this room, there was demonstrated to us the basis of the amount of compensation to be awarded to men, and I guarantee to demonstrate to this crowd that those estimates of disability in one or two cases were three times as high as they ought to have been. Now we set ourselves up as judges competent to determine how much money a man ought to have, when we may vary all of the way from $1,000 to $3,000, $4,000, $5,000, or $6,000. We expect to have sufficient judgment to do a job of that sort, and still we can not tell whether or not a family is frugal. Well, now, I simply resent that sort of implication upon my ability, or upon the ability of administrators generally.

Doctor HATCH. I wish that we in New York had equal confidence with Mr. Wilcox in our ability to judge the future probability of a capital investment, running from $2,000, $3,000, $4,000, to $6,000, or $7,000. We simply have not that judgment. We are very glad to confess it.

Mr. WILCOX. If you put it in bonds or mortgages or something of that kind you would have a control over it.

Doctor HATCH. What good is that as compared with compensation installments? It is not any more secure.

Mr. WILCOX. It is not a matter of security. It is a matter of whether you are going to allow this fellow to augment his earnings and spend his money and at the end of his period of compensation have nothing, whereas on the other hand, I keep him within his average and fair earnings and at the end of his disability period I have the money left.

Doctor HATCH. The safety of those investments is not a question of having those bonds in a safety deposit box; it is a question of the value of those bonds 5, 10, or 20 years hence, and any man in this room who has ever invested any great amount of money knows that occasionally the biggest companies go into receivership.

How do you know that the bond this man is going to buy will not be the bond of a company in receivership five years hence, and then where is his income coming from? That is what I am talking about. When you talk about security it is wholly a matter of business judgment, and we believe in New York that you want to get all the assistance you can.

Now it is not a question of turning it over to the rehabilitation bureau. They do not determine these cases. They simply give thorough-going, expert advice (because that is their kind of a job), of what the possibilities and the probabilities are, and that comes back

to us, and we decide, in the face of the fact and probability presented by them, whether to do it or not.

It is a question of whether you can get the best information about the man's capacity, his circumstances, and his more or less speculative future finances.

Mr. WILCOX. We have in this State, and we have in every State in the Union, laws which put upon public officials the obligation to investigate the moneys of minors, dependents, and the insane, and they tell you the kind of bonds and securities you may invest in, and, as far as human abilities can determine, those securities are secure, and they are a mighty sight more secure than the money that is being turned over to these people biweekly to spend as they choose.

Mr. STEWART. I want to ask Mr. Wilcox just one question. You say that the workman knows more about what to do with his money than you do. Then why do you make an investigation?

Mr. WILCOX. I did not say anything of the sort. Mr. Chairman, I am answering the question. Mr. Stewart has said that I made the statement that the workman knows more than I do about what he should do. I did not say that. I said that when I find a man who has gone on month by month, saving out of his inadequate earnings $30 or $40 or $50 to buy himself a house and has made several payments thereon, it is presumptuous for me to say that he can not save his money—that particular man. But I investigate them all, surely.

Mr. ZIMMER. I want to say what I did not say at the Baltimore convention—I was not there. I will devote two minutes to settling the problem of the widow in New York State so far as lump sum is concerned.

We can grant the widow a lump sum in New York, just the same as we can to anybody else, but we do not do it, just as in the case of the others. There are very, very few occasions when a lump sum is granted by this department to a widow, and there are still fewer occasions that the insurance carrier will stand for it, and he rarely has to stand for it.

We must prove conclusively that it is in the interest of justice, and that is a pretty hard thing to do.

But to answer this gentleman from West Virginia on that house proposition; now, as a matter of fact, in New York State if a widow remarries she gets two years' compensation in a lump sum. That is all. So you can readily see that an insurance company will not, unless this widow is pretty well along in years, and with very little expectancy under the remarriage table, stand for a lump sum, even if we were willing.

Mr. KINGSTON. There is one angle of the subject that I wanted to get some light on, if I can. The representative from Utah has asked the question as to commutation of pensions payable to foreigners who want to return to their own country. Let me illustrate my point: Supposing a man has an arm off, and according to New York the present value of his pension of $25 or $30 a week—whatever it is, for 312 weeks—is something over $6,000, and he wants to go back to his European home. I understand you would advance

him enough money to buy his ticket. Would you, after he goes home, advance him the full present worth of that pension? That is important.

I want to say that we do not do that in Ontario. We have a number of these requests, but by reason of the economic conditions in some of those mid-European countries, the impaired value of money, the difference in living conditions, we say that if you are going to remain in our country you may have your pension for life, but if you are going back to this country where conditions are so much different we will commute your pension on a substantially lessened present worth than its actual present worth is in terms of money here. I would like to know if New York or any other State does that.

Mr. ZIMMER. New York State has identically the same proposition. We must commute the compensation due an alien if he decides to go across, and it is commuted at 50 per cent of its value. That is in the statute. We have no say about that.

Mr. KINGSTON. I am glad to know that, because the practice we have adopted in Ontario is on that basis. I wanted to say one other word on the general subject, and that is, under our law in Ontario we commute all payments, all awards that are based on a disability rating of 10 per cent or less, by lump sum. If it is over 10 per cent then we pay it in the form of a pension. We have applications for lumps sums which we sometimes allow with the greatest precaution, but we never commute a widow's pension. That is held absolutely sacred.

Mr. LEONARD. I think in the State of Ohio we have been a great aid to widows. I think we have helped Cupid a whole lot in Ohio. We have had a number of cases in Ohio in which just as soon as a widow received an award she remarried. There is no provision in the Ohio law which prevents the payment of money to a widow. She may remarry, but she receives the money just the same.

We try to be judicial in Ohio in the matter of lump-sum awards. We feel it is a great deal according to the person. We have two kinds of lump-sum awards. The one is to the widow where there are dependents, and we are very, very careful. We find there are so many people who have things to sell. We find men who hold second mortgages at 7 and 8 per cent. We find people who hold first mortgages. We investigate very carefully. We allow no lump sum to anyone where a mortgage is held by a private party. We have found that people who hold second mortgages are never paid. The claimant pays the interest, but pretty soon the property is foreclosed.

We try to put a restriction in the deeds so that the property can not be sold within seven years, but that does not prevent the property from being foreclosed. We will not give a lump-sum award unless it is in a building and loan association.

We are rather liberal with a man who is injured, who has a permanent partial award, a man who is able to work. We look at the man himself. We look at his earnings if he wants to buy a little home. We have the rehabilitation department investigate and make recommendations to us and we allow him to buy it. We try

to throw every safeguard around a lump-sum award and it is quite a large responsibility.

I have often felt that if I could have people up before me and question them I could make up my mind, but you can not see them at long range. There are too many people who are on the trail of the widow and the orphan. We try to put the golden rule into effect in the treatment of our cases. We try to look at things in the terms of humanity and industrial justice.

We know that when the widow and the orphan receives the $18 or $20 or whatever it is every two weeks for a period of 416 weeks, they are not going to lose it.

Our death award in Ohio is $150. That is the time when a widow has debts and we are quite liberal about that. She makes application to pay off these pressing debts, to get her started, and we advise her that we grant lump sums only under very extraordinary circumstances. We feel that it gives them a good start in life if they are able to pay off these pressing obligations.

Mrs. ROBLIN. To answer further Mr. Kingston's inquiry, the Oklahoma law provides that we may commute the weekly payments, if they wish to return to their homeland, into a lump sum, and in that event they draw only 50 per cent of the amount that would be due them if they remained in this country.

In doing that—of course, our foreign element is mostly Italian and Mexican—we take the Mexican or Italian consul into our confidence, and it has resulted in the Mexican Government handling most of the Mexican's money when he returns to Mexico, and the consul makes a report from the seat of the Government of Mexico in all cases.

Mr. KENNARD. Perhaps it is not for me to give any advice to this assembly, but I would like to make a suggestion: This is a great age for research. Most of our advancement is based upon research. I think it would be an excellent proposition, in view of the great doubt which seems to surround this question of lump sum, if some of our jurisdictions would go back in their records five years and pick out a hundred cases, impartially, and find out where they are to-day, and have a report made on them, and then we will be approaching them with the benefit of the experience you have had in your jurisdiction, and you will get a lot of information, on examination, to guide you in granting lump sums in the future. When the application comes to you in the future you will have something exact in your mind so far as those hundred cases are concerned, and it will probably be fairly typical of other cases. It will be discouraging research work, but it will be illuminating and helpful.

Mr. WORSTELL. Along the line of what Mr. Kennard has just said, in Idaho we make lump-sum settlements—Commissioner Stewart and I will have no disagreement on what the word means. It is a final settlement of all past, present, and future liability on the part of the employer and his surety. When the man receives the money in the final settlement his case is closed.

We had an instance just a couple of weeks ago of a man who had received a minor injury to a toe, and he had been paid by the State

insurance fund of the State of Idaho about $130 which was an absolutely fair and correct settlement at that time.

He was employed about two years later by a construction company in the southern part of the State and he sustained another injury to the same toe, and his doctor at this time says that his trouble is not due to the second injury, but to the first injury. He has a disease and a condition which may result in the loss of part of a foot.

Now, the situation in Idaho, in view of the lump-sum settlement which that man received, is just this: If the board determines that his condition is not due to the second injury he can not receive a cent of compensation because his case is absolutely and finally closed.

I guess that I have perhaps voted for every lump-sum settlement that has ever been made by the Industrial Accident Board of the State of Idaho. I used to favor lump-sum settlements, but our experience (and we have made an investigation of 112 cases over a considerable period of time to determine what became of this money and whether or not it has been for the best interest of all parties as the law intended) shows that in over 90 per cent of these cases the money did the claimants absolutely no good. They lost it.

We have had men go into the pool-room business, the chicken business, into the dairy business, into the filling-station business, and into every kind of business that you can think of—agricultural pursuits, to buy a home, to buy a building, to travel, for businesses, to buy tombstones, to pay for an operation, and I do not know what—and we find that in over 90 per cent of those cases the money has not accomplished the purpose which we expected it would accomplish.

Now, our situation out there is just this: While I have been extremely liberal in the matter of voting for these lump-sum settlements I have almost come to the point of Commissioner Stewart, where I feel like denying every application, but I know that would not be fair.

I can recall a case where the commission was divided as to whether or not the man should receive a lump-sum settlement. He wanted to start a harness business. Well, perhaps you would think that would not be a very good business, but he proposed to establish in a little town called "American Falls," out in the dry farming country where there are a great many horses, and we found on investigating his case that he has a very good paying business there and he is doing well. So that I do not think it would be wise to deny all these applications, but we must adopt some sort of practice in Idaho to put a stop to the flood of lump-sum applications.

Five years ago we received about one application a month. Now we receive about 25 a week. Every time a man has an award of from $100 up to $3,000 or $4,000 an application for a lump-sum settlement is received before the agreement is entered into, but later the application comes along and the matter is up to the board to determine; so that we must adopt some sort of practical rule and regulation to handle this situation.

We are figuring on the proposition now. Perhaps we will adopt a blank of some kind which will contain three or four bases of information, with the idea of discouraging the man from going ahead with it, and if it is not completely filled out it will probably go back

to him to be completed, and then when we receive the application we will scan it very carefully and check it up, and those that we think are not worthy will be rejected and denied, and those that we feel are worthy of investigation will be heard; testimony will be taken to determine whether or not it is a proper case.

We feel that we have—I do not want to be charged by Mr. Wilcox, of Wisconsin, with being incompetent and not knowing what we should do—followed the law in a great many of these cases, and trustees have had charge of purchasing the property, or whatever the man said he wanted to purchase, and we have seen that the home has been purchased, that the mortgage has been paid and all that, but after that is done we have nothing more to do with it.

Mr. PATTON. I do not think that the workmen's compensation bureau should be charged with the responsibility, the duty, and the burden of making lump-sum settlements. I think any compensation bureau has a big enough job to handle the workmen's compensation awards. I do think, however, that such, whatever you want to call them, in some cases are advisable and that the experience related here to-night by Mr. Jarnegan, and further spoken of by Doctor Little, has demonstrated beyond any doubt that there is a method of arriving at this result, and I take it that the experience, running over six years, has convinced our commission that it would be advisable in the future to relieve our compensation bureau of all responsibility in this matter and turn it over to the rehabilitation bureau, and that, in essence, is the contention that was made this evening in the paper on this subject by Doctor Hatch.

I do not agree with Mr. Wilcox at all that the workmen's compensation bureau ought to presume for one minue to have the financial wisdom of knowing the right thing to do. Our industrial board has toed the mark and confessed that we do not know how to do it, and we want somebody whose specific job it is to tell us what to do and how to do it.

Mr. CURTIS. This is the whole question when you simmer down the New York act. Is the lump sum in the interest of justice? And no one has gotten away from that point. In New York State we have an adjustment of a case, but that in no way completes the case. If there is any change in condition it may be reopened, and so I told Mr. Stewart here to-day that he was confusing lump sums and putting them all in the same class; there is a difference under the New York State law as far as a nonscheduled case is concerned. If a sum of money is paid to a claimant and there is a change in the condition, the commission always has jurisdiction over that case, so that there is a vast distinction, and I am in accord with Doctor Hatch's paper.

From my experience I know there should be a thorough investigation before a lump sum is granted, because there are some men who can not handle a lump sum properly, but at the same time that should not be any reason for our going on record here declaring against lump sums. That is the position that labor takes on the matter, and we believe it is a sound position. There are men who can handle a lump sum and do well with it. There are others who can not handle a lump sum, but we will never stand for abolishing the lump sum from the law.

[The meeting adjourned.]

Section A: Chairman, S. S. McDonald, Workmen's Compensation Bureau of North Dakota

PROBLEMS OF EXCLUSIVE STATE FUND JURISDICTIONS

[The meeting was called to order by Ethelbert Stewart, United States Commissioner of Labor Statistics, who stated the reason for dividing the Thursday morning session into three sections.]

The CHAIRMAN. Each person who is called upon or who gets up to speak, will please give his name and the State or Province he comes from, so that the stenographer can take it down. First on the list, to start the discussion, is Nova Scotia.

Nova Scotia (Mr. ARMSTRONG). The subject for discussion this morning is the problems of exclusive State fund jurisdictions. Many of these are due, first, to the act as passed by the legislature not having been given the careful study that was necessary before becoming law, and also due to the fact that legislation of this nature was an experiment. No two acts are the same, and for that reason the problems in one jurisdiction would not be the problems in another jurisdiction. Secondly, the appointment of members of the board has not always been given the careful consideration that it deserved. In exclusive State funds the board must act as an administrative body as well as a judicial body and in many jurisdictions no appeal is allowed from their decisions except in questions of law. For that reason the board should be composed of persons of business ability and should be appointed for a term of years. In no case should the appointment be made for political service. If the board is made a political football, serious trouble will arise and political influence in the administration of the act will follow. Efforts should be made to keep politics away from the administration of the act. Thirdly, the size of the jurisdiction and the nature and pay roll of industries covered create a serious problem and it is an open question as to whether small jurisdictions having only a limited number of industries, or having one large industry and a large number of smaller industries, should without very careful study adopt an exclusive State fund.

In jurisdictions like Nova Scotia where half of the assessments received come from our coal mines, and similar conditions existing in West Virginia, it becomes a matter of special consideration as to whether these jurisdictions adopted the proper method when they chose the exclusive State fund. Problems which arise where risks are covered by stock companies may not be problems where there is an exclusive State fund. The problems of the small employer who finds it impossible to get insurance with stock companies is not a problem where there is an exclusive State fund, because there appears to be an obligation resting upon the State fund to protect all industries which come within the scope of the act. An innovation

has found its way into many of the acts creating exclusive State funds which gives the workman the right to be paid compensation even if the employer has not reported his industry or paid assessments. This, of course, could not happen where risks are carried by private insurance companies. One of the most serious problems which a State fund has to face is the matter of the indifference of employers. On account of the insurance being collective, the individual employer does not have the same incentive to fight cases as if it was a case of individual liability, or a case where a private insurance company would carry the risk. Another problem is the fact that an exclusive State fund can not take advantage of selection of risks; it must practically accept every risk which comes within the scope of the act. True, in many jurisdictions provision is made that surcharges can be put on certain industries where a special hazard has been shown to exist; still this is rather a difficult matter. Perhaps the best way to look upon an exclusive State fund is that it is a large insurance company having a monopoly, that the employers in the Province coming within the scope of the act are shareholders, and the board is arbitrator between the employers and the employees. In most of our jurisdictions having exclusive State funds very great powers have been given to the board, but these must be exercised with due caution.

The CHAIRMAN. Does anyone want to ask Mr. Armstrong any questions?

Mr. LEONARD. What is the penalty for an employer not covering?

Mr. ARMSTRONG. He has to pay assessments from the time he came within the scope of the act and he is liable for the full cost of the accident.

Mr. LEONARD. Is the pay jail sometimes?

Mr. ARMSTRONG. Not unless we can get a judgment against him. Judgment does not always mean you get your money. All we have to do is issue a certificate signed by two members of the board and file it in the prothonotary's office and it becomes a judgment of the court and he is served with a writ, and if it is possible to get the money we can get it. You do not even have to have a solicitor.

Mr. LEONARD. Does that stand for years?

Mr. ARMSTRONG. It becomes a note. Many times we have people come in to us wanting release from a judgment happening seven or eight years ago, some property that someone has picked up and finds this judgment still stands against him and he is willing to settle up.

Mr. LEONARD. Do you not find that these fellows have their property in their wives' names?

Mr. ARMSTRONG. Yes; but even with that we go very much further perhaps than you do. We see that we can get after a man for any property used or manufactured in the industry. For instance, a man is running a sawmill in the lumbering industry, which he may have borrowed or rented from some other man. We have a claim on that mill. I do not know whether your law goes as far as that or not.

Mr. LEONARD. We can appoint a receiver for his business.

Mr. ARMSTRONG. Yes; but this is not his property. He has rented that mill. Our law goes so far as to say we can take that mill. In some cases we have done that. Here is a case that a member of the board would hesitate to put in force. A man may have a pair of horses and his neighbor says "I am going into the lumber woods. Now, you are feeding these horses and bedding them down. Rent them to me and I will feed them and bed them for you." He does not receive any remuneration for them, but under our act if we choose we can seize those horses and sell them as the lumberman's assets. We have never done it and would hestitate.

Mr. LEONARD. It gives you a little leverage.

Mr. ARMSTRONG. Yes; we can bluff a little.

Mr. EVANS. I would like to ask Mr. Armstrong whether the fund guarantees the benefits to the injured employee where the employer is judgment-poor, where he has no assets, and there is no apparent chance of getting anything for the employee?

Mr. ARMSTRONG. I might say that in a case of that kind the man does not look to the employer in any way. He looks to the State fund for the compensation and we are bound to pay him, even if the employer never reported his industry and never paid a cent, or if we have assessed him and were unable to collect a cent from him. The employee is protected in every case.

The CHAIRMAN. Any other questions to ask Mr. Armstrong? If not, we will call on the others. The next on the list is Nevada. I do not believe they have a representative here. Then comes New Brunswick, and I do not believe they have a representative here. Ohio comes next.

Ohio—(Mr. LEONARD). I feel that I am among people who talk in my language. I have no hesitancy in going before any meeting, competitive or otherwise, and telling about the Ohio fund. I guess we all have the same problems, whether we are in the same State or not. In Ohio we insure 1,600,000 workers. We have nearly 43,000 employers in the fund. The fund has been established since 1912. We had a very bitter fight to get this fund established. We had employers who fought the organization of the State fund. I believe their point of view is changed now. I might say I am the representative of the employers of Ohio on the fund. The commission is composed of three men, one representing labor, one representing management, and one representing the public. The public man is a lawyer. Fitting the big problem we have in Ohio is the matter of the sympathetic attitude on the part of our public officials, our legislature, our Governor of Ohio. We have had the legislature composed of one faith, a governor of another. It is pretty hard to get the right kind of cooperation with that. We were housed in an old building in Columbus, not a fireproof building. We had two million and a half records in that building. Had we had a fire in that building, in five minutes we would have had fifty-five million and no one to pay it to. The representatives of industry put pressure on the legislature and the governor for years.

Last May the Cleveland clinic disaster happened. You are all familiar with that disaster. We had in this old building tons of X-ray films. It would have meant a terrible catastrophe for the

300 employees housed in that building. That disaster in Cleveland capped the climax. The Governor of Ohio has evinced a very sympathetic attitude. He insisted that we get out of that building. The legislature, of the same political faith, said "We will go along with you." We are now in a fireproof building with fireproof records. That was the biggest problem we had on our hands. From a standpoint of State fund, you are entirely dependent upon the legislature for proper appropriations, as you know. The correspondence and the amount of business is tremendous. In going back to 1912, we have old cases piled up way back in years, together with the heavy amount of present business. It requires additional help and aditional help at a fair wage. In Ohio, through the legislature and the governor, being of the same political faith, we are having the right kind of sympathetic cooperation. We are making advancements and I might say, in that Cleveland clinic disaster, Mr. Blake, our industrial relations director, who is here to-day, sent our investigator to Cleveland and told Doctor Crile that we were there to lend every assistance. We put our investigators right out in the Cleveland clinic. They want right after the death claims and those injured and within three weeks we disposed of more than 30 death claims. It showed that you can transact public business as efficiently as private business and that is one of the big things in an exclusive State fund, to show that you can transact public business somewhat nearly as efficiently as private business. Of course you men know that when you are dependent upon legislature and politics to get what you want it is a little difficult to demonstrate that you can transact public business somewhat near as efficiently as private business.

We have the same problems of lump sum. We have the same problems of coverage and I might say that in the matter of coverage, in the State of Ohio we have the problem of employers of three or more men, who are not subscribers to the State fund. We have a provision in our law which covers or provides that where a man is injured and he was employed by a man who should be in the fund and is not, we act on the case the same as they do in the State fund. We make the award against the employer. We certify that award to the attorney general for collection. The attorney general goes after the employer and after the man and if the man is not responsible he makes a report and asks that it be withdrawn from his files. The commission pays that award to the widow or the injured worker. It is paid out of our reserve fund. The situation that happened in New York State, as told by Mrs. Perkins, could not happen in Ohio. The injured worker or his dependents would be compensated the same as any other person in the State fund. We have the air problem in Ohio. We know where we are on matters of maritime employment when on a navigable river or lake. It is where we stand on railroad trains, interstate coverage, but we do not know where we stand in the air, but we have tried to and have decided to do this: That where an employer takes out coverage in the State of Ohio, we are going to cover the employees. We have the Transcontinental Air Transport System in Columbus, part of the system from New York to the coast. We have had a case recently of a carrier, an air-mail plane. The company made a contract with

the Government for the carrying of mail. The pilot was killed near Cincinnati. The employer was in the State fund, so we took it up with our legal department. We had another case of an ill-fated T. A. T. plane—a traveling man. We made an award of $6,500 to that widow and her children. We do not like to have traveling men take the planes but we are covering them just the same, whether on water, air, or railroad train. Another problem in our fund is the matter of foreign dependents.

The case came before us recently of an Italian who was cited for examination in 1925 and that was the last time we heard of him until two months ago, when a relative of his came into our office at the hearing, had an attorney in fact. She wanted to draw his compensation. She had a statement of his physical condition from a doctor over in Italy. We did not know a thing about this doctor. We had no way of checking up, but finally we are going to make an effort through the American consul to get an outstanding physician and surgeon to go over this man. We lost track of this man. Compensation, if the man's condition warranted it, was due from 1925, amounting to several thousand dollars. I wish we had some arrangements by which we could have men and doctors stationed over there. I do not know whether we could do it legally. I have taken it up with our legal department, but surely there should be some arrangement made so that we could have representation in Europe to investigate these cases. We have a good many foreign dependency cases. We have had the problem of whether or not to give the award to the widow who has been away from her husband 20 or 25 years. Her husband living in this country is killed—whether to give her an award or pay it on proof of dependency. Another problem is the extraterritorial jurisdiction. We cover traveling men in Ohio, where the contract is made in Ohio and it goes in any other State. The court has held that it is confined to Ohio. As a matter of good faith, we are going along with it. Where they pay the premium and want the man covered, we cover, no matter where they go.

We have had the situation of contractors sending men to foreign countries and wanting coverage. We dislike to do it but the Ohio law says there is nothing to prevent it. It seems unreasonable that we should cover men going into other countries but, I think, under strict legal interpretation we should do it. In Ohio, one of our big problems is taking cases into the courts. We have final jurisdiction in occupational diseases, and in additional award cases. I might say, in Ohio we have a code of specific requirements.

The Legislature of Ohio in 1924 enacted a constitutional amendment providing that an employer could not be sued, and further provided that in the case of an employer who violated specific requirements, the commission could give that employer a penalty of from 15 to 50 per cent on top of the award. It worked out very satisfactorily. We had representatives of workers and representatives of employers draw up these codes, which we are now revising. The employer of Ohio makes his own rate. For instance, a man's manual rate may be $1. That man, by reason of good accident experience, may pay 50 cents or 60 cents and his competitor who has a bad

accident experience may pay $2 into the fund. There was a time when the slogan was "Safety is better than compensation," and we had another, "Safety pays dividends," and the employer of Ohio realizes it. By the way, the employer pays 1 per cent of his pay roll into our department and we have experts who go out to advise the employers. We have another branch inspector who places orders. Our men are safety men.

I have said to employers who have been before me, "You know we have these codes?" "Yes." "Did you ever study them?" "No; I got some literature from your safety department but I did not read it." And I said "If you had, you would not be here to-day. You did not guard your machine." Usually when a man does not conform to the code or has made no efforts to safeguard his men, we give the injured an award of 50 per cent from the time of his injury. A man may have lost his arm. The total cost of that may be $3,000. He is paid $1,500 in addition to the compensation that has been paid by the State fund and the employer pays it out of his own pocket. I might say, in Ohio, out of 42,000 parties, there have been just a handful of additional awards because the employers are being sold on the idea of safety. If they are not sold from the humanitarian standpoint they are sold from the dollars and cents standpoint. They realize it is good business.

We have a catastrophe fund of about $3,000,000. It was in Ohio that some critic of State funds said "You will never need that money." This clinic disaster came along—they were in the fund. That would have cost us $400,000 or $500,000. It was supposed to be a fireproof building, yet you men can see what may happen and what the advantage is of having a good strong fund.

Mr. KINGSTON. Those people killed in the clinic disaster, how many employees were there?

Mr. LEONARD. There were between 60 and 70.

Mr. KINGSTON. Employees of the hospital?

Mr. LEONARD. Yes; doctors, orderlies, and stenographers. They were in the State fund. I might say that we sent out doctors. This is from the human side of it. We sent out doctors to Cleveland. There they were using blood transfusions, but when the blood went into the veins it was eaten up. They found oxygen was the only thing to keep them alive. They chartered an airplane at $1,000 to rush the oxygen. Our doctors saw five or six people being kept alive with oxygen. Technicians were there administering it constantly. If they turned away for a moment, it would have meant their lives. It cost us thousands of dollars for oxygen. All hospitals are covered, of course, in Ohio. They have to be. In Ohio we have less than 300 self-insurers. That is, a company that puts up a bond to satisfy us that they are in position to take care of their workers. From the standpoint of self-insurers, we had a self-insurer who employed 300 men. They are now in the fund. When they transferred they had had three accidents. One man injured his thumb and one a finger, but the third man was a man who had both hands gone. This press could have been guarded. The press broke and our experts looked it over and said it could have been guarded. This was a man with six children. He is 38 years old and he may have 30 more years to live and on top of that we assessed an additional

award for violation. That one case may cost that employer between $30,000 and $40,000. No case is closed in Ohio as long as a man is living. We make no settlements.

Mr. KINGSTON. Tell me how it could possibly cost $30,000. Is he entitled to any more than your maximum?

Mr. LEONARD. He is entitled to the maximum and on top of the maximum is the penalty for violation, which runs from the time of injury until death.

Mr. KINGSTON. Is that 100 per cent increase, or 50 per cent?

Mr. LEONARD. In this case we gave him 25 per cent additional and he was entitled to the maximum, which would be $900 a year, and on top of that is the 25 per cent for additional award. The man may live 20 or 30 years.

The CHAIRMAN. Are there any other questions of Mr. Leonard? If not, we will call on Ontario—Commissioner Kingston.

Ontario (Mr. KINGSTON). Ninety per cent of the matters that come before us are matters that come before every board. The problems that are incident to the exclusive State fund, Mr. Armstrong has covered. A good many of them cover the question of coverage of an employer who has not brought himself under the terms of the act by sending in his pay roll or an estimated pay roll. That is, of course, one of our biggest problems. When our law was drafted in the first instance the old chief justice who was the prime mover for it and who drafted the law started off with the idea that in this democratic age we are going to protect the workmen, no matter what happens. We depend on the employer to bring himself under the act, or the board, by making it the business of the board to get everybody under the act, but it does not make any difference. If a workman is engaged in a work which comes under the act he is going to get his compensation, no matter whether the employer is good, bad, or indifferent. Very few excuses of employers are accepted for neglecting to make provision for the protection of their employees by paying the assessment or getting sufficient protection in the first instance.

If he writes us a letter saying "I am going to start in such and such a business and I would like to have you send me necessary forms in order that I may do whatever is proper to bring myself under the law," that is sufficient protection if he responds within a reasonable time to the form which we immediately send out to him to give him the information desired. We hold him protected from the moment he has written the letter saying he is going to do this. We have quite a number of interesting cases in which after an accident has happened the man writes us a letter but dates it back a few days, saying that he intends to carry on such and such a business and he wants coverage. A very innocent letter, but we always preserve the envelopes and it usually happens that the postmark on the envelope and the date of the letter are quite different, but we are not often deceived by that sort of ruse and the employer seldom gets away with it. That is a hardship in one way. We have one case in which we had every politician up and down the country coming to the board seeking to get that man relieved from that particular penalty. As a matter of fact, that accident cost the board some $7,000 by reason of the limitation of the man's ability to pay. We asked him to pay only $2,000 of the accident cost but he begged everybody in the

district to appeal to the board for relief. Of course, we seldom take all that a man is worth. If a man comes to us and pictures ignorance and poverty and all that sort of thing, we do not take the last cent that the man has. We make a reasonable assessment and having regard to all the surrounding circumstances we make him pay handsomely, in addition to paying the assessment which he ought to have paid. Sometimes I think it is a real problem and this is not peculiar to an exclusive State fund. It is peculiar to jurisdictions in which there is no appeal. I feel sometimes that we are burdened with discretion. The law made it very definite that there is absolutely no appeal from our board under any circumstances. There is no appeal by us on question of law, but that very wide discretion given to us has made us all the more anxious to do right by everybody so as to leave the door wide open for claimants to come back to us for consideration. I might say the cases are never closed.

The other day we had a case of a man who had an eye injury nine years ago. We rated his case as a disability of 50 per cent of the loss of one eye and paid his compensation. He came back and the rate was 8 per cent, so that it came within the province of the act which entitles us to pay lump sums. In all awards where the disability rating is under 10 per cent we pay lump sums. We paid that man $1,100. Nine years have elapsed, and the other day he wrote back saying that this eye that was injured nine years ago has gone completely blind and he asked that his case be reopened and reconsidered. We did that and paid him the other half. It was a bit of a problem whether we should pay that in a lump sum or in the form of pension, but having paid the first in lump sum, the pension for the other half was so small, we decided to pay the additional award in a lump sum. Under our law we have no schedule of awards. Our law simply says to the board, in every case of a man injured in the course of his employment in an accident arising out of his employment, the board shall compensate him on the basis that the board thinks is the right thing to do. It is axiomatic that if a man is totally disabled he is 100 per cent disabled, and everything starts from that point. If we see that the loss of an arm creates a disability of 70 per cent that is all we do. What does that 70 per cent mean. It simply means seventy one-hundredths of total disability. How do you work it out? Take our limit, a man gets compensation on the basis of $2,000 a year. That is the maximum even though he is getting $4,000. We assess on only $2,000 because we pay compensation on only $2,000. Then $2,000 is the equivalent of $38.46 a week and the compensation basis of two-thirds means that the maximum in compensation that any man can get is $25.64 a week. Now, that represents 100 per cent disability and that is what everybody gets during the healing period. For a man earning $2,000 a year that is his weekly compensation until the time when we come to consider the permanent partial disability and then we rate his arm as it is. For an arm that we rate at 70 per cent, the simple thing is that he get 70 per cent of $25.64 a month for life. In all those schedule cases, 70 per cent of an arm means 70 per cent of 300 weeks. Of course, the law in effect has said that 300 weeks represents the total loss of an arm, yet as it is said in Ohio and New York, total disability means two-thirds of his wages for life. There

is a vast split between loss of the arm and total disability and yet a man will get very much less than 70 per cent of total disability if you are only going to give him the number of weeks mentioned in the schedule. I don't know whether I have made that situation clear but in speaking in terms of percentage one has always to avoid the confusion arising from those schedule figures mentioned in the act. Of course, 90 per cent of the problems that come before us every day are problems that come before you every day.

We have the frost-bite problem, the poison-ivy problem, then the leisure-hour problem, the noon-hour problem. Those are giving us a good deal of havoc and have been in the past, more or less. The frost-bite problem we have put on a basis of special aspects, the same as sunstroke. There must be something a little out of the ordinary in the way of special exposure before any of these cases can be allowed. Here is another type of problem. A good many factories have facilities for recreation during the noon lunch hour, and some of the men go out in the yard and enjoy the facilities that are provided by the employer, playing baseball and so on. It has been quite a problem whether a man injured while engaged in play on the employer's property during the noon hour should be covered. What would some of you do under such a problem?

Mr. WINT SMITH. We have had various cases on that. One was a man hit in the eye with cement in a playful mood and another, a famous case, in which a girl was being pulled around in the factory during the noon hour by a fellow employee. It was a habit of this particular man——

Mr. KINGSTON. That is a horseplay case; just limit yourself for the moment to the legitimate sport case where the man is engaged in the yard outside without any horseplay, engaged in baseball during the noon hour on the employer's premises.

Mr. WINT SMITH. I do not see any difference between playing baseball and pulling a truck around with a bunch of girls.

Mr. KINGSTON. There is this difference. If two people are engaged in horseplay, they let themselves out of court, but if one person during the noon hour is sitting on a bench awaiting the whistle to blow and somebody comes along and, in the spirit of horseplay, jerks that person off the bench and injures him, we allow compensation.

Mr. EPPLER. The point I get from Mr. Smith is that it is a case of riding a wagon in the noon hour in the yard or right in the factory. Is it not the same?

Mr. KINGSTON. I do not know that I got the story but I thought it was a question of horseplay.

Mr. WINT SMITH. No, sir. The girls were provided a recreation hour and this particular man was pulling a truck and giving the girls a ride and one of the girls fell off and hurt herself.

Mr. CHARLES SMITH. Did the employer provide that recreation?

Mr. WINT SMITH. He provided the place for it. Our supreme court decided that since it was known to the foreman that it was the custom of this man to do this for these girls, it was a compensable accident.

Mr. LEONARD. You asked about baseball players. We had the same thing; as a welfare proposition, the employer encouraged baseball teams. We had a number of employers in the past who said "We want our men covered while they are out playing baseball. We furnish the uniform. We encourage them." But we did not pay them; under the Ohio schedule we could pay only for professional baseball players. Finally, this year we drew up a new amendment which covered the whole proposition, and now where an employer directly supervises or encourages the formation of athletic teams, we will cover them. Our Mr. Evans took it up with us and said this man is not being paid for playing baseball. He said we could cover them by using the hourly rate in effect at the time of injury as the basis on which to make an award. We have had employers who said that they considered it a matter of personal welfare for their workers. We have that same arrangement with the self-insurers. I recall that we had a case of the McCall Publishing Co., at Dayton, Ohio. They provided a field for their workers. One of the pressmen was off waiting to do some work. He was on an hourly rate and he was injured playing baseball. We took care of him. That was before we put in this new recommendation but, with a broad attitude, our commission has put in a ruling that where an employer pays a man for playing baseball, we will take care of him, but he must have been in the fund.

Mr. KINGSTON. We do not cover a baseball player injured during the noon hour. We say that does not arise out of the employment.

In a horseplay case, we always allow compensation to the innocent one in the horseplay game but not to the other fellow. We would allow compensation to a person hit by a batted baseball while standing in the doorway of the factory.

Mr. ARMSTRONG. How about on the field?

Mr. KINGSTON. If he is engaged in the game, we would not, but if he is simply waiting for the whistle to blow or standing in the doorway as a spectator in the game, we would say he was an innocent victim of horseplay.

Mr. ARMSTRONG. If he was a spectator sitting on the benches?

Mr. KINGSTON. I would say he was not participating in the game; but a person engaged in other duties and merely passing through the yard is a different thing.

Mr. EVANS. What would you do in the case of a man who was a semiprofessional ball player and the fact could be brought out that he received a job with the company because of his professional aptitude as a ball player, and he was a pitcher of the team and was really the individual around whom the team centered, that the company was using it as an advertising asset but that this man and all of the members of the team played and practiced outside of office hours and usually did their practice during the noon hour?

Mr. KINGSTON. I think my answer to that question will be this. Of course, playing ball is not an industry under the act but in every employer's form we ask two questions, which are: "Was the business in which this man was engaged part of the business for which you employed him." If the answer is yes—and it probably would be if he was a professional ball player hired by reason of the employees' wel-

fare—one might say that he was especially hired for the purpose of being leader during the noon hour for the men. We have had no such case as you speak of.

Mr. EVANS. As I understand it, if a man would be hired as a pitcher around which to establish a baseball team and he selected one of the employees as a catcher who was not paid for catching, the pitcher would come under the law and the catcher would not.

Mr. KINGSTON. You suppose a case that I have never had. If a man is hired by a basket factory, for example, then anything that the manager of the basket factory directs the man to do, we consider as part of the duties of that factory.

Mr. EVANS. I did not say that facetiously, but it is a problem.

Mr. FELL. Do you not recognize a distinction between injury that happens to one of those employees who joins a band that plays for an evening? The band gets nothing and the company gets nothing. It is just an advertising proposition; but some one in the band is hurt in an accident. Then we have the case of one of our horseshoe pitching contests in the yard and some one is hurt. I would say that the man who plays in the band was covered, whereas the man pitching horseshoes was not covered. Is there not a distinction?

Mr. KINGSTON. We have had nothing of that kind but we have had the case where the General Motors Co. at Oshawa had their annual picnic day and they took everybody across the lake and provided every possible facility for a big day for the whole crowd and everybody was paid his wages for the picnic holiday but somebody was hurt during the progress of the games. We did not allow that case. It seems a bit harsh and at first sight I rather rebelled against the thought that the case should be disallowed, but our board disallowed it.

Mr. LEONARD. We have a case where the employer gives a picnic and the employees are all requested to be there. If they are injured, it is in the course of their employment.

Mr. KINGSTON. I will say there is a lot in favor of that sort of thing.

Mr. GILLERT. For instance, I am on a building job and during lunch hour a man is playing ball in the street. I am sitting outside and having my lunch. The ball strikes me. Is that out of the jurisdiction of the board?

Mr. KINGSTON. I think you would be entitled to compensation. I think we have adopted the practice that a man eating his lunch on the premises, if he is under all the circumstances acting reasonably, not going out of his way to indulge in any horseplay, or steeple-jack work, he would be covered. If during the noon hour he was trying to climb a flagpole, I don't think I would allow it if he were hurt in the act, but sitting on a bench or busy trying to open a window or doing some other reasonable act, he would be covered. Here is an engineer on a traveling crane who forgot his paper, and during the noon hour decided to slip up and get it, and on going up something happened and he hurt himself. We said that was the reasonable act of a man who was on his lunch hour and we allowed his case. I do not know whether this is proceeding along the right lines or not.

Mr. FELL. It seems to me that this last case was very far afield. If it was in the furtherance of his master's business, I would allow it but this lad goes up to get the paper for himself. What difference does it make that it happened to be between 12 and 1 o'clock? He is on his own business. The boy in the band that I spoke of before had some relation to the company. It seems this should be found to be some relation to the salary and what he is doing.

Mr. KINGSTON. I am only bringing up these cases to show how we come up against these problems and sometimes to draw the line between two problems and to justify the decision of a certain line here and a supposed decision where the line of demarcation is rather slender. I am not here to say that we have settled all our problems right.

Mr. WINT SMITH. I think that in most of these cases, if under the jurisdiction of the United States Supreme Court, that court would hold that those cases arise out of the employment but not in the course of employment. I do not think there are many States that would compensate them.

Mr. KINGSTON. We have the word "and" in our phrase. Some States have the word "or." Both factors must exist before we can allow the claim. If it is in the course of or arose out of employment, you have a very different problem. This is another type of case we occasionally come up against. A man is frightened. Should injury arising out of a fright be considered as happening in the course of employment or arising out of the employment? There are two types of cases. One is where something in the course of his work—for example, in steel work a heavy beam may fall somewhere near by and the man is so frightened in the commotion that he jumps unnecessarily and injures himself.

Mr. LEONARD. We disallow cases of men injured through fright.

Mr. KINGSTON. He jumped, not because he had to jump, but because of fright, thinking he was going to be hurt.

Mr. LEONARD. I think that would be compensable.

Mr. KINGSTON. I think so, too; but would it be different if the fright was caused by some such outside agency as, for example, lightning or gunshot somewhat similar to the shell shot that some of the soldiers heard, a sudden explosion of an automobile tire in the presence of one of the boys who suffered shell shock overseas. I have heard it said that under such circumstances they have been known to drop in their tracks in fright. Supposing a man in the course of his work is frightened by lightning or some outside agency—I don't care what it is. I think that we are all of one mind, probably; that the last type of case is not compensable, but the first case is. Then the other problem that we all have to deal with is the question of the man injured as a result of a fit. A man engaged in his work has an epileptic fit and falls and hurts himself. Suppose he is on a high scaffold and takes a fit and falls and is seriously injured. If the fit is the cause of the fall, I would allow it.

Mr. ARMSTRONG. Here is a case where a man was working on a mast of a ship and he took a fit and his muscles contracted and he did not fall, but he died right there and they had to get him down.

Mr. KINGSTON. That is another angle of the same problem. You would have to determine there whether his death was the result of anything that you could call an accident. He probably died right up there and the contraction of his muscles kept him from falling.

Mr. ARMSTRONG. It was hard luck for his wife and family that he did not fall.

Mr. KINGSTON. Yes; I think it was. We had this case: A conductor on a radial car, no passengers on the car, just the motorman and conductor, was going from Chatham to Wallanberg, and the motorman looked around and there was no conductor on the car. The motorman backed up and found him a mile or so back on the side of the road. There was only the slightest kind of an abrasion on his head to show a bruise, but he fell six or eight feet from the platform of the car and was found dead. As you say, there was a fall which I suppose by process of imagination could have killed the man, although it is pretty hard to see how it could, but we held there was sufficient to shift the burden of proof; even though the man did have a pretty bad heart, we felt that the burden was upon the other people to establish that that man died a natural death.

Doctor KESSEL. In your cases of sudden death, do you always have autopsies performed?

Mr. KINGSTON. I would not say always. If the cause of death is obscure, we always advise an autopsy, and sometimes we even (if the case has gone some time and the claim is put to us) say to the family, "We are not going to allow that claim, but we will consider the problem. We will consider the case if you have an autopsy and put in a report of the coroner or the person who does the post-mortem."

Mr. FELL. I am interested in these cases because I have to guess on several thousand cases in a year so that the commission of Ohio will not have to do the guessing. I would like to know what you think about the epilepsy and the outside entries. How do you distinguish between the two? Where is the difference between the outside entries resulting in the fall? We can hold the epilepsy case responsible and the other not. I can not see the distinction.

Mr. KINGSTON. I suppose I should put it this way. If a man on a platform or a scaffold on a high building, for example, during a lightning storm, is frightened and he falls from the scaffold, I would not like to say that I would not allow that, but if a workman is sitting down at a desk and during a very sharp stroke of lightning and in fright, something, I can not describe what, might happen. He is injured. There I would feel like drawing a line. Perhaps there is not much merit in the line you can draw, but in the first instance I do not think there is much difference from falling from fright and falling from epilepsy. Perhaps I am wrong in that, but we do not allow that outside-agency case if it came into a room such as we speak of.

