STATE-FEDERAL FREE EMPLOYMENT OFFICE—

STATE OF IOWA

1918

REPORT OF THE

Workmen's Compensation Service

For the Biennial Period Ending June 30, 1918

AND

DIGEST OF DECISIONS

By the Department and State Courts

A. B. FUNK
Industrial Commissioner

Published by
THE STATE OF IOWA
Des Moines

LETTER OF TRANSMITTAL

STATE OF IOWA
WORKMEN'S COMPENSATION SERVICE

Des Moines, September 30, 1918.

Hon. W. L. Harding, Governor of Iowa.

Sir:—In compliance with Section 2477-m 24, supplement to the Code, 1913, I have the honor to transmit to you the third biennial report of this department with my recommendations for changes of the law as required by said section.

A. B. FUNK,
Iowa Industrial Commissioner.

WORKMEN'S COMPENSATION SERVICE

ADMINISTRATION

A. B. Funk	Industrial Commissioner
Ralph Young	Deputy Commissioner
Ray M. Spangler	Secretary
Bertha L. Golding	Chief Clerk
Julia C. Nordskog	Settlement Clerk
Hazel Cassiday	Stenographer
Helen Ruffner	Stenographer and Report Clerk
Hannah Nordskog	Stenographer and Report Clerk

WORKMEN'S COMPENSATION SERVICE

ACKNOWLEDGMENT.

Co-operation on the part of other Departments of State has been of value immeasurable to the work of this department. The Chief Executive and his Council have responded definitely, promptly, and amply to every request of the Industrial Commissioner. The Legal Department of the State has been most helpfully responsive to the needs of the service. Very much improvement in the work of the department has been possible through intelligent and sympathetic Legislative co-operation. In the Thirty-seventh General Assembly it was only necessary to plainly submit the situation in order to secure the unanimous approval of both branches to each and every one of the numerous amendments to the Compensation Law having department recommendation. It is hoped that careful scrutiny of results will justify the conclusion that such rare evidence of Legislative confidence is supported by substantial results.

In the initiation and development of a system comparatively new in the world, and to a degree unique and revolutionary in jurisprudence and affairs, the importance of such substantial co-operation is well worth public acknowledgment.

GENERALLY SPEAKING

Notwithstanding the stress of war which ruthlessly disturbs all human plans, it is gratifying to be able to report progress on the part of Workmen's Compensation Service in the State of Iowa. A number of factors more or less vital have contributed to this consummation. A better understanding of the system of workmen and employers has made Compensation more acceptable and its benefits more substantial. Growth in knowledge and spirit is broadening administrative vision and contributing to better service. Expanding interest in industrial welfare is promoting better relations all around. There is still higher purpose to serve and broader fields to occupy in the practical and sympathetic development of this modern agency in the world of industry.

In its best estate Workmen's Compensation is a broad and sympathetic service for the promotion of industrial welfare as well as a scientific system for the establishment of technical legal rights. While it is a well-founded assumption that the chief mission of this service is to see that the obligations imposed by law are observed in good faith by all who are subject to its jurisdiction, it should be understood that its better administration is suggestive of real concern and substantial co-operation beyond the strict requirements of the code.

Workmen's Compensation is doing much and may do a great deal more in line with the desirable consummation of promoting understanding and relations more mutually helpful between employer and employe. Out of the fullness of experience, the employer of intelligence and character has learned that he is not doing his full duty to his business, his workmen, or to society or the State, in merely paying the necessary wage scale, buying indemnity against losses through accidental injury, and in considering his employes on a level with his machines and other factors of employment. Beasts of burden without minds or souls respond to care and kindness. Occasional show of affection and concern will increase the usefulness of a horse or an ox. Infinitely better is the reward

of interest and sympathy when applied to men and women who to an important extent shape the destiny of industry. Find an employer who applies mind and heart to remove the unnecessary burdens of labor, to afford reasonable comforts during the service and to the individual welfare, in and out of working hours, of those who serve him, and you will have found a man who wins abundantly in his undertakings if at all equipped otherwise for his responsibility. Find a workman who gives his best endeavor of heart and brain and brawn to promote the interests of a kindly employer, and you will have found a man who is never out of a job and who does not have to work for less than a living wage.

