

59. And their superior excellence was called attention to?—Yes.

60. Were they not turned out by the workmen of New Zealand?—Undoubtedly.

61. You are familiar with the manufacture of boots: do you consider that the finish and general get-up of the boots turned out now is superior to what it was ten years ago?—I should say probably it is, but I am not an expert in boots. I know the factories have installed very much better machinery during the last few years.

62. With regard to furniture, you are familiar with the local manufactures: do you consider that the quality, and finish, and style of the furniture has improved during the last ten years?—I do not think you can say that. You can buy as good a style now as you could ten years ago; but if you wanted high-class furniture you could easily get it ten years ago, and if you wanted a low style you could get it now. I believe you could have got furniture about as well-made ten years ago as now.

63. According to that, there is no falling-off in the cleverness and efficiency of the workers?—Cleverness and efficiency in the worker are two different things, but they are not exerting that cleverness as they might. Efficiency is judged by results.

64. In Napier the other day the Premier gave some figures showing the enormous increase in the value of our manufactures?—I did not see those figures. Of course, the Dominion has improved industrially, but not to the extent it should. In reference to the industry I referred to, the increase was not enough to balance the cost in raw material, whereas there was a large increase in importation. When the arbitration system came into existence we were importing practically nothing but raw material, but now half of our business is in importation.

65. Is not the Harvester Trust ruining the New Zealand manufacturer?—When they take up a line it is time for us to drop it.

66. Now, with regard to the rates upon which you are basing the exertion wage: is it not possible that an employer may lower those rates by a readjustment of the premium?—Only when a radical change is made in the manufacture. There is nothing to prevent an employer from lowering the rates, but if he does he destroys the value of the whole system, and is in the end the loser himself.

67. Supposing a workman or a number of workmen on a given rate are making £3 10s. to £4 a week, and an employer considers that more than the workmen should earn, may he not be tempted to reduce the rate so as to bring it to what he considers a fair rate?—That is the tendency of the piecework system. There is always a tendency to lower the rates for piecework.

68. Is it not possible an employer might do that in the system you mention?—Yes, if he is foolish enough. But if he does he destroys the value of the system. The cardinal point is that the premium rate should not be altered unless there is a radical change in the method.

69. Supposing an unwise man, a large manufacturer, did lower the rates and in consequence was able to turn out a drill or other implement at a lower price than what you were selling it at, what would be your position if you were in competition with him?—You mean that if we had fixed a certain rate, and the manufacturer you speak of found that he could get men to work for him at a lower rate?

70. Yes?—That might happen in any case.

71. Would you not be constrained to readjust your rates?—What we should probably do would be to find a better way of doing our work, but we should expect the workmen to be earning approximately the same rate. If you cut the price down too low you have a loss of profit on the transaction. The rates will fix themselves. There is a point at which a workman is spurred on to the most efficient degree, and at which the employer also reaches the highest advantage. That point can only be discovered by experience; you cannot fix it beforehand.

72. Well, it is open to the manufacturer, after the worker has reached an efficient degree and is earning a good wage, to readjust his rates so as to reduce the wage?—Yes.

73. And would that not constrain another employer to follow suit in order that he might be able to successfully compete with him?—Yes, there is a possibility of that, I suppose.

74. *Mr. Arnold.*] Of course, you know that numbers of manufacturers have tried this bonus system, and in consequence of their experience have changed it?—I do not think it has been tried much in New Zealand. I am not aware of anybody else who has tried it except ourselves in the Dominion—not the premium plan.

75. I was thinking of the bonus system?—That is different.

76. Numbers of manufacturers are paying a weekly wage based on a piecework log, and pay a bonus for work done beyond the amount of the piecework log. You may have heard of one manufacturer in Wellington who, during the last few weeks, has changed that system, and is giving to his employees an increase on their weekly wages in accordance with the bonus they earned previously?—I have not heard of that.

77. Is it your opinion that any system, whether premium, bonus, piecework, or profit-sharing, should be left to the manufacturer and his employees for private adjustment?—I think so. I do not see how the Arbitration Court could go into all the details.

78. *Hon. Mr. Millar.*] Do you think there is any means by which we could patch up the present Conciliation Boards so that we should be likely to get conciliation?—No, I think the Conciliation Boards ought to disappear. The proposal in the Bill is a distinct improvement in that respect. But I would like to see the constitution made a little simpler than that proposed.

79. Do you suggest that there should be two Public Conciliators—one for the North Island and one for the South?—Yes.

80. The Conciliator would be available for any dispute that might arise during the currency of an award, and he would be sent to patch it up?—Yes.