Doctor KESSEL. Before leaving the question of autopsy, I would like to know whether your law makes any provision that an autopsy might be ordered by the commission.

Mr. KINGSTON. I think that, speaking for Ontario, the absolute right to have an autopsy is a function of the attorney general. I do not believe that any board as a matter of absolute right

can say we are going to have an autopsy and force it. We can say that we are not going to allow that claim until there is an autopsy, but you have to bear this in mind, that there is the question under the statute of the desecration of the grave, and no grave can be opened at will by anybody except at the instance of the attorney general. That is our situation.

Doctor KESSEL. The law of West Virginia is practically the same, but it is a question whether it would not be well to amend our law to allow us that privilege.

Mr. KINGSTON. I think it is a pretty safe situation to leave that to the attorney general, because you are always in active cooperation with your attorney general, or you ought to be, and I fancy where there is a case needing an autopsy there is no difficulty to get it.

Mr. ARMSTRONG. It is up to the claimants to prove their case, and that strengthens the case.

Doctor KESSEL. I understand that; but as a matter of satisfaction and a matter of knowledge in many cases, it would give the commission the right information.

Mr. ARMSTRONG. It is up to the family.

Doctor KESSEL. I understand that; but it is done by consent, and the question arose in my mind whether the law should not be strong enough if the commission needed it.

Mr. KINGSTON. Have you had difficulty in getting autopsies?

Doctor KESSEL. Yes, sir.

Mr. KINGSTON. Another question is suicide. A man commits suicide as a result of despondency following an accident. One can imagine a number of reasons why a person of certain mentality might do that, but have any of your jurisdictions had that as one of your problems, to allow a claim where death results under such circumstances?

Mr. LEONARD. A man who had a head injury commits suicide? We have allowed a number of them as a result of head injury. We felt that was a direct result. It was traced to the original injury but I do not think we have allowed a case where a man is worried about a leg injury and committed suicide or as a result of worry over financial conditions, etc. But, where our medical department says that the injury has caused the suicide through some mental derangement, we have allowed compensation.

Mr. KINGSTON. Even though the mental trouble might be due to the financial difficulties?

Mr. LEONARD. No; from a head injury.

Mr. KINGSTON. There must be a direct trauma to the brain tissue in some way or other?

Mr. LEONARD. Yes.

Mr. KINGSTON. We had this case, where a man simply had a very badly broken leg and it was quite apparent that that affected his mind, and that either the worry or the pain or the financial embarassment that was imposed upon him and his family by reason of his injury caused him to jump out of a window and kill himself. We had another case where a returned soldier had met with an

accident and there was some particular problem about his case. I did not see him personally but he came to the board in great distress about some feature of his claim. He did not get the satisfaction that he wanted, whether he was entitled to it or not, but he went uptown and jumped off a bridge and committed suicide. We allowed that claim, not because he had been to the board but because it was so apparent that his distress of mind was due to that particular accident. Then one of our greatest problems is that of preexisting conditions. If we get into that, I do not know where we will end. There are so many preexisting conditions that have their effect on accidents that happen. This has been discussed time and again and discussed here to some extent. It is difficult to illustrate the number of cases; so many men up in years have osteoarthritis. That is perhaps the most prevalent preexisting condition in old men who are injured. I just state what was shown here yesterday, that they pay no attention at all to preexisting conditions. They take a man absolutely as they find him. If he is working and earning wages, I judge, from the reports of Doctor Bell yesterday, that they will allow him full compensation just as if he were an able-bodied man. It does not seem to me to be right and it is a difficulty that we all have. Where are you going to draw the line? Take the man with quite a serious preexisting condition. Suppose he falls and is killed. Nobody would think under those circumstances of saying whether he had not had such a preexisting condition.

That is illustrating an exaggerated view of one side of the case, but just imagine a man who is simply full of syphilis, we will say, and the slightest little scratch sets everything to the bad. Is it right that industry should be burdened with the full responsibility of the case? I say it is not; yet I confess that I do not know where I am going to draw the line. A great many jurisdictions do not draw the line at all but take every man no matter what his condition may be and if he has met with an accident or injury in those jurisdictions he gets full compensation. I say he is mighty lucky, if he gets it. Then there is the other problem of smoking while at work. If a man during the course of his employment lights a cigarette in the factory and happens to have his hands covered with gasoline, or greasy rags are around and he catches fire, I don't believe we would say that arose out of the employment.

Mr. LEONARD. What if the employer allows him to do it? That is the whole thing.

Mr. KINGSTON. I have the query here as to whether there is a rule in the factory of absolutely prohibiting smoking. I do not say that that would make any difference; but it makes a stronger case to refuse if there is a rule prohibiting smoking. I do not think the employer should be burdened with the cost of an accident which is due——

Mr. ARMSTRONG. Do you not think there is a responsibility resting upon the employer to see that the rule is enforced?

Mr. KINGSTON. Yes; I will not say that. If there is an employer who tolerates that and if he goes out and does it himself in the factory—but we have taken the position that injury from lighting a match does not come within the employment.

Mr. WINT SMITH. We have heard a great deal in this conference about foreign dependency. We have in the United States several treaties, particularly one with Italy which causes us a lot of trouble in Kansas. Practically all our coal mines are operated by Italians. Kansas is noted for being liberal except in one thing. Every session of the legislature passes a law which says we can pay them only $500 for death when the dependents are in Italy. I was wondering if up in Canada you had any treaties like that to override? We have been up on that several times and have been overruled.

Mr. KINGSTON. We are not controlled by any treaties in Ontario. We have nothing but our act to deal with and there is a provision in our act which says that in the case of foreign dependents we shall allow only such compensation as that country would allow if the circumstances were reversed. In the practical application of that, that does not apply to any of the American jurisdictions. There is a subsection to that section giving the board jurisdiction to allow such sum as it sees fit. In actual practice, if we used that first subsection, the reciprocal section, we would give very little compensation to foreign dependents. I think the most given a widow of a Canadian killed in Italy would be $300. I do not know what they would get from Bulgaria or Ukrania or Bohemia but the most we have ever given to any European dependent is $1,500. We are not restricted by any law and we use the second subsection of that section which gives the board discretion. The strongest case is a widow with three or four children. We rarely give anything where the only dependents in Europe are the father and mother but with a widow and children we sometimes go as high as $1,500. In the case I discussed last night, where a man injured here wants to go across to his home, we will commute the pension if we see he is the type of man who is no longer of any economic value as a workman. We will commute the pension on 50 per cent and let him go, sending the money to him after he gets there.

Mr. LEONARD. I would like to ask as to the policy of the different States in sending the money. Do you send it to the claimants through the consuls?

Mr. KINGSTON. We have sometimes used the British vice consul nearest to the home of the man but we do not use the local consul.

Mr. LEONARD. We have had cases where the people ask that the money be sent to them direct, but we feel that where the consul is near the money is then in legal hands. Sometimes these people say there is a considerable charge but the commission looks to the representative of the Government to send this money. Whether this is the right way or not, I do not know.

Mr. KINGSTON. I suppose there is no absolutely right way or wrong way but we have considered it the better way to use the British vice consul nearest the home of the claimant.

Mr. CHARLES SMITH. At this point I would like to ask you a question. What certification do you require as to a foreign dependent?

Mr. KINGSTON. We require them to produce the certificate of marriage and the evidence of birth of the children and, if possible, a certificate of good faith from the mayor of the town or the head

man of the village or something of that sort. We have no set form that you absolutely must comply with but we must get such evidence as will satisfy us as to the genuineness of the dependents and the fact that the widow and children are the recognized widow and children of the deceased.

Mr. CHARLES SMITH. We are employing the same system that you have mentioned, but should we not require a further identification or certification? Between the States a further certification would be required as to any record of a State. Why should we not require a further certification, in view of the fact that we have no representative in this foreign country?

Mr. KINGSTON. It is up to the board to be satisfied.

Mr. CHARLES SMITH. I simply mentioned that as one of the problems—that of an imperfect certification, it seems to me.

Mr. KINGSTON. We had this case the other day: A man was killed in Sault Ste. Marie. His widow came to us and told us she was married 30 years ago and did not know the name of the village, and everybody connected with the marriage is gone. The witnesses are dead. She did not have a scratch of a pen to show she was married. We wrote to Lansing to the office of records and not a scratch of a record of that marriage could be found, yet this man and his wife had lived in the parish of Sault Ste. Marie, the children were born there, the records of all the children were in the parish church, and the record of the family in the neighborhood was man and wife for all these years. We said to refuse that widow her claim because of her technical inability to get an official record of the marriage would be wrong. She had to swear to all the necessary facts and then we got a supplementary affidavit from a neighbor indicating the fact that these people had lived as man and wife all these years. We accepted that as satisfactory evidence under the circumstances. We had a case in Detroit, a woman married again and got her $960—a lump sum payable on remarriage. Nearly two years elapsed and she wrote to us "This man I married I find has already a wife living and I find myself up against it again. Can I be restored to my pension rights?" What would you do under those circumstances?

Mr. CHARLES SMITH. If your law was plain, there would be no trouble.

Mr. KINGSTON. She married, and to all intents and purposes she is off the books.

Mr. EVANS. She had an illegal marriage.

Mr. CHARLES SMITH. How could you pay that to the widow, if she was not the widow?

Mr. KINGSTON. We, of course, restored her to her formal legal rights. The only thing was to restore her to her rights, deducting the $960.

Mr. LEONARD. We recognize common-law marriage in Ohio and illegitimate children.

Mr. KINGSTON. If a man is killed and was supporting any children, I do not care if they are legitimate or illegitimate children or adopted or grandchildren, so long as he was supporting those chil-

dren, they are dependent children. If a man is living with a woman, common-law marriage as you say, we are not going to give her compensation as a widow but if she continues to maintain the household and support the illegitimate child, then we can treat her as a foster mother if we find she is a proper person to carry on. This came to us at the time of the Hallinger disaster. There arose the question as to whether we would recognize a widow who had been married in Finland. The marriage over there would not have been recognized as a good marriage here but we do not care anything about that. If it is recognized in Finland as a good marriage, then we will not throw stones at it here.

Mr. LEONARD. You spoke of your difficulty in getting records in Michigan. Did you have any difficulty in getting records of the colored people in the South?

Mr. KINGSTON. No.

Mr. LEONARD. Then you haven't seen anything yet.

Mr. WINT SMITH. I would like to ask you another question. I understood you to say you are a court unto yourselves.

Mr. KINGSTON. A law unto ourselves. That must be taken with qualifications.

Mr. WINT SMITH. There is nobody that is going to pass upon your interpretation of the law?

Mr. KINGSTON. Absolutely not, except the bar of public opinion. There is a tendency to get away from legal procedure all down the line. One of the things that made the English-speaking people one has been their use of safeguards thrown around court procedure. We have a commission that is a law unto itself.

Mr. WINT SMITH. Do you follow the principles enunciated for hundreds of years by the jurists of England, or do you go ahead and make your own laws? I want to know that as a matter of interest.

Mr. KINGSTON. I do not know. They want to defend the position as a matter of practical politics. It has worked out well with us. It gives a pretty strong weapon in the hands of a board and I can quite see this, that if the board should abuse that discretion it might easily create a bloodless revolution.

Mr. WINT SMITH. Do you follow the rules of evidence?

Mr. KINGSTON. Not necessarily. We get information, mind you. We do not haphazardly believe everything we hear but we try to get the facts, yet we are not technical in our administration of the law. We are not technical in the form that we receive the evidence. We do not take sworn testimony in our cases. We send out forms in which we ask all the necessary questions which will lead to the disclosures of all the facts, one form to the workman, another to the employer, and another to the doctor. Those three forms disclose the facts. We do not ask that those forms be sworn to and in ninety-nine cases out of a hundred they disclose all the necessary information to allow a claim. We have enough confidence in human nature to believe that three men are not going to lie about the same thing at the same time and place. In ninety-nine cases out of a hundred we are right in that assumption. We try to get the facts, and in very

difficult cases we bring everybody around the table, witnesses are sworn, and then we get at the facts in the old and regular way.

Mr. FITZGERALD. Oregon has an exclusive State fund. It is sometimes called the monopolistic type. The law in Oregon is not a compulsory law. It is an elective law. It is presumptively compulsory on hazardous occupations. Hazardous occupations or industries are listed in the statute, which it is not necessary now to relate, but any employer engaged in a hazardous occupation may exercise a right to reject the benefits of the law. He may refuse before beginning operation, or if he begins operation and fails to reject he still has that right to file his rejection, which, however, does not become effective until the beginning of the next fiscal year, which in Oregon is the 1st of July. The law became operative on July 1, 1914, something over 15 years ago. It is administered by a commission of three appointed by the governor, who serve at his will. It all very droitly says that this commission shall represent: One the employer, one the workmen, and the third the whole people.

I was pretty much in accord with Mr. Armstrong's paper this morning, except his conclusion. In our State we are getting stronger for the exclusive State fund all the time. If there was ever any doubt about it, it has been removed. We do not even have self-insurers. They have been a little afraid of that proposition. I am afraid that the best type of employer would become self-insurer and we would be left out. It was never written into the law and there has never been any great movement for it. We have the problems of the foreign dependents. We have widows probably in every civilized country on the globe. The commission has the right to commute pensions to the widow and dependents. We have found this to be a fact, that while the average widowhood in Oregon is something less than six years, in the 15 years' existence of the commission we have never known a foreign dependent to remarry.

I recently sent a letter to these widows in Europe and Asia and Africa and elsewhere, suggesting that their award be commuted and paid them in a lump sum of 50 per cent of the award, and not one of these widows accepted it. They preferred to get it monthly. Thirty dollars a month for life in Japan or Finland with the different values of money, means considerable, and the widows continue to take it by the month. The commission has the authority to establish the rates of contribution for the employers. We did not always have that. In the beginning the law specified the rate of compensation for the employer as pertaining to the occupation. That, however, has been changed. The commission has, as is true in most of the jurisdictions, established the rate of contribution; that is, if the employer has a fortunate accident experience, he can receive a reduction in rates as high as 20 per cent. It runs 20 per cent, 15 per cent, and 10 per cent. On the other hand, there is no provision in the law at the present time by which any penalty may be imposed on an employer if he fail to maintain safety standards or to encourage safe practices. There is, however, the provision that an employer who organizes a plant safety committee and carries on the function can gain a further reduction of rates of 5 per cent by having this safety committee organized, meeting, preserving a record of the minutes of the meeting, and sending it to the com-

mission. He can still retain this per cent even if his accident experience is disastrous.

There is a great deal of misunderstanding in our State about the fund. Probably the most misunderstood feature of the law is that relating to the fund or reserve set aside for the purpose of paying for disability already existent. It is called a segregated accident fund. An award is made for loss of an arm. The present worth of that award is turned over to the State treasurer and by him invested. In 15 years this fund has grown to nearly $5,000,000. It is hard to make people believe that this is not a surplus; even the employers look upon that as a surplus and, of course, the workmen are more easily deceived and they think the commission has accumulated millons of dollars, and therefore they use that as an argument for paying more compensation. Of course, the schedule is in the law and we do not have much to say about it. We have a catastrophe fund which must be maintained at $100,000. That fund is seldom used. Only two or three times have we ever had a catastrophe. A catastrophe is where two or more fatalities happen in the same accident. We did have one where a logger carrying dynamite killed himself and three other loggers in close proximity. We have the appeals to the court, not only on questions of law but on questions of fact. We have one appeal to the court on about every 2,000 claims filed, and about 50 per cent of the appeals result in favor of the claimant and, of course, the other half in favor of the commission. The commission is defended in these cases by a representative of the attorney general's office. However, before an appeal can be made to the court the claimant must ask for a rehearing, which is nothing more than bringing it again before the commission. The commission again sits and hears any proof of testimony offered by the claimant to prove that the commission has erred in passing on the claim. Of course, the commission sometimes revises or reverses itself and allows the contention of the claimant.

Someone brought up a question a little while ago which, if I make this citation, I might clear up some. In Oregon there was a logger, a timber faller, with a partner out in the woods, so far away from headquarters that they took their noon lunch with them. They built a fire for warming themselves in the leisure time and for warming their coffee or food and after eating their lunch one of them fell into the fire. The fire was on a steep hill-side. Sitting above the fire, he in some way fell into it. He was very badly burned, enough to become permanently and totally disabled. That resulted in litigation. That employer was not on the compensation roll. He had rejected it provisionally. He had been approached by an insurance company and said "Why pay the rates necessary for the State law? We will pay your workmen the same benefits as they would under the State law and we will do it for so much less." The employer said "All right, if I can save three or five or six thousand dollars, I guess I'd better do it." This employer rejected the benefits of the State law and accepted provision from an injury company. This young man fell into the fire and was the worst disfigured man I ever saw in my life.

Mr. KINGSTON. What was the cause of the fall—liquor, or what?

Mr. FITZGERALD. No, no, no. Oregon is a dry State. He just fell in in some unaccountable manner. The insurance company took care of the man two or three months in the hospital and then sent him a check for $1,000 in full settlement. The doctor attending him, feeling it an outrage, called attention of the State officials to the case and they properly advised the young man and the case got into the equity court. If it had been under the State fund, being a married man with three children, and he so young, it would have been set aside at $12,058. That case went into court and the insurance company defended on the ground that the accident did not arise out of or in the course of employment and then it was carried to the court of appeals and they affirmed the decision of the lower court and it is known as the Brunson case and the claimant won.

Mr. LEONARD. You were talking about disfigurement. Have you a provision in your law for facial disfigurement?

Mr. FITZGERALD. No.

Mr. LEONARD. We have a limit of $3,700 in Ohio. After they return to work if they have a bad scar which makes them repulsive they are paid for it.

Mr. FITZGERALD. I will cite one case that was upheld by our supreme court. A man had a fracture and was confined to the hospital. After treatment it was found he had a well-developed case of cancer of the stomach, and after six or seven months, died of cancer. The injury would probably have healed in four or five weeks. The dependents filed a claim under the compensation law, which was denied. An appeal was taken and the Supreme Court of Oregon held that the injury while it did not bring on the cancer, very possibly shortened that man's life or accelerated the disease at that time. The Supreme Court of Oregon allowed that fatal claim.

Mr. LEONARD. Do you find there is a lot of trouble in determining whether cancer is the outgrowth of an injury?

Mr. FITZGERALD. Yes.

Mr. LEONARD. That is a big question to-day that the doctors do not seem to understand. Our doctors hold, when it appears at the site of the injury, it is reasonable to suppose it is due to the injury.

Mr. STEWART. There was a paper at the last convention on cancer as a result of a single trauma, which is the principal point of contention, and this paper throws a good deal of light on that. You ought to read it.

Mr. KINGSTON. On that question of cancer, let us mention this one case that is before us now and not decided yet. A man working in a sawmill had a mole on his abdomen and in handling a plank caused a slight abrasion just directly over that mole. There is some idea among the doctors that an abrasion on a mole is very apt to start cancer and this man did develop cancer within one month. Our medical officer has recommended allowing it.

Mr. CHARLES SMITH. I only want to say just a word or two. First I want to correct my friend from Nova Scotia who spoke of our deficit of $5,000,000 in West Virginia. That was found by our actuary who used the Dutch table. Upon investigation we found we

were solvent and in the year when there was supposed to be a deficit of $5,000,000 we actually put aside $1,000,000 in surplus and added to the fund.

Mr. KINGSTON. What table did you use?

Mr. CHARLES SMITH. We are compelled to use the table of our own experience, all fixed by the legislature. I want to say that everybody is impressed by one thing in the discussions that we have had to-day and that is the possible lack of knowledge of the act, although you have a State fund and are satisfied. I want to say that we get out for the benefit of employer and employee a little pamphlet giving the whole compensation law. I think we need to exchange our laws.

I want to make the offer that I will be glad to send our law to any State, that you may become familiar with it, and I shall be glad if you will send me yours, so that I may become familiar with your laws. I am impressed further by this thing, that the compensation law is a law of recent growth. Take the criminal law and the civil law. We have been growing under them for years, so do not expect too much in a little while under this law. We all have the same problems; and about the problem of a proper certification, I want to say that in the foreign countries, especially mid-European countries, certification is under a rubber stamp even though done by the mayor. The State of Poland has brought a suit against a widow who received compensation from West Virginia and continued to receive it, and they certified from time to time that she had not remarried. It turns out that she has remarried. I think it was the lack of a proper certification of the records of marriage and dependents in that case. I think we ought to have a certification by some higher official than the mayor of a town or a couple of statisticians in the foreign office, because that is what it means. Your problems are ours, and I think the thing for us to do is to study each other's laws and get closer together. You can borrow from us and we from you.

Mr. STEWART. On that West Viriginia question, I want to say that no workman in West Virginia has lost compensation notwithstanding the so-called bankruptcy of that fund, and I want to raise a question as to whether the same methods should be required of a State fund as are required of an insurance company. An insurance company may go broke. It can go out of business. In 24 hours it can become insolvent. The State of West Virginia is not going to move away, nor is it likely to go broke. The question arises in my mind why should West Virginia, why should Ohio, why should Nova Scotia or Ontario be required to carry the same reserve that an insurance carrier is required to carry? British Columbia makes each year stand on its own feet, and nobody has lost any money in British Columbia, as far as I know. I am not in favor of weakening the reserves in case of insurance companies for one minute but I do raise the question for this reason: Some of the State funds have a great deal of money. Legislators hover around a big pile of money like yellow jackets around a honeycomb, and I am not sure that the time is not going to come when the legislative body of Nova Scotia or of Ohio will say, "Here is a lot of money that we can use for something else" and they will appropriate your reserves for something else.

It is true, if you apply the same figures, the same methods, to West Virginia at the time the investigation was made that is required of insurance companies for reserves, they would not have enough. I want you to think about this question. Your reserves may become a source of great danger and when they are appropriated for something else, you may have to try British Columbia's scheme and let each year stand on its own feet. There is no danger to the worker and you remove a danger from your compensation commission.

Mr. KINGSTON. On the question of too much money, we have in our reserve for widows' and children's pensions something like $19,000,000 dollars, all invested in gilt-edge securities. That fund is valued every two or three years. Five years ago, when we did not have an actuary, it was found we had $1,011,000 too much. We immediately credited that to the returns for the ensuing year. I stand by our system. I do not say it is the best but on this particular point I think it is sound judgment to say that each year must pay for the accidents of that year. Our start of the act was quo terminus with the war and we all know that a great many industries were established to manufacture shells and they left a great many accident cases. So we said that each year must pay for the cost of each accident of that year and that means in the death case the present value of the pension for that year. I do not think any other system is financially sound. We had this current cost book before us and I must confess I was impressed with it but I am opposed to it now. I think if you do not set aside reserve for your pension during the year that the accident happened, you are going to be in trouble.

Mr. STEWART. Ontario says, each year must take care of its own accidents; and British Columbia says, each year must take care of its own money. Experience has shown that in British Columbia no workman loses anything, and the only point I make is the danger of these large reserve funds becoming a temptation of legislators. Your legislature makes your law and requires you to set up these reserves; the same legislature that passed that law can pass another law and take these reserves away from you and put them into new roads and any other thing it pleases. I am not arguing this thing. I am simply saying that the British Columbia method, so far as the workman is concerned, is perfectly safe.

Mr. ARMSTRONG. I just want to mention to Mr. Stewart that the British Columbia method is somewhat different from the Ontario method or the Nova Scotia method. The British Columbia method may be the same one used in West Virginia. I am speaking from my information now; as I said before, it may be wrong. In British Columbia, any awards made during the current year are taken as part of the expenditures of that year and not counted as liabilities. In regard to British Columbia costs, I have advocated current costs but I would not advocate them for any individual State or Province. I would say this, if the Dominion Government tried to pass a compensation act at the next legislature and decided to run on current costs, I would say that was right. If the United States should enact a compensation act applicable to each State, I say that would be very good business.

Mr. EVANS. I think that the system that Mr. Stewart talks about has been tried in several States where they have endeavored in years past to establish a pension system for the employees. In the city of Cleveland, Ohio, they are falling down upon their obligation; the cost has mounted, the present city officials do not feel the responsibility for obligations that were incurred in past years, and they have at the present time a very serious problem to meet and they are not meeting their obligations to the employees.

Mr. STEWART. Would that be true of a State? That might be true of a city, it might be true of a school district, but when you come to a State, is there any great amount of danger of that?

Mr. LEONARD. I might say in response to your question on reserves and the attitude of the legislature in Ohio, we have $48,000,000 in the fund. That does not belong to the legislature of Ohio nor to the State of Ohio.

Mr. STEWART. But the legislature can make it belong to them.

Mr. LEONARD. No; it can not. It belongs to the injured worker and widows and orphans and the first move made to touch that fund would result in a riot.

The CHAIRMAN. We have an exclusive State fund in North Dakota. It started in 1919. We have now 10 years' experience and I differ with Mr. Armstrong from Nova Scotia. He says he is not quite so strong for the State fund as he was. I am stronger. I say that we should have either an exclusive State fund or a pure stock company insurance. I do not believe in competitive insurance. There is too much danger. One of the problems we have in North Dakota, and it is quite a problem every two years, is for our State fund to keep the private insurance company out of politics, trying to do away with our exclusive State fund, and they are there not only with their lobbyists but with their money. It is not the insurance companies themselves but their would-be agents who are doing the work.

I can not agree with Mr. Stewart on the matter of reserves. The court of our State has held that the workmen's compensation bureau was absolutely distinct and separate from the State, and I would like to see any legislature take that reserve away from the Workmen's Compensation Bureau of North Dakota. That belongs to the cripples and the orphans and widows of North Dakota. We are a small State. We had something over a million dollars in our reserves. In the question of an alien, we make no difference on account of nationality or what country he comes from. He is treated the same as a native of the United States. We have very few aliens in the State, but when an alien is killed in an accident we pay to his dependents anywhere in Europe, the portion belonging to them just as if they were natives of the United States. Mr. Kingston, I believe, brought up the case of suicide. We have had only one. The doctors proved that the man committed suicide on account of his injury, and his widow and seven little children were given an award and have been taken care of ever since. Our cases are appealable to the court in certain cases, but not on questions of fact. We can appeal from questions of law only. I say it is absolutely wrong

to make questions of fact appealable to the courts. The supreme court a few years ago handed down a very peculiar decision on our law. They did not decide the case on the question that we took before the court, that the man was not injured in the course of his employment. They evaded that and declared that the claimant had no claim because we had paid his doctor bill for a certain injury. He was then deputy sheriff and had tuberculosis of the hip and leg. He slipped and fell on his side, resulting in his going to the doctor several times, and we paid the bill. Several months afterwards he became further crippled and the result was that he went downhill and to-day is practically confined to bed.

We went to the supreme court with the contention that that injury did not cause it. They handed down the decision that because we paid five or six dollars on a doctor bill the case was closed and we were then liable and the case so stands to-day. The only appeal is when we make no award to the claimant and give him nothing. It is possible in doubtful claims to make a small award and shut that claimant off from appeal. Absolutely wrong, I say. Preexisting disease is one of our problems. The court has held that if a man with a preexisting disease and able to work receives an injury that aggravates that disease and causes his death, or partial or total disability, the compensation burean is liable and must pay for it. Every occupation in North Dakota is a hazardous occupation whether it is a stenographer in the office or a school teacher, and every employee is covered by the workmen's compensation, every expolitical subdivision of the State, city, or county, whether on whole or part time, is covered by the workmen's compensation.

Mr. STEWART. Do you, Mr. McDonald, assess premiums on school boards, etc.?

Mr. MCDONALD. Yes; the education system of North Dakota is one of the largest we have. It is a low assessment of five or six cents a hundred. I believe we have the lowest minimum of any jurisdiction. Four dollars writes a minimum on our office occupations and $15 for employees of contractors. We have another amendment to our law that I, by request, introduced last November—employers of the State. I don't know whether any other State does that or not.

Mr. STEWART. You mean working employers?

Mr. MCDONALD. Yes.

Mr. STEWART. Under corporations, they would automatically come under, would they not?

Mr. MCDONALD. I mean private employers. All our contractors are small contractors working with their own men—painters, bricklayers, carpenters, and such as they. They had to pay insurance and a premium on their employees and they had no protection themselves and, being a workman on my own rights, I know that generally if there is a dangerous job to be done on the building, the boss does it nine times out of ten. They came and asked for protection and to-day we have some one hundred employers covered by workmen's compensation at the same rate as that of the man working for them.

Mr. STEWART. Is that compulsory or voluntary?

Mr. MCDONALD. Voluntary.

Mr. STEWART. How do you assess that?

Mr. MCDONALD. Contractors at $40 a week or other mercantile help at $35 a week, they pay the premium on $40 or $35 a week, the same amount per hundred as they pay for their own employees. That brings them in the rate of $20 a week. All doctors' bills and hospital bills in North Dakota are unlimited. We have paid as high as $6,000 for hospitalization and medical bills for one claimant and if it had been $10,000 we would have paid it. We have no trouble with our doctors. We have a schedule of fees with them made jointly by the board and the State medical association and 95 per cent of them abide by that schedule. Any operation or certain thing to be done that is not on that schedule is agreed upon between the doctor and the medical adviser. We have a part-time medical adviser who goes over each one of our claims and checks up the pay roll. This schedule is printed on the back of the form sent to the doctor and he knows just what he can charge. We have had a few who abused it but we generally cut their bills in two if they pad them by putting down visits they never make or make unnecessary visits. We refused to pay several doctors who put down two or three visits a day for a smashed finger. Our hospital bills run from $18 to $25 a week. A nurse can be put on for three days by any doctor without permission of the bureau but for longer time there must be permission of the doctors or claimants who select their doctors themselves. If we are not satisfied with the doctor the board itself can have another doctor assigned. The claimant can change doctors after selecting his own doctor without permission of the board. If he has once selected his doctor, permission to change doctors for good reasons has never been refused although it adds to our costs. We believe the best medical doctors are the cheapest. If we are not satisfied with the permanent partial schedule given, we have the claimant examined by sometimes three neutral doctors.

Mr. FITZGERALD. What do you do about chiropractors?

Mr. MCDONALD. We pay them because they are licensed, but we have notified them to confine their treatments to lame backs. We discourage them all we can.

Mr. FITZGERALD. They can treat the patients without permission of the board?

Mr. MCDONALD. Yes. We send patients outside of the State to doctors who specialize. We have sent them to Mayo Brothers in Rochester, Minn., and to Dr. Chatterton in St. Paul, a noted bone specialist. If we are not satisfied with the progress of the man and believe there is something wrong, we order him into our headquarters, and we pay all expenses and abide by the decision of the specialist. We know that the best doctors are in the larger cities. The country doctors do not get practice enough. We have set aside a catastrophe fund of $250,000, and we have to have a surplus, and $300,000 is practically our surplus. We do not care about having much surplus outside of that. Our rates are based on actual experience. We penalize and we claim merit. For instance, there are some coal mines that pay 60 cents per hundred of pay roll. Some coal mines are getting from 2 to 20 per cent claim merit. A coal mine refusing

to put in safety devices or to protect their men in any way is penalized, some of them as high as 25 per cent. One refused to pay it. We seized the mine and held it. The courts are against us. We try to be very generous and give the benefit of the doubt to the claimant. The courts go a little further than that and give it all to the claimant, but I know time and time again that they have ordered verdicts in favor of the claimant that are absolutely contrary to all evidence produced. They seem to take the attitude that the bureau has lots of money and the claimant has nothing, therefore he should get some money whether or not he was hurt in the course of employment or whether or not it arises out of the employment.

As I said before, I believe in one law or the other, either exclusive stock fund or exclusive State fund. I do not believe in competitive insurance in any State. We have no self-insurers in our State. It has never been asked for, and the largest employers have told me that they are perfectly satisfied with the law we have in North Dakota. I do not believe that any State should pass a law, a compulsory law, and let private insurance companies reap the benefit of it. I do not believe there is any man or company that has a right to make money out of the suffering or injury of our fellow man.

Section B: Chairman, Charles G. Smith, Manager New York State Insurance Fund, New York City

PROBLEMS OF COMPETITIVE STATE FUNDS JURISDICTIONS

[The meeting was called to order by Ethelbert Stewart, United States Commissioner of Labor Statistics, who stated the reason for dividing the Thursday morning session into three sections.]

The CHAIRMAN. The program of this meeting is to be opened by a paper on " Problems of competitive State fund States," to be read by Mr. Lawrence E. Worstell, chairman Industrial Accident Board of Idaho.

Problems of Competitive State Fund States

By Lawrence E. Worstell, Chairman Industrial Accident Board of Idaho

At the outset this topic appeared to be capable of definite, well-defined discussion. Careful thought, however, reveals that matters which are considered problems in one State are not problems at all in another State by virtue of the various provisions of the compensation laws.

Correspondence with several States reveals the fact that a State insurance fund—competing with casualty companies, struggling for business, striving for growth, and meeting sales arguments and selling service—is the main problem. In other States the problem of rates and various features of coverage are paramount. Quoting Mr. Frank J. Creede, manager of the State compensation insurance fund of California, he says—

> From one viewpoint our problems are legion, but when I test them by the yardstick of whether or not they are purely State fund problems I find that they are in the main the usual business problems incident to any insurance carrier in a highly competitive field.

The provisions of the compensation law should be compulsory, while employers should be permitted to elect whether they will insure in the State insurance fund or obtain other satisfactory coverage. If they do not so elect, they should be automatically insured in the State insurance fund and the fund should have a lien on all of the employer's property for the amount of the premium. In addition there should be a penalty for failure to insure. It is a moral wrong to permit any employer to suffer employees to sustain injuries and then be unable to compensate them according to law. A suit for damages against an employer of scanty resources is of little value, and the provision such as we have in Idaho of enjoining an employer from carrying on his trade or occupation is a cumbersome procedure of no value to the injured workman. The fine and jail sentence is effective.

The principal difficulty encountered by the Industrial Accident Board of Idaho is that of seeing that all employers subject to the act insure their liability for compensation according to law. They may insure with the State insurance fund or with some casualty or surety company qualified to transact the business of surety and admitted by the industrial accident board to write compensation insurance bonds, or an employer may qualify as a self-insurer. Every employer carrying on a trade or occupation for the sake of pecuniary gain must insure his workmen regardless of the number of employees. This broad provision of the law renders its enforcement extremely difficult, for the reason that small businesses such as stores, barber shops, cafés, garages, etc., scattered over the entire State are required to carry compensation coverage. When an employer is discovered who has not complied with the provisions of the act it is essential to bring the law to his attention, and in the event that he does not comply, it is necessary to enlist the services of the county attorney for his action. He may ask the court to enjoin the employer from carrying on his business or prosecute him for misdemeanor. In the State of Idaho this is a very great problem due to the large area of our State and to the fact that it is sometimes necessary to travel as many as 600 miles for the purpose of appearing at a trial of an employer who has failed to comply with the compensation law.

The matter of affording the workman a prompt hearing in the event of a dispute is a serious problem in our State. Again, the great distance necessary to be traveled from the State capital to the remote sections of the State renders it impracticable in some instances to afford an injured workman a hearing short of 90 days. Of course, in a death case where there is a dependent widow or minor children, if the interests of justice seem to require it, the board would make a special effort to hear the case as promptly as possible. In Idaho there are no referees to take testimony, make findings, and award. It is necessary for a member of the industrial accident board to go, with a stenographic reporter, to the county where the accident happened, and hear the evidence and make a record of the testimony. The findings of the member who hears the case are subject to review by the board, and from the decision of the board an appeal may be taken to the district court and then to the supreme court. This procedure results in great delay of cases coming before the court for adjudication. In order to speed up the decision of these disputed cases, a law has been passed which requires the district court to consider compensation cases immediately after the criminal calendar has been disposed of. Also, the board has recently adopted the practice of having two members of the board, or a majority, hear the case in the first instance, thereby doing away with the necessity of a review before the board. It would not be possible to have a case brought directly before the supreme court for determination on certiorari because of the peculiar provisions of the constitution of the State of Idaho which do not permit the supreme court to assume original jurisdiction in disputes of this kind.

The problem of seeing that awards made to injured workmen, widows, and orphans are secure has been solved by our board. In 1924 the Associated Employers' Reciprocal became insolvent. This company was doing a considerable business in Idaho and at the time

of its insolvency it had outstanding in our State about $100,000 in awards. The board immediately notified the various employers insured with this company that they must meet the payments falling due under awards made against them and their surety. In this respect we had splendid response from all employers who were solvent. They willingly assumed this burden. However, there were a number of employers who were insolvent and for a time claimants were compelled to forego the payment of their compensation. However, this concern had on deposit with the State treasurer $25,000 in Liberty bonds which it had deposited in order to qualify and be permitted to issue surety bonds. This fund is now being disbursed by the United States district attorney for Idaho under the direction of the court to claimants where the employer is insolvent. In order to prevent a recurrence of such a distressing situation the industrial accident board passed a resolution requiring self-insurance and all companies authorized to write compensation bonds to deposit with the State treasurer securities, or with the industrial accident board a surety bond, in an amount equal to the amount of awards made against them. Later the law was amended to include this feature. However, we had no difficulty in getting these companies to comply with our resolution. Therefore, at this time we have a triple security for all of these awards. In the first instance, the liability of the original employer according to his ability to pay, the bond of his surety, and the bond of an independent surety company guaranteeing to pay the award in the event that the original surety should become insolvent.

The question of prompt payment of compensation is handled by keeping a statistical check upon the State insurance fund, self-insurers, and the various companies qualified to write compensation business. Each quarter a statistical survey is made to determine how many days elapse between the date of injury and the date of first payment to the injured workman. In this connection it is noted that the self-insurers have the best record for prompt payment of compensation. The casualty companies rank second and the State insurance fund appears to be less prompt than most of the casualty companies. The reason for this is perhaps due to the fact that in Idaho the State insurance fund does not have an organization sufficient to guarantee prompt reports and make investigation of claims so that they may be disposed of expeditiously. It is necessary for the State insurance fund to secure practically all of its reports through correspondence by mail. The failure of the employers—and oftentimes of physicians—to furnish reports delays the payment of compensation to the injured workman.

The problem of taking care of total disability cases resulting after a permanent partial disability has been freed from perplexing difficulties in our State, through the enactment of a special statute, by the creation of a special fund known as the industrial special indemnity fund. The State treasurer is the custodian of this fund and all disbursements therefrom are made upon orders of the industrial accident board. The fund is created by assessing the employee 1 per cent of the amount of every specific indemnity award and requiring the employer to pay 1 per cent of the total amount of the specific indemnity award. This fund is to be used

in cases where an employee has suffered the loss of a leg, an arm, or an eye in a previous accident and later has become totally disabled through the loss of the other leg, arm, or eye, as the case may be. This statute was enacted to meet a condition which arose in our State as a result of a decision of our supreme court. A one-eyed man lost the sight of his remaining eye and the supreme court held that the employer was liable and should assume the liability of a total disability case. This seemed to be an unfair discrimination placed upon the employer or insurance company and made it difficult for partially disabled men to obtain employment. The statute was enacted to permit these unfortunate individuals to obtain employment without penalizing the employer who hires them. Thus, if an employee who has lost an eye in a previous accident should lose the remaining eye, the last employer would be liable for only the loss of the one member. The total disability payments would be taken care of out of the special indemnity fund.

Bringing workers under the act where the employment was excluded by law has been taken care of in Idaho in a very satisfactory manner. The original statute required that the employer and employee expressly agree in writing filed with the board that the provisions of the act shall apply. Any such agreement could be terminated by either party upon 60 days' notice to the other and to the board in writing prior to any accident. Under the old statute men operating threshing machines would employ workmen and in many instances fail to get an agreement with their workmen or fail to file the same with the board although they had applied to some casualty company for compensation insurance. An injury would occur and the board would have no jurisdiction. We have taken care of this situation in our State by providing that the employer may elect in writing that the provisions of the chapter shall apply. This very simple method of protecting workmen makes it extremely easy for an employer who is not subject to the provisions of the act, such as those engaged in agricultural pursuits, to elect to comply without taking the matter up with various employees.

The disputed subject of whether or not attorneys should be encouraged to represent claimants or whether their services should be discouraged is answered in our State in this way. In cases where the only question involved is the extent of the disability or a similar minor problem, the employment of attorneys is not encouraged and many applicants appear before a member at the time of hearing without counsel and the facts are elicited by the board member in order to determine what award, if any, should be made. However, in cases where there is a grave question as to whether or not the accident arose out of and in the course of the employment, or where the claimant is suffering from a disease and it is questionable as to whether or not said disease is the result of an injury by accident, the services of an attorney to present claimant's case and to marshal his evidence are of very great value. In such cases we welcome the presence of attorneys and we find their briefs to be helpful in assisting the board to arrive at a proper decision.

Self-insurers in Idaho are not a serious problem. No concern is permitted to carry its own insurance unless it has a large number of men in its employ and a splendid financial rating; and, further,

unless it deposits with the board a bond for $15,000 plus 5 per cent of its annual pay roll. Thus, small employers are discouraged from applying for the privilege of self-insuring and a company, no matter how strong it may be financially, is not permitted to carry its own insurance without placing with the board securities or a bond guaranteeing the payment of compensation.

A State insurance fund independent of the industrial accident board, as in the State of Idaho, offers considerable difficulty where there is delay in settling cases or disputes as to compensation or to the extent and nature of the disability. The Industrial Accident Board of Idaho can act with the State insurance fund only in the manner and after the same formalities as in the case of a self-insurer or surety company. It would appear that a State insurance fund under the jurisdiction of the industrial accident board can be more efficiently managed and the disposition of claims more expediently handled than where the industrial accident board and State insurance fund are independent, as in our State.

During the 11 years of its existence the State insurance fund of Idaho has been unable to attract to it a single large employer of labor in the mining or lumbering field. All risks are dumped into the same bag—the careful employer is placed alongside the careless one. No provision is made for merit rating. The rates on lumbering and mining are so high that self-insurers can carry their own compensation and save thousands of dollars annually. The State fund is not organized to handle its claims expeditiously, and workmen receive their compensation in far less time from self-insurers than they would if their employers were insured in the State insurance fund. Settlements made by self-insurers are more liberal than those made through the State insurance fund or casualty companies. Employers carrying their own insurance are not hampered by laws or restrictions and can and do grant the injured workmen far more liberal treatment than the State insurance fund or casualty companies, especially with reference to permanent injuries.

There is a marked tendency in States having an insurance fund in competition with casualty companies to restrict the legislative appropriation of the State insurance fund. One would naturally think that inasmuch as the money comes from the premium income of the State insurance fund the legislature would be willing to grant whatever funds are necessary to carry on the business in a business-like way. The State insurance fund of Idaho has just as difficult a time with the legislature as any purely State department. It must be that the legislature looks with a jealous eye on any department with plenty of money to spend.

A few years ago our State insurance fund placed a number of its employees in the field to go about the State and solicit business and endeavor to persuade employers to insure their liability for compensation in the State insurance fund. Immediately there were lodged with the governor complaints from local insurance agents over the State, complaining of this activity, and pressure was brought to bear on the State insurance fund. It was contended that the State insurance fund was created merely for the purpose of insuring those employers who of their own free will desired to come into it, that it was contrary to the true functions of the State to go out into the

business world and seek business in competition with the insurance companies, that its sole purpose was to establish fair rates which would be available to employers in the event that the rates charged by private insurance companies should be excessive or unfair. The result was that these solicitors were recalled and at the present time the auditors of the State insurance fund accept business when it is offered them, but make no serious effort to prevail upon employers to give up insurance in a casualty company and insure with the State.

One of the great difficulties which a State insurance fund, like the one in Idaho, encounters is that nearly all of the large, desirable risks are picked off by the casualty companies, while the host of small employers with meager pay rolls are gathered into the State insurance fund. This is largely offset in our State, however, by the monopoly given to the State insurance fund of requiring the State, counties, cities, school districts, road districts, etc., to insure their liability for compensation with the State insurance fund. This business is highly profitable, and as no dividend has ever been declared by the Idaho State insurance fund it must show a large surplus in this account.