Workmen's Compensation ought to be a factor in further reducing friction and in promoting friendship between interests so distinctly interdependent. The law itself affords substantial basis for such service. Time was, and not so very long ago, when it was held to be legitimate and business-like for an employer to use every ounce of evidence and influence possible to defeat any claim of an injured employe. On the part of the unfortunate workman it was held to be prudent and necessary to hire a lawyer and go after the largest possible measure of indemnity. While employers combined to discourage damage suits after denying relief, workmen pooled their sympathy and their aid in behalf of an unfortunate comrade. Inevitably rancor more and more disturbed relationship and dwarfed industrial efficiency and success. Fortunately a new day dawned when society developed a system and service better adapted to the needs of workmen and employment.

Altruism is the reliance of idealism and the hope of Christian civilization. Maybe it will, "some sweet day by and by," do to depend entirely upon its achievement, but in the meantime men must work and industry must be sustained. In this day—the only day for which we are responsible—we get nowhere in particular by refusing to take human nature as it actually exists in our endeavors to develop higher living and better service. Workmen's Compensation is fairly revolutionary in its dealing with vital human relationship. At its introduction it was everywhere denounced by many employers and by more employes within its jurisdiction, and yet it has

nowhere been repealed and everywhere grows in favor as practical experience accumulates. It may be, it surely is, far from perfection, but it is a long step in the direction of better adjustment of relations long in controversy in connection with industrial misfortune. Its substantial success is largely due to the fact that it lays down rules and develops practice in obedience to which men intelligently serve their own interests. It minimizes waste. It mitigates the law's delay and consequently hope deferred. It ameliorates working relationship. It guarantees to the workman the most skilful remedial service. It recognizes and adjusts minor injuries hitherto neglected. Best of all, it proves to the employer that in broad interpretation of the law, in absorbing the spirit of the service, in efforts of kindly concern, he is definitely serving his business interests while practicing good citizenship and observing the law of kindness between man and man.

The work of administration and common experience deepen the impression that compensation benefits should be extended much beyond present limitations. Neither in morals nor in logic is there any more reason for paying compensation to a workman or his dependents in case of accidental injury than in an experience where disability or death arise out of employment without accidental injury as the proximate cause. In the latter as well as in the former situation, sacrifice is made definitely and distinctly to employment, and the line now drawn is unjust as it is illogical. In this connection, however, Iowa has followed precedent commonly prevailing throughout compensation jurisdiction of the world, and departure from the existing rule as to occupational ailment is so far-reaching as to require very careful consideration.

The return of normal labor conditions will doubtless result in such physical scrutiny and discrimination as deny employment to many men in cases where engagement involves extra hazard to employer or insurer. The workman who has already sacrificed an eye or a limb or has been otherwise seriously maimed in industrial employment will be seriously dealt with. Advancing years, which impair powers and promote hazard, will subject labor to stern conditions. Under present conditions, the only escape from denial of employment or additional hazard on the part of employer will be in rejection of the law by the workman. While the employer may not be censured for the exercise of discretion in this connection, labor is not able to bear the burden of idleness or the additional hazard involved in the abandonment of compensation benefits in an extra hazardous situation. Society and the State will be required to afford relief. It may be difficult to meet this requirement through the common process in compensation of passing the burden to the consumer.

ADMINISTRATION

ARBITRATION AND REVIEW.

