

FARMERS' RELATION TO COMPENSATION LAW

(Continued from 1st page)

classes of injury, there are no two of them which are alike, and many of the laws, while in operation only a short time, have already demonstrated that they are either failures from the standpoint of being either impracticable or unconstitutional.

The Oregon compensation act does not follow any successful act of which there is any record, either from an underwriting or legal standpoint, but does retain in parts some of the attractive features of many acts. Even the most friendly advocates of compensation are convinced that there are many important defects which in the aggregate are likely to operate against its general acceptance or successful operation.

First, the act applies to hazardous operations which are enumerated under Section 13, and no mention is made of agricultural interests and neither are they described in any sense which would admit of their being classed as hazardous or semi-hazardous occupations, yet the liability of a farmer is indirectly increased and his taxes unquestionably raised by the operation of this act.

Second, Section 3 of the act provides for the appointment of a commission of three by the governor, with total annual salaries of \$10,800, who are to serve for the purpose of administering the act. Section 6 provides that this commission may employ such assistants, experts and clerks as may be necessary at an expense not to exceed \$25,000 per annum. Section 20 provides for an automatic appropriation out of state funds, raised by general taxation or an amount equal to one-half of one per cent on all wages paid by employers engaged in operations defined as hazardous. In other words, assuming for the purpose of illustration that the hazardous occupations as enumerated in Section 13 represent a total annual payroll in the state of \$40,000,000, the amount which the general public would be taxed for would be equivalent to \$200,000, all of which would be used for the purpose of defraying the cost of administration of compensation to employers classed as hazardous, and although the farmer receives no benefit he is taxed to support the cost of administration in connection with the payment of indemnities to employes of employers who are classed as hazardous.

Third, the farmer and owner of real estate other than manufacturers or employers who are engaged in hazardous operations are confronted with increased burdens other and apart from the tax, for the reason that they are exposed to a greater liability and consequent claims and litigation in event of injuries to any of their employes than ever existed heretofore, by virtue of the settlement or influence created as a result of every employe engaged in hazardous occupations receiving definite indemnity for every accident regardless of the question of fault.

Fourth, the owners of city real estate, farms and fruit lands and small homes are generally opposed to being taxed for the benefit of manufacturing industries or large operators, where the returns on the investment are much greater than represented by the returns on real estate investments. Furthermore, there is a general prejudice from a tax-paying standpoint against all forms of legislation which proposes to encourage the further enlargement of the administrative functions of the state at public expense on the ground that there is less efficiency and

greater extravagance involved under such procedure and that such a system is subject to the varying control of whichever political party that happens to be in power.

Everyone admits that compensation for all classes of industrial accidents is a desirable basis to be reached, but the best authorities are of the opinion that the question of fault must be eliminated entirely (which is not the case in the Oregon act), with exception of accidents which are self-inflicted or due to intoxication. If public sentiment is solely responsible for the demand for this reform movement, rather than the scheming politicians who hope to increase the number of offices available, why not place the burdens created by the operation of compensation acts squarely on the consumer at its full cost? This principle has been incorporated in those states that offer the most successful illustrations of compensation for industrial accidents. The New Jersey law, which has been in force twenty-seven months and is admittedly giving the most satisfactory results in the country, is simple compensation with the questions of insurance and administration left entirely open and every employer being under the same burden, the consumer pays the increase in cost of production. Their law, while elective, applies to all classes of industries, both hazardous and non-hazardous, including farmers and household domestics, and operations of every description. Whether an employer insures the burdens created by the operation of the act, or carries his own risk, is a matter left entirely to his own discretion. The English act in these features is similar to the New Jersey, all of which demonstrates beyond dispute that successful compensation laws are far removed from necessity of becoming a part of our political system, and that a compensation law in order to be successful does not mean annihilation of private companies and competition resulting therefrom, or the establishment of a state monopoly as is provided for in the Oregon act.