I have taken the liberty of treating with Idaho problems in the hope and with the sole object in view of provoking discussion and with the idea of gaining from this meeting a deeper knowledge of your problems.

DISCUSSION

The CHAIRMAN. The first State on the list is Arizona. Is Arizona represented?

Arizona (Mr. HUNTER). I have made a few notes here from this gentleman's remarks. At the outset he mentioned the problem of competition with the private carriers. One of the ways in which we meet that problem in Arizona is by writing a continuing policy. It is not automatically canceled at the expiration of a specific time. After the deposits are made we make an adjustment and pay a premium at the end of three or six months, and the policy automatically continues. In that way we avoid private carriers coming in, say around the 1st of January or the 1st of July, to the most desirable risks, and telling a lot of stories about the condition of the State fund, or the type of commissioners, or the way they are handling the business, and in that way procuring many of the State fund's most desirable risks.

There is no difficulty in handling the problem in that way. You are saving yourself a lot of time and money. It has been estimated that considerable of the State fund's expense is in the writing of new policies. We avoid all of that.

He mentioned the small companies that are not covered by insurance, and that laws should be passed giving a lien on their property. We have such a law in Arizona, but it is our opinion that inasmuch as these are small companies, with few assets, it is difficult to find sufficient assets to cover the amount of the award.

In regard to the bonding, we require a $200,000 surety bond, either securities or a surety bond, from all casualty companies or self-

insurers, or, what we call self-raters. In that way we avoid the possibility of anyone going bankrupt and not being able to meet the payments of the awards.

The speaker referred to his inability to get money from the legislature. I think that the rates should always be high enough in any competitive State, that all the costs of administration and the cost of carrying out the purpose of the law should be borne out of the premiums, the same as the casualty companies must put on a loading to care for those things.

I might say that we do not have a special fund to care for the second injuries as illustrated by the speaker in his reference to the man who had lost one eye. It is unfortunate. That is one of the things in the Arizona law that should be corrected.

Our problems are very few. We probably have the bast compensation law in the United States. Mr. Leslie, of the National Council, has so estimated it in his comparison table of the benefits to workmen, and I might say that that probably is due to the fact that we have no maximum. You are using something to measure the amount of compensation that will be paid, and you are measuring it by the wages that a man will earn, whereas we do not stop there. We go right to the top and measure along those lines. If a man earns $300 a month he will be entitled to $200 a month compensation.

That has caused many of the insurance companies to withdraw from our State because of the difficulty of administering a law where there is no top limit to what will have to be paid.

I might say that many of our cases cost about $20,000, and some of them in excess of $30,000. I recall about six months ago, in a disputed case where we had estimated the cost would be practically $30,000. It was carried to court, and we permitted a settlement (because we thought it was to the best interest of all parties) of $20,000 to this widow, in a lump sum.

Now I might say that that is the only instance where we have ever allowed a lump-sum settlement of that kind, and I do not suppose in over 10 cases have we ever allowed a lump-sum settlement to a widow. We do not consider that it is to the best interest of all concerned, but in this particular case there were many little things to be taken into consideration, and the possibility that this woman might lose in the appeal to the supreme court. The chances were not so great that she would lose, but there was that possibility, and we thought that rather than have her face that trial, we had best permit the lump-sum settlement.

We write 75 per cent of all the business in the State of Arizona. I don't imagine that any other gentleman present can make such a statement. I might also say that we are doing business with a loading of 7 per cent. There is only one other State that equals that, and that is Colorado, and if you have read the Colorado law you know that that does not amount to anything, because they really have no compensation law.

What problems we have are purely local, and I believe we will be able to meet them. I believe that any person attending this meeting will get more out of it by what he gives than by what he listens to, and that is why I mentioned that policy; you might be able to help yourselves by writing such a policy.

You might also be able to help yourselves by discontinuing the writing of self or merit rating insurance. On the other hand, have your insurance rates high enough so that you can return to that man all the money that is due him in the shape of dividends if he conducts his business in such manner that you make a profit. In that way you have met the competition of the private carrier, because he is not going to return one dollar. The private carrier will get much of your desirable business on that self or merit rating plan.

We do write what we call a self-rating policy for the large mining and lumber companies. Their assets are large, for instance, the Phelps-Dodge, the Calumet, the Arizona, the Inspiration, the Miami Copper Co., and such companies. They put up a sufficient bond or money to insure the payment of their risks.

These particular companies, at the end of a six-month period, have paid us their actual losses, plus a 7 per cent loading for our administration, and 10 per cent loading for catastrophe, and another small loading to take care of reinsurance for all losses that run over $25,000. These policies are nonmedical policies. These companies have their own hospitals, and they call upon any experts whom they desire to call upon to take care of any particular injuries. In this way the relations of the men and the officers are furthered, but on the other hand, all these claims are adjusted by the industrial board. The men then have a feeling that everything is going to be fair; that we are a disinterested party; and that we have no interest in it whatever.

We look out for the interests of both sides. We are just as quick to sit down on a malingerer as we are to slap a company that is trying to beat some man out of something.

Under that plan we have been able to secure all of the big companies, and they carry our expense of operation. Probably that is the answer to why we have been able to keep our costs down as low as we have.

Mr. KNERR. I would like to ask just one question. You stated that you settled the case for $20,000. Was the dispute there a jurisdiction dispute?

Mr. HUNTER. Well, that is a long story.

Mr. KNERR. I thought perhaps you might state it in a few words.

Mr. HUNTER. I believe I can at that. Probably all of you have read about the Coolidge Dam which was completed last year. It was built on Government property by a private contractor, a contract let by the United States Government. We were unable to go in there with inspectors or anything like that on that work, a condition which was mentioned yesterday by the gentleman who read the paper written by Senator Wagner, in which he stated that the United States Government was not going ahead as it should in safety measures. That is the condition that we had.

In these big Government works and projects that have been under way in our State, we have been unable to do a thing except make recommendations to the Government.

A man was killed in the construction of the Coolidge Dam, and the question involved was: Did the State of Arizona have the right to go in there and make an award on a Government project? There were a few other issues which I do not recall just at the present

time, but there were enough things involved that we thought a lump-sum settlement would be for the best interest of this woman, and rather than carry the suit any further, because we might lose, we settled for $20,000 in a lump sum. We would never have paid that woman any such sum as that in one lump sum if it had not been for those difficulties.

California (LAWRENCE E. WORSTELL). In that connection I would like to submit a letter which I received from Mr. Will J. French, the director in California, and also a letter from Mr. Frank J. Creede, the manager of the State insurance fund.

I do this because of a letter which I received from Mr. French in which he asked me to submit those documents as California's contribution to this matter.

LETTER WRITTEN BY WILL J. FRENCH, DIRECTOR CALIFORNIA DEPARTMENT OF INDUSTRIAL RELATIONS

Inclosed is a letter written me by Manager Frank J. Creede of the State compensation insurance fund. I think you will agree with me that Mr. Creede has summarized in an able manner the questions that relate to the topic "Problems of competitive State-fund States." I do not think there is anything that I can add to his presentation, at least on the insurance side.

When it comes to the matter of an industrial accident commission serving as a board of directors for a State fund, as the California commission does, there arise questions that are more or less acute at different times. One of these questions is whether it is good policy for the California commission to decide contested cases for all of the carriers, including the State compensation insurance fund. On two or three occasions efforts have been made to take the State fund administration away from us. The general argument is that it is wrong for a State body to both administer and decide controversies in their State fund's competition with private insurance companies. This is really a theoretical argument. It would be more expensive to the State if separate machinery were set up to supervise the State fund. The California commission is in intimate touch with all of the insurance problems, as well as compensation matters generally. The purpose we have in mind is to have the State compensation insurance fund serve as a model for other carriers. Cold technicalities are not permitted to stand in the way of substantial justice. We have fewer contested cases from the State fund to decide than we have from the private carriers. We can work in harmony with the manager to promote the purposes that are behind the spirit of workmen's compensation. Each record in a contested case is as carefully considered as can be, regardless of the carrier concerned. I know, as a matter of fact, that there have been times when the State compensation insurance fund has felt that the commission's decisions have been too liberal. We have gone so far as to permit the State fund to appeal to the courts against more than one of our decisions. This shows what I would term the right attitude, because it illustrates the thought presented, that there should be no favoritism in deciding contested cases. In California the commission does not have officially presented to it, excepting in the accident reports, those cases that are not contested and where the medical and surgical benefits and compensation flow automatically under the law.

The efforts before the California Legislature to take jurisdiction away from us have been defeated with comparative ease. I think that Mr. Creede tells you about a State fund that is second to none in the country, and whose record is worthy of commendation.

One of the real questions in a competitive State-fund State is to make sure that political machinations do not enter. This is not always easy, but ever since 1911 in California we have been quite successful in this respect, excepting during the administration of one governor. When the latter was defeated there was a return to good business principles and the State fund soon resumed its former stride.

As chairman of the industrial accident commission, my policy is to refer all State fund questions to the manager. He in turn confers with me on matters of policy. There is that harmony prevailing which means the best administration, and no effort is made by the industrial accident commission to pass upon technical questions that belong to experts.

Your letter of July 15 last refers to a difficulty we have in California, namely, making sure that all employers are insured. We are paying particular attention to this drawback. Our law in California gives an injured man the right to file a suit for damages, with the common-law defenses removed, if insurance is not carried, and, in addition, he can also claim compensation.

As you will note by the inclosed copy of amendments to the law passed this year, willful failure to carry insurance enables the commission to award 10 per cent additional compensation to the injured man, up to a maximum of $1,000. We have started court proceedings against a number of employers who are violating the requirement to carry insurance.

We met the problem of seeing that there is money to pay widows and orphans and injured workmen by a law that requires all insurance carriers to charge the same premiums as set by the insurance commissioner, and to have specified reserves available to meet all obligations. Even the State fund has to charge the same rates as private carriers, but it returns excess money, as Mr. Creede has shown, to its policyholders. The minimum rate law prevents price cutting in the insurance field, and this law became necessary as an outcome of disastrous experiences during the earlier years of workmen's compensation in California.

We have little trouble as regards prompt payment of compensation. We have a mobile organization and we get into touch with injured men right after they are hurt. They are given a small pamphlet which summarizes their rights under the law. They can write in or call at one of our offices and they are assisted in every way. In the great majority of instances there is no occasion to advise them how to proceed, because the medical and surgical attention is given immediately on injury and compensation starts on the seventh day thereafter.

There are a comparatively small number of disputed claims in this State, considering the total number of accidents, and we aim all the time to improve our service in this respect.

If I were to present our "greatest problem," I should hardly know just what to name. Perhaps the difficulty of making sure that employers have policies, or are permitted to self-insure, makes up one outstanding problem. In California we do not grant the right to self-insure unless satisfied of the financial standing of an employer, and he must deposit at least $20,000 with the State treasurer, this sum to be used as a reserve in case of emergency. We require larger amounts than $20,000 in some instances. Nearly all the large employers in California are self-insurers, and we insist upon the money, or securities equivalent thereto, from even the Southern Pacific Co., or the Santa Fe Railroad Co., or the Standard Oil Co., or any other employer, regardless of any well-known financial standing.

AMENDMENTS TO THE CALIFORNIA WORKMEN'S COMPENSATION, INSURANCE, AND SAFETY ACT

The following summary gives the essentials of the amendments to the California workmen's compensation, insurance, and safety act, effective on and after August 14, 1929:

The maximum compensation was increased from $20.83 a week to $25 a week. This addition will govern both permanent and temporary injuries where the wages earned by the injured are sufficient to increase the compensation. The death benefit of $5,000 was not changed.

An amendment provides for a second-injury fund. An example of this is the man who loses an eye in boyhood, and the other eye while at work many years afterward. Under the new amendment, the industry will be charged only for the second eye. The life pension necessary for the totally blind man will come out of the second-injury fund, as will all other second-injury awards which involve very serious permanent disabilities. The latter is built up as an outcome of charging the employer, or his insurance carrier, $300 each time an employee is killed who leaves no dependents.

The industrial accident commission was given safety jurisdiction over the State and its policial subdivisions. This amendment was introduced simply to prevent any question that might come up in the future, although, naturally, the State and its political subdivisions have always cooperated with the commission.

The industrial accident commission has power to suspend or disbar attorneys, for good cause, from appearing before the commission, such suspension or disbarment to be subject to appeal to the courts.

An amendment gives the commission authority to appoint not more than two deputy commissioners, to be selected from the staff, one of whom will have the right to sign routine documents requiring two signatures under the law. The other signature must be that of a commissioner. The purpose of this amendment is to prevent delay in the event one of the commissioners is away from the main office.

An amendment provides for 10 per cent additional compensation to go to the injured man, with a maximum of $1,000, when employers willfully fail to carry compensation insurance.

All cases of serious and willful misconduct, whether the charge is made by the employer or the employee, or by an insurance carrier, must be decided by the industrial accident commission, under an amendment to the law. Heretofore, insurance carriers, or employers, could reduce compensation, in some instances, on the claim that the injured man had been guilty of serious and willful misconduct. The latter can easily be confused with carelessness or negligence.

Two new bills were enacted that affect the safety work in California. They provide for the inspection of steam boilers and air pressure tanks.

Several bills were passed affecting the routine work of the State compensation insurance fund.

A bill was passed giving to the insurance commissioner and the industrial accident commission authority to supervise the forms of compensation policies and endorsements used by all insurance carriers. This bill will be of great importance to the employers and injured men of this State, as it will bring about the standardization of policies. The insurance carriers will be required to either issue a full coverage policy or make it very clear to the policyholder that the policy does not fully cover the employer and his employees.

LETTER WRITTEN BY FRANK J. CREEDE, MANAGER CALIFORNIA STATE COMPENSATION INSURANCE FUND

The subject "Problems of competitive State fund states," considered from the viewpoint of the State fund as distinguished from that of the industrial accident commission, is such a large subject that I hardly know what comments to make. Perhaps if I outline briefly the manner in which the fund operates and touch on some of the problems that we meet in the operation of the fund, it may be of some assistance.

In California the State compensation insurance fund is an integral part of the compensation system. It is operated as an insurance carrier in active competition with 58 other carriers writing the same line of insurance. Most of the fund's competitors are stock companies, although there are two mutual and several interinsurance exchanges writing business in this field. The compensation act created the fund as a legal entity, separate and distinct from the industrial accident commission. The law provides that the fund is to be administered by the industrial accident commission, and the commissioners have full and complete authority over the fund, and under the law are responsible for its proper administration. The compensation act provides that the manager of the fund is to be appointed by the industrial accident commission and that he shall manage, supervise, and conduct the fund subject to the general direction and approval of the commission. This fund was created for several purposes, the most important of which are as follows:

1. To create an instrumentality whereby an employer can protect himself against the liability imposed by the law. At the time the law was passed there was no definite assurance that private capital would fully occupy this field, and subsequent events have demonstrated that there are thousands of employers in the State of California who would have been unable to insure their liability under the law if it were not for the existence of the State fund. The attitude of the private carriers in general is that they are in business for the purpose of making a profit, and there are some classes of business that they will not write because they consider these classes unprofitable or too hazardous.

2. To establish an insurance instrumentality or carrier which would set the standard for fair dealing in the adjustment of claims, and thereby force its competitors to follow the high standard which it was hoped the fund would set.

3. To give the employers a medium through which they could obtain their insurance at cost, as the law provides that the fund shall return to the employers insured with it, by way of dividends, its excess earnings. The fund also acts as a leveler of rates through its competition with other types of carriers. There is no question but that on many occasions there would be a demand for increased rates on the part of the fund's competitors were it not for the fear that if the rates were unduly increased many employers who do not now insure with the fund would seek the fund in order to obtain relief from increased rates.

Historically, the fund started business on January 1, 1914, when the first compulsory workmen's compensation act became effective in this State. An appropriation of $100,000 was made by the legislature to start the fund in business. The fund prospered, so there was no need to ask the legislature for any further assistance. The money originally appropriated was eventually returned to the State, and during the time the fund used this money it paid interest to the State. Outside of this initial appropriation, the fund has always been self-supporting, deriving its money from the premiums paid by its policyholders. Its assets are now in excess of $7,000,000. It has, since its creation,

returned to its policyholders by way of dividends over $16,500,000. It pays the same taxes to the State as its private competitors, and is not subsidized in any way.

The problems of the fund are primarily the problems of an insurance carrier writing workmen's compensation insurance in a limited field. In my opinion, the biggest problem confronting any State fund is the necessity of securing its administration by insurance men untrammeled by political considerations of any kind. A competitive State fund can only succeed if it can convince the employers of its State that they will receive absolute protection and better service at a lower cost than its competitors are able to offer. The compensation business is one of the most technical branches of the insurance business, and no insurance carrier, whether State fund or private carrier, can successfully operate unless it has the services of those trained in this field. This is not a problem in California, although I understand that it has been a problem in other States, as the courage, foresight, and vision of the men who were mainly responsible for the enactment of compensation legislation in this State, and who composed the first industrial accident commission of this State, established the tradition that the fund would be operated as a business institution. I have touched on this subject, not because it is a problem in California, but because it is a fundamental problem of all State funds. The wisdom of the policy of a business administration of the fund, unaffected by political considerations, has proved itself in California by the fact that the fund is now the leading compensation insurance carrier in this State, having approximately one-third of the premium volume in its field. In 1928 the premiums written by the fund were slightly in excess of $7,000,000 and the total premiums written in the State were slightly less than $22,000,000.

The industrial accident commission in California does not make the compensation rates, as the rates are made by the insurance commissioner. We have a statute known as the minimum-rating statute, and the insurance commissioner fixes the minimum rates to be charged by all types of carriers. No carrier can issue a policy at a rate less than the rate fixed by the insurance commissioner. However, at the end of the policy year a carrier may, if it desires, return to its policyholders any excess earnings by way of dividends. The fund has followed this practice, and a few of its competitors do likewise.

The fund has many problems, but they are more in the nature of insurance problems than purely State fund problems. In other words, we have the same problems that all our competitors in the same field have. For instance, the excess earnings from which dividends are paid are mainly derived from savings in overhead expenses. The rates are based on the assumption that 40.6 per cent of every premium dollar will be used for the payment of overhead expenses. As the fund does not operate on the brokerage or agency system, great savings are possible, and it is, of course, the endeavor of the fund to keep its overhead at the lowest point possible consistent with good service to its policyholders. However, this is merely a problem of management and is not in itself peculiar to a State fund.

Growth is a real problem of every State fund, and no State fund can be successful unless it shows a substantial growth from time to time. The reason for this is that the private carriers writing this business, being interested from a profit standpoint only and not from a public-service viewpoint, endeavor to select only such risks as they consider profitable, and if the State fund sat back and made no aggressive effort to obtain business, it would soon find itself carrying only the undesirable and unprofitable risks, which would mean that eventually the fund would be unable to operate successfully. This is a very live

problem, particularly at the present time, and we have been successful in meeting it to date by maintaining an aggressive field force for the active solicitation of business. Compensation policies must be sold like any other type of insurance, and unless salesmen are maintained in the field, actively soliciting this business, no great amount of desirable business will come to any State fund. We also make a special endeavor on undesirable risks that can not obtain insurance elsewhere, to work out their special problems through our engineering service, and we have been successful, through this service, in making many an undesirable risk a very desirable one by cutting down the accident frequency. In those cases there is not only the satisfaction of saving men from the effects of injury, but the employer has the satisfaction of receiving a reduction in his rate and a substantial dividend if his risk turns out to be a profitable one. Under the experience-rating plan, which is now in effect generally throughout the United States, the rate charged an employer of any size increases as his loss ratio increases and decreases as his loss ratio decreases. I do not mean to infer that we are universally successful in every case, but in the majority of cases we have been able to accomplish our purpose. We find that when an employer realizes that his risk is considered an undesirable risk and that he can obtain insurance only with the State fund, his attitude changes, and he will take an active interest and cooperate in an honest endeavor to improve his plant and to eliminate accidents through the use of safety measures beyond that which is required by law.

We have, of course, the usual problem of being everlastingly on our guard to see that claims are handled expeditiously and fairly to both employer and employee. I could refer to our statistical, medical, auditing, and underwriting departments in like manner, but to do so would probably be of no help, as I would only be referring to problems that are common to every insurance carrier. It is strange that after my many years of service with the State fund I can not set forth more distinctive problems. From one viewpoint our problems are legion, but when I test them by the yardstick of whether or not they are purely State fund problems, I find that they are in the main the usual business problems incident to any insurance carrier in a highly competitive field.

Colorado (LAWRENCE E. WORSTELL). I might state that on my way here I called on the Colorado commission, and met Mr. Annear, the chairman, and Mr. Young, a member of the Colorado commission, and they were not able to attend this meeting, but in talking with them they did not have any definite suggestion to offer as to any particular problems, but rather complained about the inequalities of their law, especially with reference to average weekly wages.

I was very much surprised to learn the actual working of the Colorado law in this respect. Mr. Annear, the chairman, told me of an instance where two workmen were killed in the same accident, and the widow of one workman received $12 a week compensation, and the widow of the other workman received only $6, and he explained that by the peculiar provision of their law, which provides the manner in which the average weekly wages are to be determined.

They make an investigation of how much the workman earned during the past 52 weeks, or year, and then divide it by 52, and it happened that one of these men had been unable to obtain work, and therefore, although he worked at the same occupation and at the same rate of pay he had not earned as much as the other man, and hence his compensation amounted to half as much. That seemed to be their principal objection and problem.

Maryland (Miss R. O. HARRISON). Maryland is a competitive State. It has three ways of carrying insurance: The State fund, the self-insurer, and the insurance company. It is compulsory, and if an employer does not carry insurance by one of those three methods he is subject to a fine of from $500 to $5,000, or imprisonment.

Maryland differs from Arizona in so far as the State accident fund is concerned for the reason that it is not independent of the commission but it is administered by the commission.

I am very proud of Maryland's procedure with regard to handling cases. We pass orders against the State accident fund, as we do against the self-insurer, or the insurance carrier. There must be a claim filed by the injured person, signed by him, with an affidavit, unless the affidavit is waived by the employer, because the affidavit is really for the protection of the employer, in Maryland.

There must be a claim made by the employee, such a claim as I just stated, before the commission will act on the case and then when that claim is received we assemble the paper and give the case a claim number, and we notify the employer and the insurer of the filing of the claim. The notice sets forth the essential facts as given in the claim and states that if no objection is raised by a certain date—which is five days hence—we will pass an order in accordance with the evidence at hand.

When they receive that notice they check up the statements of the employee. If there is any difference in wage they must give us proof that the employee has misstated the wage before we will change it.

If there are any issues of defense to be raised they request a hearing, or if there is any other point that they wish to bring to our attention which may be adjusted without a hearing they do so. If a hearing is requested the case is set down for a hearing just as promptly as we can arrange for it and all parties are present and heard.

In those cases in which no hearing is requested, what we call the uncontested cases, an order is passed, just the same as in the hearing cases, and it orders the employer and insurer to pay compensation in accordance with the law and the facts.

Anyone can come into our commission at any time and ask for the file, no matter whether the claim was filed in the year 1914, when our law first went into effect, or in 1929. We will be able to produce that file and show the evidence upon which the award was based. Our records are public records. You may always see what Maryland is doing and on what evidence it has based its award. Therefore, I do not see why a hearing is necessary in all cases, because the employee has had his say in the record and the order has been passed in accordance with the evidence at hand, all parties having had an opportunity to be heard and to have their say in the record.

We do not recognize compromises, and our law is two-thirds of the average weekly wage. I do not think that our schedule for permanent partial disability is as large as that of the State of New York. I was very much surprised yesterday when I heard that New York allows 244 weeks, I think, for a hand and 46 weeks for the first finger. Well, Maryland has not come up to that yet,

but we are improving all the time and we are here to get ideas and to profit by them, and we do profit by the sessions of these conventions, because I make notes as we go along and I take them back to the chairman of the commission and we sit down and talk the matter over.

Pennsylvania (W. H. HORNER). In the State of Pennsylvania an employer is required to cover his liability under the workmen's compensation law, either by securing compensation insurance from the State workmen's insurance fund or from a stock or mutual company, or by applying to the bureau of workmen's compensation for the privilege of carrying his own insurance.

In this respect our law is very similar to the law of New York State, with the exception that the Pennsylvania law covers every employer, regardless of whether 1 person or 100 persons are employed. There are only three classes of employers that are excluded from the provisions of our law, and they are agricultural workers or farmers, domestic servants, and casual workers, that is, persons who are employed to do certain work that is not in line with the regular business of the employer.

The bureau of workmen's compensation has the right to grant or reject the application of an employer to operate as a self-insurer, and I might say that we are rather proud of the experience of the self-insurers in Pennsylvania. We grant that privilege only to employers who we feel are able to comply fully with the provision of the workmen's compensation law, and since 1916, the time when our law went into effect, there has been only one case where an employer has defaulted any compensation payments, and in that case the stockholders or the directors of the company raised a fund to take care of their outstanding liability, whereas in the same period six insurance companies failed.

If I remember correctly there are in the neighborhood of fifty insurance companies that have been granted the privilege of writing compensation insurance in the State of Pennsylvania by the State insurance department. The State fund ranks second in the volume of business that is done by the insurance companies, and I might add that they are performing a very valuable service in Pennsylvania, for this reason: The stock and mutual companies do not write insurance covering all classes of business, and this is especially true in the mining industry. While most of the large mining operations are covered as self-insurers, there are nevertheless a large number who have not and would not be granted the privilege of operating as self-insurers, and for this reason it becomes necessary for them to carry compensation insurance with some insurance company.

The State workmen's insurance fund covers more mining operations in the State of Pennsylvania than all the other insurance companies combined.

Then, again, there is a type of business which takes the minimum premium, and many of the insurance companies do not want to bother with that class of business, but the State fund does write that business.

At the present time we are engaged in a campaign in Pennsylvania to force employers to comply with the law and carry compensation insurance.

At the session of the legislature last winter our law was amended. It fixes a penalty of $100 to $500 or six months in jail, or both, at the discretion of the court, for failure to carry compensation insurance. We are, at the present time, conducting a campaign of education in order that every employer may be fully informed as to the provisions of our law, and for that purpose we are cooperating with the chambers of commerce throughout the State, and we are receiving excellent cooperation from those organizations.

The purpose is that later on we propose to prosecute; in fact, in the Pittsburgh district we have already brought a number of prosecutions, and in some cases the violators have been turned over to the court.

The State workmen's insurance fund in Pennsylvania when originally created by the act of the legislature received an appropriation of $500,000 to carry on that business, and was granted a 10 per cent differential in writing compensation insurance. That $500,000 has been turned back to the legislature and the State fund is now self-supporting and it has created a nice surplus to take care of its outstanding liability. The 10 per cent differential which had originally been allowed has been eliminated, so that they are on the same basis as any other insurance company in so far as writing business is concerned.

I believe it was a year or so ago that we had a disaster, a mine explosion in Pennsylvania, in the bituminous fields, and in that explosion 197 employees were killed. That compensation liability amounted to $850,000. Of course the State fund carried the catastrophe insurance to the extent of $500,000 so that its actual liability was practically $350,000.

We are at all times following up our open cases in order that accidents may be reported promptly and that compensation payments may be made with the least possible delay. Our experience shows that the self-insurers are more prompt in reporting their accidents and in making compensation payments than the insurance companies, and in so far as the State fund is concerned they rank with the average in so far as the insurance companies are concerned.

Utah (W. M. KNERR). While it is true that we have a competitive law in the State of Utah, we have been operating under that law for a period of 12 years, and of course during that time we have gained some very valuable experience.

Now I personally believe that fundamentally there should be no private insurance companies in writing workmen's compensation. I think it is wrong and I am willing to say that it is un-American.

In our State the legislature meets and enacts a compulsory law wherein it compels the employer to pay a certain amount of money, a liability fixed by statute. The very moment the legislature does that thing it imposes a tax upon a certain group of citizens of our State, and I am unable to understand how the legislature can reconcile the theory of private insurance companies writing workmen's compensation insurance under that kind of a law. There may be some excuse for the private insurance company in a State where they have the election.

The private insurance companies, for every compensation tax they collect, load it with 40 cents on the dollar. The other 60 cents

goes to pay the injured workman. Now I merely state that so that you may not misunderstand me.

I am charged by law to administer a competitive law, and I have been there now some 13 years, and I want to say that in so far as the individual insurance representative is concerned, I have no quarrel with him. He simply acts as he must, and perhaps some of my best friends are the adjusters in our State, and I want you to understand that I try, in so far as it is possible, to see that the private insurance companies absolutely get a square deal, nevertheless, fundamentally I think it is wrong.

In our State we have a competitive plan and the employer may carry his own insurance, providing he has the financial ability to do so and with certain restrictions, or he may insure with a private insurance company, or organize mutuals, or carry it in the State insurance fund.

The law provides that the municipalities and counties may either pay compensation direct to their injured employees or insure in the insurance fund. All State employees, including elected officers, and even the members of the legislature are insured in the State insurance fund.

When we organized our commission we made up our minds we were going to make the State insurance fund efficient. The expenses of the State insurance fund are paid out of the premiums collected. The commissioner administers the fund. We are not required to use any other method in issuing warrants for the payment of compensation, and when a man whose employer is insured in the State insurance fund comes into the commission, we formally review his case, get the facts, and then we take him over to the State insurance fund and instruct them to pay him.

You can not do that with a private company. They insist on their legal rights, but the State insurance fund is in a little different position.

We pay our medical bills promptly every two weeks.

We have made a rule with the State insurance fund that in case of death the case must be adjudicated within 10 days from the date of death. We sometimes fail in that, for this reason: Sometimes the man has more than one wife, and then, of course, it becomes a question of adjudication that is somewhat complicated, but I mean in the ordinary death case where you have no matrimonial difficulties.

The State insurance fund is never represented before the commission by an attorney. To adjudicate our claims in the State insurance fund we employ a man who understands the difficulties that ordinarily confront the working man, and that is the kind of a man you must have to adjudicate claims, even for the private insurance companies. So taking it as a whole, our State fund is working and giving efficient service.

We are not restricted, as is Idaho, because we do not have to go to the legislature for our expenses; notwithstanding that, I would like to see the day when we may have an exclusive State insurance fund. It would reduce the expense. It would eliminate many delays. It would eliminate unnecessary litigation imposed by private insurance companies. It would enable the injured employee to receive higher benefits at a less cost.

We are to-day writing about 45 per cent of the business in the State, and we are doing very nicely.

To illustrate the difficulties of the private insurance companies, we have a case now where a painter was insured with the Hartford Accident & Damage Co. The insurance company in writing that policy used the phraseology that he was insured for manual work, not painting and decorating structural steel, painting exclusively. Now this painter ordinarily did not engage in the business of structural steel painting. If he had placed in the policy the structural steel painting, his premium would have been $250.

However, he went to a man who was erecting a steel structure and secured the contract to do the structural steel painting. That employer was insured with the United States Fidelity & Guaranty Co., and so these two employers agreed that they would carry this man's employees on the original contractor's policy in order to escape the payment of the minimum premium.

That is all right so long as nothing happens, but the foreman for the decorating and painting man was supervising different jobs, and he came to this job where they were engaged in structural steel painting, climbed up on the structural steel work, and fell off and was killed.

His poor widow is standing right between those two companies. The Fidelity & Guaranty Co. say they will not pay and the Hartford Accident & Damage Co. say they will not pay, and there you are. That is a ridiculous situation under the compensation law, but what are you going to do? We can not force the Hartford Accident & Damage Co. to pay, and we can not force the other company to pay.

I want to say right here, had the State insurance fund been the carrier of that risk, that widow would be receiving her money to-day. As it is now it will take a year before they get it through the courts, notwithstanding the fact that we go right direct from the commission to the supreme court.

You might be interested to know that under our procedure the case is heard by one of the commissioners, and he makes his recommendation attached to the transcript submitted to the other commissioners, and then we render the decision.

The procedure following that is this: If either party is dissatisfied with the decision, they have 20 days in which to apply for a rehearing. If the petition for a rehearing is denied, they have 30 days from that date to go to the supreme court direct, the court of last resort. Then the legislature told the supreme court that our cases should be given preference, excepting over criminal cases, notwithstanding that we find that our supreme court sometimes takes as long as 6 or 9 months to decide a case, and one case took 14 months.

Now this question comes up here under the compulsory law in this case that I have just related to you, as to whether, because only one type of occupation was mentioned in the policy, the United States Fidelity & Guaranty Co. or the Hartford Accident & Damage Co. can be held responsible for the payment of that death claim.

We find that it is usually difficult for the legal mind to grasp the workmen's compensation law. It is hard for them to divorce themselves from the old procedure.

We had a case where we rendered a decision wherein a widow was awarded the maximum amount of compensation, that is, $5,000—our maximum is miserably low, too low—only $16 a week. I want to say that I belong to the school that thinks it is absolutely ridiculous for anyone to subscribe to any law that uses this language: "We will pay to the injured employee 60 per cent of his average weekly wage, not to exceed $16 a week." It doesn't mean anything. Why, we have some men in Utah who are receiving as low as 15 per cent of their wage. That is not right. I do not believe in that, and I am mighty glad that the State of Arizona has succeeded in grading it up; it may help the other States. We tried to put it through at the last session of our legislature.

We awarded compensation of the actual amount to the widow, who was represented by an attorney, as was also the insurance company. It was a close case—divided opinion. Two of us concluded that the widow should receive compensation.

It was a case where a man was employed as a carpenter in a building, and he opened a door and bumped his nose. Now the only evidence we had of the man dying was that a fellow workman saw this man put his hand up to his nose, but he never said a word. Three days later the man died; infection had caused the death.

If we had not had a lawyer on the fence, that would not have been such a close case, but the legal mind says it can not accept hearsay as evidence; in any event, we awarded on a divided opinion. Then the attorney representing the widow and three little children went to the insurance company and said, "This is a close case. We will compromise this case if you will."

The insurance company said, "I do not believe we can compromise." Now, mark, for 12 years we have been going along laboring under the impression we could not compromise a compensation claim. So the insurance company appealed to the supreme court and the case was continued. Whenever a case is continued we become suspicious and begin to make inquiries as to why the supreme court permits a continuance of the case. So we saw that the case was put on the calendar for the next term, and three days before it came up we learned that the attorney representing the widow and the attorney representing the insurance company had entered into a compromise whereby the insurance company agreed to pay, in a lump sum, to this widow and her children $3,500—and that included medical expense.

When we learned that, we instructed the attorney general to appear before the supreme court and to fight the compromise agreement, and he did, but we lost. The supreme court in that case, in effect, said that anyone of sound mind, 21 years of age, had the right to make a settlement.

Now, our law provides that a lump-sum payment may be made only under special circumstances and with the approval of the commission. The supreme court violated absolutely that part of the law. Our law also provides that a widow shall receive not less than $16 a week for a period of 312 weeks. It violated that section of the law. Our law also provides that an employee may not enter into an agreement to waive any of his rights. It put a narrow, judicial legal interpretation on that section of the law; so we do not

know where we are on that particular point. I want to say that we have made up our minds that we are going to fight the decision.

To illustrate how this strikes at the very heart of the compensation law prohibiting the negotiation and bargaining with widows who have little children, by a shrewd, trained, private insurance company adjuster—the insurance company never agrees to pay more than the law provides. We have a law that fixes a very low maximum, and any man with an ordinary amount of common sense knows that a widow with three children can not live on less than $16 a week. Yet we have a supreme court that declares that a settlement for less than $16 to a widow and three children is fair, because the case is closed.

That goes into the very fundamental purpose of the law. Under the old common law 85 per cent of those who entered suits lost, and the 15 per cent who recovered usually recovered large amounts. Of that 15 per cent, however, in less than nine months 85 per cent had nothing left. The money was dissipated by reason of the fact it was received in a lump sum. So society stepped in and enacted a compensation law taking away from the employee and the employer his common law rights, and it meant to say to the employee, I think, in our State, "Going that far we will see that you get every cent that the law provides."

A commission was created to administer this law that the compensation might not be paid in a lump sum excepting under special circumstances.

Now those provisions of the law were set aside by our supreme court. I think that where we have a competitive insurance it is wrong in principle, and while we believe in our State that the State insurance fund is giving service—I do not mean to infer that the private insurance companies are not acting in good faith, many of them are good fellows and the law has given them the right to write that sort of business, which means they are to receive a profit—it conforms to the national council of making workmen's compensation classifications. We have something more than 750 different classifications. Some employers must divide their pay rolls into 12 different classifications.

That seems ridiculous to me. I am only a layman, but I think if these actuaries would devote more time to evolving a plan whereby they could simplify the making of compensation rates, they would be performing a real service; but instead of that they seem to indulge in a lot of formulas that no one understands. It becomes very difficult on the part of the rate-making body to determine just exactly what is going on. We established what we believe is a very efficient statistical department, and we follow that and keep it up, and we check it quite thoroughly.

If they ask for an increase in rates they must show good cause. Then they made us the rate-making body, that we should make the rates and not have someone in New York make them for us, so we try to follow that rule.

The State fund of Utah has no solicitor. We believe in giving service, and we believe that we are giving as good, if not better service than the private insurance company. I believe that in all competitive States those who have charge of the administration of

the law ought to do their best to make the State fund go and to give service.

Now, by reason of the interlocking relations of different employers, it becomes a very difficult matter to the State insurance fund to get business. Let me illustrate one case. The Intermountain Electric Co., a very reliable firm in Salt Lake City, doing a very big business, with a very large pay roll, concluded they would like to insure with the State insurance fund; so they applied and we wrote the policy. Mr. Hawley, the manager, came to the commission, several days after we had written the policy, with his lease. He said, "I have done something I had no right to do."

Halloran & Judge, who were the agents from whom the Intermountain Electric Co. took the lease, included in the lease one of those little phrases which the average man does not read. It read, "In consideration of this lease, the Intermountain Electric Co. agrees to write all their compensation insurance and fire insurance, and every other kind of insurance with the Halloran & Judge Co.

That was a matter over which I thought we ought to exercise a little common sense, so we told Mr. Hawley that, of course, we would refund the premium to him. That private insurance company may call that good competition, but I think it is very poor practice.

Now, regarding the private insurance agent in Utah: Some of our big mining companies have a very large pay roll, sometimes as much as $150,000 a year, and the agent who writes that business has nothing to do except to go in there and deliver the policy, and he receives 17.5 per cent of the cost of that policy, which is pretty good pay. That means that the insured workman is charged with just that much. It makes the law just that much more expensive. We are considering very seriously whether or not we should classify some of our risks and say to the national council, "Where the indicated pay roll is above $50,000 or $100,000, you may not load this premium with an acquisition of 17.5 per cent. Cut it down."

Of course, when we do that we will have a little fight with the private insurance company; but I do not believe it is right. In an elective State you have an entirely different proposition—the insurance companies must get out and solicit the business; but in our State the employer must come through.

Now take those who do not carry insurance, we are trying to work out this sort of a plan: To have all the State officers who travel throughout the State make inquiries as to employers who do not carry insurance, and report to us.

The president of the Mormon Church is an agent for one of the insurance companies in Salt Lake City and, of course, has a good deal of influence with churches getting them to insure with the company he represents. In my judgment any ecclesiastical institution engaging in business is un-American. That is another thing that the State has to contend with. Of course we can not get that business.

If there are any questions you would like to ask on any subjects that I have not covered, I would be more than pleased to try to answer them.

The CHAIRMAN. What per cent of the business do you handle?

Mr. KNERR. We write 45 per cent of the business. I have not covered the self-insurers. That is another problem. The self-insurance privilege is a mighty fine thing, ordinarily, but there is a certain psychological effect with the employee who is working for a man who is carrying his own insurance. There is no question that the employer has a decided advantage, because he can do certain things to lead the employee to believe that he will lose his job if he presses his claim for compensation, and perhaps sometimes the employee unconsciously believes that is true, and it is true—you can not escape that. In that way, of course, the self-insurer many times escapes the payment of just claims.

We have found quite a number of men who have lost certain members of their hands, who were not paid for the loss, because the employer put the man back on the job and he was doing good work; but he did not get paid for the loss.

Under our law if a claim is not made for compensation within one year from the date of injury it can not be made. So if the self-insurer wants to keep the injured man at work during this 1-year period, and the injured man does not make claim, he is simply out of luck.

The CHAIRMAN. Can you not prosecute the employer for not reporting the case?

Mr. KNERR. It is reported, but the report means merely what it says.

Mr. HORNER. Do you not inform the injured workman of his right under the law and insist on his filing his claim and bringing his case before your commission?

Mr. KNERR. We do, but you know what a difficult problem that is.

Mr. HUNTER. Are not the doctors required to report all cases of injury to the commission?

Mr. KNERR. Yes.

Mr. HUNTER. Subject to penalty for failure?

Mr. KNERR. There is a $500 penalty.

Mr. HUNTER. When that form is received do you not immediately send the injured workman what is known as the workmen's initial report or request for——

Mr. KNERR. Only in the State fund cases.

Mr. HUNTER. Only in the State fund cases? Well, it would seem that the way to correct that would be, as soon as this report is received, to send that form to the injured man, so that he will make application. Then you take that out of the hands of the self-insurer to the extent that he can not come back at the employee.

Mr. KNERR. Yes; we tried that for a while, but in about 85 per cent of the cases they did not even pay any attention to the form. The self-insurer has a decided advantage. You would be surprised. I happen to know because I have been in this game for some time.

Mr. HUNTER. Do you have any others than perhaps some of the big national companies, or big interstate companies, I should say?

Mr. KNERR. We have the interstate railroads, of course, and it is rather difficult to make them take out insurance. Then there are some mining companies and telephone companies that it is difficult

to get them to take out insurance. We try to get around that in this way: If we grant an employer the self-insurance privilege, he must take out what we call reinsurance. In our coal mines we require $51,000,000 reinsurance. That is, that takes care of catastrophes. Everything above $75 must be paid out by the reinsurance company.

Mr. WIDDI. I have not prepared an address, and I had no intentions of making any extended remarks on this subject, but I must not permit that indictment of the self-insured employer to go answered.

Mr. KNERR. May I ask whom you represent?

Mr. WIDDI. I represent a self-insurer, Burns Bros., the coal people with branches in the State of New York, the State of Connecticut, the State of New Jersey, and the State of Massachusetts.

I want to say on behalf of our company and also on behalf of a great many other self-insurers in the State of New York that employers of labor to-day in the State of New York have not the slightest desire to deprive their employees of what is justly due them.

The self-insurer in the State of New York is at a distinct disadvantage as compared with those who insure with an insurance company or a State fund. If you insure in the State fund you pay your insurance or your premium the same as you would if you were insured by an insurance company and you are through. If you are a self-insurer there is not a truck that goes out of your place that you do not examine to see that the wheels are okeh, that the brakes are in first-class condition, and so forth. It is the intention of the self-insured employer to see that there are as few accidents as possible.

In the 13 years that we have been self-insurers in the State of New York we have never appealed from one single decision of the referee in the State of New York.

Mr. HUNTER. I would like to subscribe to the method of handling claims that the lady from Maryland described. Our method is exactly the same. We pass on all cases. It does not make any difference whether they are private carriers or self-insurers or our own claims, our method of adjudicating the cases is similar. Not over 5 per cent of them are heard; 95 per cent are merely a matter of routine.

Mr. ALTMEYER. I confess I have been rather disappointed in the discussions this morning. I had hoped that the problems that would be presented would be problems peculiar to the competitive fund, the administration of the competitive fund, and not a discussion of the compensation acts of the various States.

I have not heard anyone discuss the various benefit provisions and the various methods of procedure peculiar to the competitive funds. For example, I wanted to find out what the competitive State funds do with undesirable risks. I wanted to hear a discussion about the problem of collecting premiums. Idaho, for example, covers a risk whether it collects a premium or not. Just how is that problem handled? In some States, for example, the fund is hooked up with the administrative body that enters the award, and they have no appeal. They can not contest the award. How is that problem handled?

Those are the kinds of problems I was hoping to get some light on. I would like to know the methods they use in competing with the private insurance companies. Are they allowed to go out after business, or are they not allowed to go out after business; and if they are allowed to go out after business, just what method do they use to go after the business?

