

our humanitarianism—as essentially immoral from the point of view of industrial economy. Nature has decreed, and there is Biblical sanction for the idea too, that if a man does not work neither shall he eat. It surely follows that the more efficient a man's work is the more he should be entitled to eat, or drink, or wear, or otherwise enjoy; but the minimum-wage plan decrees that a man only needs to work enough to hold his job. It encourages inefficiency and equally discourages efficiency, and tends, as the Hon. the Attorney-General has pointed out, to a dead-level of industrial inferiority. The Arbitration Court has fairly consistently yielded to the demands of workers for increases in wages and other modifications of conditions in their favour without much apparent consideration of the natural conditions affecting industries. The plea of the workers when demanding an increase of wages—a plea which is made very frankly—is that it does not matter to the employer how much he pays, because he has only to put the burden on to the consumer. Now, I would like to draw certain distinctions between different classes of industries, and see how this may be made to apply in the several different cases. There is a class of industry which we may define as strictly local—take the building trades as an example. If a man wants to build a house or a business block he must employ local labour—builders, bricklayers, stonemasons, plumbers, decorators, and what not. The same applies to other trades, such as, for instance, dressmaking, millinery, and others that will suggest themselves. In these trades it is no doubt possible for the employer to pass on the burden of increased wages to the public, the only limit to this process being reached when the cost of building becomes so high that the process of building is stopped. There is another class of industries which one may call the native industries, which are affected somewhat differently. By native industries I mean those which are concerned with the treatment of the products of the soil, as, for instance, the freezing of mutton, the dressing of wool and skins, the dressing of New Zealand hemp. It might be supposed that in these industries it is possible enough for employers to pass the burden on, but in these cases another check is met with, inasmuch as the products of the industry have to be sold abroad, and if the producing-cost is raised beyond a certain point the respective trades must suffer through inability to dispose of their products at a profitable price. But there is a third class of industry which, for want of a better name, I will describe as exotic—industries that are not specially concerned with the primary productions of the Dominion, but have become implanted in the Dominion in response to a certain demand, and which are concerned in the production of goods which have to find a sale in the Dominion in competition with similar goods imported from abroad. Now, it seems a little thing to the Arbitration Court, no doubt, to grant a shilling a day increase in wages here and there, but a shilling a day means £15 a year to the average mechanic, and in a factory employing one hundred hands that means £1,500 a year. Now, there are some industries—I believe it is safe enough to say that it is so in the case of most of these competitive industries—where it is absolutely impossible to pass on any considerable part of this load to the public, and it is equally impossible that the burden should be borne by the profits being made by the employers. Again, on this point I would refer you to the utterances of the Hon. the Attorney-General. Well, then, any artificial or arbitrary increase in the wages paid in such industries must result in the industries being checked and the trade drifting in the direction of importation rather than local manufacture. This process has only to be carried on far enough and it will mean in the end a total destruction of all those industries which I call exotic. Now, I do not want to weary the Committee by saying anything about the arbitration system in general, but I thought it desirable that I should make such general comments as these to lead up to the proposals embodied in the present Bill dealing with what are called “needs” and “exertion” wages. It must be quite obvious that these clauses have been inserted in the Bill in recognition of the evil effects of the present system, and in the hope of counteracting them. These clauses can hardly be regarded as more than a mere suggestion, for reasons which I hope to be able to make clear to you—a good suggestion, no doubt, but any one who has had practical experience of the difficulty of instituting a progressive-wage system or premium plan in a factory will recognise that the Bill proposes to put a duty upon the Arbitration Court which there is no earthly chance of its being able to carry out. I do not want to be any more personal than is necessary, but it happens that my own firm is the only one, so far as I know, that has made a serious attempt to work the premium or progressive-wage plan in this Dominion. It has been quite clear to me for many years that it was not only desirable but necessary that some incentive to exertion should be found in order to provide for a continually increasing labour-cost. Years ago we tried various plans—the piecework plan, the bonus system in various forms—indeed, we still use the bonus system as applied to heads of departments—but for a good many years, practically since Mr. Halsey, the originator of what is known as the premium plan, made his scheme public, I have been following up this thing, and have been trying to get it introduced into our shop. I very soon found this, however: that unless the organization of the shop itself—I mean the accounting organization—the costing department—is brought up to a fairly high state of efficiency and exactitude, it was not possible to introduce a premium plan with any hope of satisfactory results; and I found also that unless the man in charge of the shop understood and sympathized with the system itself, you simply could not get it going. However, we were fortunate enough two and a half years ago to find a man who was familiar with the operation of the system, who was enthusiastically in favour of it, and who was prepared to assume the responsibility of putting it in force. Now, to show you how difficult this is even in a little shop such as our own, where the operations are not particularly complicated, I may tell you that we have been working at this thing for two and a half years, and up to the present time we have only got about half-way through the shop. I asked the shop-manager the day before yesterday about how many rates he supposed he had fixed up to the present, and I found that they ran somewhere in the neighbourhood of three thousand. I suppose we shall want fully double that number to cover all the operations in the shop, and we shall want probably an average of from five to twenty new