Additional legislation by the Thirty-seventh General Assembly has served to relieve congestion and afford more prompt adjustment of controversy developing need for arbitration and review of compensation cases. The arbitration schedule is worked as closely to date as seems advisable. It is held to be expedient to feel out a situation where notice of dispute is received, and in many cases this process secures to a workman without expense all he could gain by arbitration. It is frequently difficult for an arbitration committee to decide as to the extent of injury or duration of disability if hearing too closely follows the accident. With a view to saving time and expense, endeavor is made to group cases in a given section of the state, to be taken up on a single continuous tour. Where an acute situation develops, however, prompt attention is afforded regardless of time or expense.

Where appeal is taken from committee decision to the Industrial Commissioner, very little if any delay occurring is due to the department. Review opinion is filed within a comparatively short time after a case is fully submitted, either orally or otherwise.

Practical cooperation on the part of counsel in promptly meeting scheduled dates, and in the filing of pleadings with as little delay as practicable, will substantially contribute to prompt service in arbitration and review.

THE INSURANCE SITUATION.

Insurance is a vital element in workmen's compensation. Early in this experience in the United States, there was widespread impression that the several states would soon take over from private corporations all responsibility in this connection, but the years intervening have developed little tendency so to do. Ohio and Washington remain the only states to banish

private insurance. In several jurisdictions, the insurance field is partially occupied through state provision. Within two or three years there has been little legislation to this end, and to a very large extent indemnity is still afforded through private enterprise.

It seems safe to say there yet exists much feeling that state insurance is likely to afford substantial benefits to society and to individuals, but the experience of states which have gone the limit along this line or which have entered the competitive field against private corporations has not seemed to be wholly reassuring. Among the administrators of workmen's compensation there is no manifest hostility to state indemnity provision, but there seems to be a feeling that experience now developing under state monopoly and state competition ought, in the near future, to afford substantial evidence as to whether or not there should be a general inclination toward such systems as are now employed or may be introduced for public insurance carrying.

Insurance rates have been substantially advanced in 1917 and 1918. This advance is said to be based wholly upon amendments to the law enlarging compensation benefits and to the dictates of accumulating experience. A number of companies have abandoned the state field during the past year, alleging Iowa compensation business to be unremunerative.

FORESTALLING CALAMITY.

To accord to injured workmen medical and surgical relief and weekly compensation is fine, but it is infinitely better in every possible case to see that calamity does not occur. The responsibility of inspection and safety provision in connection with industrial employment in this state devolves wholly upon the Bureau of Labor Statistics. Commissioner Urick uses his every available resource to the best possible advantage in the endeavor to minimize accidental injury. His heart is in this branch of his public service, and he knows what to do and how to do it. He has, however, been seriously handicapped by a limited appropriation for this work, and he keenly feels the inadequacy of his operation.

The Commissioner of this department would be understood as warmly commending the efforts of Mr. Urick for the welfare of Iowa working people, and respectfully urges upon the General Assembly the importance of appropriating for this humane purpose every dollar asked by the Commissioner of Labor Statistics. The legislator disposed to expend public money with great caution cannot endorse a more justifiable and commendable expenditure than for the saving of human life and conserving of human energy.

COMMUTATION USUALLY INADVISABLE.

Among the more delicate duties devolving upon this department is passing upon petitions for lump sum settlement. Weekly payment is the rule in compensation, and in all jurisdictions the intention is to keep as close as practicable to this policy. These payments are provided in lieu of support of the workman which comes weekly during his employment. On the part of many claimants, however, there seems to be a yearning, usually most unfortunate, for cash in hand. In the first place, commutation means discount. $3,000.00 nets about $2,600.00 after being discounted. More or less additional expenditure is required. Attorneys are often employed to promote commutation, an expense practically unnecessary, but none the less expensive. Many workmen, and most dependents, have not had experience in handling sums of money. In many cases they fall easy victim to faker or promoter. Unwise expenditure often results. When more expensive habits are indulged for a while it is harder than ever to get back to or even farther back than the old way of living. The assertion is often heard. Why, we can't live on $9.00 a week, say. A good answer is, $9.00 a week beats what you will have after this money is spent by just $1.50 a day. There are cases in which commutation is clearly for the best interest of workman or dependent, but, as a rule, it is a mistake—a mistake irreparable and to be regretted perhaps through all later life.