Mr. KNERR. I want to say that in Utah the private insurance company must take any risk that comes to it. They have tried to evade taking the undesirable risk, but we have a provision in the law whereby if an application is made to a private insurance company they must write the business.

Now, as to the matter of appealing from the State fund to the supreme court, our law permits that. In addition to that, the employer signs a rider on his policy giving the men of the State insurance fund the right to appeal in the employee's behalf. We do not solicit business.

The CHAIRMAN. On what theory does the law require the private insurance company to write the risk when you have a State fund?

Mr. KNERR. If we did not do that the private insurance company would simply take the cream of the business and leave the poorest for the State fund.

The CHAIRMAN. Is not that one of the primary functions of the State fund, to cover the risk that can not be covered elsewhere?

Mr. KNERR. No; it seems to me if the private insurance company wants to write business, it ought to be required to take all the risks or get out of business.

Mr. WORSTELL. I believe the chairman, Mr. Smith, who is from New York, can give a great deal of information which will be of value to the gentleman who has just made the inquiries.

The CHAIRMAN. Before saying anything on behalf of New York, I would like to ask if there is any State fund jurisdiction which has not been called on that would like to be heard, or any other accident board or commission that would like to be heard on this subject?

Miss HARRISON. I just want to say that all orders of the Maryland commission are appealable, as I stated before. That is, we pass orders against the State fund, and all of the orders are appealable.

Mr. CURTIS. Appealable by whom? The State fund or the employer?

Miss HARRISON. Both: The employee, the State fund, or the self-insured.

Mr. CURTIS. Only the employer can appeal in New York State.

Mr. KNERR. Utah has a 20 per cent differential. We write 20 per cent less than the private carrier.

Mr. CURTIS. I would like to hear from some of the States that have exclusive State funds.

Mr. KNERR. That group is in the other room.

The CHAIRMAN. In attempting to discuss these problems I am somewhat in the same position as Mr. Creede, who states that the problems are legion, and at the same time they are largely the problems of a competitive insurance carrier. There have been a

number of points touched on this morning which, perhaps, I could comment on.

Mr. Hunter, of Arizona, brought up a matter which, strictly speaking, is not a State fund matter. He mentioned the fact that they have no maximum limit on weekly compensation in Arizona. Some of the other speakers have found the maximum limit very objectionable.

Mr. HUNTER. I very much object from the administrative point of view. I might state that any company, or any State insurance fund that is required to adopt our plan is faced with many difficulties, because it is very, very hard to determine the rates, and get reinsurance, and all those things, when you have no limit. We would like to have a limit, even if they put it at $500.

The CHAIRMAN. Naturally, your situation sets up an incentive for employer and employee to get together and, perhaps, arbitrarily increase the amount of the wage retroactively. That probably is very seldom done, but at any rate there is an incentive there at the expense of the insurance carriers. In that connection, one might wonder whether a sort of half-way step between the two systems would not be better than either, that is, without having a flat maximum. You might have a percentage of 66⅔, say on the first $30 of wage, and on the next $10, that is up to $40, say for illustration, your compensation would be 50 per cent of that excess, and 40 per cent of the excess over $40 up to $50, and so on, after the manner of the percentage in the income tax law. So that when you got through you would have a limit somewhere, but it would be a much more reasonable limit, and it would be flexible; so that when the wage level of the State rises you would not be under the necessity of going to the legislature every year because the maximum in effect is not reasonable as compared with the present wage level, and that, of course, is a situation which frequently occurs, as we all know.

That is perhaps a little bit off the subject, but the question was raised and I think it is a subject well worth consideration.

The question of handling the undesirable risk has been brought up. Of course, that is a problem that is potentially existent in all cases where you have a State fund. I can see that there are differences of opinion as to the underlying philosophy of this question. In some States where there is no State fund there is a law or a regulation under which the carriers have to get together, and perhaps they draw lots as to who shall take the particular undesirable risk that is available at the moment. Perhaps in some other States they have a pool which does the same thing. In Utah they have a very interesting provision which requires the carrier to write the risk as presented. That is very interesting, and I would like further information as to how that works out.

The gentleman from Utah objects to the number of classifications in the manual. Of course I take it that the State fund in practically all of the jurisdictions has the right to elect its own manual, or adopt any manual it chooses under its own law, and I suppose that if the classifications in the manual seem too numerous the State fund could use its own judgment in combining or otherwise rearranging those classifications.

As a matter of fact, however, I can say that the tendency in recent years has been to reduce the number of classifications in the manual, and I would also point out that one reason why there are so many classifications is on account of the dissatisfaction of the employers. If you have a few classifications, you will have more and more cases where an employer is assigned to a classification which he can maintain does not describe his risk. That is obvious.

You can reduce that to an absurdity by supposing a case where there is only one classification—that is, where all employers have the same rate—and under those conditions everybody would have a right to be dissatisfied. If you had only one classification in the manual you could not possibly describe every risk that you have to insure and it becomes a very difficult proposition for the insurance business or for the State fund to set up a manual of classifications which will provide reasonable differentiation in classifications and rates among the various risks which are presented to them.

I think that if you had sat in as often as I have in the rate-making procedure you would realize that the actuaries are not looking for complications in this respect, but they are trying to meet the necessary demands and the conditions of the business. Naturally, there are many improvements which can be made, and improvements are continually being made.

The gentleman from Utah also raised the question of the difficulty of getting business under certain conditions where there were interested parties concerned in outside insurance companies. I think that will be found to be the case in every jurisdiction where there is a competitive fund.

I am frequently reminded of that when I happen to be discussing the State fund with some acquaintance who is not in the insurance business, and he does not know what insurance is, and he knows even less about compensation insurance, and frequently he never heard of the State fund, and when I tell him something about the lump sum, invariably his first question is, "Why does not the State fund get all of the business?" and, of course, one reason for that is that owing to the ramifications of modern business almost every company or corporation has connected with it, in some way or other, either in its own organization, or in its officers, or in its board of directors, or related to some of those individuals by marriage, or other ties, some individual who is interested in writing business for some insurance company for a commission, and that is so widespread that it sets up a peculiar difficulty in attempting to get some of the larger risks.

In the case of banks there is another interesting situation. Many banks, particularly the larger ones, are not especially interested in saving money on their compensation insurance, but they use that as a means of increasing their deposits. They will hand out their compensation insurance to brokers or companies that maintain accounts in the bank, and in that way give an indirect handout to the particular individual involved merely to maintain his account there, irrespective of the fact that if the insurance were taken away from that individual, in all probability he would still maintain his account in the same bank, because if he did not think it was a good bank he would not have his account there anyway.

The question of whether the agreement system or the hearing system is preferable, I think is perhaps not a State fund question, but a question for the accident board and commission, as such is a matter of policy. We have heard from State funds that operate under both systems, and apparently from the standpoint of administration it is possible to operate under both systems.

Now, in coming to some of the questions that were raised by the gentleman from Wisconsin, how is soliciting done? Well, as you have heard from California, New York is not the only State that has a force of solicitors. I heartily agree with most of what Mr. French and Mr. Creede have said. I think they have stated the situation very well in many respects. It is quite necessary for the State fund to maintain a reasonable rate of growth.

In California, as you have heard, they have more than 30 per cent of the business. In New York State, with a considerably larger amount of business in force, the New York State fund has somewhere around one-sixth of the entire insurance business. That is, of course, exclusive of the self-insurers, on which we have no figures available.

The *New York State* fund has been progressing very rapidly during the last four or five years, and it is now the largest carrier of workmen's compensation in New York State, and so far as I know writes more workmen's compensation than any other carrier in any State, with the one exception of Ohio.

In connection with solicitation, publicity is a very important problem, and in New York we do a considerable amount of publicity work under the direction of a trained publicity expert, who has been an editor of a New York newspaper, and we issue at intervals bulletins to the policyholders and bulletins to prospects. We frequently get news stories in the newspapers through the press agencies like the United Press and the Associated Press, so that the State fund is becoming more and more favorably known throughout the State than it ever was before, and our experience is that publicity work is very effective. I do not know how much is being done along that line in other States, and I would be interested to hear.

One very interesting problem which illustrates some of the ways in which the State fund functions has been that of window cleaners, in New York City primarily. I do not know whether the other jurisdictions have this situation, but window cleaners, house wreckers, and a few other individuals engaged in a few other occupations do not seem to find it in their nature to be straight and honest with the insurance carrier, and the result is that they are on the prohibitive list of practically every carrier. It is very difficult to deal with them, to get the proper premium, so that practically every carrier that ever tried writing window cleaners has written them at a loss, and has been unable to solve the problem.

The State fund has been living with this problem for several years, and I believe we have now solved it in such a way that the insurance can be carried, the employees protected, and at the same time the State fund itself not be in danger of being jeopardized or injured.

At the same time the window cleaners had a mutual company in New York State, the Empire State Mutual Co. It is now under order

of liquidation and will be taken over and liquidated by the New York Insurance Department.

That is a rather interesting illustration of the way in which the State fund can function to handle a problem which the private insurance companies have found it impossible to handle acceptably. If those present are sufficiently interested I can outline it very shortly, because that bears on the general problem of what to do with the undesirable risk. Here is a very remarkable example of a group of undesirable risks who will probably never be anything but undesirable.

We have a group of these window cleaners who are insured in the State fund under a plan whereby the individual employer has to pay a deposit of $400 if he has one employee, and of $100 for each additional employee. In other words, if he has three employees he pays a deposit of $600. That is not premium, but it is a deposit. As soon as he is insured with us he must pay a premium at the rate of $1.20 a day for each man.

Now then, at the end of the week, or each day, the employer must mail to us before 10 o'clock a statement giving the names of the employees and the places where those employees are working that day. At the end of the week he must send in a sworn statement, recapitulating that information, and on the basis of that weekly sworn statement we send him a bill stating how much premium he owes us. That bill must be paid rather quickly or else the insurance is canceled.

Now, then, those employers, who at the present time number about 35, are all put into a group and those deposits are merged into one deposit, which now amounts to somewhere about $40,000, and that deposit is kept intact, because on top of that we immediately begin to charge the premium according to the exposure.

If the losses at any time exceed 70 per cent of the premium which we have received from those policyholders in that group, we can immediately call on the deposit to make up the difference and at the same time, in order to keep that deposit intact, we will assess or rather we will bill those employers for additional premium in sufficient amount to make up the amount of the deposit which was already on hand.

Now, in that way the group is opening with approximately a $40,000 cushion protecting the State fund, in addition to the premiums which have been received, and the two together at the present time amount to over $60,000, and the amount is increasing regularly.

That group has been organized by itself and it regulates itself and the organization supervises and inspects the work of the individual members, and if this organization finds that any employer is cheating by not reporting a proper number of employees, that is reported and a hearing held, and if it is found that the employer is guilty of cheating, a fine is assessed and turned into the fund standing to the credit of the group, and in that way the employer who cheats is brought to terms and is prevented from injuring the group.

I do not want to take too much time on that particular point, but it is rather interesting and shows what the State fund can do where the private companies are unable to cope with the problem.

If this procedure of having a section on State fund is to be continued in this organization I think it might be well to have some sort of a continuous plan for setting up the questions which are to be discussed, so that instead of starting blind, as we have this time, we will have an orderly schedule which can be used as a basis for discussion.

The aggregate trust fund that we have in New York will be, perhaps, of some interest to you. There is a provision in our law under which the industrial board may order any carrier or self-insurer to pay into the State fund, into a special fund which is a separate accounting, the present value of any claim or set of claims, for the purpose primarily of relieving any doubt as to whether the periodical payments will be made in the future.

That has been done, for example, in the case of the Empire State Mutual three or four years ago, as to all of its then outstanding serious cases, and it may be that it will be done again. That is a protection to the claimants and assures that these funds will not be dissipated by a carrier which is on the rocks.

Another difference in the operation of State funds is on the question of taxes. In New York State the State fund is assessed just the same as any other carrier or self-insurer, for the support of the labor department, that part of it which is engaged in the administration of workmen's compensation law. I think at the present time that results in an expense to the State fund of somewhere between $150,000 and $200,000 a year.

With the exception of that payment, the State fund has no taxes to pay in New York State. I think that is probably the case in most jurisdictions, except in California and in Utah, where I understand the State fund is subject to the same taxes as other carriers.

Some question has been raised as to the desirability of merit rating in the State fund, and if I understood correctly the suggestion was made that it is preferable to abolish merit rating, presumably using manual rates for all risks and then paying dividends to the individual risks which prove to be profitable.

That, perhaps, sounds very plausible, but I do not think that it is practical. Furthermore, particularly as you get down to the smaller risks, it absolutely violates the principle of insurance, and particularly insurance with any pretense to mutuality of interest.

Of course, the fundamental reason why any insurance is necessary in any field is that you can not predict the losses, and as you take on risks and issue a certain group of policies they are all assumed to be, let us say, average risks, and the carrier takes them on on an equal basis. Now, if you could demonstrate in all individual cases that the losses were the result of actual negligence on the part of employers, and assess those losses against the employer, there would be some logic in the suggestion, but the difficulty is that in a great many cases the accidents seem to be the result of chance. For example, we have thousands of policyholders who go through the year without any accident whatever, and the following year we have thousands more, but they are not the same thousands.

Among the small risks, necessarily, there are many that go through several years without an accident, and it is a question of just when the accident will occur.

Mr. HORNER. What is the minimum premium charged by the New York State fund?

The CHAIRMAN. The minimum charges are those set forth in the manual, subject to our discount of 15 per cent. Of course, the minimums are different, according to the class of business.

Mr. KNERR. You have a differential?

The CHAIRMAN. A 15 per cent differential, that is correct. Mr. Worstell, from Idaho, stated that they were unable to get the lumber and mining risks. I think, perhaps, they may have been fortunate in not having been able to get those classes of risks, because experience has shown that in many cases they are very difficult for the State fund, with a thinly spread organization, to handle. Our organization is, perhaps, as complete over the State as that of any State fund, with the possible exception of that of California, which has a larger proportion of the business, but we find, for example, that the handling of the lumber risk is extremely difficult. In New York State the mining problem is not particularly important.

In Arizona the continuous policy was mentioned. In New York we also have the continuing policy by law. There is a provision that the insured, by giving notice 30 days before the anniversary of the policy, may cancel. I do not know what the cancellation provisions are in other States. We have found some objection on the part of employers to that provision, because naturally they have been accustomed to insurance with other carriers where the policy is rewritten every year and there are many of them insured in the State fund who apparently do not understand that it is a continuing policy, not that it is in small print or anything but people do not give that amount of attention to their insurance, and so when they find that they are unable to cancel as they desire, they are inclined to object.

Personally, I do not think there is very much of a saving in the way of expense by not rewriting your policy every year. There is probably some saving, but not very much, because in any event we have to recompute the rates every year and send out an indorsement giving the new rates, and it would not be very much more trouble to do the same thing using a policy form instead of the indorsement; so that I do not think the question of expense is very important.

Now, one of the most difficult problems in the administration of a State fund, which, of course, is a problem in the case of any carrier, is that of dealing with contracting risks, particularly the small, more or less irresponsible types of contractors, who are so numerous in New York and particularly in New York City. That question has been touched on in some of the other sessions. The condition is considerably complicated by the ramifications of general contractors and subcontractors, and as Mr. Curtis so clearly pointed out, submarine contractors. There are many situations where it is almost impossible for the insurance carrier to get the correct information, both from a claim standpoint and from a pay-roll auditing standpoint, and the New York State fund would welcome any type of cooperation that can be received from any organization or individual, informing us as to where jobs are being undertaken that, perhaps, are not insured or where the pay rolls are not being correctly reported, or any other

information of that sort. This is a very difficult problem and is, perhaps, more acute in New York City than anywhere else in the country.

For the last four years I have been publishing in the form of a pamphlet my annual reports, and those reports are quite complete in their account of the history and activities of the New York State fund, and I think they have had a rather wide distribution. Perhaps some of you, who have read those reports, may have some questions in mind about them.

Now, are there any further questions which anybody would like to ask, which I might attempt to answer on behalf of the New York State fund?

Mr. HUNTER. One question about your policy. Do you require one year in advance premium?

The CHAIRMAN. Well, not in all cases. We have the same sort of provisions for that——

Mr. HUNTER. Well, the ordinary, general class of insurance that you write?

The CHAIRMAN. That would depend on the size and characteristics of the risk. Of course, a large proportion of the business, in point of number, is on the annual premium basis, because a large proportion of the business consists of very small risks where it would be foolish to have the premium on anything but an annual basis.

Mr. HUNTER. Do you require adjustment, say at the end of six months, on their actually known pay roll at that time?

The CHAIRMAN. If the policy provides for a six months' interim audit; yes.

Mr. HUNTER. In that way you would at all times have at least six months' premium?

The CHAIRMAN. No; where the audit provides for a six months' adjustment the premium charged at the beginning, under the manual rules, is not 100 per cent but, if I remember correctly, 60 per cent of the premium on the annual basis, and if you have a quarterly adjustment it is 33⅓ per cent, and on a monthly basis you charge 10 per cent in advance.

Mr. KNERR. Do you handle a deposit premium?

The CHAIRMAN. Yes; and then corresponding audits are made at the appropriate times, and the earned premium for the period is billed and collected in the same way as an annual premium.

Mr. HUNTER. That is the way we do it. In that way we always have an advance, and if a man is careless about his bills, we have three or six months before we would have to cancel his policy.

Where you require a six months' advance premium, do you bill him at the end of three months?

The CHAIRMAN. No; we bill him at the end of six months.

Mr. HUNTER. We do that differently. Where they are on a yearly or six months' basis, they put up an advance premium of one year, and then if there is a six months' or three months' adjustment, at the end of three months or six months we bill them, and so on the next three months, and in that way we either have a six months' or one year's premium unearned all of the time.

The CHAIRMAN. In that respect, then, you are in advance of, I should say, most of the other jurisdictions, because you keep farther ahead of the policyholders than we are able to do in a competitive State like New York, where there is such keen competition for business. Of course, it amounts to this: That the State fund, naturally, in competing for business has to satisfy the assured—that is, to give him at least approximately the same terms as the better private insurance companies do—and if we charged twice the advance premium, for example, that a private insurance company did, we would probably not get the desirable business in that class.

Mr. HUNTER. We haven't found it so; that is, not seriously.

The CHAIRMAN. In New York State the question of how much premium has to be deposited seems to have an inordinate importance in the minds of many policyholders, perhaps because so many of them are doing business on other people's money and are trying to get along with as little capital as they can or, rather, to expand as much as they can with what little capital they may have available.

Mr. KNERR. Where you secure a judgment, is that judgment given preference the same as a tax lien?

The CHAIRMAN. No; I do not think there is any preference either in the procedure or the judgment. There has been a suggestion, and it has gotten to the legislature on one or two occasions, to give that preference in the same way as a claim for payment of wages is given preference. In other words, either to put it on the same level or to follow after that in a bankruptcy case.

Mr. KNERR. In our State the charge is 12 per cent on delinquent payments, provided, of course, it is not litigated. Then after judgment is secured it becomes the same as a tax lien.

The CHAIRMAN. We have no such provision in New York.

Mr. CURTIS. I would like to ask whether any of the State funds represented here pay dividends to the employer?

Mr. KNERR. Utah does. For instance, in 1917, when we were organized, we charged a very high rate in the coal mines. For three years the rate was $7.81. At the end of the 3-year period we returned 25 per cent to the coal-mining industry and after that experience charged——

Mr. CURTIS. What has your experience been in paying dividends to the employer, so far as not reporting accidents and trying to defeat the claimant is concerned?

Mr. KNERR. We have not detected any problem there as yet. We have some, however, in our safety drive.

Mr. CURTIS. Do you not think, from your practical experience, there is a danger there?

Mr. KNERR. Yes; that is so in experience rating.

Mr. CURTIS. That is one of the reasons why we are advocating a monopolistic State fund. In that way we would eliminate the dividend question, and the rates would be uniform and, we believe, half what they are paying now. It has been our experience, in a competitive State fund there are a number of employers who may try to belittle an accident, and who will also try to defeat the claim. We have that experience in New York. I think Mr. Smith will admit that in

9 out of every 10 cases when you ask the employer why he did that, the answer will be, "I am trying to keep down the accidents so as to be in on the dividends." That is the danger, and we must watch that very closely.

Of course, we understand that in competing with the other companies the State fund gives some inducements and that is the inducement that is given in the State of New York. Literature, and so forth, is sent to the employer showing the dividends that have been paid, and there are employers who misunderstand that, and I think it is coming to the point where it is almost as dangerous as the self-insurer whom you cited.

We have had the same experience with the self-insurer; that he does not report accidents; that he tries to make little of accidents; and, in fact, we have had cases of employers keeping the men at work for over a year, until after the time has elapsed for making claim, and that is why we amended the law last year making it two years, and with the consent of the Industrial Board the claim can now run for two years, if the claimant can give a justifiable reason why he did not file his claim within a year.

The most striking case is of an employer keeping a man, who had his leg amputated, at work for 18 months, and then, at the end of 18 months, when he knew there was no chance to make a claim, the employer told him he had no use for a one-legged man, and that man can not get more than 5 cents compensation.

So that is the danger, as we see it, so far as the dividend is concerned: Trying to keep down the accidents, trying to keep the man from making his report or claim for compensation. We have the same condition with the stock companies. If it can be shown that the employer has a high-rating experience of accidents, under our law the insurance company can assess an additional premium. So if the employer has three or four accidents in a month he tries to get at least two of the injured men not to make reports, so that he may keep the cost of his insurance down.

The insurance company has the same privilege under the medical terms. If the cost for medical aid is high, they may assess the employer, and that is one of the reasons why some employers try to cheat the injured workman out of his medical aid.

Those are some of the difficulties we have in the administration of the New York act, and I thought this might be where we could exchange views on that question of dividends. I think the dividend question is a serious one.

Mr. KNERR. It offers an inducement, no doubt, to many employers to do that.

The CHAIRMAN. Of course, it is true that the progress of a particular case, in the case of an individual employer, would have practically no effect on his particular dividend. In other words, the cost of that case is spread over all before the dividend is declared. I think that what Mr. Curtis has in mind is more in connection with merit rating than in the case of dividends.

Mr. CURTIS. We are not well educated in New York as yet; especially our employers need more education than the workmen do, as far as the compensation law is concerned; and if they receive circu-

lars telling about so much dividend, they do not know what merit rating is. Eighty per cent of the employers in New York do not know that there is such a thing as merit rating. All they see is the circular that states that they have a right to receive some dividends back—at least they think they have, whether they are in on it or not—and that is why they try to defeat the case or to induce the man not to make a report of the accident. Of course, if they knew about merit rating they would not have any idea of doing what they are doing. They think they are entitled to receive something back out of what they are paying in. The average man who is insured to-day thinks that way.

Mr. SULLIVAN. As a member of organized labor, my experience is that the greatest objection to the insurance company carrying the risk is the unfair tactics adopted by those insurance companies in bringing unscrupulous doctors to testify against the injured man, so as to reduce the amount of the compensation he will receive. We have had many experiences in New York of the tactics of those doctors, and that is about the most serious objection, whereas with a state-wide insurance fund there would be no competition and the injured workman would receive his just claim.

There are doctors in New York City who are willing to be hired by insurance companies to do anything. They will even testify that a man who has been brought in on a stretcher is able to work, and when such things as that occur something should be done to correct the situation, and that is why organized labor has fought and has gone before the legislature time and time again to try to get the state-wide insurance. We know we are up against a solid rock because of the influence of the insurance companies, especially in the building industry. They control the fund. They put up the buildings. They loan the money to those contractors, and that is one of the reasons why you can not get your state-wide insurance bill through in the State of New York.

[The meeting adjourned.]

PROBLEMS OF PRIVATE INSURANCE STATES

Oklahoma (Mrs. F. L. ROBLIN). I do not know that our problems are any greater than those of the States which have exclusive State funds and those which have competitive funds. Nevertheless, I think this meeting is well arranged so that we can discuss our individual problems. I do not agree that everything is wrong because we have State funds. In attending these conventions and in discussing the compensation laws and how they can improve the benefits to the injured man I have received a great deal of information. In Oklahoma we have several very serious problems, however, even with the insurance companies. One of them in particular is the centralization of medical service. I am not an advocate of the claimant being in all cases allowed to furnish his own physician. In New York it is a simple matter to pick a man up and bring him in from Tonawanda or Lockport to Buffalo for treatment, but in Oklahoma we are faced with this problem of how to centralize medical service.

We have found that the tendency is growing each year to snatch these men up from their own community and bring them into Tulsa or Oklahoma City. They take them from their homes and bring them where their standard of living is changed, and the reaction in this way is most serious. The man is brought in for treatment for his accident and disability; he has become dissatisfied by reason of having been taken away from his friends and his home, and he is suspicious of the company doctor, of the company, of the commission, and of the compensation law, which makes him a very hard person to satisfy. He may be getting a perfectly fair deal as far as the adjudication of his claim is concerned, but yet he is dissatisfied in his own mind by seeing these doctors treating a number of employees of the same insurance carrier, and he is questioning. We have not been able to meet that condition yet. We know there are some cases where a doctor would not be found in an industrial community. There are hundreds and hundreds of such cases brought in immediately following the most casual treatment. We are not referring to those cases.

We will be enlightened by Mr. Kennard, of Massachusetts, who is taking the place of Mr. Charles Stiller on this program.

Massachusetts (WILLIAM W. KENNARD). In view of the program, I assume that every one in this particular gathering comes from a State where the insurance company, either in whole or part, carries the compensation burden and pays the benefits through the medium of the administration of the industrial accident board. Coming from Massachusetts, I do not know that I can say very much which is common to all of the States. We have no other carriers of insurance in Massachusetts than the insurance companies. We have no

State fund, no self-insurers, and therefore the situation focuses itself on the insurance companies solely on the one proposition, and that is to see that they pay compensation in accordance with the requirements of the compensation law. We have nothing to do with the making of rates. We have nothing to do with the statutory supervision of the insurance companies. I say statutory, because we do have a good deal to say as to how they should do their compensation business outside of the statute. In the performance of the duties of our board in that respect, we who are members of the board are actively engaged in only one portion of the work and that is to see, in disputed cases, that the parties are heard and adjudication made with reference to the particular point at issue. That takes care of, roughly putting it, about 10 per cent of the cases in which there is a question. In the other 90 per cent the parties enter into an agreement between themselves, the insurer and the employee.
is to see that they pay compensation in accordance with the requirements of the compensation law. We have nothing to do with

I know you are asking in your own mind how that is done satisfactorily. We have this statutory provision in Massachusetts, that every employer of labor who has an accident shall make upon a blank which the board supplies a report containing information with reference to the employee who has been hurt—his name, address, family situation, whether married or single, his age, his average weekly wage (a very important factor in the matter), a brief statement of what caused his injury, and the nature of the injury. The employer gives accurate information, because he has no reason to do anything else. When the insurance company receives from its assured under its policy agreement a copy of the report which is sent to our board, it makes an investigation of the case, sending a man to find out whether the injured man was hurt under circumstances which makes it liable, and with reference to his wage, and so forth. A written agreement is made with the employee to pay him compensation at a weekly rate based on his weekly wages. A copy of the agreement is sent to our board and turned over to the clerical or record force of the office. The report of injury, which has come in from an independent source in the person of the employer, is compared with the agreement from the insurer, and under all ordinary conditions they will coincide, the principal factor being the weekly wage. If they coincide, the agreement is approved and the insurance company starts to pay compensation.

Ordinarily the insurance companies start within two, three, or four weeks. They know they must pay and they pay without waiting, without any formal action by the board. Ninety per cent of the cases are taken care of in that way. In the other 10 per cent there arises some difference of opinion with reference to material factors on which compensation is based. These cases are handled through our routine service, although certain cases may be called to the attention of the members of the board. If they can not agree without a hearing, then we have a hearing. There are seven members on the board and we are busy every day of the week except Thursday holding hearings. Those hearings are conducted along the lines of court procedure. The insurance company is always represented by a lawyer and the employee will be represented in 60 per cent of the

cases, and in the others the commissioner takes hold of the situation and cross-examines the insurance counsel and resolves himself into a judge to decide the case. It is not so difficult as it sounds if you can get into the frame of mind of being impartial. We do not have a great deal of difficulty in rendering decisions and it is our desire to have the employee's case presented in full and with the most favorable aspect toward him.

Once an insurance company enters into an agreement with an employee to pay compensation, speaking broadly, it can not stop that employee's compensation on a weekly basis until the employee himself is willing. That sounds like a drastic proposition. So far as I know no other State has that provision. They can not stop it unless (1) the employee agrees in writing that his compensation may be stopped or discontinued, or (2) he returns to work, or (3) the board gives the insurance company, after consideration of the particular case, the right to stop compensation in that case. Thus it will be seen that we are not disturbed over the amounts of settlements. There is no question about the insurance company making settlements with the employee which may be detrimental to the employee's legal rights. The legal rights remain until some such action as I have indicated takes place. We have been working under that system now since 1912, but there have been some problems. We have managed, so far as I can see, to iron most of them out. Now and then we have some difficulty with a particular representative of a company, but it has never reached the point where we felt that we needed to take any action beyond bringing the case to the attention of responsible people in the company.

When that is done we have invariably found that the insurance company approaches us with the attitude and willingness to make it right. Massachusetts is fortunately situated for that type of thing, because the State is geographically small. The companies doing business with us practically all have offices in Boston. We can reach the responsible person in an insurance company very quickly. Ordinarily we can get them on the telephone and if it can not be handled on the telephone we ask somebody to come to the office to see us and they will send a man to our office. We never had but one case where we took drastic steps. Your territory is far more extensive. We can go from the east to the west of Massachusetts in six hours in a train and in less time in an automobile, so we can get to the point where a situation has developed in a very short time.

The members give all their time to the work of the board. We personally see the people involved. We have no referee system. We have no method of deciding cases upon records submitted by other people. We see the people involved and have an opportunity to form an opinion of the truth of their story and question them at length. One of the problems that we had in the first instance was that the insurance companies would stop a man's compensation of their own volition and without supervision of any kind. That they would ordinarily do because they received a report from their doctor to the effect that this man had recovered and was able to go to work. The investigation of those cases led the board to believe that injustice was being done to the employees by that method, and now, when a man

starts compensation, he can not be discontinued except by permission from the board and himself.

Where we have had trouble with insurance companies, we are satisfied it was ordinarily due to the attitude of the agent of that company in that particular locality. We have on more than one occasion, when a situation got acute, taken it up with the representatives of the company and in several instances the agent in that particular place was transferred. We have our headquarters in Boston. We have no branch office. Any business to be done with the insurance companies is done personally and they send us responsible representatives. I do not know what power we have in the matter, but I know that in all probability the insurance companies, working as they do under the insurance commission, would probably be refused the privilege of doing any further business in Massachusetts if they were unfair.

The other leverage we have over the insurance companies, which is not talked about much and seldom mentioned, is that the insurance companies are the only people doing business under Massachusetts compensation law. Not a year goes by in which the question of State fund is not agitated in Massachusetts. The insurance companies, of course, are disturbed over the prospect of a State fund coming into Massachusetts. The members of the board are all personally opposed to the introduction in Massachusetts of a State fund. The insurance companies know we are trying to treat them fairly, and with that idea in mind they try to treat us fairly. They know that if they do not treat us fairly it is quite within the realms of possibility, if not probability, that the members of the industrial accident board would consider the question of a State fund. In all probability a State fund would appear in Massachusetts within the next two years if the members of the board asked the legislative committee for it.

Mr. STEWART. May I ask two questions. You say you have no self-insurers. How about the shipyards there that were purchased by the Bethlehem Steel Corporation? They are self-insurers. Do you not let them self-insure in that plant?

Mr. KENNARD. Let me make a little explanation, Mr. Stewart. Our law provides for the establishment and creation of mutual insurance companies. I have forgotten the number—I think it is 12—who could get together and form an insurance company. That is mutual companies formed by the voluntary act of the policyholders. The Bethlehem Steel Co. and a number of other big industries in Massachusetts—the Boston Elevated, for instance—have formed within the confines of their own business a mutual insurance company. In effect they are self-insurers, but subject to the rules and laws of the insurance commissioner. They have to maintain their reserves and do their business exactly as the Liberty Mutual Insurance Co. They are self-insurers only that they are policyholders. We call them self-insurers. It amounts to it in the long run.

Mr. STEWART. In Massachusetts have you the problem which they have in many other States—that the insurance companies will not take a small plant? In other words, they will not take business which occasionally does not pay and they can not be compelled to

take business which does not pay. How do you handle that in Massachusetts?

Mr. KENNARD. The rates are established by the insurance commissioner. He establishes those by the report made by the insurance companies on their experience. They have their own rating bureau, in which a representative of the insurance department sits, and the rates are made high enough to take care of that industry.

Mr. STEWART. Suppose a small man can not pay it, do you make him go in?

Mr. KENNARD. No; we do not try to make them do anything. We have over 90 per cent of the employees in Massachusetts under compensation insurance. It is not compulsory but is taken care of by a provision in our lay by which if an employer does not see fit to take out compensation insurance he finds himself subjected to a further law. He can not set up the defense that the employee caused the injury by his own neglect or that it was caused by the neglect of a fellow servant, or that he assumed the risk. If you are familiar with the old employers' liability act, you know that many cases brought against the employer under that law were disposed of under one or more of those definitions. In other words, a solvent employer does not dare to stay away from compensation insurance.

Mr. STEWART. Suppose he is not solvent. We have no end of cases where employees of these small concerns are hurt and where it states that if a man is not insured the old law applies and the employee sues a beggar. The fellow is not worth a nickel with a hole punched in it. You can not get any damages under the old law, with the result that in most States a rapidly increasing number of workmen are not really covered at all.

Mr. KENNARD. I should suggest if there is any State represented in this convention where they have succeeded in getting a compulsory or any other kind of law to work to the extent of covering 90 per cent of the employees in that State, they have done well. I will say as far as not being able to get any money to purchase industrial workmen's compensation insurance or any other method of coverage, you will find it hard to make something grow where there is no dirt in which to plant. Here is a man running a little business, hiring two men, and the two men are earning more than he is himself. Most of them carry insurance if they are solvent at all. The ones who do not carry insurance in our State are those who are not in a financial condition to do so, where the profits are very small and they are not paying bills to anybody. There are one or two examples; for instance, the New England Telephone Co. It does not carry compensation insurance at all. It is not sued. In 10 years it only had three or four suits. The reason is it takes care of its employees better than the insurance companies. It pays a little better benefits and gives medical attention and above all finds a place for them to work when they get better. It finds a job they can do with the incapacity which they have.

Delaware (WALTER O. STACK). Mr. Kennard, your board is fortunate in having your work located so close to reliable and dependable insurance companies. In Delaware we are not so fortunate. Frequently insurance is written in the State from an office located

in Philadelphia. Adjustments are made by adjusters living in Philadelphia and unfortunately those adjusters do sometimes come down into the State and stop compensation without notifying the board. Later the injured worker appears with probably a drawn hand. These are actual facts. He has a hand with probably 75 per cent loss when his case is closed out by an adjuster from some other State on 15 or 16 weeks' compensation. Then the board is put to a great deal of trouble and expense in getting the case reopened and on the calendar and disposed of in accordance with our act. As you said a few minutes ago, Delaware, like Massachusetts, permits employees and employers to reach an agreement if in accordance with our act. Unfortunately, we have found some carriers deceptive in entering agreements and it is this fact which has prompted this paper which I shall read:

The subject matter of this meeting is of vital interest to every State whose employers therein must depend solely on insurance companies for their workmen's compensation insurance. That such companies were organized for the purpose of making money for their stockholders should not discredit them. Personally, I believe those who invest their money in any legitimate business are entitled to make a profit, or dividends, if you please, and to legal protection from State and Nation. Both are essential or the servitors can not properly serve their communities. Certainly no industrial accident board or commission charged with the responsibility of deciding whether insurance companies writing compensation insurance are able financially to meet their obligations to employers and employees should personally criticize, or directly or indirectly encourage others to criticize, such companies unless there is justification. On the other hand, when we are convinced that a single one of these companies is not playing the game fairly, we in turn fail to properly serve our communities if we do not give every phase of the business serious thought and consideration.

I know from personal contact that many of our greatest benefactors are individuals and corporations of great wealth. In my own State is located the home office of a great business organization. with ramifications reaching out into every corner of the world. It is controled by a family unique in history, in not having in it a single drone. It is a generous, most humane family, lovable, and personally interested in every employee carried on its pay roll, whether employed in Wilmington or China. I refer to the Du Pont family. The Du Pont Co., like many others of the large corporations, are self-insurers. Premiums on their workmen's compensation insurance amount to very large sums in the course of a year. Such sums are, however, insignificant when compared with the vast amounts paid out yearly in compensation to the injured and the maimed, and to the dependents of killed employees; and yet, gentlemen, I am sure you have found, as we have found it, a real pleasure to do business with companies of this type. They do not quibble over minor technicalities for the purpose of defeating the sound fundamental principles upon which workmen's compensation laws have been enacted. They accept those principles with the same liberality the framers of the law would have us give them. What I have just said relative to self-insurers, you will agree, can be truth-

fully said of many of our insurance companies. Unfortunately, however, for those charged with administering the workmen's compensation laws, and for certain employers and employees, there are a few insurance companies evidently more interested in dividends than in their moral and legal obligations. They would render unto Caesar more than his share.

Veiled interpretations of the exact meaning of the law, partial and confused investigations; contested awards made solely on questions of facts, and made in States where the courts have repeatedly held they will not disturb the findings of the board in such cases; anything and everything to delay payments of compensation, and often putting injured workers to the unnecessary expense of employing counsel to prosecute their claims before industrial accident boards, commissions, and courts—it is companies of this class that we are justified not only in criticizing, but in driving out of the State we have sworn to serve. So noticeable have become these practices with such companies, I believe we of this sectional meeting should recommend to the present convention that it authorize its president to appoint a special committee to make a thorough investigation, and when that investigation is completed—and I believe it can be done during the next six months—that the committee meet at some convenient place, there write its findings and formulate its recommendations, mailing a copy of such findings and recommendations to each member of the association so that all may have full opportunity to study every angle of the matter before our next annual meeting. It seems to me these companies should be dealt with in the same manner that bad lawyers are dealt with—denied the right to do business. Their practices are not only unfair, but an imposition on employees, employers, industrial accident boards, commissions, and the courts, for I understand every dollar spent by these companies in such cases is charged to their underwriting expenses in States where such contests and delays occur. Furthermore, it tends to break down the morale of the employees, therbey creating among employers, employees, and society at large friction that might ultimately lead to serious conditions prevalent in other decades.

As an illustration: A year or so ago I received a letter as president of the industrial accident board, from an official of a company with headquarters in another State, stating that his company was arranging to do business in Delaware and would like to talk over the matter of carrying their own insurance. He submitted a report of their liabilities and assets which we found very satisfactory; but, as they would for a time have a small pay roll of 40 or 50 people, I suggested it might be to their advantage to insure with an insurance company. He evidently believed that I felt, because of the character of their business, they might not be able in case of serious loss to pay their claims, for he instantly said "We will reinsure our risk in any company you suggest. I know such a plan will cost considerably more, but it would enable us to control the adjustments of accidents directly with our men, a privilege worth more to us than the extra occasioned by double insurance, so to speak." He went on to say, using his own words, he had known of a $30 claim to almost stop the works.

So grievously painful and annoying has the situation become to employers, employees, industrial accident boards, commissions, and the courts, that I believe we should seek remedial legislation—a law that would give our boards and commissions authority to cancel the right of insurance companies to continue business where incontrovertible evidence discloses unethical practice. And I would in this connection suggest another law, one requiring insurance companies writing compensation insurance to furnish the industrial accident board and commission with a sworn annual statement showing the amount of business written in the State during the preceding year, the amount of premiums collected under each classification, and the total of cost incurred, with specific items entering into such costs that the board may better determine what are adequate rates. A qualified recommendation of this body to that end would, in my opinion, materially aid us back home in obtaining necessary enabling acts. Fair insurance companies and self-insurers should not have to accept statements of operating costs furnished by companies such as I complain of, as an equitable basis upon which to fix compensation insurance rates. I take it no one desires an inquiry into the affairs of the workmen's compensation insurance as the country saw in the Hughes investigation of life insurance companies; and yet such an investigation is bound to come unless certain delinquencies are corrected. We must take cognizance of these abuses or we must fail in our official duties.

The CHAIRMAN. The Chair will now recognize Mr. Wilcox for the question of discussion.

Mr. WILCOX. I had in mind to ask Mr. Kennard whether the Postal Telegraph Co. and the Western Union are subject to compensation in Massachusetts.

Mr. KENNARD. I do not know, but I rather think so. I have no recollection of having a case from either of those companies. They are subjected, of course, to common lawsuit. They can carry insurance if they want, but they are big enough and feel that they can take care of their cases.

Mr. WILCOX. Perhaps in view of Mr. Kennard's answer it is pertinent to say that in taking away all defenses which are sufficient to bring the Postal Telegraph and Western Union under the compensation law they will immediately elect to stay outside because common-law liability means nothing to those companies except with a few of their employees. Their liability is usually to their messenger service.

Mr. KENNARD. The New England Telephone stays out. They want to be out.

Mr. WILCOX. They will not take that for their messenger service for injuries occurring on the streets, and I made the mention solely for the purpose of pointing out that there are some types of industries where the taking away of defenses is not sufficient and there has to be some other way of reaching the situation or it is not reached.

Mr. STEWART. In the States where the law is compulsory, are they able to force the companies?

Mr. WILCOX. There is no reason why you can not compel the telephone and telegraph companies to come under the compensation act by a compulsory law. Interstate commerce has no interest in it whatsoever.

Mr. KENNARD. Massachusetts is not constitutional as to a compulsory compensation act.

Mr. STEWART. You have compulsory insurance on automobiles.

Mr. KENNARD. That got by. The United States Supreme Court held that compulsory acts are unconstitutional.

Mr. ROBINSON. Virginia has a compulsory act. The Western Union and Postal Telegraph are operating under the privileges of self-insurers. They do this, however: They have a sort of employees' pension or benefit fund which provides for benefits in excess of the compensation act. They submit an agreement under the compensation act with a provision that they will pay a stipulated number of weeks in accordance with the benefit fund and if disability still exists that they fall back on the amount allowed under the compensation act.

Mr. WILCOX. In the State of Wisconsin we grant the privilege to carry their own risk to the Western Union and Postal Telegraph and to any other concern financially in good standing, but I am making the point that certain types of industry are so provoked by the taking away of defenses that they do not come under the compensation act if they have a chance to elect.

In Wisconsin we issue permits for children to work up to 17 years of age, and I know the messengers working for these companies are under 17 years of age for the most part, and we simply say that any concern that remains outside of the compensation act may not have any child working for them under a permit because their staying out denies children the opportunity to receive compensation in case they are injured. I did not mean to say that the Western Union was forced to come under the Wisconsin compensation act. I think it voluntarily elected to come under, but I think the Postal Telegraph was compelled by taking away their opportunity to hire children.

Mr. DUXBURY. Is not the election presumed?

Mr. WILCOX. Yes. They nonelect. They serve notice that they do not want to operate under the compensation law.

Mr. DUXBURY. It was a wise administration of the laws that brought them under.

Connecticut (F. M. WILLIAMS). As far as the Western Union people are concerned, they are not a common carrier by law, and there is nobody but common carriers by law that are exempt from the compensation act. Nobody need have any trouble with the Western Union. They have a plan under which they operate in all the States, and in Maine it is a pretty fair plan, but the insurance department never approved of it. They are self-insurers there. I remember a little messenger boy got hit on his bicycle, and we had no trouble getting his lost time and a bicycle. They are pretty decent people. We have a provision in the Connecticut statute that in case any insurance company does not do as it ought to do we can bring judgment against it by the insurance department, and their

license is rejected. We do not have to do anything but write the insurance department and call their attention to the fact. We have had but one instance where there was an agreement submitted, and the carrier agreed to pay from some office in St. Louis, and the money did not come as it should have come. I wrote the insurance company and suggested they should have an office in Connecticut, and I received word from them that they thought the same thing, so they established an agency in Connecticut, with adjusters. You can not get much blood out of a turnip, and if anybody has nothing it is most difficult to collect anything from him.