Section 25 of the Oregon act provides that if the commission hold that an injury is due by failure of the employer to install or retain any safety appliance, device or safeguard required by statute, that the workman may sue his employer and in that event he waives his right to compensation. Section 22 provides that any person aggrieved at the decision of the commission may appeal to the nearest circuit court and have his case reviewed and that the right of appeal is saved to the injured party even to the supreme court.

Unprejudiced observers, who represent the best authority on the legal aspect of these sections, have claimed and submitted the most convincing evidence that these privileges under a compensation act are fatal defects for the reason that an employer, who operates under such provisions of the law and who ordinarily would expect absolute immunity from litigation after having paid the state a definite amount for the purpose of meeting all claims arising, finds that he is still exposed to the possibilities of litigation in the more serious accidents, having in mind that there is no standardization of machinery or mechanical equipment and that nine-tenths of the litigation of the past has been due to allegations as to what was safe or unsafe. The New Jersey, Massachusetts and Michigan laws are all elective and they eliminate the question of fault entirely with the exception of accidents which are self-inflicted or due to intoxication. They provide that a fixed and definite amount of indemnity should be paid for all classes of injury with the above exceptions, and that this payment shall be the exclusive remedy. The New Jersey act applies to all classes of employers, while Massachusetts, Michigan and most of the more recent legislation excludes

farm laborers and household domestics from the benefits of the operations of the various acts, but on the other hand such states do not impose a tax on the employing farmer or the owner of homes to support the expense of administering compensation for the benefit of the employers who operate under it. While the New Jersey act does not designate, as before stated, any method of insurance or of administration, the laws of Massachusetts, Michigan, Minnesota, Iowa and Nebraska all provide compensation and at the same time offer the employer a choice of several methods of insurance, having in mind the fact that, in as much as the entire burden is thrown on the consuming public, the employer should have as wide a latitude as possible in selecting that form of insurance which will appeal to him as most efficient, economical and adapted to his industry. The methods of insurance provided for in these various state acts have in mind at all times the absolute certainty of payment to the injured party without litigation or mediation on the part of lawyers, which is as it should be.

It is clearly apparent that the conclusions arrived at by those responsible for such laws as New Jersey, Massachusetts, Michigan, and elsewhere, were based on the theory that competition is just as essential in the operation of compensation laws as long as payment of fixed amounts is assured as any other feature which might be enumerated as a part of the cost of industrial operations, and that there is absolutely no defense for a monopoly in favor of any one method.

Nowadays the tendency of all legislation is both socialistic or paternalistic, and the inspiration for much of this is due to European conditions and the general discontent and demand of labor and the unemployed, and as a consequence there has been a gradual assumption by the state of the administrative functions heretofore performed by private organizations. Socialistic forces are responsible for a widespread sentiment to provide against charity or pauperism, as is illustrated by sick and accident insurance, old age and widows' pensions, insurance against loss of employment, minimum wages and maximum hours of employment, but, in the zeal which is being displayed to ameliorate these conditions, we forget that the aggregate effect of all these movements will be to develop and encourage another form of legal pauperism. Under the cry of greater supervision and regulation by the state, coupled with the more ingenious and subtle demands of politicians for more departments and offices to fill with their henchmen, there is apparently no end to the reforms proposed, but there is clearly a fixed limit to taxation which is inseparably interwoven in them and beyond which we are confronted with confiscation.

Nothing better illustrates the above thought and the tendency of such legislation than the observations which are represented by an article in the Evening Journal of September 19, which is a United Press despatch relating to Germany's obnoxious burden of taxation presented by just such laws as above described and which is as follows:

GERMANS FACE RUIN BY INSURANCE TAXES

Old Age Pensions and Other Costly Devices Prove a Heavy Burden

(United Press Leased Wire.)

Berlin, September 19.—On the ground that the fatherland's present laws, requiring the insurance of all sorts of employes, are so heavy a burden on employers that German industries cannot much longer compete with America, several large manufacturers launched an organization today to work for relief at the Reichstag's next session.