ARBITRATION AS LAST RESORT.

The door of arbitration is always open, but where settlement is practicable this expense to individual and interest should be avoided. In many cases parties rush in with petitions for hearing where no effort has been made to reach

agreement with employer or insurer. This is poor service to a client that cannot afford to pay for it, and bad policy all around. Even when parties seem to have ground for stubborn contention, it is a good plan to ask the aid of the department, always freely accorded, in the endeavor to avoid litigation. Economical administration is vital to the individual and the state, and it is always desirable to minimize contention and rancor in compensation relationship.

EMPLOYERS AND INSURERS.

With these important factors in workmen's compensation department relations have been satisfactory except in exceptional experience. It is gratifying to feel that on the part of most employers there is a growing tendency to cultivate closer relationship with their workmen through the exercise of a larger measure of concern for personal welfare. Where insurance obligation is not shifted, the general tendency is to meet not only the technical requirements of the law, but to do everything feasible to promote the comfort of the unfortunate, and to mitigate their misfortune by encouraging recovery in every way practicable and by offering light work to the convalescing. Where insurance is carried it is the common practice to supplement the service of the insurer with sympathy and assistance, which serve to minimize disability and to soothe and sustain dependency. There are employers, however, not so very many, but entirely too many, who seem utterly to fail in appreciation of responsibility when they could and should so valuably serve. It should be understood, and it will be the particular business of this department to contribute to such understanding, that all the legal or moral obligations of an employer cannot be farmed out to an insurance company. Without waiting to look up the insurance policy, the humane employer will, in case of injury, lose no time in providing necessary medical aid and in affording such relief as such exigency suggests.

Accident reports must be made as required by wise provision of law. No worthy employer will fail not only to notify the insurer of accidents, but will see that such insurer is not permitted, from lack of contact or rush of business, to fail in the full performance of duty. In the very nature of the situation the insurer, with the best intent and record, cannot do full justice in case of serious injury without the sympathetic co-operation of the employer on the ground and in possession of vital information sometimes difficult for the insurer to obtain. Self-interest, if no more commendable impulse prevail, is promoted by the full performance of moral as well as legal obligation in this connection. Where all such considerations fail, ways and means will be exercised in all possible cases to bring the delinquent employer to a realizing sense of his responsibility.

Insurance carriers best serve their own interest by frankly and fairly meeting obligations assumed. A cheese paring policy of withholding the last cent possible from a workman under rigid construction of the law or by endeavoring to avoid minor responsibility imposed, is unwise as well as unfair. It is not forgotten that insurance companies are in business to make money, and that they may be expected to apply business principles to the work of compensation adjustment. It is their privilege to insist upon good faith in dealing with the insurer on the part of workmen and employer. It is entirely consistent for them to scrutinize cases where substantial suggestions of non-compensable relations exist. The law is made for them as well as for others within its jurisdiction. But they are to be condemned and arraigned for endeavor to practice short settlement, for being dilatory in adjustment or in making weekly payments, for ill-natured conduct with workmen or dependents, for indifference to any obligation imposed by law and consistent with just and humane administration in dealing with unfortunate victims of industrial employment.

It is gratifying to be able to say that as a rule the representatives of insurers in this state are found worthy of the confidence and commendation of the department. While they do not assume to be conducting or promoting philanthropy, they are usually instructed by the home office to be fair and just, and they find that by being square, kindly and considerate they contribute to earlier convalescence resulting in diminished liability, that they are subject to less exacting scrutiny and are better protected from fraud and malingering. There are exceptions to this class carrying compensation insurance. These lack keenness of perception as well as moral

character, for their way is not the way to build substantially and permanently in the world of business. More and more is confidence understood to be the sheet anchor of financial success and character the bulwark of confidence.

