

whole field of industrial activity should be placed before you, and that is my reason for reading this paper this afternoon. It is as follows :—

The representatives of the workers recognize that the main function of this Conference is to discuss and, if possible, arrive at decisions on the question of improved legislation for the settlement of industrial disputes, to bring down recommendations to deal with the problem of unemployment, the questions of apprenticeship, immigration, methods of production, transport, prices of commodities, wages, finance, and other economic questions. The Conference should also consider what may be termed subsidiary legislation to these issues, for without doubt such legislation as Workers' Compensation, the Factories, and the Shops and Offices Acts have an important bearing on the questions of production and finance.

We propose in this paper to deal with the Workers' Compensation Act—how it affects the workers engaged in industry ; its uses and abuses ; and the legislation necessary to make this Act beneficial to the men and women who operate industry, to the industry itself, and the nation as a whole.

Under pressure of public opinion, the Legislature has in recent years improved this statute by amendments which increased the compensation payments to the workers. Despite the fact of these improvements, however, this law and the methods by which compensation payments are computed and payments allowed are far from satisfactory. The considered opinion of the labour movement is that an important principle underlying our present compensation law is wrong.

In the first place, it requires no argument to prove that when a worker becomes incapacitated during the course of his employment the cost of upkeep to that worker and his dependants will, at least, be as great during the period he is unable to work as it is when he is in employment. Indeed, every one who has had this unfortunate experience knows that the cost of upkeep is higher during periods when a worker is unable to follow his employment through sickness or accident. Although this statement is universally admitted to be correct, our compensation law lays down the principle that a worker and his family require only two-thirds of the ordinary necessities of life when he meets with an accident which prevents him from following his usual occupation. This is proved by the fact that the worker is only entitled to two-thirds of his average weekly wage under the present law. It is apparent, therefore, that if a worker meets with a serious accident and is laid off work for any lengthy period he and his dependants suffer serious economic hardships. He is compelled to bear a burden which should be a charge on industry.

One of the main essentials in a Workers' Compensation Act is that when a worker meets with an accident the best medical and surgical service should be available in order to restore this worker to health and enable him or her to resume his or her normal occupation ; but it appears that this essential is not recognized in the present law. The worker is only entitled to £1 medical expenses, and we have known cases where the total amount of compensation paid did not meet the medical and surgical expenses incurred. The result of the pittance allowed for medical and surgical expenses is that the worker is unable to pay for proper medical and surgical treatment. He is, therefore, on compensation pay a much longer time than he would be if the law made provision for the proper treatment of injured workers. In addition, the insurance companies or the employers frequently refuse to continue the weekly compensation payments to the worker. The worry and anxiety thus caused becomes a costly proposition in the end, for we pay thousands annually by way of lump-sum compensation payments to neurasthenics, which need not be paid if these injured workers received proper medical and humane treatment from the beginning.

The next question to be considered is the amount which is expended annually in the way of legal expenses in order to obtain the compensation to which the workers are legally entitled. We have only to attend a sitting of the Court of Arbitration in any city or town in New Zealand to see an array of the legal fraternity pleading the case for some unfortunate worker, and on the other side an array of the legal fraternity pleading the case for some insurance company or some wealthy corporation. It is admitted that the workers succeed in most of the cases, but this only proves that their claims should have been paid without any recourse to law.

In 1926 the Workers' Compensation Act was amended so that the worker now receives 66½ per cent. of his average wage. This was an increase on the payments allowed previously, and since that time we find that the refusals of insurance companies to continue weekly payments have become far more frequent ; indeed, it has amounted to an abuse during the last six or seven months. The usual practice adopted is that the employer refuses to continue weekly payments, with the result that the unfortunate worker has to wait until the next sitting of the Court of Arbitration to obtain the compensation to which he is entitled or accept such lump-sum payment as the insurance company or the employers decide. The sums offered are usually much below that to which the worker is entitled, and, as a rule, the case goes before the Court. Most of these cases are finally dealt with as neurasthenics, and, instead of the compensation law assisting to restore the worker to normal health, it operates frequently in the opposite direction. The labour movement has given the Workers' Compensation Act operating in many countries careful consideration, and we find that wherever a system similar to that in operation in New Zealand is in vogue the same evils exist.

In the Province of Ontario, in Canada, there has been in operation a Workers' Compensation Act which aims at restoring the worker to health and making provision for his dependants during that period, and at the same time insuring him that if he is totally or partially incapacitated his interests will be protected. We believe that a similar system should be introduced in New Zealand, and would be to the interests of the employers and the workers alike. The system is briefly this :—

(1) The Administration Board is charged with the responsibility of using every means to prevent industrial accidents.

(2) Provision is made for the injured worker to receive full medical and surgical attendance free of charge.

(3) Compensation will be paid until the Board which administers the Act are satisfied that the man is fit to return to normal employment.