Mr. STACK. What is your interpretation of the word adjuster?

Mr. WILLIAMS. I do not know. He may try to adjust in the old first method of a general release and produce a $10 bill, but he does not get far. Our supreme court held that the jurisdiction of the commissioner to approve an agreement depended entirely upon its being in accordance with the facts.

Mr. STACK. Has your board authority to examine an adjuster to find his knowledge of the law, etc.?

Mr. WILLIAMS. No; if he does not know anything about it he does not last very long. One of our early cases went to this extent. An adjuster, in order to induce one of the commissioners to approve an agreement, made some statements which he said were facts and the supreme court said those statements were not evidential and findings could not be based on them. They do not try that any more.

Georgia (H. M. STANLEY). Our problems in Georgia come from the failure of small industries to get insurance. We have felt that perhaps the law ought to be changed, compelling the insurance carriers to take everything offered. We have this question but we have not got to it yet. The insurance commissioner in Georgia had ample authority to make any investigation he cared to make with reference to the adequacy of rates but he does not have any machinery with which to do it. Therefore, there are many complaints that the insurance rates are high. The legislature can authorize us to create a full enough statistical department so that they can make investigations and furnish to the insurance commissioner all the figures he needs to make rates.

With reference to the various telegraph companies, the Western Union has very promptly complied with our act. The Postal Telegraph objected. It remained out for two years and then voluntarily elected to come under. I do not know why but it is back under the act. Both express companies and the telephone company and nearly all the public utilities are self-insurers and they are the best we have. We have no trouble with any of them. We had to collect under only one bond but we had no trouble with any of our self-insurers. In fact, they go very much beyond the law. We have one of our largest, the Georgia Power Co. They not only pay the medical expenses, but in one case paid $19,802, the medical costs and extra thousands in rehabilitating this chap and giving him a job in the ordering department. This concern also pays full funeral benefits; and when a man is killed sometimes pays four and five hundred dollars.

Mr. STEWART. Can you give us any idea of the number of small companies that are not insured and some idea of the percentage of workmen in Georgia, because of that fact, who are not insured. We are not interested particularly in the great things great companies do. That is not your problem. What we want to know is something about the real problems—one of which is the small plant.

Mr. STANLEY. I do not know how that runs but it is very largely in the lumber industries—the fly-by-night sawmill. They are the folks for the most part unable to get insurance. I could not give that to you.

Mr. SHARPE. I was interested the other day in the address of Mrs. Perkins, in which she said that New York has a law requiring that employers must be insured, and they prosecute noninsurers by the hundreds. In the Province of Quebec the delinquents are many and you will appreciate the expense of any State that has compulsory insurance laws, as to whether they do prosecute delinquent employers or not. Are they interfered with or do they do ahead like the State of New York and prosecute them right and left without any interference whatever? I would appreciate something on that. We know they are not insured but the difficulty of prosecuting them is a real problem.

Kansas (G. CLAY BAKER). I am rather new in administering the workmen's compensation and I did not realize I had so many problems confronting me until I came here. I will go home with that in mind. The thing that confronted me is this: Compensation does not amount to anything unless it is secure. In Kansas we have a requirement that the employer coming within the act must carry insurance unless he requests to be qualified as a self-insurer and makes a proper showing to us for that purpose. That does not answer the purpose because it was shown here that there are a number of employers who do not carry insurance for various reasons. In some instances they can not purchase it at any price. In the second place, some of these corporations can not pay the rates, and in the third place we have those employers who do not care to comply with the law.

We have wanted to correct this situation in our legal way and we set about trying to give some satisfaction to those employers who wanted to comply with the law and who can not purchase insurance or can not pay the rates and so we have resorted to the means of permitting those corporations to make application to become self-insurers and take out accident insurance and set that up as part of their assets and let them qualify for the balance. We are merely permitting it as a necessity. What to do with it we really do not know. That is one of the things we came here for and are very much interested in. In some of our coal mines it is impossible to take care of the situation. We have had employers and employees come to us and say they want some sort of security for this compensation and the employer either can not get the insurance or can not pay the rate, whichever the case may be. In some of these cases we have endeavored to get the employers to get up an organization among the men and create a reserve of 5 cents a ton, say, and let them pool their assets. In some instances the employer who can not

get insurance is financially irresponsible and the thing breaks down. In my brief experience, I make this observation: Regardless of the complaint which is made in our State against the insurance company, it can not be said, generally speaking, that they have not entered into the purposes of workmen's compensation. We are much dissatisfied with that form of adjuster who causes us annoyance. On the part of the self-insurers, I want to say our experience is much more gratifying and I think it is due to the fact that the self-insurer is brought in direct contact with the employee, with the result that he gets more sympahetic understanding of his difficulty. We had one case where a party was injured and they set light work aside for him and kept him at work. We have a number of such instances. I think there is a lot to be said in the encouragement of self-insurers.

Mr. STEWART. Kansas, as far as I know, is the only State that tried to handle intelligently this small employer question. Something like two years ago the coal miners in the Osage district formed this mutual group, putting in 5 cents a ton to pay liabilities. Is that arrangement still in existence and how has it worked out and why could it not be applied to the sawmills in Georgia and to the creameries, even though the group covered two or three different States?

Mr. BAKER. There are two instances where we undertook it in the Osage district about two years ago. One organization is still in operation as far as we understand. As a matter of fact, last fall we found they had adequate reserves and there has been no difficulty. However, in the other instance immediately upon the setting up of that organization there was a death case before a reserve was built up and everybody got scared and they quit and fell down. We are not working to get that organization under way. In the other case, where they did not meet with any loss, the mutual group is under operation and is working satisfactorily.

Mr. DORSETT. In the State of North Carolina there is no such thing as uninsurable risks. Our insurance commission told the insurance carriers if they selected the cream they had to select the rest. Why can not Kansas do that?

Mr. BAKER. I do not know why that can not be done although there is a question as to whether or not we would have any compensation insurance written in the State.

The CHAIRMAN. Mr. Baker, this fund you say these operators use, is that administered by a designated person or kept in one place?

Mr. BAKER. It is set aside in one place. The officers are elected to administer it.

The CHAIRMAN. By whom are the adjustments made?

Mr. BAKER. They have an association that handles the adjustments.

Mr. RUSSELL. Our experience in Maine so far as relation with the insurance companies is concerned is very much like that in Massachusetts. Our chief problem has to do with rates over which the compensation commission has no authority.

Minnesota (F. A. DUXBURY). I find myself not wholly in accord with some things said, especially with reference to experience with self-insurers. I appreciate and agree that many of the self-insurers, such as Mr. Stack has in Delaware and the larger type who have a

policy with reference to their employees are commendable. There is no question about that; but there are some things about some particular self-insurers that cause us trouble. With reference to whether or not there ought to be such a thing as self-insurer, I was delighted to hear that the creature does not exist in some States, because there are positive instances where the relationship is not a happy one. I have a particular self-insurer in mind in our State who can qualify as to prominence of business and financial status and all that but has this peculiarity. When one of its old employees who has no other job and whose job is part of his existence has a compensation claim in which he differs from his employer or the adjuster, it is rather more than you would expect of human nature for him to say he will stand and fight it out; because whether or not it is just the employee has a feeling that if he does not submit to what is given him he will not be in as good favor with his employer as he otherwise might be. That is a relationship in which they do not deal at arm's length, and the adjuster for the employer, unless he is a rare individual who can measure up to all the ideals that are not common in human nature, will come to this conclusion: You are entitled to so much, sign on this dotted line.

There is this other instance: We have granted self-insurance to certain companies that are not properly equipped to perform the service which they ought to perform in determining what their liability is and in taking care of it. They are disposed to let the matter drift along until the industrial commission gets the information on it and follows it up and performs the service which it is their duty to perform. That is, investigate and find out what their liabilities are and pay compensation as promptly as they should. I know of one instance where the thing went to a hearing before a referee. It was a company that had a quarter of a million business in this city where we are now and they did business all over the States. That drifted along until a complaint got to the commission and finally got to a hearing before a referee and that hearing was, in its essence, the investigation which that company ought to have made months before, because they did not offer any evidence whatever to raise any question with reference to what their duty was. That shows our experience. It is all right for Dupont and other companies having high ideals with reference to their dealings with their employees, but not all the employers belong in that class; and many of them realize, when they are self-insurers, so called, there is no such animal. They are really authorized noninsurers. When they assume that position it is their duty to perform the service which an insurance carrier would perform, to investigate and to take action under the provisions of their policy and the terms of the law. They seem to recognize that, and somebody else has to do it.

There are many companies which take care of their claims as well as any insurance company and do as well by them as any constituted insurance company, but there are so many that do not do that that I think the relation is a doubtful one and I always try to find an excuse to deny it and always feel better when I think they have to get an insurance company, which knows something about performing the service which is necessary. This other question that disturbs us—having every employer covered with insurance—is a great ideal

but it is absolutely. humanly impossible. We might as well realize it. In the State of Minnesota we have some wild and woolly places. We have all the extremes from a metropolitan city to the woods. We have employers out there, and some of you have them in your States, who do not get a new suit of clothes when they ought to have it. They go around shabby and can not appear in church in fairly decent apparel because they do not have the money to buy it, and for the same reason they con not pay for compensation insurance. What are you going to do with them? Some people would put them in jail. I have not gone quite that far yet. I can not get myself to see that is the right thing to do with those fellows who are struggling along, with determination to do something and take a chance. That is a risk, of course. I do not think they ought to be put in jail. They are not that type of people. They are good, willing people. I do not think we have so many of them and I really believe some of you think you have none of them. If you will follow it up you will find you have a good many.

It is the duty of every one of our factory inspectors to go around and find employers and find out whether or not they are carrying compensation insurance and we follow those cases up and use every reasonable effort to get them to carry compensation insurance; but the fellow who can not buy a new suit of clothes can not buy compensation insurance. You can not collect the severe penalty but he can comply with the law. He can elect not to be bound and that situation is no worse, in fact it is a little better, than the situation existing between employer and employee before the compensation law was passed. He has a right to comply with the law by electing not to be bound. This has not discouraged us because the number of employers carrying insurance in Minnesota has increased more than 50 per cent since 1922.

We have the problem of insurance carriers not desiring to take certain risks. In our State there is largely logging and lumber, an industry in which there is a sort of irresponsible employer running a portable sawmill located in a part of the State remote from towns, where the amount of the premium would not be sufficient to run the risk as a business proposition and they do not want it. That was almost exactly like Mr. Wilcox's problem. We have some resemblances to Wisconsin which nature gave us. They are wiser than we are and have advanced further than we have, but natural conditions are quite similar. At the last session of the legislature a bill was introduced to compel a sort of pooling of those risks among the insurance carriers of the State but the bill did not go so far as to compel them to furnish insurance to this fellow I referred to as not being able to buy a suit of clothes. They had to pay the initial premium, which is in most cases the minimum, and when that is done they are to be issued a policy by the manager of the rating bureau and the losses, or profits if such an unexpected thing should happen, are to be distributed among the carriers according to their basis of coverage in the State. It had an effect in this way, that every man who can buy a suit of clothes or pay the initial premium gets coverage.

Some companies got together and made a definite agreement among the ten carriers that the manager of the rating bureau should

assign these risks to this group in some sort of order and they should take that risk as a private risk and take the chances on it and every fellow who has the credit or the money gets insurance, but it does not take care of the other fellow who can not buy a suit of clothes or pay the initial premium, and the only thing I know of for him to do is to elect not to be bound and to do business like he did before the law was passed except that his common law defense was taken away from him. We know there is a notion among some people that the exclusive State fund would take care of those fellows and issue insurance to them and distribute it over the whole body and they would not notice it much. Any State fund that does business on that plan will find they have an awful lot of fellows who can not pay the initial premium and they have to run along and maybe never get it and there will be more of them because we have some peculiar people in Minnesota that never have any money to do anything and they are always poor and hard up, but when they die they have larger estates than the fellows who do have money to buy those things.

Mr. STEWART. For the purpose of the record, I think in a meeting of compensation commissioners it ought to be made perfectly clear that there is a very essential difference between a man paying for a suit of clothes for himself and having his workmen covered by insurance. A compensation law was enacted as a social legislation. It is none of society's business whether a man buys a suit of clothes or not. It is nobody's business so long as he has clothes to comply with police regulations, but it is society's business whether workmen are going to be hurt by irresponsible people or people who are not coming under the law provided for their protection; and I want to say that the fellow who can not or will not pay an insurance premium and does not protect his workmen is an entirely different proposition from the fellow who does not buy a suit of clothes. I do not care whether he buys a suit of clothes or not; the law was enacted to protect society from taking care of people injured, as a public charge. Now, then, if we are going to say that society has to take care of them, the compensation law is not what it was intended to be.

The CHAIRMAN. I can appreciate what Senator Duxbury meant in our duty toward these people during the time they are without funds. Our inspector called on a trucking contractor and gave him until Saturday noon to get his insurance. The trucking contractor just started in business. We have a new oil field and he spent his last dime for the initial payment on a truck. He did not have the money and did not have the credit but he did have a contract to go out the next week and he could get considerable jobs the next day. We tried to get him to accept it on a contract but he just had the promise from a superintendent. Therefore, we could not get a company to take it over but we had to let him operate the next week and we all held our breath for fear he was going to have an accident. Was it our duty to deprive that man of working the next week? It was, but we didn't have the nerve to do it.

Mr. STEWART. I am rather inclined to believe that the Federal compensation law requires everybody to insure under it. That has been made applicable to the District of Columbia in all occupations. How far they have gone with getting in the small employer, I

do not know. Of course, the Federal compensation law as far as the United States is concerned has no problems of that sort. They are not up against the question of small employers. The District of Columbia has only been operating now something like a year and I doubt if they had any experience before.

Mr. KENNARD. I would like to ask Mr. Stewart a question. He spoke about the duty which rests upon us to take care of men injured in industry. Have you given any thought to what Massachusetts has done? Society figured it their duty to take care of people injured on the way to work and on the way home by compelling them to take insurance.

Mr. STEWART. Mr. Kennard, to begin with, you said a compulsory law in Massachusetts would be better as far as compensation insurance is concerned, but that it would be, and had been, held unconstitutional. You have a compulsory automobile law up there. I do not know whether that was passed upon by the Supreme Court or not. My impression is it was. Just how "A" is constitutional and "B" under the same circumstances is not, I do not know. There was a bill introduced in Congress at the last session to make automobile insurance in the District of Columbia compulsory. It did not get very far. It will be introduced in the next session. I do not know whether it will be passed or not. Now, what the United States does is no criterion as to what the States ought to do. If you think the United States Government is a model employer along compensation lines you are greatly mistaken. As we learned in Senator Wagner's paper yesterday, the War Department has an accident rate more than 20 times as high as that of the United States Steel Corporation. It never spent a dollar, as far as I know, on accident prevention. The Navy Department did, during the war, spend some money on accident prevention and it has a rate of about half of that of the War Department. Along these lines, if you think there is an excuse for not doing things because the United States does not do it, you had better go back to the Middle Ages.

North Carolina (MATT H. ALLEN). If I were to attempt to discuss the problems we have had and are now having, it would take me three hours instead of three minutes. I will tell you our commission went into operation July 1st. However, it is an elective law. We will have to amend the North Carolina constitution to make it compulsory. Our first problem was, the legislature appropriated $42,000 to administer our act and we saw it would take $142,000, so we have supplemented our appropriation from the emergency fund. We are required to approve every doctor's bill and lawyer's fee. It is a misdemeanor for a doctor to receive a fee or a lawyer to accept a fee unless it is approved by our commission, and that presented a difficult problem to us so we set out to have meetings with the medical association and reached an agreement on a tentative square for medical fees and likewise with the lawyers. So far we have had qualified in North Carolina between eighteen and nineteen thousand employers. We have about 125 self-insurers in North Carolina. We have had about 350 employers to reject our act. Most of those who have rejected it are the small sawmills and chain stores. Under our act we have the authority to pass any rules and regulations we see

fit, and with reference to the self-insurers we passed a rule that we would require a minimum deposit of $10,000 on all self-insurers. We have required that of the Standard Oil Co. and such concerns as that. We made no exceptions. In others we require larger deposits but in every instance we have a deposit from the self-insurer of at least $10,000 in Government securities. So far the self-insurer has been the larger institution such as the telephone and telegraph, Standard Oil Co., and concerns of that type. We have been very busy and will continue to be so until we get additional help. Our act requires that every hearing shall be held in the city in which the accident occurs and it makes it necessary for the three of us to be continually on the road. We have learned a great deal from attending these meetings and feel we have been benefited and that we can go back home and render a better service to our State.

Mr. STACK. One of your associates a moment ago referred to the fact that your act requires an insurance company to write everything that is offered. Under our law, the insurance commissioner has absolute authority to withdraw permits or licenses from any company doing business in the State. Fortunately for us, the insurance commissioner has been my lifelong friend and associate. We served together and understand one another and he has said to the insurance carriers upon our request that "If you refuse to take any risk in this State I will cancel your license." If a man writes us and says he has applied for insurance and says they would not write the risk, we immediately report it to the insurance commissioner and within a few hours the company is in the office begging us not to cancel their license.

The CHAIRMAN. Has that been tested in your supreme court?

Mr. STACK. Not that particular question but the insurance commissioner has always been upheld in every case in which he has withdrawn a license from an insurance carrier.

Virginia (W. L. ROBINSON). Virginia seems to have covered most of the problems in its act. First, we relieve the operator having less than 11 employees from operating under our act. It gets away from the small lumber operator and the coal mining operator and a number of irresponsible employers. We have also provided in the act, as it was originally passed, for a State insurance fund. We never had any agitation for a State insurance fund. I think that is solved by the privilege of granting self-insurance. If an application is filed for the privilege of carrying their own insurance, they must file their financial statement and the permit is granted for the period of one year or it may be revoked by the commission within that time. Before the privilege is granted, however, a particular person must be designated to handle the claims and that person must come to the commission and be shown exactly what the commission expects. We find the self-insurer is most cooperative and goes beyond the requirements of the compensation act every time and attempts to rehabilitate and gives benefits to injured employees. The result is the self-insurers give Virginia no trouble and I may say the insurance companies give us no trouble. We have no hesitancy in calling into the office the resident

manager or the head of a claims department of an insurance company and putting our trouble before him. He must do what we want him to do.

We have a situation in Virginia whereby an insurance adjuster in a particular case will bring a man in for medical attention or observation by the commission. The record of the case also is put before the commission for examination. A State insurance fund has never been run in Virginia, so that we have to accept Mr. Kennard's statements, made sometime ago, about the payment of compensation. The self-insurer or insurance company can not terminate compensation under any condition even though our act does not specifically provide that. We have a formulated rule which I will read: "Petitions for review of outstanding awards on the ground of a change in condition must in all cases be filed on the form provided by the commission for that purpose. No application for a hearing by an employer or insurance carrier under this section will be considered by the commission until all compensation under the outstanding award has been paid to the date on such application." We further require that a copy of that application must be mailed to the injured employee. In this way compensation is paid promptly and paid to the date the notice is given the commission and the injured employee that compensation may be terminated.

Wisconsin (FRED M. WILCOX). There are many problems in every compensation State where they operate under one or another system of carrying the liability or security for the payments. I tried to think that on this question of the self-insured and whether we should have them and how to regulate it, we ought to thank the provision in our laws for compelling employers to insure their risk. I had only the one purpose in mind and that was to make certain the injured man got his benefits. If we start with that, our purpose is to see that those people who can insure do so and not to make it burdensome for those who can not. Our problem is the small risks. Senator Duxbury has done something that is commendable. Years ago I endeavored to get our insurance companies to build up an approved plan, my reason being that our chief problem is involved in the fact that we have too many insurance companies doing business in the State without a license to do business. There are 53 doing business in the State of Wisconsin. Only 16 of them have $100,000 earned premium. Twenty out of the 53 have less than $25,000 earned premium. Can anybody tell me how an insurance company can give service and audit pay rolls and do all the things necessary when they get less than $25,000 earned premiums? It is an absolute impossibility. The thing we should direct ourselves to do is to make the insurance commissioners in the States understand that those companies which have not a volume of business ought not to do business there and I have said to the insurance companies in our State that they must either take care of these risks, give service, audit the pay rolls, and take care of their safety work or withdraw from this State. If the insurance companies can not do that, then there is nothing left for any State to do but come to the State fund plan; some kind of a State-wide system.

Now we have a hook up in our State between the compensation department and the insurance department. I am a member of the compensation insurance board in our State. The compensation insurance board is made up of the insurance commissioner and the chairman of the industrial commission and we establish the rates and the classifications and control the rates, but they have to have more money if they are going to take care of the small risks. I agree with Senator Duxbury that you have to be hard boiled with the people who say they can not pay the premium. I believe the State should see that the amount of premium exacted from them is legitimate but when you have gone that far, then your duty is to the employee and you have to stand by him and compel the employers to take out insurance. We can send them to jail, but we do not send many there. We call them in and tell them they must carry insurance or get out of that business. We can exact penalties of so much a day, but we do not do that often. There is another group of people, the carnival people traveling all over your State and mine, employing a large number of people in hazardous occupations and not paying any attention to the insurance coverage. We had one in Kenosha and he got out and we told him when he came back he would have to take insurance before he operated. He started again and we closed him up in the middle of his performance and got plenty of newspaper publicity, then he sat up and took notice.

We have another problem in our law and that is this: Any employer subject to the compensation act in our State is obligated to take care of the compensation liability of the employees of any contractor or subcontractor under him. As an illustration: There is a subcontractor in Wisconsin doing stunt flights to advertise an automobile concern. He got a contract to do a parachute drop and to drop literature. One of these parachute droppers broke his leg and was taken to the hospital and operated on and died under the operation. This automobile concern now finds that it is obligated to take care of the liability to the employees of this fellow operating the parachute droppers. Now a lot of these fellows and certain substantial employers inquire as to whether or not the man he is letting out the job to is protecting his risk.

[Meeting adjourned.]

Section C (continued): Chairman, W. H. Fitzgerald, of the State Industrial Accident Commission of Oregon

The CHAIRMAN. The early part of this session seems to be devoted to coal mining problems. We will proceed with the program by first introducing a commissioner from a State that has a coal industry, and a man who has had considerable experience in the administration of the workmen's compensation law. We will now hear from Mr. Parke P. Deans, of the Industrial Commission of Virginia.

Coal Mining and Workmen's Compensation

By Parke P. Deans, Industrial Commission of Virginia

In opening the discussion of the subject of this hour, I am mindful of the fact that there are States with larger output in the coal industry than that from which I come, and also that there are in this conference representatives from States not particularly interested in the subject assigned. To the latter class, may I say, you have a problem in your State with some other industry similar to that which we of the former class have.

This association for years has discussed often the many phases of extrahazardous industries. Whatever problem confronts one of this class may readily be admitted to be a problem for the other. We shall admit that the coal industry belongs to this group.

Roughly estimating the situation, the coal-mining industry includes some 7,400 mines, employs three-quarters of a million men in 30 States, and produces in excess of a half billion tons of coal per year. The business, as we know, is a hazardous one from the standpoint of the worker, although there are numberless employees who have spent their entire lives within the coal mines without a single injury. The industry as a whole, during the past few years, has been in a very unsatisfactory condition, due to overdevelopment and expansion caused by the World War, to increased power per ton of coal, to the development of the water-power industry, to freight rates, and to other causes. These unsatisfactory conditions are naturally reflected in the selling price of coal, which, in turn, necessitates a very close watch on every item of expense.

In discussing coal mining and workmen's compensation, I assume that the greatest problems we have in mind revolve around the rate question and the difficulty to secure coverage by the coal operator at a figure commensurate with the output of the industry.

As I understand the situation, the unsatisfactory rate from the carriers' viewpoint has caused the mutual companies practically to discontinue the writing of coal-mine risks. Further, in States where self-insurance is permitted the larger and stronger coal companies

are becoming self-insurers in increased numbers, thereby leaving the smaller companies to carry their own burdens.

A glance at the program, which gives a list of those to follow in this discussion, leads me to presume that it was intended for me to discuss the subject largely from the Virginia situation and the lessons learned from our experience. I feel that our problems and experiences are similar to those of many States. Virginia, be it remembered, is a private insurance State. Back in the summer of 1926 we were faced with a critical situation regarding compensation insurance for coal mines, due to the fact that a part of the insurance carriers had already withdrawn from our coal field on the alleged ground of the loss of money resulting from inadequate rates. In June of that year the Associated Companies, composed at that time (as I remember it) of four of the large stock carriers, notified our insurance commissioner that they had passed the following resolution.

Resolved: That General Manager Butterfield, in conjunction with the underwriters of the members of the Associated Companies, is directed immediately to prepare adequate and reasonable rates on the basis of our experience; these rates to be immediately submitted to each State where this is required by law with the statement showing the underwriting loss in such State in dollars and cents during the past four years, with advices that if the rates are not approved within 15 days, the Associated Companies, because of their heavy losses, will be compelled to cease writing coal-mine business in such State; and that the rate if approved is not only to apply to new risks and renewals but also to outstanding policies.

The Associated Companies further stated that during the four years previous their net loss had been around a quarter of a million dollars. In January, 1926, the base rate in Virginia, the records indicate, was $4.73. The Associated Companies asked for the approval of a rate beginning July 1, 1926, of $9.20 with the further stipulation that unless approved they would find it necessary to withdraw from the field as to future writings and cancel such risks as then appeared on their books. This gives us an idea of the carrier attitude. On the other hand, early in the same year the operators contended for a base rate of less than $4 on the ground that it was adequate.

Finally, the present general arrangement was worked out, effective, if I remember aright, October 1, 1926. One company took the business of the insured group at a base rate for experience-rated companies of $5.75. The rate after these three years remains the same. The scheme seems to be working fairly well. Our soft-coal production is confined to five counties situated in the southwestern corner of the State. On account of this and having all the business the carrier maintains claims, engineer, and inspection department headquarters in the center of the field. The results are an economical administration, as well as an efficient one. The investigation and settlement of claims can be handled expeditiously and the mine-inspection work and safety-work requirements can be more closely checked at a minimum of overhead cost. By the constant contact of the carrier representatives with the plant management and employees a better feeling exists and safety work has a better chance to be properly advanced.

Right here I will say that in this matter of accident prevention or safety work there is a common problem in which we should all be interested and which if properly followed up by the State, the operator, and the worker will in my opinion come nearer to solving

our problem than every other means we might employ. For several years my State, through the statistical division of our department, has kept very close to this question. We issue about twelve reports a year to the employers of the coal industry, showing the frequency of lost-time accidents to the tons of coal produced and include in the reports individual mine comparisons. Also, every year we promulgate reports showing the cause, nature, extent, and cost of accidents. A coal operators' association, which is thoroughly cooperative with our commission, has been organized by the operators for the advancement of the industry, and for this association we prepare a detailed report of the coal-mine accident experience. We take some pride in the fact that the association considers such report of sufficient value to be used as a basis of a yearly study, comprising 13 tables and covering 15 or more pages. This is distributed to the association members and to others interested. It is not only distributed but is used as a basis for certain phases of safety instruction by the companies. I can not overestimate the importance of this work. If this phase of the subject could be successfully solved, there would probably be no problem.

In Virginia, from the standpoint of loss costs, the matter of medical expense in coal mine cases forms approximately 20 per cent of the loss under the compensation act, whereas in the other than coal groups it is approximately 40 per cent. In Virginia, the coal group, I am informed has a carrier's overhead item of approximately 32 per cent of their rate, whereas in other than coal it is 41½ per cent. Due to the satisfactory arrangement in Virginia of having the claims, inspection, and engineering departments at the seat of operation, as I have heretofore mentioned, as well as a saving in the acquisition cost of obtaining business (as there is no competition), money is saved in the carrier's overhead item.

I presume we all understand that the usual method employed for rate making is to use the experience of a certain number of past years as a gauge for what might be expected in the immediate future. To get this rate let me illustrate: Assume that the period used is five years and that the pay roll for that time was $50,000,000; we will also assume that the compensation and medical expense paid or outstanding on account of injuries occurring within that period was $1,750,000. The resulting pure premium (I believe it is so called) will be obtained by dividing the $1,750,000 by the $50,000,000, which gives $3.50 per hundred dollars of pay roll. We then add the carrier's overhead expense, which we assume to be 35 per cent of the premium, or in other words the $3.50 mentioned above is 65 per cent of the rate. These two items would make a rate of $5.38; then adding an additional amount for catastrophes, would finally constitute what is called the base rate. The amount for catastrophe experience is added because such experience is not taken into consideration in arriving at the pure premium. This, of course, is a very brief explanation of the process and does not include explanation of certain refinements used in rate making. It must be borne in mind that this base rate does not necessarily mean the rate actually applied to the individual risk, since the rate is modified by the loss experience of the particular operator. In Virginia, for instance, as I understand it, one mine may be paying a rate of $4 and another mine a rate of $7.

So in considering the question of rates the question of a proper experience rating plan is a most serious problem. The application of experience rating, it will be noted, produces wide variation in the individual policy rates, but it is claimed for it that it comes nearer to doing justice to individual policy operations and also tends to stimulate accident prevention.

In rate making the Virginia field "stands on its own feet." That is, in making our rate only the Virginia loss experience is used. The experience of our self-insurers is not considered in rate-making processes. Our self-insurers are mostly the larger companies and their average accident experience is better than that of the insured group. The self-insured companies are at present producing over three-fourths of our coal tonnage. I will state here that Virginia now requires individual annual policy reports from the carriers of the insured group. Compensation cases are listed individually in these policy reports and checked against the records of the industrial commission so there can be no question of the amounts which make up the pure premiums in rate processes. Whether an improved method of rate making is feasible which will give the carrier the reasonable profit he has a right to expect and at the same time result in a lower base rate, I am unable to say.

I might say that the Virginia Coal Operators' Association not only is decidedly interested in safety work and in an advanced safety program but also that it has, since 1925 and even before, given a great deal of attention to the coal-rate question. The association maintains an office in the same city in our coal field in which is located the claims, inspection, and engineering office of the carrier company. The operators' association and this local headquarters of the carrier work together in a cooperative way on mutual questions of interest and the association is also in close touch with the home office of the carrier regarding the question of a possible improved method of rate making. It is possible that this cooperation between the two interests may result in a changed method in Virginia at a comparatively early date.

Thus, you see, if there be a lessening of the acquisition cost and a centralization of functions making up the carriers' cost, together with the efficient safety program put into effect by employers, thereby decreasing the resulting pure premium, we shall solve the problem in a great measure.

DISCUSSION

The CHAIRMAN. Is there any discussion on Mr. Deans' paper? Is there anyone here from Alabama, Illinois, Iowa, Kansas, or Nova Scotia?

Mr. ARMSTRONG. I see the discussion is to take the lines that will bring out the cost of carrying coal mining companies in exclusive State fund jurisdictions. I regret that I did not get this published so everybody could have a copy, but it covers the pay rolls of our coal mines in Nova Scotia from the year 1917 to the year 1928. [See table following this talk.] In that time the amount of the pay roll exposure was $202,957,975, and in the year 1918 an explosion occurred in which 88 men lost their lives, which cost us $420,000. Since that time no disasters of this kind have taken place in the coal mines of Nova Scotia.

A disaster may be anything you choose to call a disaster. In some jurisdictions it is where only two or three men lose their lives. There has never been more than two or three men killed at one time in Nova Scotia, and we do not call that a disaster.

I might mention that the administration expenses for our coal mines in that period of 12 years amounted to $509,243.23. This, added to the losses, makes the total losses $6,114,452.47. Our assessment amounted to $5,795,322.57, and there is another item that should be included in the assessments, namely interest, as we set aside a reserve on a basis of 3.5 per cent, and we are able to invest our money in bonds or gilt-edged securities.

We are limited by the trustee act in our Province, and the bonds must be the Provincial bonds, or municipal, or bonds of the Dominion of Canada, or bonds guaranteed by the Dominion of Canada, and in that way we are able to get our average interest up to 4.78 per cent at the present time, and it is only necessary for us to set aside 3.5 per cent. We have in that time added $658,797.92 interest to our coal mining receipts.

Also during the period we collected in the way of penalties, interest charges on balances not paid at the time they should have been paid, $51,031.06, making the total receipts $6,505,150.55, against a loss (including administration expenses) of $6,114,452.47, leaving us with a surplus of $390,698.08 in our coal mining classification.

Now, I am not going to start any argument with you that the $390,698.08 is enough surplus to accumulate over a period of 12 years to take care of any probable disaster that might happen in our coal mining industry. If you should ask me the question, I should reply, No, it should be far more, but like everything else, we are able to make both ends meet, and we find it very difficult to increase our rate. Last year we managed to increase our rate about 30 cents.

One thing I would like to mention is that in the later years, since 1924, our loss rate each year has been 2.97, 3.34, 4.00, 3.23, and 3.15, showing that in those years the experience has not been so good, and that is one of the reasons why we felt that the rate should be increased above the $3 rate which we charged in 1928.

Pure premium cost for coal mining in Nova Scotia, 1917 to 1928

Year	Pay roll	Rate	Assessment	Losses	Loss rate
1917	$11,440,153.00	$3.50	$400,405.36	$380,775.17	$3.33
1918	14,941,387.00	4.40	657,421.04	628,815.65	4.21
1919	16,625,690.00	3.00	498,770.70	289,439.29	1.70
1920	21,607,394.00	2.20	475,362.68	358,249.78	1.66
1921	19,767,129.00	2.00	395,342.59	427,425.74	2.11
1922	15,806,323.00	2.40	379,351.76	316,681.46	2.00
1923	20,376,817.00	2.70	550,174.12	455,263.31	2.23
1924	16,703,834.00	2.80	467,627.39	495,969.46	2.97
1925	11,260,882.00	3.01	339,615.88	376,422.66	3.34
1926	17,156,257.00	3.00	514,433.00	686,892.91	4.00
1927	18,739,852.00	3.00	561,638.63	604,917.30	3.23
1928	18,532,257.00	3.00	555,179.42	584,356.51	3.15
Total and average	202,957,975.00	2.85	5,795,322.57	5,605,209.24	2.76

NOTE.—In the year 1917 we had an explosion in which 65 men lost their lives, which cost $120,000, and in the year 1918 an explosion in which 88 men lost their lives, which cost $420,000. From that time no disasters of this kind have taken place in the coal mines of Nova Scotia.

Summary

Assessments		$5,795,322.57
Interest		658,796.92
Penalties		51,031.06
Total receipts		6,505,150.55
Losses	$5,605,209.24	
Administration expenses	509,243.23	
Total		6,114,452.47
Surplus		390,698.08

Mr. STEWART. Why that $4 rate in 1926? Was there anything special there?

Mr. ARMSTRONG. Yes; I'll tell you just what it was. It will rather surprise you. For five or six months there was a strike, and the only explanation I can give you is that persons who were injured did not seem to recover as rapidly as when work was available for them. That is really the only explanation I can give you.

Mr. STEWART. Was there any element of inexperienced workmen to break the strike?

Mr. ARMSTRONG. No; there were no workmen working in the mines at all, but that is the impression I got in looking over our records; that the period of disability seemed to be prolonged on account of no work being available for the injured men.

As far as the rate-making is concerned, the question of rating in Nova Scotia is a matter that devolves entirely upon the board, and they are supposed to make a rate based on the experience. Now I am rather under the impression that notwithstanding the figures I quoted you, we should be charging a higher rate in our coal mines than we are at the present time. We still have nearly $400,000 to the good, but an explosion similar to what happened in 1918 would likely wipe that out.

In regard to the small companies, they are like lots of other problems we have in connection with workmen's compensation. As I said before to-day, we feel bound to accept any employer, no matter how few men he employs, if he applies for insurance; in fact we even go further than that. If an employer starts an operation and he has more than four men employed, he automatically comes under the workmen's compensation act. Even if he never reports to the board, nor ever pays a cent in premium, and we are never able to collect a cent from him, the workmen still receive the compensation.

Mr. KNERR. Have you many employers who do not pay their premiums?

Mr. ARMSTRONG. Yes.

Mr. KNERR. In the coal mines?

Mr. ARMSTRONG. Yes.

Mr. KNERR. Who do not pay a cent of premium?

Mr. ARMSTRONG. They will not have paid their premium at the time the man is hurt, they will not have reported to us that they are operating, and we find it difficult in very small operations to get our assessments from the coal-mine operators. When I say "small" I

mean an operator who might not have more than a half dozen men working for him.

The coal mines there are not the property of the owner of the soil, as they are in the United States. They are the property of the Province, and they lease them, and the persons to whom they are leased may have no visible assets, but that is a mere bagatelle.

I do not know whether I have covered the subject fully, but I would be glad to answer any question.

The CHAIRMAN. We will now hear from Ohio on this question.

Mr. EVANS. I am sorry I have no figures with me, but we have a $4.50 coal mining rate in Ohio. It has been $4.50 for the last two years, and it has been at that point while we have been going through an unsettled condition in the Ohio mines. The rate a few years ago was down to around $2.94.

We must cover all coal mines unless the employer is authorized to pay his compensation direct. The rate of $4.50 that I have quoted is the basic rate, but we have, we feel, what is a very strong experience rating system. We have coal mines in the State of Ohio to-day that pay rates around $8, while on the other hand we have coal mines that are paying rates as low as $2. The $4.50 rate is the average rate that we are collecting from the coal mining industry.

As to catastrophes in the coal mining industry, we have been very fortunate. It so happens that the worst catastrophe we have had in the coal mining industry occurred to a self-insuring employer, in which there were some twenty-five employees killed. Of course, in that case the employer was able, and was required, to meet the cost of that catastrophe.

Mr. STEWART. Are you making any money, breaking even, or losing money on that average $4.50 rate?

Mr. EVANS. We aim neither to make money nor to lose money. Last year we lost a little money. The year before we lost more money which caused us to increase the rate to $4.50, but before we had the mining trouble we went through a period of a few years during which we made considerable money, and we had to bring down sharply the rate in the coal mining industry.

Mr. STEWART. What do you mean by "mining trouble"?

Mr. EVANS. I mean the wage scale question that practically tied up a number of our mines for a period.

Mrs. ROBLIN. May I inquire if, with this $4.50 rate, you are setting up any reserve?

Mr. EVANS. We are setting up a reserve on all claims that will require further compensation.

Mr. DEANS. Are you segregating your coal fund from the other? Are you confining your loss now to the entire loss of your department, or solely to the question of loss in coal mines?

Mr. EVANS. We have 750 separate and distinct classifications, and the coal mining industry is one of those 750. I was speaking only of the coal mining.

Mr. ARMSTRONG. What is your surplus fund at the present time?

Mr. EVANS. Our surplus fund at the present time for the whole fund is approximately $4,000,000.

Mr. STEWART. Is that covering coal?

Mr. EVANS. That is for everything.

Mr. ARMSTRONG. What proportion of that is for coal? Just an estimate.

Mr. EVANS. At the present time the coal mine has practically none of that. Of that $4,000,000, I might say that practically $2,500,000 is a catastrophe fund, that is a statutory fund required to meet catastrophe and special types of cases that can not be justifiably charged to any particular classification, or to any particular employer, such as the two accident cases.

Mr. ARMSTRONG. Has any of that $2,500,000 been contributed by the coal mines?

Mr. EVANS. The $2,500,000 has been built up by taking 2 per cent of all premiums paid by employers who are subscribers to the fund.

Mr. STEWART. Including coal?

Mr. EVANS. Including coal, and also including the self-insuring employers; that is, all employers of the State of Ohio contribute to this fund. The self-insurer instead of paying the 100 per cent premium, pays the 2 per cent, which is his proportion, into this fund.

Oklahoma (Mrs. F. L. ROBLIN). I am afraid I haven't anything to offer in the way of suggestions, but if you will permit me to tell you about a very serious situation which is confronting Oklahoma, perhaps you may be able to give me some helpful suggestions.

Oklahoma does not have a State fund. The insurance companies have withdrawn from underwriting coal mines. There are only about three mines in the State of Oklahoma that have finally been able to put up sufficient securities to be permitted to carry their own risk. We have a penalty for failure to comply with the compensation law, of $1 per day per employee.

We can not enforce that penalty because when we do we are told by the companies that they are willing to carry insurance, but that they are unable to find anyone to write it for them. So the commission made an attempt to arrange a meeting of insurance companies, and finally succeeded in getting one company to enter the State, but the commission, not being empowered with the right to fix rates, had to accept the rate that the insurance company and the insurance board fixed, which was $9.38. The coal contracts had all been let for this year, and that rate was prohibitive.

Now, we are to-day faced with this problem: Shall we permit these coal companies to go on without any coverage, or are we required to close them down when they are willing to take out insurance at a reasonable rate if they can secure it. I have spent most of my time at this convention getting ideas from the commissioners from the coal States, to try to help us solve this problem for the coming year.

We are gathering the statistics of the actual experience in the department, but we have not had money enough to do that long enough to get the insurance company even to listen to our experience, and we are faced with that problem right now.

Kansas (G. CLAY BAKER). Our problem is a good deal the same as Oklahoma's, so that it might be in order for me to state it right now.

We have only one or two companies in Kansas that are writing insurance, and they will not write it for the small mines. The insurance office tells me that the arrangement they now have makes the rate range from $9 to $12, which is prohibitive and, the companies being very selective in their writing, this results in a situation very similar to Oklahoma's.

The fact that we have very few mines that are covered by insurance, and the others are not covered, left us with one of our most hazardous industries, if not the most hazardous industry in the State, without any protection, simply doing away with the compensation law entirely as far as any true application is concerned, because if there is no securing of compensation, there just is not compensation.

This problem has worried us a great deal, and in the case of our small mines, which are in Osage County, where companies will not write insurance, we endeavored to correct that situation by associating the members together, the members making an assessment of 5 cents a ton for the coal that is mined, setting that aside in a reserve fund and having officers to administer that as a trust fund for the purpose of taking care of compensation claims. We permitted a filing of that contractual relationship. Then each member of that association files with us an application to become a self-insurer, setting forth its financial assets, and we use that, together with this contractual relationship, for qualifying that person as a self-insurer.

It is one of the ways out that, of course, has its fallacy; but here was the situation: Last fall when we met in that field with a number of the operators and a number of the miners, the miners broached this question, and here is the way they broached it to us: They said, "We would like to have some sort of an arrangement for protection here, but we realize that our employers can not pay the rate, and we do not ask them to pay the rate." They realized that in lots of cases they could not get the insurance, and so this was one of the means that was used.

Our experience in Kansas has been very short. The commission has been formed only since July 1, 1927, and I, personally, have only had charge of the administration since March 20 of this year. On inquiring last fall about one of these associations that were set up in 1927, I was informed that it was still in operation, and that it had a very good reserve. Just what it was I do not recall, but we never have had any trouble with reference to compensation in that field. Of course, it is a small mine, and I understand that there is not quite the risk that we have in our Pittsburg field, where our real difficulty exists.

In the case of one of these other associations that were set up, they had no more than got started when they had quite a loss. They became frightened and went to pieces, but we are endeavoring to get that association together.

In regard to the rate question: We did endeavor to get some information along that line. The only information we got was with reference to one company that is operating a number of mines in the State, and which is a self-insurer, and I am informed that their medical aid costs were $2.53 a hundred, or 5.4 cents a ton, and the administrative costs were 62 cents a hundred, or 1.3 cents per ton, and together with the excess insurance they were carrying, it was costing them in all $3.41 per hundred, or 7.2 cents per ton, whereas the insurance rates range from $9 to $12.

Pennsylvania (W. H. HORNER). One of the most hazardous industries in the State of Pennsylvania is the mining industry, and as Mr. Deans indicated in his paper, the larger concerns in our State are operating as self-insurers, by privilege granted by the bureau of workmen's compensation. As I stated in the sectional meeting this morning, many of the insurance companies that have been authorized to write compensation insurance in our State do not cover the mining industry, so that the bulk of that business naturally goes to the State fund, which does not refuse to write any business. In fact, the State fund covers more insurance risks than all of the other insurance companies combined in our State.