LEGAL SERVICES.

At the installation of compensation service the assumption was common that successful administration would not require legal assistance. The development of the situation, however, has proved the futility of this assumption. Where controversy reaches the arbitration stage it is as important to produce evidence and authority of law in support of contention as before the courts, and this is essentially the work of the bar. Sometimes, moreover, important legal assistance can be rendered in the settlement of cases involving serious complications of fact or law, or both. On the other hand, it should be understood that until an acute situation is reached it is easy to waste money in legal fees. It ought to be within the knowledge of all that there is need on the part of workmen and dependents for every dollar provided by compensation provision. Payments received never are, and in the nature of the case never can be commensurate with loss sustained in earning power and other inevitable sacrifice. Therefore the red blood of human fellowship should protect the unfortunate victim of industrial accident from any unnecessary levy upon the meager resources afforded by the law of compensation.

In cases where minor contention exists the workman should open correspondence directly with this department, and the lawyers should so advise. When no controversy arises no legal assistance is required to arrange details of settlement. A full report of the same is made to this department and settlement will not be approved, and the case cannot be closed if the same is not in accordance with the statute.

It is particularly unnecessary to secure legal assistance to move on this department for consent to lump sum settlement. A plain statement of reasons why the rule of weekly payment should be abandoned, from the workman or dependent or any friend, is effective as any service that can be rendered by an attorney. It is well for a lawyer to draw the papers, very

simple and informal, if commutation is approved for submission to the district court, and for this a reasonable charge is justifiable, of course.

In the matter of charges in cases where legal service is required it is certainly unjustifiable to make anything like the fifty-fifty agreements common in damage cases outside of commutation. In the latter situation practice is far more involved and delay necessarily very much more serious. Compensation practice is much more simple and direct and speedily concluded if appeal is not taken. Should cases go to the courts, of course it might be necessary for the lawyer to receive a substantial share of the judgment secured.

Certainly there is no disposition on the part of this department to overlook the importance of legal service in acute situations or to deal arbitrarily in the matter of approval of legal fees, which the law requires. The Commissioner will cheerfully approve of any reasonable attorney fee for necessary service, and hopes to have little occasion to regard any charge made as being otherwise. It ought to be said because it may be truthfully said, and it is said with real satisfaction, that many lawyers, probably most of them, use workmen or dependents with rare consideration, but there are notable exceptions which invite condemnation.

SETTLEMENT APPROVAL.

Employers and insurance carriers need to be emphatically reminded of the importance of forwarding to the department for approval a properly executed Memorandum of Settlement in every case in which there is no disagreement or as soon as agreement is reached. This should be done when weekly payments begin or before, without regard to any degree of uncertainty that may exist relative to extent of injury or duration of disability—whether injury is temporary or permanent. Such service is required by law and is exceedingly important to good administration.

ACCIDENT REPORTS MUST BE MADE.

The duty devolving upon employers promptly to report all accidental injuries resulting in more than one day of incapacity cannot be too strongly emphasized. It is the specific

requirement of law and absolutely necessary to good service. A penalty is provided for violation of this important provision. The department is not at all disposed to the arbitrary exercise of authority, but in cases of flagrant neglect this penalty has been imposed and will in the future be more frequently invoked.

ALL WORKMEN SHOULD BE PROTECTED.

