Questions.

Professor Murphy: Sir, may I ask Mr. Roberts if he can give us any approximate estimate of the loss and waste caused through litigious proceedings over workers' compensation, and through the competitive action of insurance companies touting for workers' compensation business.

Mr. Bishop: I would like to ask three questions: (1) It might be inferred from the paper that under the Ontario Act injured workers receive payment of full wages: is Mr. Roberts aware that under the Ontario Act the weekly payments are 60 per cent. of the wage, or less than is paid in New Zealand? (2) Will Mr. Roberts tell us to what industries the Ontario Act does not apply? (3) In reference to his claim in regard to insurance against sickness, is Mr. Roberts in favour of a contributory scheme?

Mr. Roberts's Reply.

Mr. Roberts: In reply to Professor Murphy, I may say that in 1923 a commission of 2s. 11½d. in the £1 was paid for this insurance business—a very large amount; in fact, about one-fifth of what the workers get in compensation. The amount of money expended in litigation over a year must be enormous. I could not give anything like an accurate estimate, however, because the lawyers charge very high fees; but I can cite some cases which may serve as a guide. On different occasions we have taken action for damages at common law, the worker has succeeded in his action, and the case has been taken to the Appeal Court and has then gone against him and he has been cast in very heavy costs. In one case that I know of the worker was given £2,000 damages at common law, but on appeal the case went against him, and the costs more than swallowed up the whole of the £500 that he ultimately received under the Workers' Compensation Act. In another case recently the worker got £50 compensation, and after paying legal expenses the total amount received was only some £15 out of the £50. That is what we want to avoid if possible.

Mr. Smith: But under the Workers' Compensation Act the lawyers' costs have to be certified by the Judge.

Mr. Roberts: When you pay the other fellow's costs that is what happens; but when you engage a lawyer he receives your compensation money, and I need say no more—everybody knows what happens. In reply to the question as to legal expenses, it is very hard to estimate the total legal expenses incurred by the insurance companies and the workers annually in connection with compensation cases. I cannot go into it here. I have no figures other than our own. I have handled many cases for the workers, and I know the legal expenses amount to a large sum. In my opinion, it represents a lot of waste, and there should be a more humane and a more common-sense system established.

The next question is that asked by Mr. Campbell, as to whether I would be willing to form a society that would guarantee to give all the benefits enumerated by me, provided the employers agreed to pay into such a fund a sum not exceeding that now being paid to the insurance companies. What Mr. Campbell wants to know is whether the labour movement would be prepared to subscribe a certain amount to a fund from which the worker would be paid full pay during accident-recovery period and sickness, if the total sum paid to the fund by the employers would not exceed the amount which is now paid as premiums to insurance companies. I do not think that Mr. Campbell expects me to give him a definite answer to that question. Personally speaking, I am of the opinion that it could be done. Certainly the labour movement would be prepared to pay its quota to a sum to be used for sickness and unemployment. We will pay our quota, but I would say this: that if the amount paid to-day by the employers as a tax to our Charitable Aid Boards, together with the amount paid for the upkeep of men who meet with accidents, and the amount paid to maintain workers who get sick during their employment—if these sums were lumped together, with the sum subscribed by the workers, the whole of the expenses could be met quite easily, and in addition you would get a far better feeling in industry than there is at the present time. I would like to enlarge upon that point a little. In two or three industries in New Zealand, on an average, every worker employed meets with an accident once every four years: in each four years he has to be paid compensation once. If that worker thinks he is badly treated by the employer—and he does not look to the insurance company—he carries a grievance for life, and that is not conducive to good production. We want to wipe that out.

A question has been raised by Mr. Bishop, who says that it might be inferred from my paper that under the Ontario Act injured workers receive payment of full wages, and he asks if I am aware that under the Ontario Act the weekly payments are 60 per cent. of the wage, or less than is paid in New Zealand. I did not intend in my paper to convey the idea that payment of full wages to injured workers was made in Ontario. I meant that every effort was made to prevent accidents occurring, which is very important. I pointed that out in paragraph 1 on page 122 of my paper, where I said, "The Administration Board is charged with the responsibility of using every means to prevent industrial accidents." Mr. Bishop said that under the Ontario Act the weekly payments to an injured worker are 60 per cent. of the wage; I think that the amount paid in Ontario is 63 per cent. I am also asked by Mr. Bishop if I am aware that only certain industries are included under the Ontario Act. Certainly several industries are excluded. I know they are; but the expressed intention in Canada to-day is that they will all be included. In extension of my argument regarding payments, I would point out that we have certain public bodies in New Zealand to-day who are insuring their own men. For instance, one public body, if it paid in premiums what it should pay, would pay £15,654 17s. 11d.; but it insured its own workers and the total claims paid, including clerical charges, amounted to only £6,651 16s. 1d., which leaves a balance of over £9,000.

Procedure.

Upon Mr. Bishop being called upon to read the paper prepared on behalf of the Employers' Federation,

Mr. Bloodworth said: Mr. Chairman, as there are three more papers to be read, I suggest that they should be handed to the secretary and printed with the proceedings of this Conference, and read when the Conference resumes.