We have in Pennsylvania what is known as the Pennsylvania Compensation Rating and Inspection Bureau. This bureau is made up of representatives from the different insurance companies, and while the State does not control that body, the insurance department does have a representative on that board.

When the rates are fixed they are submitted to the State insurance department, and before they can become effective they must be approved by the State insurance department. I can not give you the exact figures on mining, but my impression is that they run between $4 and $5 per hundred dollars of pay roll.

A little more than a year ago we had a disastrous explosion in Pennsylvania, as no doubt many of you recall, in the mines of the Pickands Mather Co., in southwestern Pennsylvania, in which 197 miners were killed. The State fund was the carrier, and the compensation liability amounted to $850,000. The State fund, however, was protected by the fact that catastrophe insurance to the extent of $500,000 was carried, so that the actual loss because of that disaster was $350,000.

Mr. BAKER. In Kansas we have permitted some of our self-insurers or people who make application to become self-insurers, knowing that they could not get insurance, to take out a form of accident insurance and set that up as a part of their assets, submitting with it a financial statement. If we thought this would suffice to take care of the difference, we have permitted them to be qualified as self-insurers.

Of course, this has its fallacy as you will note right away, due to the fact that we are permitting a person to come in there and take care of this self-insurer over whom we have no jurisdiction in accident insurance.

Utah (W. M. KNERR). In our State the law provides that the private insurance company must take any risk that is offered to them, that is, they must write the insurance. Most of our big coal companies are self-insured.

I have collected figures to show the premium charged. In 1918, 1919, and 1920 we had a premium of $7.81, and at the end of that period we found that we were collecting too much money. At that time the coal mines that were insured in the State insurance fund received a flat 25 per cent dividend; in addition to that, after we had set up our proper reserves we returned to them another 20 per cent dividend; so that in those three years we returned 45 per cent to the employers insured in the State fund. Those that were insured in the private insurance companies, of course, received no dividend.

In 1921 the rate was decreased to $5.34, and in 1922 it was $5.34. In 1923 we made a further decrease to $3.90, and in the years 1924, 1925, 1926, 1927, and 1928 we had a rate of $3.90, and at the latter part of 1928 we increased the rate to $4.50.

In 1927 the premium collected by the stock companies, including the State insurance fund, was $103,832, at a rate of $3.90; and the losses amounted to $120,134. The self-insurers, if they had the premium, would have paid the sum of $134,143. They sustained losses amounting to $112,511; so that the combined premium of the self-insurers and the private stock companies would have amounted to $237,975, with losses of $232,645.

In 1928 the stock companies, including the State fund, collected premiums amounting to $103,851, with losses of $190,670. The self-insurers would have paid a premium of $145,472, and sustained a loss of $101,236. So the total premium collected would have been $249,323, whereas the total loss amounted to $291,906.

Now, of course, the true cost of compensation should be projected to the cost of unit production. It is comparatively easy for the employer to say that it is costing $30,000 for his premium, but the real test is, how much does it cost on the product produced.

In Utah, if you eliminate the catastrophe, you find that the cost per ton production amounts to 3 cents per ton, which is not very much for society to pay. If you include the catastrophe it is 4 cents per ton, plus.

Of course the private insurance companies do not solicit the mining companies, and the State fund is carrying the burden at the present time. We are carrying all of the mines with the exception of one.

The State fund is losing money, there is no question about that, and we have raised the rate to $5.50. That Castle Gate disaster increases the rate considerably.

Now, we grant the self-insurance privilege to the coal mines, but we require them to take on a reinsurance policy for $1,000,000 to cover losses over $75,000. In addition to that they put up a bond. But the self-insured premium, of course, in any event is not satisfactory.

[Mr. Knerr submitted the table following.]

Amount of premium and of losses and premium rate for coal mining in Utah, 1918 to 1928

Year	Premium	Premium rate	Losses	Year	Premium	Premium rate	Losses
1918	$555,795	$7.81	$83,211	1928:			
1919	424,778	7.81	114,556	Stock companies	103,851	3.90	190,670
1920	669,989	7.81	139,721	Self-insurers	[2] 145,472	[2] 3.12	101,236
1921	517,945	5.34	209,174				
1922	391,576	5.34	152,783	Total	249,323		291,906
1923	374,215	3.90	150,168				
1924	357,277	3.90	[1] 765,163	Grand total	4,341,152		2,547,286
1925	252,206	3.90	252,868				
1926	310,073	3.90	155,091				
1927:							
Stock companies	103,832	3.90	120,134				
Self-insurers	[2] 134,143	[2] 3.12	112,511				
Total	237,975		232,645				

[1] Including Castle Gate disaster.
[2] The premium listed for self-insurers is what would have been collected at State fund rate.

West Virginia (CHARLES D. SMITH). I am not prepared to give the figures for our State. I know that there is a new rate promulgated each year, and I know that the rate this year will be lower than the rate last year. If the secretary would like those figures, I would be very glad to furnish them to him. We have not completed the rate for this year. It may be finished by the time I return home.

Mr. STEWART. My recollection of the West Virginia rate is that it is $2.60. Do you mean to say that you are reducing that rate?

Mr. SMITH. If that is what the rate was last year, we are reducing that rate.

The CHAIRMAN. Is there any general discussion on this subject of the coal mining rate?

Mr. STEWART. In making this program we selected coal because it covered a very large number of States, because we felt that the situation in coal would be representative of the situation in lumbering and dairying, and that possibly if we could get the experience of that Osage County situation into our records it would at least give us a ray of hope as to how to settle a number of these small plant difficulties in other industries in which the difficulty occurred.

Now, it does seem to me that it is possible to adopt the Osage County, Kans., scheme, not only in lumber mills but in creameries, and I do not see why it would not work in any industry, in small plants. An area need not be confined to a county, it could cover a whole State. I do not see why, so far as the association is concerned, it could not cover several States. In other words, practically make mutual insurance companies out of these small concerns.

I grant it is not an ideal thing, but we must get some sort of coverage for people who are working in the unprotected industries.

Mr. MCDONALD. We have coal mines in North Dakota, and it probably will be of interest to the Pennsylvania representative to know that we have more coal in North Dakota than Pennsylvania has, not the same quality but good enough.

Our rate in North Dakota is $6.50 per hundred dollars of pay roll, and we are losing money. We are $100,000 in the red, and we must raise the rate.

We have mines there that employ during the winter months from 300 to 400 men. We have the large open mines—very big ones; and we have strip mines there that use the largest steam shovels there are in America. Our rate is $6.50 a hundred, and we must raise it.

We find that it is the small mines that are creating the trouble, not the large mines. The large mines are paying the premium. The little mines are costing money.

Mr. STEWART. Is your large accident rate there in the mining of the coal, or in stripping the mine?

Mr. MCDONALD. Our worst experience is in underground mines.

Mr. HUNTER. I think there is one factor that the gentleman from North Dakota should mention, and that is, that the benefits under the North Dakota law are so much higher than in all of these other States mentioned, which is a very important factor when you are figuring rates.

Mr. McDONALD. In answer to that remark, I wish to say that our benefits are not higher than some of the other States.

Mr. HUNTER. It so figures.

Mr. McDONALD. I know, but sometimes figures are not correct. Ohio has practically the same benefits that we have, with the exception of the death claim. As far as weekly benefits and death benefits go, they are practically the same as in North Dakota. Our maximum weekly benefit is $20 a week, and I believe Ohio's is $18.75. We have unlimited doctor and hospital service, which I believe Ohio also has, with a maximum of $15,000 on both permanent total and death claims.

Mr. HUNTER. That was raised. Mr. Leslie, up to 1928, placed you ahead even of New York; but its last amendment in 1928 places it ahead of you. You were in the very favorable position of being ahead of New York, when you consider all of the benefits paid, that is, hospital and death, and total disability, and every other thing from which a man may derive some benefit, not just the weekly schedule.

Mr. McDONALD. Prior to July, 1927, a death claim to a widow was not limited, nor was a permanent total disability case limited. In 1927 this was altered, and a maximum of $15,000 set, which I say is not correct, especially on permanent total disability.

Mr. STEWART. I would like to suggest, since Mr. French is not here, that his paper be filed for the record, without being read.

The CHAIRMAN. If there is no objection, the paper which should have been read at this time by Mr. Will J. French, Commissioner of California, will become a part of the records.

The Age Factor in the Computation of Compensation for Permanent Disability

By Will J. French, Chairman California Industrial Accident Commission

Usually there are two sides to a question. The application of the age factor to permanent disabilities gives students of compensation two lines of thought: (1) That a younger man should receive a higher benefit because he will have to carry his handicap through more years; (2) that an older man should be awarded more because he has less resiliency, has age discrimination to face, and is less likely to adapt himself to the new condition, or, if willing to do so, has fewer opportunities.

California bases her ratings for permanent disabilities on the second of the two views presented in the preceding paragraph. This seems to us more accurately to meet our underlying theory of loss of earning power, as set forth in our schedule for rating permanent disabilities.

The writer will admit that he has but little patience with a compensation law which gives all permanently injured men exactly the same amount for the same kind of an accident. Of course, the method is easy. There is no calculation required. The quick glance may conclude that all charges of discrimination will be removed by the uniformity. But society has some claim in the matter, and the injured themselves are interested. Men vary in their accomplish-

ments in the industrial world. They use different parts of the physical structure to do their respective tasks. Given a certain amount of money to be distributed, it is better to divide it so that the injured thrown out of their jobs will receive more than those whose earning power remains practically the same, or who can be reassigned in the industry.

There is far less chance for a middle-aged worker or one along in later life who is permanently hurt to receive consideration from the average employer. The latter is sympathetic, but he is likely to think of the approaching age dead line and he prefers younger and faster men. The antisocial policy of age discrimination is affecting our compensation problems more and more. When injury occurs and it is complicated with what industry terms advancing years, there is far more need to help the older worker than the younger one. The latter has only the one handicap of permanent disability, as compared to the two handicaps of the former.

If compensation were paid for life for permanent injuries, the problem would not be so acute. Few States provide life pensions, and very severe injuries must necessarily come within the pension systems. It is right to capitalize all the earning power possible. Inasmuch as usually there are limitations in payments, there should be taken into consideration the age factor in all its angles.

The European method, broadly speaking, provides for life pensions and reductions when rehabilitation proves successful, and does not have to consider minutely the percentages with which we in the United States are more or less familiar.

Dr. I. M. Rubinow enumerated some of the various factors influencing the "normal wage curve" throughout a workman's life: Influence of advancing age; the acquisition of experience; the loss of speed or dexterity; the effect of general health; the effect of the season; of general trade conditions; of possible changes in the specific trade; substantial differences in individuals of the power of adjustment, differences temperamental, physical, and moral. To this may be added others. Wages in the United States are not standardized; they are constantly changing. Industrial processes are being greatly modified, eliminating the skilled workman and substituting the machine. What is practical in a homogeneous European nation, with little migration beyond national boundary lines, would not be practical in the United States, which is a federation of 48 sovereign States whose citizens freely move from one State to another.

Compensation should not be considered as damages for a personal injury; compensation should be considered as financial aid to help an injured man to regain his earning capacity and put himself back into the working population on as nearly an equal plane as his fellow workmen. This means that he must be rehabilitated, if not in the same occupation or employment in which he was injured, then in some other employment for which he must be trained, or financially aided. For that reason, compensation is paid to the man during the period of his acute disability and for the period immediately following. Here is where the decreasing of compensation due to increased age fails to accomplish the result intended.

As the human anatomy ages, the recuperative powers decrease, and the power of adaptation and the learning of new methods

lessens. In most States the permanent disability is not added to the period of temporary disability, but what compensation is paid during the healing period is credited against the final permanent disability rating. It is well known that the older man will on the average have a much longer healing period than the young man, where the disability factors are the same. For example, a man suffers the loss of a leg, and he is under medical treatment for some time before there is an amputation. Assume that the rating for the loss of the leg is 180 weeks. Assume that the young man shows quick recuperation and is under treatment for only 20 weeks. The amount he will receive for permanent loss of the leg will be 160 weeks. Again, assume that the older man, due to his age, is under medical treatment for 50 weeks. The amount that he will receive for his amputated leg is only 130 weeks, and as far as need goes the older man has greater need than the younger man. Now, if the law decreases the number of weeks on account of increasing age, the injustice becomes more apparent.

During the last few years the prejudice against elderly men in industry has increased, and it is becoming more difficult for the aged workman to remain employed, much less to find work. How much more difficult is it when that injured man is a permanent cripple? Even the young crippled man has difficulty competing with other young and unmaimed workmen.

The age variation in the California schedule was based upon a simple assumption made by Prof. A. W. Whitney. This assumption was that a 10 per cent disability at age 15 was equivalent to a 17½ per cent disability at age 75, and that the percentages for intermediate ages lay on a straight line between 10 per cent and 17½ per cent. This assumption has been largely criticized, because there was no actuarial basis for such assumption, but was based on pure judgment. The basis of such judgment was actually based upon the judgments of about 25 recognized experts and authorities throughout the United States.

Another criticism that has been made of the California schedule is the assumption that the age factor varies from age 15 to age 75 in a straight line; that is, that the power of rehabilitation decreases inversely in the same ratio that the age increases. Of course, there is no actuarial basis for this assumption; it, too, is based upon judgment, but there is no actuarial basis for any other assumption and the straight-line theory is probably as correct as any other theory. Mr. Alroy S. Phillips, until recently chairman of the Missouri Workmen's Compensation Commission, some years ago worked out an elaborate theory, with the necessary tables, based upon the assumption that the power of rehabilitation varied inversely with the average increase in blood pressure.

The report of the Committee on Statistics and Compensation Insurance Cost of the International Association of Industrial Accident Boards and Commissions recommended that age be considered as a factor in determining the degree of physical impairment from permanent injury. The following sentences are quoted from that report:

The ability of a permanently disabled workman to rehabilitate himself and to adapt himself to a changed environment varies with age and occupation. Obviously, the loss of an arm will be a greater handicap to a man 60 years

of age than it will be to a man 25 years of age. Not only will it be more difficult for the older man to learn a new trade, but his very age will be an effective bar to reemployment. Industry gives little encouragement to old men.

The foregoing gives some of the reasons for the conclusion reached by me, after a long experience in the administration of a workmen's compensation law, that the age factor is important and should be considered when permanent injury ratings are made. Sound judgment is necessary and too pronounced a variance is not advisable, but a few more weeks or months of compensation payments for the older man will give a better chance to prepare for the dark days ahead, for age discrimination and the leaving of established industrial paths add their difficulties to the future of the handicapped man. And yet intelligent rehabilitation, under expert guidance, followed by equally intelligent placement in a job or in business, will do more than all else to lighten the gloom.

The CHAIRMAN. That brings us to the subject to be discussed by the commissioner from Minnesota, the subject being, "Is it desirable that all applicants be represented, and if so, should applicants who have not retained attorneys be represented by attorneys in the employ of the State?"

Is It Desirable That All Applicants Be Represented, and if So, Should Applicants Who Have Not Retained Attorneys Be Represented by Attorneys in the Employ of the State?

By F. A. Duxbury, Industrial Commission of Minnesota

I have no hesitancy in answering the question as stated in the program, in the negative. "Is it desirable that all applicants be represented, and if so, should applicants who have not retained attorneys be represented by attorneys in the employ of the State?" I think we all admit, without question, that it is not desirable that all applicants or all claimants be represented by counsel. If that were so, then there was a decided misrepresentation in selling the compensation laws, if I may use that term, because one of the chief representations made when the compensation laws were recommended and adopted was that they would afford a certain and definite rule of liability which would be easily understood and not result in contentious litigation.

I personally believe that that ideal has been realized to a considerable extent. We all know that where there is no dispute of facts upon which liability depends—and which is true in many cases—if a man has lost his arm he has lost his arm, and if he lost his arm while he was working there is no question about it arising out of his employment—there is no issue that needs somebody to represent one side or the other. All that is necessary is to get facts, and the rights of both parties are easily determined.

However, as everyone knows, there are cases that are not so simple, and the question of liability is one that is involved probably in a complication of facts, and sometimes, although very rarely, in a question of law. In such cases it is helpful and probably nec-

essary that the interests of the claimant be taken care of by someone who knows how to present the facts, and who knows how to investigate and gather the information and furnish the evidence upon which the comeback may be based.

Of course these commissions, so far as I have been able to determine, are composed of ordinary human beings who have the fallibility of humanity, and there are lots of things that they do not know with reference to the primary facts and with reference to the effect of certain things in causing disability and many things of that kind which result in complications. So I must answer the question, "Is it desirable that all applicants be represented, and if so, should applicants who have not retained attorneys be represented by attorneys in the employ of the State?" in the negative—probably not one in 10. In our experience I think it is much less than that, but there are some who seem to think that the appearance of counsel will promote justice, just as it would in any other human dispute before any other human tribunal, assuming, of course, as we must assume, that they are represented by faithful and competent men.

However, I think this subject was intended more particularly to draw out the question which I understand is somewhat peculiar to the State of Minnesota, because of the words, "And if so, should applicants who have not retained attorneys be represented by attorneys in the employ of the State?"

I will tell you what we do in Minnesota and you can determine for yourself whether that is right or wrong.

A legislature of the State of Minnesota, wisely or unwisely, provided that the department of labor or industrial board should assign an employee of the department to visit employers or employees with reference to their compensation rights, upon their request. Now that was carried over into the revision of the compensation law, and the law organizing the commission in 1921. Acting under that law the industrial commissioner at the present time regularly employs six men who have been admitted to the bar, to act in that capacity upon an expressed request; and if the situation arises where there is any delay or a dispute in relation to the compensation claim, or what is likely to be a claim, the matter is given to one of these compensation adjusters for the purpose of trying to settle it by mediation.

If one of the parties can not understand his rights the adjuster gets the two together and informs them as to their rights and liability, and very frequently that service does result in the adjustment of the claim without a hearing or contest.

However, if we fail in that and the parties are still unable to agree, or the insured employer does not admit what the adjuster thinks his obligation is, the matter may be put on for a hearing. These adjusters conduct these hearings like a lawyer conducting an ordinary lawsuit, in that they prepare for it in advance, accepting the witnesses, having the man examined by the doctor whom he wants to use as an expert, and all those other things that are necessary in his judgment to establish the right of the claimant.

Now that has proven to be a very effective service in our activity, for the reason that these men become experts, especially in the subject of compensation; and in the hearings which they conduct, in which the insurance companies are represented by specialists, the

evidence is directed toward the real issue. Personally I think it is a very good service.

Those who are trying to make their living practicing law do say that it is not fair for the State to perform that service; but we have very little complaint along that line for the reason that there is no money in compensation law cases. Any man who is capable of doing the work will find his time more profitably employed in some other lines than compensation cases. If he must take his pay out of a meager recovery of compensation the ordinary fellow would feel that he was robbing the babies, or at least beggars, and he could not make a remunerative charge.

So, as long as the compensation cases are not remunerative to the general practitioner, they do not want to have anything to do with them, and the truth is, unfortunately, a large number, although they may be very capable lawyers and men of intelligence and well read in their profession, know very little about the peculiarities of the compensation law.

Nearly every one of the best practitioners in our State, when some one comes to them with a compensation case, will tell that person to go to the commissioner or to write to the commission and have some one of their adjusters represent him. That is done very frequently.

Of course, that does not mean that there are not some cases, and some cases of considerable importance, that are represented by outside attorneys, and in some instances the attorneys represent the claimants very creditably, probably better than our our adjusters might represent certain classes of cases, because there are lawyers who have an aptitude for that sort of thing. I do not mean that none of them are fit to try compensation cases, but there are many lawyers admitted to the bar who rather pride themselves on how little they know about the compensation law.

Minnesota's original compensation law was passed in 1913, but the administration of the law at that time was a contest—that term is a little strong—because the adjudication of disputes was vested in the courts to determine. There was no administration except that the labor department was authorized to help and assist any claimant who might make application for assistance. "To assign to him one of their employees" were the words used—not "lawyers," or "attorneys," or anything of that kind. They were to be assigned to advise either the claimant or the employer with reference to his rights under the compensation law.

That is the first thing that got into the law, and the old labor department used to do that sometimes, but it did not have any special person to do it, just anyone in the office, even to the bookkeeper, I presume. Fairly good service was given, in view of their equipment, but it was that idea that was carried over into the law when the commission was established, and acting under that law we have gradually built up this system. We have six employees for whom that is their principal work.

They try the cases before the referee, and if they are not satisfactorily settled they are appealed to the commission. In many cases we have followed up an appeal to the supreme court.

Whenever there is a dispute or delay it is turned over to one of these adjusters by the chief of the division, for expediting and to see if the matter can not be fixed up, and the adjuster brings the parties together and by his advice and conciliatory action is often able to adjust the dispute immediately. That service is the most valuable service which could possibly be performed, because the sooner you kill the controversy the better it is, and the fellow who can kill it in the beginning is a valuable fellow.

Of course, they frequently come in contact with the representatives of the insurance companies in fixing up these disputes. They sometimes have to send the claimant to the doctor to be examined in order to determine the extent of the disability and in such cases we frequently appoint a neutral physician to make the examination. There are all sorts of arts and devices which those fellows think of which would never occur to me.

DISCUSSION

Mr. Zimmer. A few years ago we met with the commissioner of this State, who then was a lawyer and now is a judge, in this hotel, and discussed that very proposition with him—of appointing a representative for the claimants, under a staff appointment. The judge said to me, "I think that is a good idea, but I would much prefer somebody else have the responsibility of selecting that man." The judge, being a lawyer, perhaps had a little inside knowledge of what the difficulties would be, but our own knowledge in this State would be that the governor would be deluged with complaints that a lawyer had sold out the claimant. Now, it seems to me that if we had an attorney connected with the department—the same as the referee, except that he would sit on the other side of the table—we would have altogether too much of that criticism and suspicion, and in addition to that the carrier would object. He would say, "Here is the official prosecutor for the labor department, and on the other side of the table sits the judge. They get their heads together, and where does the carrier get off?" That would be their reaction.

In this district there is a much happier arrangement. There is an organization here in Buffalo, known as the American Fellowship Society, which did not start out as a compensation adjunct. It started out to make a survey of the alien population and of methods for helping them, but the woman in charge of that survey became interested in compensation, because a great many of her social cases claimed to have benefits due them. At present 95 per cent of the work of the American Fellowship Society consists of representing claimants before the commission. This organization is supported in part by Erie County and in part by the city of Buffalo. It has entree to our files, and yet is no part of the department. It is not responsible to us, nor are we responsible for anything it does, and it is criticized often, despite the great work it does for the claimant. It has shown the board of supervisors in Erie County and the city fathers here in Buffalo that it is mighty good business for them to retain it.

It has saved the county the expense of taking care of a great many of these people in public institutions, when through its efforts that was properly charged against industrial accident injury.

Now our experience is that attorneys in the State of New York are of no great benefit in compensation cases, in going before the commission or the referee of the industrial board, in arguing, in making gestures, or in writing briefs. The referees and the industrial commission are fully conversant with the law. The way in which they can help these claimants is to take the claimant by the hand and lead him to a doctor, as you said a few moments ago, take him out to several doctors or to specialists, because compensation cases are 95 per cent a medical fact, and that is where the help comes in, and somebody must pay these doctors.

This woman who is at the head of the American Fellowship Society has personally advanced $25, $50, or $100 to doctors, and if the claimant is given an award she gets her money back but, being a philanthropist, sometimes she does not get her money back, but the doctor gets his money. She pays it out or her own pocketbook.

In my opinion, that is a system which could be extended safely into every compensation district in New York State at least, and with great benefit to the claimant.

Mr. DUXBURY. In some instances it might be preferable to our plan, but it is very rarely that the representatives of the commission are criticized and complaints made that they have betrayed the person whom they were representing. Of course every lawyer practicing law is sometimes so charged, because there are all kinds of people.

However, the insurance carriers feel that these adjusters are trying to do the right thing, and my instructions to them are that they are to try to learn the truth, the same as the referee does, and that we do not want them to conceal any information that should be brought to light. We do not want them to try to cover up anything that should be disclosed. We do not want that kind of service.

There is a possibility of the small, uninsured employer feeling that he has no show, that the cards are stacked against him. About the only case I ever tried was some years ago when all the referees were busy. This was in Dawson, Minn., which is the home town of the present governor of the State of Minnesota, and he was at that time chairman of the committee of appropriations in the house. He represented the employer in that case, and we had an adjuster, a reporter, and myself to appeal the case, and we won. He has always felt that he was up against a combination that it was not possible to beat, and I am aware of the fact that in some instances there may be that feeling.

The truth of it is—and of course he knows it—I did not win the case because there was any combination against him, but because I really thought his employer was liable in that case. There was a question of the fact of employment, whether the claimant was employed or not, and I considered that he was employed. It was a question over which reasonable men might differ. There are many questions involved in compensation rights over which reasonable

men will differ, and if you have a case over which reasonable men might differ you are quite apt to have a contest, in a compensation case as well as in any other kind of a case.

However, our system works very successfully, and the thing that has surprised me is that there has not been any more resentment and criticism on the part of the bar generally.

Mr. KNERR. Do you have any experience of attorneys making agreements with employees to charge a certain retainer for their services?

Mr. DUXBURY. Oh yes.

Mr. KNERR. How do you handle that?

Mr. DUXBURY. Our law provides that any agreement of that kind with reference to compensation shall be of no effect and that they are not entitled to anything unless the commission fixes and determines the amount which they shall have. When they come to us with their agreements we are blind—we can not see. Some time ago a fellow wanted three hundred and some odd dollars and I gave him $30. Perhaps he was nearer right than I, but in view of the circumstances and the character of the service I think I was rather liberal.

Mr. MCDONALD. Do the claimants have to bear any of the expense of those hearings?

Mr. DUXBURY. No, except that we do not pay the claimant's personal expenses or anything of that kind. We will even appoint a neutral physician if the case involves a medical question, and that avoids much trouble, because if the claimant had to pay doctors to examine him and to give medical testimony he would probably not be in a position to do that.

Mr. KINGSTON. Would a law which made no provision whatsoever for representation of the claimant by attorneys, and in which the experts in your own office took care of all of the necessary legal formulas, as little as there may be, appeal to you?

Mr. DUXBURY. And bar all others from appearing?

Mr. KINGSTON. I would not bar anybody, but a law in which—from a practical point of view—there was no cost allowed, and no possibility of the claimant assigning any portion of the compensation for legal advice.

Mr. DUXBURY. He can not assign any portion of the compensation for legal fees. The claimants may sometimes make agreements about which we know nothing and they may abide by the agreements and we never hear anything about them.

Mr. KINGSTON. We have been going along for 15 years practically without having had any legal practice before us, and it costs the claimants absolutely nothing to collect their compensations.

Mr. STEWART. I think that now we should revert to the unfinished program of yesterday afternoon, or rather last night, and at the suggestion of Mr. Knerr and with his consent, I suggest that his paper be filed for the record—that it be omitted from the program.

The CHAIRMAN. If there is no objection, Mr. Knerr's paper will be made a part of the record.

Second Injuries Fund

By William M. Knerr, chairman Utah Industrial Commission

You have requested me to prepare a paper on the subject of our second injuries fund. The Utah compensation law was enacted in 1917. At that time no provision was made as to the question whether or not the employer or insurance carrier should be made to pay employees who had previously incurred permanent partial disabilities and who subsequently sustained a permanent partial disability. That is to say, if an employee was employed by one employer, who had previously, for instance, lost an eye, and subsequently while in the employ of either the same employer or another employer lost the other eye, under our law the employee who loses both eyes is entitled to be paid compensation during his lifetime. The commission held that in such cases we should require the employer in whose employ the employee sustained the subsequent injury to pay for the combined injuries.

The employers—particularly those who enjoyed the self-insurance privilege—in certain instances refused to give employment to men who had either lost a limb or an eye for the reason that they felt that under the law they would be required to pay for life in the case of a subsequent injury where an eye or limb would be lost. When this was brought to the attention of our legislature in 1919 they amended the law to read as follows:

> If any employee who has previously incurred permanent partial disability incurs a subsequent permanent partial disability such that the compensation payable for the disability resulting from the combined injuries is greater than the compensation which except for the preexisting disability would have been payable for the latter injury, the employee shall receive compensation on the basis of the combined injuries, but the liability of his employer shall be for the latter injury only and the remainder shall be paid out of the special fund provided for in subdivision 1 of this section.

The law provided up to this time that in case of accidental injury causing death, where there were no dependents left surviving the deceased, that the employer or the insurance carrier pay into the State insurance fund the sum of $750. The private insurance companies did not like this provision and succeeded in evading the payment of any amount into the State insurance fund in death cases where there were no surviving dependents, through a technicality, so in 1921 the provision requiring this sum of money to be paid into the State fund was amended by the legislature to read as follows:

> The employer or insurance carrier shall pay the burial expenses of the deceased as provided herein, and if there are no dependents, shall pay into the State treasury a sum equal to 20 per cent of the amount provided in subsection 2 of this section. Any claim for compensation must be filed with the commission within one year from the date of the death of the deceased; and if at the end of one year from the date of the death of the deceased, no claim for compensation shall have been filed with the commission, the payment of the sum equal to 20 per cent of the amount provided in subsection 2 of this section shall be paid at that time into the State treasury by the employer or the insurance carrier. Such payment shall be held in a special fund for the purposes provided in subsections 6 and 7 of this section; the State treasurer shall be the custodian of this special fund, and the commission shall direct the distribution thereof.

In 1921 the legislature further amended the law to read as follows:

If any wholly dependent persons, who have been receiving the benefits of this act, and who, at the termination of such benefits are yet in a dependent condition, and under all reasonable circumstances, should be entitled to additional benefits, the industrial commission may, at its discretion, extend indefinitely the benefits; but the liability of the employer or insurance carrier involved shall not be extended, but the additional benefits allowed shall be paid out of the special fund provided for in subdivision 1 of this section.

Thus you will note that the special fund was created: First, for the purpose of taking care of combined injuries, and later to include wholly dependent persons who had been paid compensation during the 6-year period and who at the end of said period were still dependent. We have to date paid the following amounts on account of combined injury benefits:

Six permanent totals, five who have lost the sight of both eyes, and one who lost one eye and one arm—total amount paid to date to these permanent totals, $14,482.20.

We have paid to date on permanent partial cases the sum of $4,284.14.

The total amount paid to widows and orphans amounts to the sum of $57,809.21.

There has been paid into this account the sum of $159,705.89, and we have collected interest on investments, $22,396.81, making the total sum of money paid into this fund $182,102.70.

We believe that this is a good provision in the law for the reason that it gives the employer absolutely no excuse not to provide suitable employment in cases where employees have previously sustained the loss of a limb or an eye.

You might be interested to know that one of our self-insurers made claim that one of their employees be paid out of the combined injury fund in a case where the employee had arthritis in the back previous to an accidental injury, which was aggravated by the injury, causing a considerable disability period and resulting in permanent partial disability, entitling the injured employee to 200 weeks in addition to temporary total compensation. The commission held that this was not a case that could properly be paid out of the employees' combined injury fund; that it was an aggravation of a preexisting condition, which of course should be paid by the employer. In this we were sustained by our State supreme court.

We believe that looking at the matter as a whole, based upon our experience, that the second injuries fund legislation is sound. There are some who are trying to amend the law so that the employee be required to contribute to this fund. Personally, I would be opposed to such a provision. It seems to me that when industry kills one of its employees and there are no surviving dependents, that to require the employer to simply pay 20 per cent (or a maximum of $1000) of the amount that he would be required to pay in case there were any wholly dependent survivors, is rather a small amount and does not work a hardship on industry.

As to the provision in our law requiring benefits to be paid to widows and orphans out of this fund, I think this is a mistake. I believe that every compensation law should provide a liberal amount to be paid to widows and orphans and that the widow should be paid until remarriage or during her lifetime; that minor children

should be paid up to the age of 18 years on a graduated scale; that the amount of 20 per cent provided to be paid under our law into this combined injury fund should be increased to a flat sum of $2,000; and that the amount not needed to pay in combined injury cases should be used for safety organization work and possibly vocational training.

The CHAIRMAN. We will now hear from Mr. V. A. Zimmer on the subject, "Should hearings be held in all cases when disability extends beyond one week?"

Should Hearings Be Held in All Cases When Disability Extends Beyond One Week

By V. A. Zimmer, New York Department of Labor

I have a little quarrel with the subject that was assigned to me. It is not applicable in New York State because it says, "Should hearings be held in all cases when disability extends beyond one week?" In New York State we hold thousands of hearings each year in which there is apparently no disability at all, at least no temporary disability.

I think I had better explain that situation, because I think that very few of the States represented here hold hearings of all cases. We receive in New York State every year upwards of 500,000 reports of accidents sent into the department by the employers. The compensation bureau sends every one of those injured workmen a claim form; and we make up a case folder and index it, even though we have no claim, if the paper indicates a possible or probable prima facie disfigurement or anything of any serious nature on the face of it, even though the disability is indicated as being less than seven days. Then, on every single claim that comes in, even though the claimant may allege disability of only two days and no permanent disability, we automatically make up claims on hat form, and they are all indexed, numbered, and listed for calendar hearing.

This procedure may seem just a little too cautious to some of you who are from other States. It certainly does involve a tremendous amount of routine and judicial work, but there is a pretty good reason for New York State being extremely cautious in this respect.

There was a time a few years back when New York State permitted the direct settlements which many, or perhaps most, of the States now permit. There gradually arose a considerable protest throughout the States—as our friend, Mr. Curtis, who is a labor representative, could tell you—to the effect that all was not exactly well with these direct settlemens; so the then governor of the State ordered an investigation.

He appointed a commissioner to investigate, who drew out, so he tells me, almost haphazardly several hundred of the cases that had been closed under the direct settlement plan. He restored those cases to the calendar, caused investigation to be made, and there resulted awards amounting to many thousands of dollars to the claimants. Claimants who had received a scheduled award of 10 per cent of an arm were brought in, examined by a physician, and given awards of 20 and 25 and even 50 per cent of an arm.

Following that rather disastrous experience, the legislature wrote into our laws a provision that no compensation claim could be closed without giving the claimant an opportunity to be heard, and that was construed to mean that we should hold a hearing on every case in order to safeguard the interest of the claimants.

As I have said, the experience in this State has indicated, up to this time, the advisability of a system whereby all claimants may be given an opportunity to come in and be heard. They are formally notified when to come in to be examined by our impartial physicians connected with the department and to be heard by referees who are supposed to be impartial. Within the past few months, however, a number of employers, even large insurance carriers, have furnished to the industrial commissioner a series of facts and records which would indicate at least the possible advisability of curtailing the number of hearings. It was represented to the commissioner that substantially 80 per cent of the cases on our calendars were of the uncontroverted, undisputed type, and involved disability of less than four weeks. I think perhaps the figures were just a bit high. They based that percentage on the total reported number of accidents, and while we have a half million reports submitted to us, we only have, substantially, 350,000 compensation claims made up in a year.

However, we know it to be true that necessarily we call in a great number of claimants who respond to the notice of the hearing with the feeling that perhaps they are going to get something more than what has already been given to them by the insurance carrier.

In the New York office—this does not apply in all of the offices, because up-State here we have only one form of calendar—we segregate that type of case. It is what we term a C6 case, that is, a start case, and the C8 cases are cases on which we have started payments and stopped voluntarily, and the cases that we have made up in which disability is less than seven days, we segregate on what we call a "conference calendar." It is just the same as any other calendar, in that the notices are sent out, the cases are assigned to regular referees, and so forth, but we list on that conference calendar many more cases than we would ordinarily.

On one of the September conference calendars we had 120 such cases. I have not the figures with me, but I think I can remember them. Out of the 120 cases, 26 claimants appeared, and we did not make a single award on that conference calendar. Sixty-seven of the cases were closed because there was no indicated disability. In 11 of the 67 cases the claimants were present, and they were told that there was nothing coming to them. Now, obviously, the 11 men having been back to work and on the pay roll, lost, we will say, $5 apiece, because they came to those crowded hearing rooms and they could not get back on the job the same day.

Substantially one-third of the cases were adjourned, because the claimants did not appear and the referee thought possibly there might be something there, and so he did not dare close them. Incidentally, the rules of the industrial board to-day require that we give these nonpresent claimants a second opportunity to come in before we close the case automatically. We used to give them four or five opportunities. In some of the offices there would be a whole string of hearings noted on the synopsis sheets, and no one showing up.

As I said, the fact was shown that this type of case increases our calendar, so that the referee does not have time to give proper consideration to the more important cases. For instance, in the city of New York our referees average 100 cases a day, perhaps a few more than that, on the conference calendar, and 25 to 30 on a trial calendar.

Now a referee faced with a large stack of folders like that never knows what he is going to get into and, of course, he will hurry. Perhaps he will hurry too much, shut off some of the debate that might well be heard. If we could reduce those calendars 30 or 40 per cent by some form of nonhearing closures, obviously it would be of some advantage. It would be of considerable advantage to the insurance carriers, because they would not have to attend and check so many cases.

It seems to me that the greatest advantage of any change, if it comes about, would be in the saving of the claimant's wages in attending these nonproductive hearings.

At the request of the commissioner, last spring we attempted to try out or test a nonhearing closure scheme. The commissioner appointed a committee representing labor, a couple of insurance adjusters, an assistant director, and myself, and this is what we did in the month of May. On the 14th of May we took one week's receipts of cases of that type, the stopped-payment cases. We put those on a table and the five of us sat down and examined those folders, which contain cases that are indexed, or they are supposed to contain a C2, or an employer's report of the injury (perhaps the claimant's report and perhaps not), but it should of course contain the medical report.

The first day we had 420 cases to handle. We examined them all, putting them in three different piles. In one pile we put the cases which we knew must have a hearing and which we would not attempt to close in the absence of the claimant. Those were the cases in which a fracture was indicated, facial disfigurements, hernias, and so forth. We did not attempt to close any eye injuries—we found those particularly dangerous in New York State; so those were put to one side. In a second pile we put the cases in which the forms were lacking, the forms which were necessary to pass judgment, particularly the medical reports. In the third pile we placed those cases which we felt we might safely close without calling for the appearance of the claimant, and they were scrutinized very closely, especially by our friend, Mr. Curtis, because he had had experience under the old régime.

Here is substantially what happened. We were able to close 32 per cent of the cases. We held 30 per cent for more forms, and the remainder, nearly 38 per cent, were held for hearings.

We agreed that we would try out this scheme: We would take the 137 cases that we closed, put the closing form in, and mail it out to the claimant. We would take those and assign investigators to cover every third case indiscriminately, right down the list. Well, they overdid it. They made contacts with 57 out of the 137. Of the 57 whom they interviewed, 42 were perfectly satisfied. There was no permanency, but 15 either had complaints to make themselves and insisted upon hearings because their disabilities were greater than indicated on the employers' reports, or on the physicians'

reports; or the investigators, all of whom were experienced, of their own volition advised that they be put on for a hearing. So we put the 15 cases on for a hearing, with this result: Five of them did not show up, five additional awards were made. One of those additional awards was for four and one-half weeks' compensation of $25 a week—more than $100. Another was for more than $100; another was for only a couple of days; another a minor one. There was one case out of the remaining five held for permanency, obviously a schedule. There were four other cases in which the claimants did not appear, so we have no check on them.

The four members on this committee were most experienced in compensation and were accustomed to reviewing these records. They were entirely familiar with the intricacies of the medical reports, and sometimes they do need interpretation. Better still, they had a pretty good general knowledge of doctors doing industrial surgery in New York City. They knew those whom they had to view with suspicion. So on the whole we had in that test a better and closer piece of work than you would get normally with the ordinary office force, and yet it disclosed what we already knew—that we can not depend entirely upon this medical report, whether sworn to or not; we can not depend entirely upon the employer's report; nor can we depend entirely upon the claimant's claim. Obviously each of those three persons will evade or make miscalculations or misstatements.

One of the things that we attempted to do in connection with this investigation was to devise a closing form, a notice of denial of award, or a notice of award, as the case might be—two types, of course. We could thus convey to the claimant exactly what we meant by terms such as "permanent partial disability," such as facial disfigurement.

The New York law states that a claimant shall receive two-thirds of his wages, not to exceed $25, and we tried to explain to them that a man receiving $30, for instance, does not actually receive $20, but that he will receive $19.23. We tried to explain to them that it is based on a yearly average instead of two-thirds of the actual wage per week.

You men, with your practical experience, know that you would have to explain a considerable number of things quite carefully to the claimant, many of whom can neither read nor write the English language, and we certainly could not devise a form large enough to carry all the languages spoken in New York City.

Now the problem and the thing that we are still disturbed about—because the industrial board of this State has this matter under consideration and it is for them to make a decision—is whether or not our procedure should be changed; but one of the things the industrial board at this time is doubtful about is whether we can convey to the claimant sufficient information, with sufficient clarity, so that we can reasonably expect him to advise us if something has gone wrong.

In these cases I have mentioned that we tested—and subsequently we examined and worked upon 1,200 cases with substantially the same results—we were able to close one-third of them, or did close one-third of them, but we had a considerable number of kick backs.

Whether we got all of the kicks or not, we do not konw. We never would know, I suppose, unless we actually called them in and interviewed them.

Now, my own opinion is that if we can assure ourselves to a reasonable extent that a notice sent out to the claimant, with the proper instructions, and so forth, will be understandable to him, an inclosure scheme such as this could be used. And it is not a direct settlement proposition by any means. We approve nothing. We look over the record and make the award, exactly the same as though the man were present, except that we do not require his presence at a hearing. If the industrial board could be assured of that, I think they would consider the advantage of reducing our present calendars in the State, and put some plan such as this in force.

DISCUSSION

Mr. CURTIS. I believe that the members present should know more about the reason why labor made a demand that hearings be held in every case. The first investigation that was conducted by Governor Smith was under the direct settlement plan. I happened to be a commissioner at that time.

We heard considerable about the self-insured this morning. It was found that a great number of the cases that were not up to the standard were self-insurers. I remember one company who, two days prior to the investigator's starting out, came to me and made a request that we conduct a hearing in scheduled losses. In one day they brought in 57 employees who had been working and whose cases had been closed, and we found all of the way from half an arm to seven-eighths of an arm in a number of those men, that had been closed on the direct settlement plan, with one and two weeks' compensation, and some of the men had received no compensation at all. It was a clear demonstration that that company, or the self-insurer, would never have brought those men in and they never would have gotten another dollar, had not this investigation come up.

The cases were called in and testimony taken just as Mr. Zimmer stated, at random; the men were examined by an impartial doctor, and in almost every case compensation was increased—for legs and eyes and feet, all the way up to half of a foot, or half an eye. Yet every one of those reports showed that there was no permanency.

We have a situation in New York City that has no equal in any other compensation law in the world, because we have a medical system that stands alone. Once you pass New York and get as far as Yonkers it is not the same law at all. There is as much difference as between day and night in the administration of the same act in Buffalo and in New York. That seems peculiar, but it is a fact, and any person who has had any experience will tell you the same thing.

You get more cooperation from the physician in the country town. He knows the claimant and he dare not go wrong, because if he does he is done for in that community. But the "birds" in New York can be hired to do anything you will pay them for, even to hanging around the halls of the commission; and if you are short a doctor and you have from $5 to $25 they are with you. They can be

hired to testify one way or the other—the carrier can hire him if he is short a physician or the claimant can have the same doctor—they will testify any way you want them to testify.

That is the system we have in New York, and it is the system that has been built up on account of the medical evidence. The carriers have built up a system in New York City that it is almost a physical impossibility for the claimant to meet, because he must pay for his medical testimony. For a neurosis case it costs up to $100 for a claimant to get a physician to come in and testify, and if he hasn't the $100, he has no neurosis as far as the physician is concerned. That is the way the controverted cases are working in the city of New York, and that is the reason why there is so much controversy. We are constantly up against that situation and it is becoming more acute all of the time; it is getting where we are beginning to call it not a compensation law, but a medical law.

We also have the healing period system. There are companies which feel that it will be at least a month before the commission can give a man a hearing, and they will discharge him four weeks before they should, and take a chance on beating him out of those four weeks when the hearing is called, because he has no medical evidence, and you must have medical evidence if you want to prove even a day's compensation.