The number of Iowa workmen without the protection of the Compensation Service is smaller than two years ago. Two large railway corporations have within the past year waived rejection of the compensation statutes, leaving only a single railway among those of prominence in the state as a rejector. Insurance coverage is being somewhat extended. But it is a matter of serious regret and misfortune that a considerable proportion of Iowa workers are still excluded from the benefits of compensation. While doubt existed before, the General Assembly two years ago fixed the status of employers that do not insure their pay roll or who do not qualify to carry their own insurance, as definitely and absolutely without this jurisdiction. The Legislature thought to minimize this rank injustice to workmen and real discrimination against employers who provide coverage, by requiring conspicuous publicity of the fact of non-insurance. Very little relief has resulted from this assumed remedy. Many non-insurers fail to post the notices legally required, and such posting, when performed, seems to be without substantial results. It is therefore incumbent upon this department to move for really effective relief from the evils of non-insurance. Appeal is to be made to the General Assembly for practical legislation along this line.

MEDICAL SERVICES.

No doubt some physicians and some employers and insurers feel there is a great deal of contention in the adjustment of claims for medical and surgical services, but this is a situation where "a little fire makes a great deal of smoke." The record will prove that not one doctor bill in a hundred arising out of compensation cases is ever referred to this department, which is evidence of rather amicable relations between physicians and this class of clientage in spite of surface indication to the contrary. Where controversy arises, it is made the duty of this department to pass upon claims submitted by any party in interest. It is easily possible that in some cases injustice is done physician or employer, but this certainly does not occur through indifference or arbitrary conclusion. On the contrary, earnest and painstaking effort is exercised to avoid any such result. This service owes a great deal to the skillful and sympathetic co-operation of the medical profession, and the department is anxious to deserve its confidence and support.

COMPENSATION COMPUTATION.

The law lays down several rules for use in arriving at the amount due a workman weekly in case of compensable injury.

Where record of the entire year of earnings under the same employer, in the same grade of employment, is available, this should be adopted, not only as legal, but as the fairest rule of all, for it gives to both the indolent and the industrious what may be regarded as a fair basis of calculation. When this method is available, weekly wage is arrived at by simply dividing the yearly earnings by fifty-two.

The rule of the previous year's record of a "fellow workman" is first suggested in the statute when the year's record of the claimant is not available. This rule is applicable where the previous year's record of the earnings of a "fellow workman" in the same employment and in the same grade of employment as the claimant is obtainable.

When the "fellow workman" rule is impossible, as it is in many cases, or would appear to be unreasonable, as it may be, if the fellow workman and claimant do not well compare in regularity at work, what is termed the 300 day rule is used. Under this rule, "300 times the amount which the injured person earned on an average of those days when he was working during the year next preceding the accident, shall be used as a basis." This is assumed to mean claimant's average daily wage in the employment in which he was engaged at the time of the injury.

The statute makes provision for employments in which it is the custom to operate only a part of the whole number of working days a year. In cases of short year employment, the

annual wage for compensation purposes is arrived at by multiplying the daily wage by the number of days that employment ordinarily operates a year. The statute fixes 200 days as the minimum. The rule applies to canning factories and to all industries where, on account of weather conditions or for any other reasons, there is a considerable break in the year's work. When a minimum of 200 days is exceeded, it becomes necessary to arrive at a conclusion as to the custom in a given employment.

PROPOSED AMENDMENTS CONSIDERED.

In the specific schedule of compensable injuries the law provides that for the loss of an eye there shall be paid fifty per cent of daily wages during one hundred weeks. The question arises in case of loss of a second eye in a subsequent accident, in what sum is the employer held to the workman. In cases before this tribunal it has been seriously contended that for such subsequent loss which plunges the individual into total darkness and disability, one hundred weeks is the legal limit of liability. On the other hand is plead the equally unreasonable though less disastrous contention that four hundred weeks is the proper limit as in cases where both eyes are lost in a single accident. Either rule is repugnant to the department view, which has held in arbitration and review that since one hundred weeks is the legal limit for an eye, assumed to apply to a first eye, three hundred weeks should cover the loss of the second eye, bringing the compensation to full four hundred weeks, the legal rule in cases where both eyes are lost as the result of a single accident. A case is now in the courts on appeal wherein the extremes above outlined are contended for. The law should make a plain rule in such cases, and the department holding as stated is recommended as the standard to be fixed.