At present an employer must pay one-half of an employe's old-age pension and sickness and accident insurance. It was the intention to add unemployment insurance in the near future. The manufacturers say these burdens, plus heavy income, property and military taxes, total 15 per cent of the gross profits of the average industry and that the load has become intolerable.

BEND REFORMERS GET HELP FROM SHERIFF

Bend, Ore.—The political pot is beginning to boil as the time for the municipal election on December 2 approaches. The present Mayor, G. P. Putnam, it is alleged, has permitted gambling and other violations of city ordinances, and the reform movement, backed by the Crook county sheriff and his deputies at Bend, is starting to clean up the town. Two bartenders working in the saloon of McGrath & Co. were arrested and held to the grand jury last week, and yesterday Meyers & Wilkie, who conduct a saloon, were both bound over to the grand jury. The charge in both cases was gambling. The place of McGrath & Co. was closed by the city authorities for keeping open after midnight, in violation of a city ordinance. The present administration alleges that the suits are brought at this time to discredit the administration, while the county authorities say it is the beginning of a municipal cleaning of the city.

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Munz REDMOND

POWELL BUTTE

Once more Powell Butte leads with its products. S. D. Mustard won the \$85 brass clock given for the greatest variety, and W. G. Mustard won the silver loving cup for the 36 largest and best potatoes. The two McFarland children won first prize in the school children's blue ribbons were taken by Powell Butte on different kinds of displays.

Mrs. Miller and family have left to join her husband in Iowa, where he has rented a farm.

John Tengman bought 25 pigs from George Hobbs Monday.

Joe Shearer is fixing up the Miller home, where he expects to live this winter.

Ross Bussett has nearly completed the addition to his house. The neighbors are wondering why the Shearers are planning to move when Ross is going to have more room.

Jake Brix made a trip to Prineville with grain Monday.

Cris Sietz and Sam left Friday for Harney county, where they expect to take up homesteads and go into the stock business.

Mr. Jacobson of Roberts, brother-in-law of Jake Brix, is staying on the Sietz place while Cris is gone.

Ross Bussett and Alma Johnson took in the rabbit drive at Lamonta Sunday.

Lee Hobbs expects to leave Wednesday for Portland with a load of hogs.

The Foster boys have their steam chop mill working at Munz Wilcoxson's. Munz is having them chop his barley, which was to, but didn't, go 65 bushels to the acre.

Dr. Hosch was called to the George Hobbs place Monday evening to attend the Speer's baby, which they believed was going into convulsions.

Tom Houston and John Lucy were up to the Buttes Monday. John said this was his first trip in this part for over four years and he was greatly amazed at the progress that has been made.

Lee Hobbs, Henry Tweet and Doc Bayn have all been hauling spuds for George Hobbs the past week. Tweet has hauled the largest load of potatoes that has gone off the desert this year, having on an even 100 sacks which averaged about 100 pounds apiece. The spuds are not yielding as heavily as usual this year, but what there is are of a better quality.

MADRAS HOLDS ANOTHER SUCCESSFUL MARKET DAY

Madras has been holding monthly market days for several months and each one has been better than the preceding one. The latest day was last Wednesday and a large crowd was in attendance to take advantage of the bargains offered by the storekeepers. A program of sports was pulled off. The Madras business men are well pleased with the results so far obtained from the bargain days held, says the Madras Pioneer.

Try our Classified Ads—1c word.

B. A. De Gree—My stomach is out of order, doctor.
Doc Shipp—Have you tried home cooking?
B. A. De Gree—No, that's not the reason.
"Ah! I'm glad to get this news" exclaimed the editor.
"Has it any merit?" asked his assistant.
"Not at all, but a stamp was in what I needed. The poet sends it."

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Leave Terrebonne 9:24 p.m. Arrive Culver 6:28 a.m.
Leave Culver 10:02 p.m. Arrive Terrebonne 7:08 a.m.
Leave Metolius 10:20 p.m. Arrive Redmond 7:23 a.m.
Leave Madras 10:30 p.m. Arrive Deschutes 7:43 a.m.
Arrives Portland 8:10 a.m. Arrive Bend 8:00 a.m.
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