The referee's hands are tied. The industrial board's hands are tied unless they have medical evidence, and that is the reason why we have those nonscheduled final adjustment cases. If it were not for that, the claimant would not get anything at all, because it is a physical impossibility to prove disabilities of even two and three months, when a man has waited sometimes six or eight weeks for a hearing due to the crowded calendars, and when his case comes on he has no medical evidence, although the commission doctors will find that he is able to do some work. From the time the companies stop treating him to the time the commission's doctor says he is able to do some work, there is no evidence at all of the man's disability. He is not able to go back to his regular occupation, and he must go out and try to find medical evidence to prove that there was some condition there.

The labor unions of New York City have established a department for that very purpose. We have our own doctor, to whom we pay a salary, and there is no expense at all to the injured workman, and we are in a position to get the men justice under the law. I am speaking now of the man who has no one to take care of him—it is his condition with which we are confronted, and that is why we are suspicious and, as Mr. Zimmer said, we scrutinized those cases very closely, but we made some mistakes, notwithstanding that close scrutiny, in taking the doctors' reports because there was one doctor whom we did not know, and one of the men from my own union whom we passed up because the case looked all right, but when brought in was given a half of a finger.

Those are the conditions with which we are confronted in New York City, and we are never sure that the physician has not misrepresented the case.

Doctor HATCH. Mr. Zimmer has indicated that this study has now reached the stage where the industrial board is considering what

we are going to do, whether we are going to go further or not, and, if we are going further, how much further. Mr. Zimmer remarked in his talk that as far as he knew no systematic check-up or actual investigation of just what was happening in cases closed without hearings had been made.

Now, I would like to recall that and ask, if in any State such a careful check-up is made generally, or has been made in any particular sample cases, just what did they find? We want all the information we can get about the proposition. Has any State actually investigated, in closing cases on the record without hearings, to see that all that the law intended really reached the claimant? That is the root of the whole matter. If any State has that experience, if they have looked into that question, I would be very glad to hear from them now.

The CHAIRMAN. Does anyone want to respond to Doctor Hatch's inquiry? I can say for Oregon that we have no check-up system. We have never adopted or devised one. The claims are ordinarily closed on the doctors's report, or on the injured workman's report. If the commission is too hasty in closing the case, it is not long before we hear about it. The man comes to the board and tells us that he was not able to work until a later date than shown on the report, and he is sent to the doctor for a further report, and sometimes further compensation benefits are extended.

Mr. HORNER. In Pennsylvania we have the agreement system. We also have the plan which was outlined by Senator Duxbury in his remarks. We have a chief adjuster, who is assistant director of the bureau of compensation at Harrisburg, where all the accident reports are filed. The chief adjuster, at regular intervals goes through all of our open accident cases where we have no definite information of duration of disability, and any cases that seem to need some further investigation as to whether or not compensation is payable or not are assigned to our men in the field and they make investigations.

If the case is found compensable, it is taken up with the employer, if he is a self-insurer, or the insurance carrier, in an effort to secure for that man the compensation to which he is entitled. If there is any dispute as to length of disability, the adjuster assists the claimant in filing his case, and in filing his claim for the workmen's compensation board if necessary.

Every fatal accident that is reported to our bureau is investigated in order to determine whether there are any dependents who are entitled to compensation benefits. We have found in many cases where the employers or the carriers have reported no dependents that dependents' claims have been filed, and the cases carried before the referees and awards made.

In every accident case which indicates a finger injury we have a chart of the hand, and that chart is mailed to the injured person, with an addressed, stamped envelope, with the request that he mark on that chart the point of amputation of the finger or the thumb and return it to the bureau, and then we check that chart with the record to determine whether the man is receiving the compensation to which he is entitled.

If it is an eye injury, we refer the case to our adjusters in the field for the purpose of making an investigation to determine whether the man is entitled to compensation for the loss of the eye, or the loss of the use of the eye.

We do not pay compensation under the Pennsylvania law for percentages of disabilities; it must be the loss of the member or the loss of the use of the member. We follow up all the cases where we feel that probably the injured person has not received the full benefit of the compensation law. Furthermore, when we receive a final receipt which indicates that a man has returned to work on a certain date, we require that that final receipt indicate at what wage the injured person returned to work, in order to determine whether or not he is entitled to partial disability, and we also investigate to see whether the benefits paid the man were correct. If they were not correct the case is taken up with the employer and the insurance carrier, and if we can not get any reaction that way we send that case to the adjusters.

So that our experience in Pennsylvania has been that the adjusters—the emergency men, we might call them—are doing a very satisfactory work. Many cases are settled or adjusted that otherwise would probably go before the referee.

I believe that one of the things we must do in order that our compensation laws may be properly administered is to follow up our cases. I believe that the most important work we have to do is to follow up our cases to see that the injured workman receives the benefits of the law. I sometimes think we overlook too many of those cases, and I think it pays to have men in the field to whom you can refer cases wherein there is any doubt. Of course, it is a physical impossibility to follow up every case.

In every case where there is any question as to the length of disability, before the statutory period expires in which a workman can file a claim we notify that man of his rights under the compensation law and say to him, "If your injury resulted in a time loss of more than seven days and you have not received compensation benefits, we suggest that you file claim," and we send the necessary blanks to him. That is the policy we follow in Pennsylvania. Every case does not give the length of disability, and if an accident report comes to the bureau and we have no supplemental report indicating the time lost, and we do not get any response from the insurance company or the self-insurer, we mail the injured workman a compensation petition, with an explanatory letter telling him what he must do in order to protect his rights.

Mr. STEWART. Approximately what percentage of your agreements which you follow up are found to have been unfair or irregular in any way?

Mr. HORNER. I do not know as I could give you a percentage, but I can say this: We have one man in the department whose entire time is taken up on cases of that character, following them up.

Mr. ZIMMER. How many investigators do you have connected with your Pittsburgh office, for instance?

Mr. HORNER. We have three men in Pittsburgh.

Mr. ZIMMER. Approximately how many cases will you have a month from Pittsburgh?

Mr. HORNER. We assign to the adjusters in the field on an average about 300 cases per month.

Mr. ZIMMER. And you have how many total cases?

Mr. HORNER. Do you mean the number of accidents reported? Our compensation cases run between 6,000 and 7,000 each month.

Mr. ZIMMER. They investigate 300 out of 6,000?

Mr. HORNER. Yes.

Mr. ZIMMER. That is all they are physically able to take care of?

Mr. HORNER. No.

Mr. ZIMMER. Do they determine percentage losses?

Mr. HORNER. When there is a question about that the investigator assists the claimant in filing his claim and in bringing his case before the referee, and if there is any medical question involved the adjuster assists the injured workman in filing his claim and in bringing his case before the referee.

Now, in addition, the workmen's compensation board has three full-time physicians, who are at the service of the injured workmen. I submit that it is a physical impossibility to cover all of the cases, but we are covering a large percentage of the cases as I have already stated. Notices are sent to the workmen where it is a physical impossibility for the adjuster to follow them up and make a personal investigation.

Mr. ZIMMER. As a matter of practice, will your investigators bother with the percentage of loss as, for example, 20 per cent of the hand? You provide for compensation only if amputation occurs?

Mr. HORNER. Yes, either amputation or the loss of the use of the member.

Mr. ZIMMER. Restriction of the joint would not get the man anything?

Mr. HORNER. No.

The CHAIRMAN. The next topic for discussion as carried on the program is, "Should the compensation board have in its employ a staff physician or physicians?" That subject is to be discussed by Mr. H. M. Stanley, chairman Industrial Commission of Georgia.

Should the Compensation Board Have in Its Employ a Staff Physician or Physicians?

By H. M. Stanley, Chairman Industrial Commission of Georgia

I have been asked to talk upon the subject, Should the Compensation Board have in its Employ a Staff Physician or Physicians? Our experience in Georgia convinces us beyond question that disinterested medical advice and examination is essential to a commissioner passing upon a compensation claim. Therefore, we have established in connection with the industrial commission the best medical advice we could obtain in Georgia. It is our judgment that it is

absolutely necessary in administering the compensation act to have either a full-time physician in a permanent organization or a physician who is subject to call at any time that he may be needed by the commission. This matter was thrashed out very thoroughly by the industrial commission and we decided that we needed at all times the advice of a disinterested physician. Very carefully the situation was canvassed and we unanimously came to the conclusion that we knew just the man for the job and the place was tendered to Dr. Charles W. Roberts, an eminent young physician and surgeon. Just how well we succeeded can be attested by those of you who attended the Atlanta convention and heard not only Doctor Roberts' address, but also those of the various skilled specialists whom he selected to address the medical section. So eminent is Doctor Roberts in his profession that many physicians over the State accept unquestioned his medical reports. As a witness, he is clear, lucid, positive, and unwavering.

All of you have had the experience of hearing evidence in which medical testimony on one side was to the effect that there was not much disability and on the other that the disability was considerable. It is very seldom indeed that doctors agree as to the extent of disability, even if they are agreed that there actually is disability. There is frequent argument as to whether the particular disability from which an employee is suffering is the result of an accident or if the accident is in any way connected with the disability. In a notable case before the Georgia commission, in which some of the most eminent physicians in Atlanta testified, one side was positive that the employee had no disability whatever, and the other side was equally as positive that he had a disability, which was permanent and total. More representative or more reputable physicians than these could not have been obtained anywhere in the State, or, for that matter, in the United States. How is the layman able to pass intelligently upon a case when the leading members of the medical profession are in startling disagreement? He is lost unless he can get a disinterested expert to sift for him the possibilities and probabilities of technical evidence.

It has been my experience in most cases where a percentage of disability to a specific member is involved, that there is a material difference between the estimate made by the physician for the employer or insurance carrier and that of the physician for the employee. The natural inclination on the one hand is to give the employer the benefit of any doubt, and on the other hand to give the employee the benefit, Sometimes these estimates are so far apart as to be absurd. It then becomes necessary to have an examination by a disinterested physician to get at the approximate truth.

A disinterested physician is essential to compensation authorities to make examinations and give advice when there is conflicting medical evidence that can not be reconciled. The Georgia commission has reached the conclusion that an active practitioner answers the need in our own particular case better than a physician employed for full time. Our medical director is subject to our call at any time, but is free to engage in any work that he may have in carrying on a general medical and surgical practice, except, of course, cases in which compensation is involved. His profession forces him

to keep abreast of the times and to be familiar with modern advances in medicine and surgery. There is little danger of his getting into a rut. He is active at all times in his profession and in touch with the medical leaders in various parts of the State, which enables him to recommend suitable physicians for examinations, etc., whenever it is impractical to have the examination in the city where the commission is located. Any medical examiner or director, regardless of how employed, should be furnished with every facility in his work and should be authorized to have any special examinations made which he is unable to perform himself. A short résumé of our experience in Georgia may illustrate this point.

When the compensation act first went into effect we did not have sufficient funds to operate and could have examinations made only in each individual case, with a maximum fee of $10 per examination. If, after examination, the examining physician for the commission found that X rays, special tests, or examinations were required and he recommended them, the commission could only refer the recommendation to the employer or insurance carrier without any certainty that it would be acted upon. Because of lack of funds the commission could not order these things done. The result was that in many cases the injuries were incorrectly diagnosed and the injured employees suffered.

Perhaps the most glaring case of this kind was that of an employee who received a burn on his neck by escaping steam, followed in a short time by a peculiar boil or carbuncle. The disability resulting from the accident was for nine weeks, for which compensation was paid. The man was examined by the commission's physician, who recommended that a microscopic test be made of the diseased tissues. This recommendation was referred to the insurance carrier but was not acted upon. Some time after the accident the employee began showing signs of mental disturbance and was finally confined in a charitable hospital almost a mental and physical wreck. This case was diagnosed by various physicians as being a half dozen different things. Several physicians diagnosed the case as that of a syphilitic infection. Another physician made a diagnosis of tuberculosis, and prepared to amputate the arm. He was, however, called suddenly away and asked a brother physician to complete the work. This physician was confronted with these diagnoses. He did not have time to verify either of them, because the amputation had to be quickly made to save the man's life. After the amputation he sought to verify the diagnoses and easily proved that the man was not suffering from syphilis or tuberculosis. Finally he learned that an Atlanta specialist had diagnosed the case as blastomycosis—a very rare disease in the South of the budding-fungus family, and even then it is confined largely to cattle. He had never before seen a case of this kind. However, he knew how to test for that disease, and it was easily seen that the man was suffering from blastomycosis, a disease which works its way into the system through an abrasion or sore. It is differentiated from actinomycosis, produced by the ray fungus, which enters the system through the intestinal tract and works its way back to the surface.

An award was given the injured man. The case was hard fought through all the courts. The court of appeals reversed the judg-

ment of the commission, but, upon application for a rehearing, reversed itself and affirmed the award. The case was then certioraried to the supreme court, which affirmed the award. The associate justice of the supreme court who wrote the decision told me it was the most difficult case he had ever seen before this court of last resort, and that he read at least 500 court decisions from various States before he became convinced that the award was in keeping with the law and the facts. It was the judgment of the industrial commission that the blastomycosis germs entered the sores on the back of his neck, and that, therefore, the disease arose naturally and unavoidably from the accident. If the examination of the tissues had been made as recommended by Doctor Roberts, the true nature of this disease could have been determined at a small cost and probably its ravages checked before it had an opportunity to spread throughout the man's entire system; besides, he might have been saved untold suffering and the loss of a major member.

We have been able gradually to build up our medical department and to furnish our director with all necessary facilities so that a case of this kind would not be likely to occur again. Our director is authorized to have made all special examinations for which he himself does not have the facilities, and the commission has sufficient funds to take care of all necessary expenses of this kind. Many cases have been properly diagnosed under his careful examination that otherwise would have been impossible. In my judgment an industrial commission can not properly function without a medical department or director, employed either at full time or on whom the commission is free to call at a moment's notice for examination and advice. I presume that all of the commissions have more or less access to disinterested medical advice. The better the medical department can be built up the sounder and more satisfactory will be the awards of an industrial commission. Above all, the medical director must be able to maintain his position, notwithstanding the most searching inquiries by counsel and the differing opinions of other eminent physicians.

DISCUSSION

Mr. DEANS. Does your physician testify at your hearings?

Mr. STANLEY. Yes; in all cases in which his testimony is essential. Frequently his reports are accepted as evidence, and it is not necessary for him to testify in all cases, but if it is an important case he comes over and testifies. We have the hearings of the cases in which he is involved in the afternoon, so that it is not necessary for him to be away from his office during the morning hours.

Mr. DEANS. The reason why I asked the question is, Virginia has a full-time physician and we do not permit our doctor be a witness in cases. We use him as our medical advisor.

Mr. STANLEY. Doctor Roberts is our advisor, and he also testifies. We do not see any reason why he should not. Of course, we pay Doctor Roberts a salary. We pay him $4,800. In addititon to that he performs all the autopsies of the State where we are requested

to appoint a physician, and we pay him extra for X rays, and things of that kind.

Mr. STACK. On what classes of cases do you request post-mortems?

Mr. STANLEY. We do not make any request at all. It is where one side or the other asks for an autopsy and of course they have to pay for that. In Georgia the person making the request must pay for the autopsy, and I imagine that there are perhaps eight made a year. We have about 10 or 12 fatal cases a year.

The CHAIRMAN. Is there any discussion of Mr. Stanley's paper? If there are no remarks, we will pass on to the subject to be discussed by Mr. Duxbury, the title being, "Who should be considered compensation dependents, and what, if any, should be the limitation of compensation dependents?"

Who Should Be Considered Compensation Dependents, and What, if Any, Should Be the Limitation of Compensation Dependents

By F. A. Duxbury, Industrial Commission of Minnesota

I have said before that instead of wasting much time in extolling the virtues of the compensation laws, especially of our own laws, I think we should devote ourselves more particularly to studying ways of perfecting them or of improving them. I preface my remarks with that statement, because I am going to criticize Minnesota's compensation law in one particular and I do not want you to infer from that that I think it is bad all the way through, because I do not.

In that table of comparative benefit costs which was circulated around here the first day of the meeting it appears—in the last column, average law of all benefits—that Minnesota stands pretty high, Arizona being the highest, New York the next, and longshoremen's act the third, Wisconsin the fourth, North Dakota fifth, and Minnesota sixth, but those are quite close together, because here is Minnesota sixth on the list with a standing of 905 out of a possible 1,000, and Wisconsin 958, and North Dakota 957.

As I understand it that is a computation of the amount of benefits, made by the actuaries, and that no credit is given for these other provisions of the law which might be entitled to some merit, but which are not reflected in money benefits. If they did take into consideration the other provisions, there might be some rearrangement and Minnesota might be higher on the list, because there are many commendable features in the Minnesota law.

I have made just a rough note of a few of these benefits. We have a high maximum, $20; unlimited medical aid, either in length of time or amount; 66⅔ per cent of the wage instead of 50, 55, or 60 per cent. We have a special healing period in addition to the schedule of permanent partial disability, and all employers are included without limitation as to number of employees, the exclusions being merely farm laborers, domestic servants, and women employees of steam railroads.

In our State an employer of a single employee is subject to the compensation law unless he takes himself out of that class by express election. So we have a very full coverage. Farmers may elect to come under the law, so that even farm laborers may be covered by our law. We have a special fund for total permanent disability by a second injury; and we have effective control of acts and settlements, and power to vacate awards and all those features.

We have a provision which, because of some defects, I have come to think is not what it should be. That is our dependents' provision, or death benefits provision, and I have come to some conclusions with reference to its vices, because I think it has few virtues, if any. Now, my conclusions are based upon some experience with the matter, and also upon the conception which I have learned to have of the primary purpose of compensation laws and which was increased considerably by listening to the discussions which took place here yesterday with reference to rehabilitation with the compensation law. It quite confirmed my belief that the compensation laws themselves are really in their essential nature rehabilitation laws, that their real purpose is rehabilitation, readjustment, and reestablishment of the injured workmen.

I am of the opinion that indemnity and the reason for indemnity, as it existed in former systems of laws, are wholly out of the compensation law. Who would undertake for a moment to say that the monetary benefits accruing to an employee by virtue of the compensation law had any relation to indemnity for damages for injuries which he suffers? It seems to me that they have no such purpose, and that their real purpose is rehabilitation or reestablishing the man into useful activity, making it possible for him to become a useful member of society, self-sustained, and independent.

The compensation law, of course, had to be in general terms, and in some instances probably its monetary provisions were more than were required to accomplish that primary objective—not to make the injured workman as fit as he was before, because that is not possible. Any amount of money you can pay a man with a leg off for that permanent partial disability is a joke when you consider it as an indemnity or any other payment of that kind. It has no relation to indemnity, but it is an arbitrary amount of money which will probably be needed to rehabilitate or to readjust him into a useful occupation.

Experience has shown, as everyone knows, that there are cases that need something in addition to that, which may be applied in a way so that they become readjusted within the period in which the money is paid, into self-sustaining, useful members of society and industry. The rehabilitation laws were merely a system of laws to supplement the compensation law in some particulars where it would be effective, and it has had a wonderful effect.

That our law is so related to the rehabilitation law is indicated by the fact that if a person injured in industry is rehabilitated by the rehabilitation section or division, we may order 25 weeks' additional compensation. That is rehabilitation compensation; we go a little further in that respect.

That primary purpose and object of the compensation law as applied to dependents is another feature of our law. Of course,

rehabilitation involves physical rehabilitation as well as the economic rehabilitation, and a law that does not provide for unlimited medical expenses is defective, because the physical rehabilitation, as far as it is possible to rehabilitate, is the primary and important essential to that rehabilitation. But in these compensation beneficiaries in dependency there is none of that physical rehabilitation, and I do not know that you could say that there was an object of rehabilitation.

Probably there is no such thing as rehabilitation, because these minor children and this widow are not being rehabilitated, and the word is probably superfluous there. They are being habilitated or adjusted. Their means of support has been taken away from them, and it is the duty of society to do something to help them to readjust themselves so that they can support themselves and become self-sustaining and independent in their support. The law ought to have that in view, and with that object clearly in view, if you tested out your law as I have tested out our law, you would probably find that it was not very well conceived to accomplish that purpose. My study and experience has convinced me that there is one thing that ought never to be in a dependency law.

In most of these laws the dependency section or death benefits provisions seem to have been drawn by men who borrowed expressions from statutes relating to descent, to deaths by wrongful acts, or to others of a like kind, which bore no relation to the purpose of workmen's compensation legislation. We have that vexatious provision in the Minnesota law.

A death case or dependency case has a limitation of $7,500—the highest amount that may be paid in any case. It works out in this way: We have the case of the widow of a working man, who has no children. It is rather fair to assume that she would be a working woman—she should be unless he had gone somewhat outside of his station. Because she was married she had been supported by her husband, but that support is gone, and she must readjust her means of support. She has neither chick nor child—not a single handicap to employment opportunities. She is probably able to obtain work at a fairly good wage, and she receives compensation equal to 40 per cent of her deceased husband's wages with a limitation of $20 a week. Perhaps in six months or less time than that she has reestablished herself, after which time we ought not to have to pay her any indemnity or anything of that kind. However, for quite a long time—represented by dividing the $7,500 by the weekly rate—she will receive her compensation.

But, in another case, we have a woman of about the same age with five or six or even more children—the youngest perhaps a baby of 6 months and the oldest not over 12 or 14 years of age. She gets a higher weekly rate of compensation, consequently the $7,500 is consumed in a shorter period of time. Not only must she care for these children, but she must reestablish her means of support for herself and family. Yet, she is within the same limitation of amount—$7,500.

That, I think, is a fatal thing in any compensation law. It defeats the very purposes for which compensation laws are enacted.

In our law it is provided that the wife shall be conclusively presumed to be dependent, and that children shall be conclusively presumed to be dependent until they are 16 years of age, and from 16 years of age to 18 years they are prima facie dependent, and after that if they are physically and mentally unable to earn. We ought not to assume the burdens that belong to some other branch of society, and they ought to be able to find some means of taking care of those who are physically and mentally handicapped other than at the expense of industry.

We can not, in Minnesota, without some miraculous influences that I know nothing about, get anything in the compensation law that is going to increase the cost, because we have Iowa on the south, and also South Dakota, where the rates are much less. Of course we can not complain about North Dakota or Wisconsin, but the employers in our State regard the employers in those other States as their competitors, and they claim they can not be paying so much for compensation as compared with their competitors, and if you talk about modifying these things or increasing the benefits in any way you get the stony stare and nothing can be done.

Those are some of the things that are perplexing us. We had a boy about 17 years of age—the son of a farmer, the owner of 240 acres of good Minnesota land, well stocked with cattle and hogs, etc., and he had a gross income of some $4,000 on that farm. This boy hired out to work for the town. He worked about a week and he was killed. He had never made any contribution to his father from his wages, which is a requirement of the dependency law, but the supreme court of the State of Minnesota, in their wisdom, held that the value of his services to his father on the farm when he was working in the relation of parent and child, and not in the relation of master and servant or anything of that kind, were wages within the meaning of the compensation law, and that the father was dependent to that amount, and he was granted compensation, overruling the commission, which it had the right and the power to do.

I have been perplexed over that for some time, and I can not see the point, which is not strange, but it does seem to me that all that was a common-law right of action for loss of services by death owing to wrongful act. That is all I can see in that, and I thought all of those things were abolished in the relation of master and servant.

We have had one or two other decisions that were almost as bad. I do not want to appear in the light of criticizing the courts, because I always resent the tendency of some people to imply that the courts are incompetent and that they are always vile and evil. I have no sympathy with that. I believe the highest instrumentality of civilization is the court, but unfortunately I recall a remark which was made by Mr. McKay, who is now mayor of the city of Philadelphia, at the Baltimore convention. At that time he was chairman of the compensation board in the State of Pennsylvania.

Our good friend from Virginia had reported a plan that they had for trying to inform people with reference to the provisions and remedies of the compensation law. They had adopted the system of questions and answers, sort of a catechism which they circulated

among the schools, and there was some discussion going on with reference to the merits and demerits of that system, with different views, as there always are in this body. Finally Mr. McKay rose and said that he had been trying for several years to inform about 9,000,000 people with reference to the nature and character of the compensation laws, without any very great success. He said the employees do not know much about the compensation laws because it is only when they happen to have an accident that they have any interest in the matter, and the employers were ordinarily entirely ignorant of any practical knowledge of the law. Then he said that in spite of that the persons most ignorant as regards the compensation laws were the judges on the benches, and that was almost startling to me.

He went on to explain that he did not mean to be understood that they were not men of learning and ability and integrity and all that, but that they were schooled and grounded in a system of laws which was entirely conflicting with the principles and purposes of compensation laws; that when they were called upon to interpret the compensation law those principles and ideals of a system had been so grounded into them that they were handicapped and blinded, and they interpreted the compensation law incorrectly; and that if they had been men of equal ability and general learning, without the special training in the rights and rules of liability which existed in former laws, perhaps they would make fewer mistakes.

I have thought about that many times when some compensation law has been misconstrued by the court. I think you probably have had similar experience. I have been trying to think that this case with reference to this farmer's boy was probably based upon some such reasoning as that.

Now, in my perplexity with reference to our provisions for dependency and my dissatisfaction with them, I thought the right thing to do was to examine the laws in the other States to see if I could not find something that was better, which I did. I found some that were better, but I also found some that were worse. I found quite a number that did not assume the burdens of society, of taking care of people who were physically and mentally handicapped and who can not be rehabilitated. They did not take that burden from society at large and put it on industry. A few of them have had nerve enough to abolish that sentimental thing. Among those are the laws relating to longshoremen and harbor workers.

If my memory serves me right, the great State of New York has some very commendable features in their dependency law.

DISCUSSION

Doctor HATCH. The presumed dependents in death cases are the widow and the children up to the age of 18.

Mr. DUXBURY. But if they are physically and mentally handicapped, that does not continue?

Mr. CURTIS. Yes, it does. We amended our law last year.

Mr. DUXBURY. I do not believe that is vital, but I cite it as an example. That would not be done if they had the right conception of what the obligation is, but it is done because of the con-

ceptions which legislatures have, as well as the judges, that the compensation law is a statutory law of indemnity for damages, and not that it is a law to accomplish a social purpose of rehabilitation by making the person a useful member of society.

Then there are one or two laws where there is no provision for dependents, they require them to pay a certain sum of money to the estate of the deceased workmen, if it is a fatal case. Just think of that! Has that any relation to the purpose of the compensation law, or is it an indemnity to take care of the debtors, and perhaps some distant or collateral heirs?

I think if there was not a considerable perplexity about what the laws ought to be with reference to dependency, we would find more uniformity in the laws of the different States, but each one differs from the other, some with one good feature, and others with some bad features. There ought to be some study of that question.

There are other features, too. If this first widow whom I mentioned remarries—and according to all laws of presumption, she will—she certainly has reestablished someone to support her and her condition of support has been restored. Sometimes she takes on a boarder, I know, but that is the exception that proves the rule. When her means of support has been thoroughly reestablished she receives two years' compensation in a lump sum with no deductions. When she is already established, we give her a blessing like that. We are liberal with our money, but this other woman with those children, when she remarries she gets not a penny of compensation. The compensation for the children is paid, but she is cut off. She has a supporter, but that supporter is handicapped by having to help support that bunch of children she brings to him.

Now some of you fellows who know what the provision of a dependents' clause or death benefit compensation law ought to be, examine your own laws. While we have $7,500 limitation, there are laws that have $3,000 limitation, and what a wonderful thing that is with which to rehabilitate a poor widow with five or six children of tender age. It is good as far as it goes, but it does not go very far.

Mr. WILCOX. In discussing the question of how our laws ought to be amended, I was asked whether or not there were many cases of abuse that I expected to have corrected, and I said, "No, not many." The remark was made, "Well, then, why not go along the way we are?" And I replied in this fashion, "If your farm hand was getting the wood for the winter's supply, which is a small part of the year's work, you would think it very inefficient to send him out with a perfectly dull ax, or if you had a load of hay that you wanted gotten up you would not think of sending him out with a dull hay knife. You would give him the sort of tools that were calculated to make the work easy and to make him work more efficiently." If there is any one thing that we committed ourselves to in Wisconsin, it is this effort to try to make our laws do some of the things that we, in the administration, know can not be done. We keep building up as we go along, and that is why I so frequently tell about some of the things that we are doing.

We were disturbed, as Senator Duxbury has been, about our benefits to dependents, about how to handle death claims. Originally we had a flat sum of four times the annual wage for a widow,

and that was the same whether the widow had a large estate, or whether she had no estate, or whether she had no children, or whether she had no estate and a flock of children. So we thought it desirable to get away from that, but we have found it difficult to make the legislature adopt the pension plan, which perhaps is the best way in which to handle the problem. However, in recent years we have adopted something that is helping wonderfully to balance the condition, which I would like to explain to this group, because I do not think any other State has the same plan.

Just imagine that there are three employers in this room. One employer has had a fatal accident and a widow is left with a family of small children. The employer or the insurance carrier for that employer pays that widow four times the annual wage. The maximum in our State is $6,000. That is all that employer pays for that death. This other employer has a fatal accident and the husband leaves a widow without children, and that employer pays to that widow four times the annual wage, with the same limitation of $6,000. The third employer has an accident which occurs to a man who leaves no dependents, or only partial dependents. If there are no dependents the liability is $200 for burial expenses. If there are partial dependents they pay according to the extent of that dependency, but the third employer is required to pay into a State fund the sum of $1,600, and we use that $1,600 to take care of the children who were left with this widow over here. If there is a child under a year, that child will receive $1,500. If the child is more than one year old and less than two years old it will receive $1,400, and we grade it down to $100 a year to carry him through the fifteenth year.

That is not a difficult system to administer, and it does have a tendency to balance up the benefits. It also serves to eliminate the possibility of discrimination against the man who is married, or the man who is married and who has a family of children who would be dependents in case of death. That was one of the vital purposes of the law.

Mr. STEWART. Does not that discrimination exist just the same when you assess $1,600 against $6,000? Are you not furnishing all the incentive necessary for discrimination, not quite so much as when he had only to bury the fellow, but certainly sufficient incentive for discrimination? Would it not be very much simpler and, as a matter of fact, more just to say $6,000 in each case, and then take your $6,000 where there are no dependents and augment your second injury fund if you have one. If you have none, establish one, and also augment your excess dependency fund.

After all, why make it cheaper for one man to kill a man than it is for another man to kill a man? Why make it cheaper for one industry to kill a man than it is for another industry to kill a man?

Mr. WILCOX. Well, putting $1,600 on to this employer over here does not encourage him to discriminate. It is not a matter of encouragement. It is a matter of discouragement if anything, in employing the single man in preference to the married man, because he must pay at least $1,600, if you put the burden onto this employer over here to take care not only of this widow, but to take care of these children. I am ready to agree with you, Mr. Stewart, that

the better judgment would be to make these liabilities the same in all cases, and to use whatever you collect from this employer over here to take care of the necessary benefits to the children over here, but just how to get that from the legislature is the question. After all the compensation board must take what they can get from the legislature.

Mr. STEWART. Does not your law say that death is $6,000?

Mr. WILCOX. No; it says "Dependency, $6,000."

Mr. KINGSTON. There is one thing mentioned by Mr. Duxbury that we have come up against quite frequently. That is the case of the deaths of wealthy farmers' sons. There is no difficulty if it is a poor farmer and the boy has gone out to hire with somebody to help his folks at home. We have many of those cases, and there is no difficulty in establishing a reasonable dependency, but where a wealthy farmer has a number of sons and the boy, not because he must do it, but because he probably wants to have a little ready money, says to dad, "I will hire out some place and I will earn enough to buy a car," possibly, and he is killed in the venture. There is really no dependency at all that ought to be allowed in such a case.

Everybody knows that every wealthy farmer throughout the country, in the ordinary working out of his mind, is preparing to set John and George and Bill up in business, buy a farm, or give them an education, or something of that sort. They are dependents on dad until long after they are 21 years of age instead of dad and mother being dependent upon them. I do not believe that any dependency should be admitted in those cases.

There is another type of cases that I have a great deal of sympathy for, and we have had a good deal of difficulty in having it allowed. That is where comparatively poor, but very respectable people in the city wear their nails out seeking to give their only son an education at the university, and perhaps it is his last year. He goes out to earn a little money. He has never contributed a dollar at home, because the money has all been going the other way. But just as he is completing his university course, after having cost his father and mother perhaps $2,000 or $3,000 of hard-earned money that they could ill afford to spend, he is killed before he has ever contributed a dollar to their support. Their only dependency for the future was on that boy, whom they have educated, yet he has never contributed anything.

Now, I would very much like to be able to tell you that there was established a very substantial dependency, but under the terms of our law, and perhaps under the terms of your law, you have difficulty in finding that, because of the lack of the evidence of contribution in actual money or time during the period of a year or two or three prior to death.

Mr. DUXBURY. That is your common law training that makes you feel that way.

Mr. KINGSTON. Do you not feel yourself, Mr. Duxbury, that in the type of case which I mentioned last there is a real substantial dependency on the part of the parents because of the fact that the son whom they expected to support them in their later years has been lost?

Mr. STEWART. Would not your courts decide in such a case that they were investing for their own safety and support in the future?

Mr. KINGSTON. Our courts have no chance to get at it. It is for our board to decide, and there is no opportunity of getting such a question before the courts if it is a compensation board case.

Mr. STEWART. Why does not the board do it?

Mr. KINGSTON. As I said, we have difficulty in coming to the conclusion that there is such a case of dependency under such circumstances, because we have woven into our regulation a sort of feeling that there must be, before you can establish dependency, something in the way of contribution prior to the death.

Mr. STEWART. Are you absolutely bound by the atmosphere that you have created yourselves?

Mr. KINGSTON. No, I am not bound by it. I have mentioned my feeling, and I am not always supported by the board.

Doctor HATCH. I can not help but reiterate, Mr. Kingston, Mr. Stewart's question. Why does not your board take a good case, where you have a good, clean-cut example, make a finding of dependency, make an award, and write a decision that will set forth your whole theory of the case, and then see what your courts will do? That is what we sometimes do in New York.

Mr. KINGSTON. We do not succeed in getting to the court with our judgment.

Doctor HATCH. However, that was not what I wanted to suggest. I noted Mr. Duxbury feels that this exception of permitted dependency in death cases to persons who are disabled from earning by physical handicaps beyond the age of 18 years, and for which we justly provided in the New York law last year, is open to question.

It seems to me that the philosophy of the compensation law covers that as a proper arrangement, for this reason: We are all inclined to think of the compensation law in terms of the old liability law, that is laying a liability on employer A or employer B, or employer C. Now that is not the theory nor the principle of it.

The theory is that in the course of industry there is a certain amount of damage done by accidents, causing loss of earnings. Now that creates a problem. It is a social problem, and we have not said, "Now, we are going to tax industry to support that," but what we have really said, and it is what it really is in practice, is that we are going to tax the whole community that consumes the goods produced by society, to take care of that economic hardship situation.

If that is correct, that inures to these persons beyond 18 years who are physically handicapped and are already dependent upon the person who is killed. There is a situation of economic hardship created by this accident. Now why not apply the same remedy to that case, just as you do to the case of the widow or the minor children. Why not transfer and distribute it over the community as a whole, as a sound and economical way to take care of that social problem of hardship created, which may result in dependency or something worse?

Mr. DUXBURY. I have the greatest respect for the profound wisdom of my friend, Doctor Hatch, and it is almost presumptious for me to question any of his conclusions, but it does occur to me that if this doctrine were carried to its ultimate results it would take care of all of society's burdens and duties, no matter what form they may be, through the machinery of the compensation law, because it gets back to society, and there is no limit to justifying anything. It does seem to me that the theory that society pays eventually for all of these things, justifies putting on society, through the compensation laws, things that are entirely foreign to the purpose of the compensation laws.

I want to ask Mr. Wilcox if it is true that in his State they will not compensate children over 18 years of age who are physically or mentally handicapped from earning?

Mr. WILCOX. Our law gives to a child physically and mentally handicapped from earning, the same status as one under 18.

[The meeting adjourned.]

BUSINESS MEETING

Chairman, L. W. Hatch, New York State Industrial Board

The CHAIRMAN. The first item on the program is a report from the auditing committee.

REPORT OF AUDITING COMMITTEE

The auditing committee met at the close of the session on Wednesday afternoon, examined the treasurer's report and compared it with the evidences of receipts and disbursements, checked all vouchers, and determined that the balance on hand in the bank as of September 17, 1929, the date of the report, was $2,403.82. We report further that the records are well and carefully kept.

The records show that in addition to the bank balance we have permanent investments aggregating $3,700 in securities that have been listed.

With a balance of over $2,400 in the bank it appears to be safe to invest $1,000, and we recommend that such an investment be made unless the obligations which the association takes on later in this session indicate otherwise.

FRED M. WILCOX, *Chairman.*
F. W. ARMSTRONG.
W. H. HORNER.
ROWENA O. HARRISON.

[Report of auditing committee accepted.]

The CHAIRMAN. The next item is the report of the resolutions committee.

REPORT OF COMMITTEE ON RESOLUTIONS

Whereas the experience of several States, including especially the States of California, Connecticut, North Dakota, and Wisconsin, reliably indicates that the cost of including all occupational injuries and disabilities is insignificant, and would add not exceeding approximately 1 per cent to the present insurance cost of accident disabilities: Therefore be it

Resolved, That this association hereby recommends to the several States and Provinces the inclusion of all occupational injuries and disabilities in their compensation laws, and it does hereby place itself on record as favoring such legislation. [Adopted.]

Resolved, That the medical committee of the International Association of Industrial Accident Boards and Commissions be instructed to take such steps as they may deem prudent and find possible in the formulating of a detailed curriculum for medical colleges relating to the subject of industrial medical science, and that the treasurer be hereby authorized to pay the necessary expenses incurred in this work upon presentation of proper vouchers, not to exceed the sum of $500. [Adopted.]

Resolved, That the president be authorized to appoint a committee of three to study the problems involved in the estimating of permanent disabilities, and that such committee be authorized to expend not to exceed $500 in such study. [Adopted.]

Resolved, That we do hereby express our grateful appreciation of the many privileges and courtesies that the association and individual members thereof have enjoyed at this sixteenth annual meeting of the International Association of Industrial Accident Boards and Commissions held at Buffalo, N. Y., October 8–11, 1929. [Adopted.]

Resolved, further, That the thanks of this association be extended to the citizens of this convention city and State who have had part in providing for our welfare, instruction, and entertainment; to the numerous persons who have contributed valuable papers to the literature of our association; and especially to the gracious industrial commissioner of the Department of Labor of New York, Miss Frances Perkins, and those associated with her, for their many contributions to the enjoyment and success of this convention. [Adopted.]

F. A. DUXBURY, *Chairman.*
CLARENCE S. PIGGOTT.
CHARLES R. BLUNT.
LAWRENCE E. WORSTELL.
G. CLAY BAKER.

Mr. KINGSTON. I move that the incoming executive committee consider during the year the question of an increase in the appropriation for the clerical help in Mr. Stewart's office, and that the committee be empowered to make such increase as they think is wise.

[The motion was carried.]

[The report of the committee on nominations was presented and adopted. The list of officers elected will be found on page 327. Wilmington, Del., was chosen as the place of the next meeting, to be held September 22–26, 1930.]

[The convention adjourned.]

APPENDIXES

APPENDIX A.—OFFICERS AND MEMBERS OF COMMITTEES FOR 1929–30

President, Walter O. Stack, president Industrial Accident Board of Delaware.
Vice president, Parke P. Deans, Virginia Department of Labor and Industry.
Secretary-treasurer, Ethelbert Stewart, United States Commissioner of Labor Statistics.

EXECUTIVE COMMITTEE

Walter O. Stack, Delaware Industrial Accident Board.
Parke P. Deans, Virginia Department of Labor and Industry.
Ethelbert Stewart, United States Commissioner of Labor Statistics.
Frances Perkins, New York Department of Labor.
W. H. Horner, Pennsylvania Department of Labor and Industry.
William W. Kennard, Massachusetts Department of Labor and Industries.
Wellington T. Leonard, Ohio Industrial Commission.
Mrs. F. L. Roblin, Oklahoma State Industrial Commission.
Robert Taschereau, Quebec Workmen's Compensation Commission.

COMMITTEE ON STATISTICS AND COMPENSATION INSURANCE COST

Chairman, L. W. Hatch, New York Department of Labor.
Secretary, Ethelbert Stewart, United States Commisisoner of Labor Statistics.
F. W. Armstrong, Nova Scotia Workmen's Compensation Board.
Charles E. Baldwin, United States Assistant Commissioner of Labor Statistics.
Marie Brindell, Kansas Commission of Labor and Industry.
Charles A. Caine, Utah Industrial Commission.
E. I. Evans, Ohio Department of Industrial Relations.
O. A. Fried, Wisconsin Industrial Commission.
C. E. Gleason, Massachusetts Department of Industrial Accidents.
Sharpe Jones, Georgia Industrial Commission.
George A. Kingston, Ontario Workmen's Compensation Board.
William J. Maguire, Pennsylvania Department of Labor and Industries.
Howard B. Myers, Illinois Department of Labor.
Mrs. F. L. Roblin, Oklahoma Industrial Commission.
R. M. Van Dorn, Washington Department of Labor and Industries.

MEDICAL COMMITTEE

Chairman, G. H. Gehrmann, M. D., Wilmington, Del.
C. W. Roberts, M. D., Atlanta, Ga.
Nelson M. Black, M. D., Wisconsin.
Harley J. Gunderson, M. D., Minnesota.
J. D. Hackett, M. D., New York, N. Y.
Emery R. Hayhurst, M. D., Columbus, Ohio.
Robert H. Ivy, M. D., Philadelphia, Pa.
Maurice Kahn, M. D., California.
Robert H. Kehoe, M. D., Cincinnati, Ohio.
Henry H. Kessler, M. D., Trenton, N. J.
John J. Moorhead, M. D., New York, N. Y.
M. D. Morrison, M. D., Nova Scotia.
Frank L. Rector, M. D., Chicago, Ill.
Ralph T. Richards, M. D., Utah.
Henry Field Smyth, M. D., Philadelhpia, Pa.
C. H. Watson, M. D., New York, N. Y.
Robert W. Wilcox, M. D., Long Beach, Calif.

SAFETY COMMITTEE

Chairman, John Roach, New Jersey Department of Labor.
Vice chairman, R. B. Morley, Industrial Accident Prevention Association, Toronto.
Charles O. Beals, Maine.
L. W. Chaney, United States Bureau of Labor Statistics.
O. T. Fell, Republic Iron & Steel Co., Youngstown, Ohio.
James L. Gernon, New York Department of Labor.
Harry D. Immel, Pennsylvania.
Thomas P. Kearns, Ohio.
R. McA. Keown, Wisconsin.
Duncan McRae, Montana.
James E. Reagin, Indiana.

COMMITTEE ON INVESTIGATION OF RESULTS OF COMPENSATION AWARDS

Chairman, Ethelbert Stewart, United States Commissioner of Labor Statistics.
Secretary, W. H. Horner, Pennsylvania Department of Labor and Industries.
Robert E. Grandfield, Massachusetts.
Miss R. O. Harrison, Maryland State Industrial Accident Commission.

APPENDIX B.—CONSTITUTION OF THE INTERNATIONAL ASSOCIATION OF INDUSTRIAL ACCIDENT BOARDS AND COMMISSIONS

ARTICLE I

This organization shall be known as the International Association of Industrial Accident Boards and Commissions.

ARTICLE II—*Objects*

SECTION 1. This association shall hold meetings once a year, or oftener, for the purpose of bringing together the officials charged with the duty of administering the workmen's compensation laws of the United States and Canada to consider, and, so far as possible, to agree on standardizing (*a*) ways of cutting down accidents; (*b*) medical, surgical, and hospital treatment for injured workers; (*c*) means for the reeducation of injured workmen and their restoration to industry; (*d*) methods of computing industrial accident and sickness insurance costs; (*e*) practices in administering compensation laws; (*f*) extensions and improvements in workmen's compensation legislation; and (*g*) reports and tabulations of industrial accidents and illnesses.