If the maximum allowance for medical, surgical and hospital service shall remain at $100.00, the expenditure of an additional amount within the discretion of the Industrial Commissioner in special cases within limitation should be authorized. This provision would not only tend to benefit individual workmen, but in exceptional cases, to avoid social burden. It would also tend to reduce compensation payment. It is unwise, as it is unfortunate, to throw a workman only partially recovered upon his own limited resources when he is in need of continuing skilful services to restore him to usefulness. In this connection the recommendation is made so to amend the law as to make it certain that an injured workman is entitled to four weeks of medical, surgical and hospital service when needed, whether such service is required immediately following accidental injury, or whether some time shall intervene before such need develops.

The law provides that the employer "shall furnish reasonable surgical, medical and hospital service and supplies, not exceeding one hundred dollars." In the section following it is provided that "the employer shall in addition to any other compensation pay the reasonable expense of the employe's last sickness and burial, not to exceed $100.00." Controversy occasionally arises in cases where only a few hours or even a few days intervene between the injury and death, as to whether or not, under the law, $100.00 or $200.00 may be exacted of the employer. Amendment should make plain these requirements: Not less than $100.00 to be paid as burial expense whether death ensues in an hour, a day, or a week, or otherwise, after the injury. All reasonable medical, surgical and hospital expenses arising from endeavor to save life or mitigate suffering to the maximum limit of $100.00, if required, should also be due. The sum of $100.00 is allowance small enough for burial purposes alone, and there is no plausible reason why physicians and hospitals should be denied payment for humane efforts in behalf of the unfortunate workman.

In legislative dealing with amendments to the Workmen's Compensation Law at the session of 1917, a serious omission occurred in the failure to express the intent to increase maximum and minimum provision in death cases as in all cases of disability. In a few instances this oversight has visited hardship most regrettable upon worthy dependents. It is recommended that as soon as possible after convening, the General Assembly enact an amendment to the law increasing the minimum compensation to $6.00 and the maximum compensation to $15.00 in death cases, to become effective upon publication. Such prompt action might be very important to deserving widows and orphans.

Sections 2477-m 26 and 2477-m 34 should be so amended as to authorize the Industrial Commissioner to call for arbitration or re-opening upon his own motion. Issues sometimes remain unadjusted in cases where neither the employer nor the workman care to file a petition and which might be justly settled by hearing.

TEMPORARY DISABILITY CONCURRENT WITH SCHEDULE COMPENSATION.

The Iowa Compensation Statutes have been interpreted as denying compensation for loss of earnings because of accidental injury in cases where permanent or schedule injury develops. The law should make it plain that in such cases a workman is entitled to payment for lost earnings during the healing period. It should be understood that the payment provided by law for the loss of or loss of use of a finger, a foot, or an arm, is in recognition of structural impairment depriving the workman of loss of function during the remainder of his life. It sometimes happens that loss of earnings during the healing period amounts to as much or more than the schedule grant for loss of members, hence nothing remains for the structural sacrifice. This is at once unjust and unreasonable.

Employers or insurers are sometimes disposed to deny compensation for loss of teeth where earning capacity is not affected. It is believed that in cases referred to the department, proper adjustment has been made, though sometimes under protest. It is apprehended that cases not so referred have not always been settled. There is, in justice, no more reason why such impairment of physical structure should not be met than in other cases where earnings might not be reduced. In single finger losses, earnings are rarely impaired. Loss of a toe is practically never attended by reduced earning capacity. These are specifically covered by statute. Loss of teeth is apt to be more serious than either. There should be no doubt as to recovery for such loss to the extent of artificial restoration as far as practicable, and for any dental work made necessary by accidental injury in compensable relationship.

AMENDMENTS.