SEC. 2. The members of this association shall promptly inform the United States Bureau of Labor Statistics and the Department of Labor of Canada of any amendments to their compensation laws, changes in membership of their administrative bodies, and all matters having to do with industrial safety, industrial disabilities, and compensation, so that these changes and occurrences may be noted in the Monthly Labor Review of the United States Bureau of Labor Statistics and in the Canadian Labor Gazette.

ARTICLE III.—*Membership*

SECTION 1. Membership shall be of two grades—active and associate.

SEC. 2. Active membership.—Each State of the United States and each Province of Canada having a workmen's compensation law, the United States Employees' Compensation Commission, the United States Bureau of Labor Statistics, and the Department of Labor of Canada shall be entitled to active membership in this association. Only active members shall be entitled to vote through their duly accredited delegates in attendance on meetings. Any person who has occupied the office of president or secretary of the association shall be ex officio an honorary life member of the association with full privileges.

SEC. 3. *Associate membership.*—Any organization or individual actively interested in any phase of workmen's compensation or social insurance may be admitted to associate membership in this association by vote of the executive committee. Associate members shall be entitled to attend all meetings and participate in discussion, but shall have no vote either on resolutions or for the election of officers in the association.

ARTICLE IV.—*Representation*

SECTION 1. Each active member of this association shall have one vote.

SEC. 2. Each active member may send as many delegates to the annual meeting as it may think fit.

SEC. 3. Any person in attendance at conferences of this association shall be entitled to the privileges of the floor, subject to such rules as may be adopted by the association.

ARTICLE V.—*Annual dues*

SECTION 1. Each active member shall pay annual dues of $50, except the United States Employees' Compensation Commission, the United States Bureau of Labor Statistics, and the Department of Labor of Canada, which shall be

exempt from the payment of annual dues: *Provided*, That the executive committee may, in its discretion, reduce the dues for active membership for those jurisdictions in which no appropriations are made available for such expenditures, making it necessary that the officials administering the law pay the annual dues out of their own pockets for the State.

SEC. 2. Associate members shall pay $10 per annum.

SEC. 3. Annual dues are payable any time after July 1, which date shall be the beginning of the fiscal year of the association. Dues must be paid before the annual meeting in order to entitle members to representation and the right to vote in the meeting.

ARTICLE VI.—*Meetings of the association*

SECTION 1. An annual meeting shall be held at a time to be designated by the association or by the executive committee. Special meetings may be called by the executive committee. Notices for special meetings must be sent out at least one month in advance of the date of said meetings.

SEC. 2. At all meetings of the association the majority vote cast by the active members present and voting shall govern, except as provided in Article X.

ARTICLE VII.—*Officers*

SECTION 1. Only officials having to do with the administration of a workmen's compensation law or bureau of labor may hold an office in this association, except as hereinafter provided.

SEC. 2. The association shall have a president, vice president, and secretary-treasurer.

SEC. 3. The president, vice president, and secretary-treasurer shall be elected at the annual meeting of the association and shall assume office at the last session of the annual meeting.

SEC. 4. If for any reason an officer of this association shall cease to be connected with any agency entitled to active membership before the expiration of his term, he may continue in office notwithstanding until the next annual meeting; but if for any reason a vacancy occurs in the office of president, the executive committee shall appoint his successor.

ARTICLE VIII.—*Executive committee*

SECTION 1. There shall be an executive committee of the association, which shall consist of the president, vice president, the retiring president, secretary-treasurer, and five other members elected by the association at the annual meeting.

SEC. 2. The duties of the executive committee shall be to formulate programs for all annual and other meetings and to make all needed arrangements for such meetings; to pass upon applications for associate membership; to fill all offices which may become vacant; and in general to conduct the affairs of the association during the intervals between meetings. The executive committee may also reconsider the decision of the last annual conference as to the next place of meeting and may change the place of meeting if it is deemed expedient.

ARTICLE IX.—*Quorum*

SECTION 1. The president or the vice president, the secretary-treasurer or his representative, and one other member of the executive committee shall constitute a quorum of that committee.

ARTICLE X—*Amendments*

This constitution or any clause thereof may be repealed or amended at any regularly called meeting of the association. Notice of any such changes must be read in open meeting on the first day of the conference, and all changes of which notice shall have thus been given shall be referred to a special committee, which shall report thereon at the last business meeting of the conference. No change in the constitution shall be made except by a two-thirds vote of the members present and voting.

APPENDIX C.—LIST OF PERSONS WHO ATTENDED THE SIXTEENTH ANNUAL MEETING OF THE INTERNATIONAL ASSOCIATION OF INDUSTRIAL ACCIDENT BOARDS AND COMMISSIONS, HELD AT BUFFALO, N. Y., OCTOBER 8–11, 1929

CANADA

Nova Scotia

F. W. Armstrong, vice chairman, workmen's compensation board, Halifax.

Ontario

Dr. J. M. Bremner, workmen's compensation board, Toronto.
George A. Kingston, commissioner, workmen's compensation board, Toronto.
R. B. Morley, general manager industrial accident prevention associations, Toronto.
J. F. H. Wyse, general manager Canadian National Safety League, Toronto.

Quebec

O. E. Sharpe, commissioner workmen's compensation commission, Quebec.

UNITED STATES

Arizona

William E. Hunter, commissioner industrial commission, Phoenix.

Connecticut

Albert J. Bailey, commissioner, board of compensation commissioners, Norwich.
Walter F. Dodd, Yale University School of Law, New Haven.
George S. Hubbard, Scovill Manufacturing Co., Waterbury.
J. M. Jackson, Aetna Life Insurance Co., Hartford.
Leo. J. Noonan, commissioner, board of compensation commissioners, Hartford.
Louis F. Petrunick, Hartford Accident Indemnity Co., Hartford.
F. M. Williams, chairman board of compensation commissioners, Waterbury.

Delaware

C. W. Dickey, E. I. du Pont de Nemours & Co., Wilmington.
Dr. G. H. Gehrmann, E. I. du Pont de Nemours & Co., Wilmington.
Robert K. Jones, industrial accident board, Wilmington.
Abel Klaw, E. I. du Pont de Nemours & Co., Wilmington.
James B. McManus, secretary industrial accident board, Wilmington.
Walter O. Stack, president industrial accident board, Wilmington.
Mrs. Walter O. Stack.
William J. Swain, industrial accident board, Wilmington.

District of Columbia

Charles E. Baldwin, assistant commissioner United States Bureau of Labor Statistics.
Mrs. Charles E. Baldwin.
Miss E. N. Matthews, United States Children's Bureau.

Miss Agnes L. Peterson, assistant director United States Women's Bureau.
Charles F. Sharkey, United States Bureau of Labor Statistics.
Ethelbert Stewart, Commissioner United States Bureau of Labor Statistics.
Mrs. Glenn L. Tibbott, United States Bureau of Labor Statistics.

Georgia

Sharpe Jones, secretary-treasurer, industrial commission, Atlanta.
H. L. Spahr, statistician industrial commission, Atlanta.
Hal M. Stanley, chairman industrial commission, Atlanta.

Idaho

Lawrence E. Worstell, chairman industrial accident board, Boise.

Illinois

R. R. Holden, Federal Mutual Liability Insurance Co., Chicago.
W. J. B. Janisch, Lumbermen's Mutual Casualty Co., Chicago.
Howard B. Myers, statistician department of labor, Chicago.
Clarence S. Piggott, chairman industrial commission, Chicago.

Kansas

G. Clay Baker, commissioner of labor and industry, Topeka.
Miss Marie Brindell, assistant secretary commission of labor and industry, Topeka.
R. C. Plyley, State insurance department, Topeka.
Wint Smith, commission of labor and industry, Topeka.

Maine

Donald D. Garcelon, chairman industrial accident commission, Augusta.
Earle L. Russell, commissioner industrial accident commission, Augusta.

Maryland

Albert E. Brown, secretary State industrial accident commission, Baltimore.
George Louis Eppler, member State industrial accident commission, Baltimore.
Miss R. O. Harrison, State industrial accident commission, Baltimore.
Miss Ethel Walker, Cumberland.

Massachusetts

William W. Kennard, chairman department of industrial accidents, Boston.

Michigan

John L. Lovett, Michigan Manufacturers Association, Detroit.

Minnesota

F. A. Duxbury, industrial commission, St. Paul.
Henry McColl, chairman industrial commission, St. Paul.
Miss Louise Schutz, industrial commission, St. Paul.

New Jersey

Charles R. Blunt, commissioner of labor, Trenton.
J. A. Burckel, vice president Du Pont Viscoloid Co., Glen Ridge.
Charles H. Weeks, deputy commissioner of labor, Trenton.

New York

Gunnar Anderson, department of labor, Buffalo.
Walter Anderson, Carpenters' Local No. 2236, New York City.

John B. Andrews, secretary American Association for Labor Legislation, New York City.
W. E. Armstrong, the Pullman Co., Buffalo.
Charles B. Ash, department of labor, New York City.
J. F. Ball, United States Steel Products Co., New York City.
Charles H. Bansler, Carpenters' Local No. 488, New York City.
L. A. Barrett, department of labor, Albany.
Dr. B. Robert Bass, industrial accident clinic, Buffalo.
Gertrude Becker, department of labor, Buffalo.
George L. Beckrich, department of labor, North Tonawanda.
Dr. Raymond G. Bell, department of labor, Buffalo.
Samuel G. Bell, Carpenters' Local No. 246, New York City.
John Bergler, 59 Dunham Avenue, Buffalo.
C. T. Bergstrom, Dahlstrom Metal Door Co., Jamestown.
Maj. Charles K. Blatchly, department of labor, Buffalo.
Maurice Bloch, minority leader, assembly, State of New York.
Erna A. Borrman, statistician, department of labor, Albany.
C. G. Branch, department of labor, New York City.
John W. Brennan, Carpenters' Local No. 298, Long Island City.
Harold C. Brooks, Hooker Electro Chemical Co., Niagara Falls.
A. T. Brown, Wickwire Spencer Steel Co., Buffalo.
Claire Brown, bureau of rehabilitation, Buffalo.
Henry P. Brown, department of labor, Rochester.
Margaret Buckley, Catholic charities, Buffalo.
Mrs. Maybelle Burke, department of labor, Buffalo.
William J. Burke, department of labor, New York City.
Mrs. Pauline Butler, department of labor, Buffalo.
Sarah A. Butts, charity organization society, Buffalo.
W. J. Callahan, Travelers Insurance Co., Buffalo.
John Campbell, Carpenters' Local No. 2305, Brooklyn.
D. I. Cantor, solicitor, State insurance fund, Buffalo.
E. J. Carberry, Royal Indemnity Co., New York City.
V. J. Castelli, Carpenters' Local No. 385, New York City.
R. E. Chetham, 373½ West First Street, Elmira.
J K. Clark, State industrial commission, Rochester.
William L. Clark, Carpenters' Local No. 246, New York City.
H. B. Cleaveland, Laverack & Haines, 122 Pearl Street, Buffalo.
William Collins, organizer, American Federation of Labor, New York City.
Frank M. Connor, New York State Council of Carpenters, Rochester.
W. J. Conroy, Aetna Life Insurance Co., Buffalo.
C. E. Corby, department of labor, 440 Gerrans Building, Buffalo.
Mrs. O. Corey, department of labor, Buffalo.
A. E. Crockett, manager industrial management council, chamber of commerce, Rochester.
Richard J. Cullen, chairman industrial board, department of labor, New York City.
Frances M. Culliton, Charity Organization Society, Buffalo.
Thomas J. Curtis, general manager, Building & Allied Trades Bureau, New York City.
Mark A. Daly, general secretary, Associated Industries, Buffalo.
George C. Daniels, department of labor, Albany.
Charles Denning, department of labor, New York City.
William A. Derner, department of labor, Buffalo.
W. H. Donahue, department of labor, Albany.
John J. Dooley, Plasterers' Local No. 60, New York City.
John F. Dowling, department of labor, Albany.
James K. Dudgeon, Bottlers & Drivers Union No. 345, Brooklyn.
E. W. Edwards, industrial board, department of labor, New York City.
P. G. Enser, Enser & Clauss, Buffalo.
W. R. Erskine, department of labor, Rochester.
George A. Essex, Plumbers' Local No. 1, Brooklyn.
Joseph Favasuli, department of labor, Buffalo.
F. C. Finner, Ocean Accident & Guaranty Corp. (Ltd.), Buffalo.
J. W. Fortenbaugh, Kaustine Co. (Inc.), Perry.
William H. Furman, department of labor, Albany.
Charles H. Gage, 605 Bird Avenue, Buffalo.

Mitchell B. Gallagher, Local No. 60, Plasterers' Union, New York City.
R. D. Gaskin, Courier-Express, Buffalo.
James L. Gernon, department of labor, New York City.
Alfred Gillert, Carpenter's Local No. 385, New York City.
J. E. Gilligan, State insurance fund, Buffalo.
Morris Goodman, Carpenters & Joiners of the United States of America, Local No. 1164, Brooklyn.
William J. Gorman, Associated Industries, Buffalo.
James A. Gosnell, Travelers Insurance Co., Buffalo.
Dr. C. T. Graham-Rogers, department of labor, New York City.
Dr. Homer J. Grant, 475 Virginia Street, Buffalo.
Louis Grant, 104 Warwick Avenue, Buffalo.
J. Copeland Gray, Honde Engineering Corp., Buffalo.
William J. Guilbert, chamber of commerce, Buffalo.
Bertha Gurtner, department of labor, Buffalo.
Arthur C. Hagen, American Mutual Liability Insurance Co., Buffalo.
Charles J. Hahn, department of labor, Buffalo.
Dr. Francis J. Haley, 733 Brisbane Building, Buffalo.
M. O. Halverstadt, Utica Mutual Insurance Co., Buffalo.
Dr. William H. Handel, 1476 Fillmore Street, Buffalo.
Charles W. Hanson, Carpenters' Local No. 257, New York City.
Elsie A. Harloff, department of labor, Buffalo.
J. P. Harsha, department of labor, Rochester.
L. W. Hatch, industrial board, New York City.
L. A. Havens, chief factory inspector, department of labor, New York City.
William Hoffman, Buffalo Forge Co., Buffalo.
John Holmann, department of labor, New York City.
J. W. Holmes, American Locomotive Co., Dunkirk.
Dr. P. H. Hourigan, Larkin Co. (Inc.), Buffalo.
Dr. L. A. Hulbert, department of labor, Buffalo.
Roger K. Humphrey, State insurance fund, Buffalo.
E. C. Humphreys, Hooker Electro Chemical Co., Niagara Falls.
Charles L. Hutson, Iron Workers' Local No. 40, New York City.
W. M. Irwin, department of labor, Buffalo.
E. D. Jackson, department of labor, Buffalo.
Rufus Jarnagin, bureau of rehabilitation, Buffalo.
James Johnston, R. F. Coleman (Inc.), Buffalo.
G. W. Jones, Painters and Decorators' Local No. 892, New York City.
William F. Jordan, department of labor, Buffalo.
Frances Jurkowitz, department of labor, New York City.
Samuel Kaltman, Aetna Life Insurance Co., New York City.
F. J. Kane, American Brass Co., Buffalo.
James J. Keating, Carpenters' Local No. 2236, New York City.
John J. Keating, State insurance fund, Buffalo.
Joseph P. Kelly, department of labor, Albany.
Sara Kerr, statistician, Buffalo Foundation, Buffalo.
H. G. King, Jamestown Mutual Insurance Co., Jamestown.
J. C. Kintz, United States Rubber Reclaiming Co. (Inc.), Buffalo.
Henry Klemm, department of labor, Buffalo.
Michael J. Klueg, department of labor, Albany.
Maurice Kohn, American Mutual Liability Insurance Co., Buffalo.
Margaret E. Kramer, department of labor, Buffalo.
N. M. Laidlaw, Sterling Salt Co., Cuylerville.
David Lang, carpenter, 910 Cortland Avenue, New York City.
Dr. A. J. Lanza, Metropolitan Life Insurance Co., New York City.
Mildred M. Lauder, statistician, department of labor, Albany.
R. M. Little, State bureau of rehabilitation, Buffalo.
P. H. Livermore, department of labor, Albany.
Clyde Llewelyn, Bliss and Laughlin (Inc.), Buffalo.
May P. Loretan, department of labor, Buffalo.
Michael Lucci, 33 Weber Street, Buffalo.
Dr. William S. Lynch, department of labor, Buffalo.
A. Maffera, United Brotherhood of Carpenters and Joiners of America, Local No. 1164, Brooklyn.
Miss Marguerite Marsh, National Consumers' League, New York City.
C. G. Marshall, Travelers Insurance Co., Buffalo.

John S. Matthews, Printers' Local No. 121, Long Island City.
Dr. May R. Mayers, department of labor, New York City.
Fred C. McCall, department of labor, Buffalo.
John W. McCracken, compensation bureau, Rochester.
James McDermott, Painters, Decorators, and Paper Hangers of America, Local No. 892, New York City.
George D. MacDonald, department of labor, Rochester.
Bernard A. McDonald, Bethlehem Steel Co., Lackawanna.
John N. McDowell, department of labor, Albany.
Mrs. Catherine McGrane, Women's Civic Club, Astoria, Long Island City.
Joseph McGrane, marble polisher, New York City.
Miss M. McMahon, department of labor, New York City.
G. W. McMein, department of labor, New York City.
Esther Midler, department of labor, New York City.
Mildred A. Miller, department of labor, Buffalo.
G. E. Minshull, DuPont Rayon Co., Buffalo.
H. A. Moore, Iron Workers' Local No. 361, Brooklyn.
Rose Morrison, Charity Organization Society, Buffalo.
D. M. Muckler, department of labor, Buffalo.
John D. Mueller, Evening News, Buffalo.
Thomas F. Murphy, Carpenters' Local No. 2236, New York City.
R. L. Neill, Bethlehem Steel Co., Lackawanna.
John J. Nilan, New York State Conference Operative Plasterers, New York City.
John T. O'Brien, State Council of Carpenters, 627 West Brighton Avenue, Syracuse.
Charles L. O'Connor, department of labor, Buffalo.
John M. O'Hanlon, secretary-treasurer, New York State Federation of Labor, Albany.
Theodora Olszenski, American Fellowship, Gerrans Building, Buffalo.
Miss G. Overmyer, department of labor, New York City.
Nina Panzica, Erie County Child Welfare, 134 West Eagle Street, Buffalo.
E. B. Patton, department of labor, New York City.
W. A. Patton, compensation bureau, Rochester.
John M. Pedley, Hooker Electro Chemical Co., Niagara Falls.
Maggie Percival, 423 Clay Avenue, Rochester.
William Percival, department of labor, Albany.
Frances Perkins, industrial commissioner, department of labor, New York City.
Matthew F. Phillips, department of labor, Buffalo.
Florence C. Pierce, executive secretary American Fellowship (Inc), Buffalo.
R. F. Platz, department of labor, Buffalo.
Mrs. R. F. Platz, department of labor, Buffalo.
R. C. Poole, Carborundum Co., Niagara Falls.
C. E. Rector, bureau of rehabilitation, Buffalo.
Frank E. Redmond, Associated Industries, 703 Iroquois Building, Buffalo.
P. E. Reynolds, Sterling Salt Co., Cuylerville.
Charles L. Rienzo, Rome Brass & Copper Co., Rome.
James O. Robinson, 818 Sixteenth Street, Niagara Falls.
George J. Rooney, Plumbers' Local No. 1, Brooklyn.
P. Rosenbloom, department of labor, Buffalo.
G. B. Runyan, department of labor, Albany.
Louis Schilling, Carpenters' Local No. 353, Rockaway Beach.
Emma R. Schottin, department of labor, Buffalo.
Dr. Joseph Sesansky, 200 Lafayette Building, Buffalo.
Patrick Shea, department of labor, Albany.
F. T. Sheldon, department of labor, Buffalo.
Elizabeth D. Siehl, department of labor, Buffalo.
Florence M. Siehl, department of labor, Buffalo.
A. Z. Skelding, National Council on Compensation Insurance, New York City.
Charles G. Smith, manager New York State Insurance Fund, New York City.
E. E. Smith, department of labor, Buffalo.
Sydney J. Smith, department of labor, New York City.
K. M. Stall, department of labor, Buffalo.
M. H. Stearns, Donner Steel Co. (Inc.), Buffalo.
W. H. Stebbins, Bethlehem Steel Co., Lackawanna.
H. G. Stevens, D. & H. Co., Albany.

A. W. Stoyell, department of labor, Albany.
Mildred Stroehlein, department of labor, Buffalo.
Ellen M. Sullivan, department of labor, Buffalo.
Henry J. O. Sullivan, Carpenters' Local No. 366, New York City.
Miss Nellie Swartz, industrial board, department of labor, New York City.
Pascal G. Tesi, department of labor, Buffalo.
Mabel L. Todd, National Biscuit Co., Buffalo.
Margaret Valvo, Catholic Charities, Buffalo.
Mildred G. Vermilya, Charity Organization Society, Buffalo.
Louis E. Volz, Aluminum Co. of America, Massena.
George C. Ward, department of labor, New York City.
Dr. Roland Wear, American Car & Foundry Co., New York City.
Gertrude N. Weber, National Biscuit Co., Buffalo.
Philip J. Weidner, Millwrights' local No. 740, Long Island City.
Mrs. Philip J. Weidner.
William G. Wheeler, Building Trades Employers' Association, New York City.
Daniel Widdi, Burns Bros., 27 Williams Street, New York City.
Clarence Wigle, Niagara Alkali Co., Niagara Falls.
Frank Williams, Carpenters' Local No. 246, New York City.
A. F. Williamson, secretary workmen's compensation, Gerrans Building, Buffalo.
E. A. Willoughby, Travelers Insurance Co., New York City.
G. P. Wilson, Columbia Casualty Co., Buffalo.
R. E. Wilson, department of labor, Buffalo.
George J. Winkle, department of labor, Buffalo.
W. S. Wollaver, department of labor, Albany.
William E. Yeomans, Merchants' Association of New York, New York City.
Albert Young, Local No. 2305, 608 St. Marks Avenue, Brooklyn.
Maxwell J. Zboralski, department of labor, Buffalo.
V. A. Zimmer, department of labor, New York City.
Franklin L. Zimmerman, J. Gordon Smith Co. (Inc.), Rome.

North Carolina

Matt H. Allen, chairman industrial commission, Raleigh.
J. Dewey Dorsett, commissioner industrial commission, Raleigh.
E. W. Price, secretary industrial commission, Raleigh.

North Dakota

S. S. McDonald, commissioner workmen's compensation bureau, Bismarck.

Ohio

C. C. Beasor, chief statistician industrial commission, Columbus.
W. T. Blake, director department of industrial relations, Columbus.
E. I. Evans, actuary industrial commission, Columbus.
O. T. Fell, solicitor, Republic Iron & Steel Co., Youngstown.
J. H. P. Hazard, Central Railroad Co. of New Jersey, Cleveland.
Ross Hedges, industrial commission, Columbus.
Miss E. Layman, Master Reporting Co., Cleveland.
Wellington T. Leonard, chairman, industrial commission, Columbus.
Mrs. Wellington T. Leonard.
Dr. W. E. Obetz, industrial commission, Columbus.
E. E. Watson, consulting actuary, Columbus.
Mrs. E. E. Watson.

Oklahoma

I. K. Huber, Empire Companies, Bartlesville.
Mrs. F. L. Roblin, member State industrial commission, Oklahoma City.

Oregon

W. H. Fitzgerald, member, State industrial accident commission, Salem.

Pennsylvania

G. J. Gebhardt, president G. J. Gebhardt Coal & Coke Co., Erie.
W. H. Horner, department of labor and industry, Harrisburg.
Walter Linn, secretary Pennsylvania Self Insurers Association, Philadelphia.
John Ryan, Hanover Hotel, Philadelphia.
C. N. Shultz, Mine Safety Appliances Co., Pittsburgh.

Utah

William M. Knerr, chairman industrial commission, Salt Lake City.

Virginia

Parke P. Deans, commissioner industrial commission, Richmond.
W. L. Robinson, industrial commission, Richmond.
Mrs. W. L. Robinson.

West Virginia

Dr. Russel Kessel, workmen's compensation department, Charleston.
Charles D. Smith, secretary workmen's compensation department, Charleston.

Wisconsin

A. J. Altmeyer, secretary industrial commission, Madison.
Maud Swett, industrial commission, Milwaukee.
Fred M. Wilcox, chairman industrial commission, Madison.

Wyoming

Charles B. Morgan, deputy State treasurer, Cheyenne.

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LIST OF BULLETINS OF THE BUREAU OF LABOR STATISTICS

The following is a list of all bulletins of the Bureau of Labor Statistics published since July, 1912, except that in the case of bulletins giving the results of periodic surveys of the bureau only the latest bulletin on any one subject is here listed.

A complete list of the reports and bulletins issued prior to July, 1912, as well as the bulletins published since that date, will be furnished on application. Bulletins marked thus (*) are out of print.

Conciliation and Arbitration (including strikes and lockouts).

*No. 124. Conciliation and arbitration in the building trades of Greater New York. [1913.]
*No. 133. Report of the industrial council of the British Board of Trade on its inquiry into industrial agreements. [1913.]
No. 139. Michigan copper district strike. [1914.]
*No. 144. Industrial court of the cloak, suit, and skirt industry of New York City. [1914.]
*No. 145. Conciliation, arbitration, and sanitation in the dress and waist industry of New York City. [1914.]
*No. 191. Collective bargaining in the anthracite-coal industry. [1916.]
*No. 198. Collective agreements in the men's clothing industry. [1916.]
No. 233. Operation of the industrial disputes investigation act of Canada. [1918.]
No. 255. Joint industrial councils in Great Britain. [1919.]
No. 283. History of the Shipbuilding Labor Adjustment Board, 1917 to 1919.
No. 287. National War Labor Board: History of its formation, activities, etc. [1921.]
*No. 303. Use of Federal power in settlement of railway labor disputes. [1922.]
No. 341. Trade agreement in the silk-ribbon industry of New York City. [1923.]
No. 402. Collective bargaining by actors. [1926.]
No. 468. Trade agreements, 1927.
No. 481. Joint industrial control in the book and job printing industry. [1928.]

Cooperation.

No. 313. Consumers' cooperative societies in the United States in 1920.
No. 314. Cooperative credit societies (credit unions) in America and in foreign countries. [1922.]
No. 437. Cooperative movement in the United States in 1925 (other than agricultural).

Employment and Unemployment.

*No. 109. Statistics of unemployment and the work of employment offices. [1913.]
No. 172. Unemployment in New York City, N. Y. [1915.]
*No. 183. Regularity of employment in the women's ready-to-wear garment industries. [1915.]
*No. 195. Uemployment in the United States. [1916.]
No. 196. Proceedings of the Employment Managers' Conference held at Minneapolis, Minn., January 19 and 20, 1916.
*No. 202. Proceedings of the conference of Employment Managers' Association of Boston, Mass., held May 10, 1916.
No. 206. The British system of labor exchanges. [1916.]
*No. 227. Proceedings of the Employment Managers' Conference, Philadelphia, Pa., April 2 and 3, 1917.
No. 235. Employment system of the Lake Carriers' Association. [1918.]
*No. 241. Public employment offices in the United States. [1918.]
No. 247. Proceedings of Employment Managers' Conference, Rochester, N. Y., May 9–11, 1918.
*No. 310. Industrial unemployment: A statistical study of its extent and causes. [1922.]
No. 409. Unemployment in Columbus, Ohio, 1921 to 1925.

Foreign Labor Laws.

*No. 142. Administration of labor laws and factory inspection in certain European countries. [1914.]
No. 494. Labor legislation of Uruguay. [1929.]
No. 510. Labor legislation of the Argentine Republic. [1930] (In press.)

Housing.

*No. 158. Government aid to home owning and housing of working people in foreign countries. [1914.]
No. 263. Housing by employers in the United States. [1920.]
No. 295. Building operations in representative cities in 1920.
No. 500. Building permits in the principal cities of the United States in [1921 to] 1928.

Industrial Accidents and Hygiene.

*No. 104. Lead poisoning in potteries, tile works, and porcelain enameled sanitary ware factories. [1912.]
No. 120. Hygiene of painters' trade. [1913.]
*No. 127. Dangers to workers from dust and fumes, and methods of protection. [1913.]
*No. 141. Lead poisoning in the smelting and refining of lead. [1914.]
*No. 157. Industrial accident statistics. [1915.]
*No. 165. Lead poisoning in the manufacture of storage batteries. [1914.]
*No. 179. Industrial poisons used in the rubber industry. [1915.]
No. 188. Report of British departmental committee on the danger in the use of lead in the painting of buildings. [1916.]
*No. 201. Report of the committee on statistics and compensation insurance cost of the International Association of Industrial Accident Boards and Commissions. [1916.]
*No. 209. Hygiene of the printing trades. [1917.]
*No. 219. Industrial poisons used or produced in the manufacture of explosives. [1917.]
No. 221. Hours, fatigue, and health in British munition factories. [1917.]
No. 230. Industrial efficiency and fatigue in British munition factories. [1917.]
*No. 231. Mortality from respiratory diseases in dusty trades (inorganic dusts). [1918.]
*No. 234. Safety movement in the iron and steel industry, 1907 to 1917.
No. 236. Effects of the air hammer on the hands of stonecutters. [1918.]
No. 249. Industrial health and efficiency. Final report of British Health of Munition Workers' Committee. [1919.]
No. 251. Preventable death in the cotton-manufacturing industry. [1919.]
No. 256. Accidents and accident prevention in machine building. [1919.]
No. 267. Anthrax as an occupational disease. [1920.]
No. 276. Standardization of industrial accident statistics. [1920.]
No. 280. Industrial poisoning in making coal-tar dyes and dye-intermediates. [1921.]
*No. 291. Carbon-monoxide poisoning. [1921.]
No. 293. The problem of dust phthisis in the granite-stone industry. [1922.]
No. 298. Causes and prevention of accidents in the iron and steel industry, 1910–1919.
No. 306. Occupational hazard and diagnostic signs: A guide to impairments to be looked for in hazardous occupations. [1922.]
No. 392. Survey of hygienic conditions in the printing trades. [1925.]
No. 405. Phosphorus necrosis in the manufacture of fireworks and in the preparation of phosphorus. [1926.]
No. 427. Health survey of the printing trades, 1922 to 1925.
No. 428. Proceedings of the Industrial Accident Prevention Conference, held at Washington, D. C., July 14–16, 1926.
No. 460. A new test for industrial lead poisoning. [1928.]
No. 466. Settlement for accidents to American seamen. [1928.]
No. 488. Deaths from lead poisoning, 1925–1927.
No. 490. Statistics of industrial accidents in the United States to the end of 1927.
No. 507. Causes of death by occupation. [1929.]

Industrial Relations and Labor Conditions.

No. 237. Industrial unrest in Great Britain. [1917.]
No. 340. Chinese migrations, with special reference to labor conditions. [1923.]
No. 349. Industrial relations in the West Coast lumber industry. [1923.]

Industrial Relations and Labor Conditions—Continued.

No. 361. Labor relations in the Fairmont (W. Va.) bituminous-coal field. [1924.]
No. 380. Postwar labor conditions in Germany. [1925.]
No. 383. Works council movement in Germany. [1925.]
No. 384. Labor conditions in the shoe industry in Massachusetts, 1920–1924.
No. 399. Labor relations in the lace and lace-curtain industries in the United States. [1925.]

Labor Laws of the United States (including decisions of courts relating to labor).

No. 211. Labor laws and their administration in the Pacific States. [1917.]
No. 229. Wage-payment legislation in the United States. [1917.]
No. 285. Minimum-wage laws of the United States: Construction and operation. [1921.]
No. 321. Labor laws that have been declared unconstitutional. [1922.]
No. 322. Kansas Court of Industrial Relations. [1923.]
No. 343. Laws providing for bureaus of labor statistics, etc. [1923.]
No. 370. Labor laws of the United States, with decisions of courts relating thereto. [1925.]
No. 408. Laws relating to payment of wages. [1926.]
No. 444. Decisions of courts and opinions affecting labor, 1926.
No. 486. Labor legislation of 1928.

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No. 266. Seventh, Seattle, Wash., July 12–15, 1920.
No. 307. Eighth, New Orleans, La., May 2–6, 1921.
No. 323. Ninth, Harrisburg, Pa., May 22–26, 1922.
*No. 352. Tenth, Richmond, Va., May 1–4, 1923.
*No. 389. Eleventh, Chicago, Ill., May 19–23, 1924.
*No. 411. Twelfth, Salt Lake City, Utah, August 13–15, 1925.
No. 429. Thirteenth, Columbus, Ohio, June 7–10, 1926.
*No. 455. Fourteenth, Paterson, N. J., May 31 to June 3, 1927.
No. 480. Fifteenth, New Orleans, La., May 21–24, 1928.
No. 508. Sixteenth, Toronto, Canada, June 4–7, 1929.

Proceedings of Annual Meetings of the International Association of Industrial Accident Boards and Commissions.

No. 210. Third, Columbus, Ohio, April 25–28, 1916.
No. 248. Fourth, Boston, Mass., August 21–25, 1917.
No. 264. Fifth, Madison, Wis., September 24–27, 1918.
*No. 273. Sixth, Toronto, Canada, September 23–26, 1919.
No. 281. Seventh, San Francisco, Calif., September 20–24, 1920.
No. 304. Eighth, Chicago, Ill., September 19–23, 1921.
No. 333. Ninth, Baltimore, Md., October 9–13, 1922.
*No. 359. Tenth, St. Paul, Minn., September 24–26, 1923.
No. 385. Eleventh, Halifax, Nova Scotia, August 26–28, 1924.
No. 395. Index to proceedings, 1914–1924.
No. 406. Twelfth, Salt Lake City, Utah, August 17–20, 1925.
No. 432. Thirteenth, Hartford, Conn., September 14–17, 1926.
*No. 456. Fourteenth, Atlanta, Ga., September 27–29, 1927.
No. 485. Fifteenth, Paterson, N. J., September 11–14, 1928.

Proceedings of Annual Meetings of the International Association of Public Employment Services.

No. 192. First, Chicago, December 19 and 20, 1913; second, Indianapolis, September 24 and 25, 1914; third, Detroit, July 1 and 2, 1915.
No. 220. Fourth, Buffalo, N. Y., July 20 and 21, 1916.
No. 311. Ninth, Buffalo, N. Y., September 7–9, 1921.
No. 337. Tenth, Washington, D. C., September 11–13, 1922.
No. 355. Eleventh, Toronto, Canada, September 4–7, 1923.
No. 400. Twelfth, Chicago, Ill., May 19–23, 1924.
No. 414. Thirteenth, Rochester, N. Y., September 15–17, 1925.
No. 478. Fifteenth, Detroit, Mich., October 25–28, 1927.
No. 501. Sixteenth, Cleveland, Ohio, September 18–21, 1928.

Productivity of Labor.

No. 356. Productivity costs in the common-brick industry. [1924.]
No. 360. Time and labor costs in manufacturing 100 pairs of shoes, 1923.

Productivity of Labor—Continued.

No. 407. Labor cost of production and wages and hours of labor in the paper boxboard industry. [1926.]
No. 412. Wages, hours, and productivity in the pottery industry, 1925.
No. 441. Productivity of labor in the glass industry. [1927.]
No. 474. Productivity of labor in merchant blast furnaces. [1928.]
No. 475. Productivity of labor in newspaper printing. [1929.]

Retail Prices and Cost of Living.

*No. 121. Sugar prices, from refiner to consumer. [1913.]
*No. 130. Wheat and flour prices, from farmer to consumer. [1913.]
*No. 164. Butter prices, from producer to consumer. [1914.]
No. 170. Foreign food prices as affected by the war. [1915.]
No. 357. Cost of living in the United States. [1924.]
No. 369. The use of cost-of-living figures in wage adjustments. [1925.]
No. 495. Retail prices, 1890 to 1927.

Safety Codes.

*No. 331. Code of lighting: Factories, mills, and other work places.
No. 336. Safety code for the protection of industrial workers in foundaries.
No. 350. Specifications of laboratory tests for approval of electric headlighting devices for motor vehicles.
*No. 351. Safety code for the construction, care, and use of ladders.
No. 375. Safety code for laundry machinery and operations.
No. 378. Safety code for woodworking plants.
No. 382. Code of lighting school buildings.
No. 410. Safety code for paper and pulp mills.
No. 430. Safety code for power presses and foot and hand presses.
No. 433. Safety codes for the prevention of dust explosions.
No. 436. Safety code for the use, care and protection of abrasive wheels.
No. 447. Safety code for rubber mills and calenders.
No. 451. Safety code for forging and hot-metal stamping.
No. 463. Safety code for mechanical power-transmission apparatus—first revision.
No. 509. Textile safety code.

Vocational and Workers' Education.

*No. 159. Short-unit courses for wage earners, and a factory school experiment. [1915.]
*No. 162. Vocational education survey of Richmond, Va. [1915.]
*No. 199. Vocational education survey of Minneapolis, Minn. [1917.]
No. 271. Adult working-class education in Great Britain and the United States. [1920.]
No. 459. Apprenticeship in building construction. [1928.]

Wages and Hours of Labor.

*No. 146. Wages and regularity of employment and standardization of piece rates in the dress and waist industry of New York City. [1914.]
*No. 147. Wages and regularity of employment in the cloak, suit, and skirt industry [1914.]
No. 161. Wages and hours of labor in the clothing and cigar industries, 1911 to 1913.
No. 163. Wages and hours of labor in the building and repairing of steam railroad cars, 1907 to 1913.
*No. 190. Wages and hours of labor in the cotton, woolen, and silk industries, 1907 to 1914.
No. 204. Street-railway employment in the United States. [1917.]
No. 225. Wages and hours of labor in the lumber, millwork, and furniture industries, 1915.
No. 265. Industrial survey in selected industries in the United States, 1919.
No. 297. Wages and hours of labor in the petroleum industry, 1920.
No. 356. Productivity costs in the common-brick industry. [1924.]
No. 358. Wages and hours of labor in the automobile-tire industry, 1923.
No. 360. Time and labor costs in manufacturing 100 pairs of shoes, 1923.
No. 365. Wages and hours of labor in the paper and pulp industry, 1923.
No. 394. Wages and hours of labor in metalliferous mines, 1924.
No. 407. Labor costs of production and wages and hours of labor in the paper boxboard industry. [1926.]
No. 412. Wages, hours, and productivity in the pottery industry, 1925.

Wages and Hours of Labor—Continued.

No. 416. Hours and earnings in anthracite and bituminous coal mining, 1922 and 1924.
No. 435. Wages and hours of labor in the men's clothing industry, 1911 to 1926.
No. 442. Wages and hours of labor in the iron and steel industry, 1907 to 1926.
No. 454. Hours and earnings in bituminous-coal mining, 1922, 1924, and 1926.
No. 471. Wages and hours of labor in foundries and machine shops, 1927.
No. 472. Wages and hours of labor in the slaughtering and meat-packing industry, 1927.
No. 476. Union scales of wages and hours of labor, 1927. [Supplement to Bulletin 457.]
No. 482. Union scales of wages and hours of labor, May 15, 1928.
No. 484. Wages and hours of labor of common street laborers, 1928.
No. 487. Wages and hours of labor in woolen and worsted goods manufacturing, 1910 to 1928.
No. 492. Wages and hours of labor in cotton-goods manufacturing, 1910 to 1928.
No. 497. Wages and hours of labor in the lumber industry in the United States, 1928.
No. 498. Wages and hours of labor in the boot and shoe industry, 1910 to 1928.
No. 499. History of wages in the United States from colonial times to 1928.
No. 502. Wages and hours of labor in the motor-vehicle industry, 1928.
No. 503. Wages and hours of labor in the men's clothing industry, 1911 to 1928.
No. 504. Wages and hours of labor in the hosiery and underwear industries, 1907 to 1928.

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*No. 123. Employers' welfare work. [1913]
No. 222. Welfare work in British munitions factories. [1917.]
*No. 250. Welfare work for employees in industrial establishments in the United States. [1919.]
No. 458. Health and recreation activities in industrial establishments, 1926.

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No. 284. Index numbers of wholesale prices in the United States and foreign countries. [1921.]
No. 453. Revised index numbers of wholesale prices, 1923 to July, 1927.
No. 493. Wholesale prices, 1913 to 1928.

Women and Children in Industry.

No. 116. Hours, earnings, and duration of employment of wage-earning women in selected industries in the District of Columbia. [1913.]
*No. 117. Prohibition of night work of young persons. [1913.]
*No. 118. Ten-hour maximum working-day for women and young persons. [1913.]
No. 119. Working hours of women in the pea canneries of Wisconsin. [1913.]
*No. 122. Employment of women in power laundries in Milwaukee. [1913.]
*No. 160. Hours, earnings, and conditions of labor of women in Indiana mercantile establishments and garment factories. [1914.]
*No. 167. Minimum-wage legislation in the United States and foreign countries. [1915.]
*No. 175. Summary of the report on conditions of women and child wage earners in the United States. [1915.]
*No. 176. Effect of minimum-wage determinations in Oregon. [1915.]
*No. 180. The boot and shoe industry in Massachusetts as a vocation for women. [1915.]
*No. 182. Unemployment among women in department and other retail stores of Boston, Mass. [1916.]
No. 193. Dressmaking as a trade for women in Massachusetts. [1916.]
No. 215. Industrial experience of trade-school girls in Massachusetts. [1917.]
*No. 217. Effect of workmen's compensation laws in diminishing the necessity of industrial employment of women and children. [1918.]
*No. 223. Employment of women and juveniles in Great Britain during the war. [1917.]
No. 253. Women in the lead industries. [1919.]

Workmen's Insurance and Compensation (including laws relating thereto).

*No. 101. Care of tuberculous wage earners in Germany. [1912.]
*No. 102. British national insurance act, 1911.

Workmen's Insurance and Compensation—Continued.

No. 103. Sickness and accident insurance law in Switzerland. [1912.]
No. 107. Law relating to insurance of salaried employees in Germany. [1913.]
*No. 155. Compensation for accidents to employees of the United States. [1914.]
*No. 212. Proceedings of the conference of social insurance called by the International Association of Industrial Accident Boards and Commissions, Washington, D. C., December 5–9, 1916.
*No. 243. Workmen's compensation legislation in the United States and foreign countries, 1917 and 1918.
No. 301 Comparison of workmen's compensation insurance and administration. [1922.]
No. 312. National health insurance in Great Britain, 1911 to 1921.
No. 379. Comparison of workmen's compensation laws of the United States as of January 1, 1925.
No. 477. Public-service retirement systems, United States and Europe. [1929.]
No. 496. Workmen's compensation legislation of the United States and Canada as of January, 1929. (With text of legislation enacted in 1927 and 1928.)

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*No. 174. Subject index of the publications of the United States Bureau of Labor Statistics up to May 1, 1915.
No. 208. Profit sharing in the United States. [1916.]
No. 242. Food situation in central Europe, 1917.
No. 254. International labor legislation and the society of nations. [1919.]
No. 268. Historical survey of international action affecting labor. [1920.]
No. 282. Mutual relief associations among Government employees in Washington, D. C. [1921.]
No. 299. Personal research agencies: A guide to organized research in employment management, industrial relations, training, and working conditions. [1921.]
No. 319. The Bureau of Labor Statistics: Its history, activities, and organization. [1922.]
No. 326. Methods of procuring and computing statistical information of the Bureau of Labor Statistics. [1923.]
No. 342. International Seaman's Union of America: A study of its history and problems. [1923.]
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No. 372. Convict labor in 1923.
No. 386. Cost of American almshouses. [1925.]
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No. 401. Family allowances in foreign countries. [1926.]
No. 461. Labor organization in Chile. [1928.]
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No. 465. Beneficial activities of American trade-unions. [1928.]
No. 479. Activities and functions of a State department of labor. [1928.]
No. 483. Conditions in the shoe industry in Haverhill, Mass., 1928.
No. 489. Care of aged persons in United States. [1929.]
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