I. Increasing minimum and maximum weekly allowance in death cases.

II. Increasing percentage of weekly compensation.

III. Providing coverage for casual employment when for the purpose of the employer's trade or business.

IV. Fixing compensation for loss of second eye in industrial employment at 300 weeks.

V. Providing for increase of medical, surgical and hospital service at discretion of Industrial Commissioner.

VI. Making specific provision for $100 burial benefit in addition to medical, surgical and hospital service.

VII. Authorizing Industrial Commissioner to institute arbitration or reopening on his own motion.

VIII. Providing for temporary disability compensation concurrent with schedule injury compensation.

IX. Making specific provision for loss of teeth in industrial employment.

X. Providing more definite and workable procedure to insure the prompt reporting of accidents.

XI. Providing more complete insurance coverage.

XII. Extra-territorial provision.

XIII. Changing "daily wages" wherever it appears in Sec. 2477-M9, Sup. to Code, 1913, to "average weekly wages."

XIV. In section 2477-M9 (j) 20, Sup. to Code, 1913, change "Clause (J)" to "Class (J)."

ADMINISTRATIVE EXPENDITURES.

July 1, 1916—June 30, 1918.

	First Year.	Second Year.
Salaries	$10,213.58	$12,220.21
Traveling expense	289.57	483.41
Medical expense	178.60	80.00
Postage	1,002.12	1,355.50
Printing and binding	602.55	373.34
Office supplies	302.92	217.35
Office furniture	47.50	97.88
Library	39.20	24.95
Telegraph, telephone and express	14.12	29.73
Miscellaneous	82.75	63.95
	$12,772.91	$14,946.32

ADMINISTRATIVE ESTIMATES.

July 1, 1918—June 30, 1920.

	First Year.	Second Year.
Salaries	$14,000.00	$14,000.00
Traveling expenses	800.00	800.00
Medical expense	200.00	200.00
Postage	1,600.00	1,600.00
Printing and binding	800.00	800.00
Office supplies	400.00	400.00
Office furniture	100.00	100.00
Library	100.00	100.00
Telegraph, telephone and express	100.00	100.00
Miscellaneous	100.00	100.00
Total	$18,200.00	$18,200.00

Annual appropriation $20,000.00.

The above statement of expenditures for the late biennial period will bear close scrutiny. It is in every item below, and in the aggregate substantially below, the estimates submitted for the biennium. It develops that out of the appropriation of $20,000, $40,000 for the biennial period, may be covered back into the treasury. These savings are due in some measure to a failure to realize fully upon expectation as to the volume of business developing. In this connection the conviction is indulged that in no other compensation jurisdiction in this country is so much service rendered at a cost anywhere near as low. This may be partly because of economical administration, but is chiefly on account of our simplicity of organization provided by statute, which is nevertheless adequate for all reasonable purposes.

The estimates for the ensuing two years are believed to be sufficient to meet the demands upon the department, allowing for a reasonable measure of expansion.

REPORTS OF ACCIDENTS AND SETTLEMENTS APPROVED.
June 1, 1916—June 30, 1917.

Accidents reported	24,679
Fatal cases reported	159
Settlements reported	5,092
Compensation paid in reported settlements	$249,965.08
Reported paid for medical, surgical and hospital care	75,471.60

July 1, 1917—June 30, 1918.

Accidents reported	*15,607
Fatal cases reported	187
Settlements reported	†4,367
Compensation paid in reported settlements	$334.970.15
Reported paid for medical, surgical and hospital care	60,080.99

*Decrease due to amendment to law providing that injuries disabling no longer than one day need not be reported.

†Does not include settlement reports in cases where medical and surgical attention only benefit.

ARBITRATION.

	July 1, 1916, to June 30, 1917.	July 1, 1917, to June 30, 1918
Total number of applications filed	174	180
Total number of cases arbitrated	67	71
Total number cases settled without hearing	60	84
Total number cases dismissed	9	23
Total number cases re-opened	5	6
Total number cases decided on review by Commissioner	17	18
Total number cases appealed to courts	11	11