A Delegate: Indirectly. You know it yourself.

Mr. Parlane: I am sorry that some of the speakers on the other side have not addressed the Conference and given us their views on the various matters raised in the papers presented by the economists. But in the few minutes at my disposal I want to back up the remarks of Mr. Nash. It has been stated that the present position of this country is due to faulty distribution and not to faulty production. I have the figures to show the relative position of the workers since 1914. The Year-book gives the effective wage index numbers as follows: 1914, 1,000; 1916, 940; 1917, 887; 1918, 833; 1919, 812; 1920, 822; 1921, 894; 1922, 966; 1923, 960; 1924, 959; 1925, 965; and 1926, 973. Now, assuming that the average wage in 1914 was 54s. per week, the actual reductions in wages that the workers have suffered since 1914 would be as follows: In 1917 they suffered a reduction of 6s. 1d. per week; in 1918, 6s. 4d.; in 1919, 10s. 2d.; in 1920, 9s. 7d.; in 1921, 5s. 9d.; in 1922, 1s. 10d.; in 1923, 2s. 2d.; in 1924, 2s. 2d.; in 1925, 1s. 11d.; and in 1926, 1s. 6d. Again in the Year-book there is a section dealing with the private wealth of the Dominion, and according to that article the average of private wealth per head of population shown by the 1914 estimate was £255, or, if only the population twenty years and over be considered, £424, as compared with corresponding averages of £553 and £909 disclosed by the 1925 estimate, and £878 in 1926. The Government Statistician points out that the principal increase is due to the inflation in prices, but he equates the prices for the 1914 level, and even then it shows an increase in the average wealth of over 40 per cent. So that while the worker has had his standard of living reduced the other section of the community has been able to acquire more wealth, on the average. The main thing, I contend, to increase production is to bring about an equitable system of distribution of wealth. That will certainly encourage the workers. There is another thing I would like Professor Tocker to deal with in his reply. He states that in order to right the situation labour costs must be reduced. I would like to ask this question: In the event of labour costs being reduced and increased production resulting, would not that manifest itself in land-values, which would in time neutralize the effect of reduced labour costs?

Mr. Bloodworth: In the course of his paper Professor Murphy stated that we were suffering from thirty years of public and private extravagence. He also referred to some figures produced by Mr. Campbell, with which he agreed. Those figures showed that the workers' position had not improved; in fact, I think he said that they had been slightly reduced. If, then, Mr. Campbell's figures are correct, it cannot be true that the workers have been guilty of private extravagance during that period of thirty years. From Professor Tocker's remarks we understood him to insinuate that the Arbitration Court was responsible for unemployment to some extent. I would like to ask whether the professor saw the *Dominion* this morning, which contained references to unemployment in New South Wales, in Great Britain, and in the United States. In the last two countries there is no Arbitration Court. I would also like to draw attention to a paragraph which appears in Professor Tocker's paper, on page 25, that "Given the elasticity and variety which follows on freedom of organization, competition will secure that the most effective methods will be adopted. Without freedom and variety some measure of stagnation is inevitable. In the unsheltered export industries, and particularly in dairying, freedom from over-regulation has permitted a considerable expansion of output during recent years, despite low and falling prices." I respectfully submit that while the dairying industry has improved its methods, the improvements in the dairying industry are not greater than those in the building and engineering industries.

A Delegate: Oh, yes.

Mr. Bloodworth: That is a matter that can be inquired into, but I submit that the methods in these two industries are as great as those in the dairying industry. These two industries are governed by awards of the Arbitration Court regulating wages and conditions of employment. Those two industries have improved as much as the dairying industry. That shows that it is possible under awards of the Arbitration Court for an industry to improve its production despite the fact that the conditions are agreed to by the workers in the industry. I would also like to ask Professor Tocker if he can explain his figures for import prices on page 23 of his paper: he gives the import price as 100 in 1914, increased to 139 in 1927, while he gives the cost-of-living increase as from 100 in 1914 to 161 in 1927. How does Professor Tocker explain that while import prices have increased only 39 per cent. in that period, the cost of living has increased by 61 per cent. during the same period?

Mr. Semple: I agree with the Hon. Mr. Weston that it would be impossible for any delegate to do justice to the volume of matter contained in the papers which have been presented to the Conference by the ecomonists: it would be futile for any delegate to attempt it. But I would like to put a question to Professor Murphy, who yesterday told us in his address that the two contending parties never gave consideration to the third party, the general public, when they were contesting a dispute in the Court. Supposing we disposed of the system of arbitration, would the contending parties then consider the welfare of the general public? Sir, I think it would be more disastrous, because at the present time, while these parties are contending in the Court the industry is still carried on, whereas if they reverted to the strike weapon industry would be at a standstill while the contest was going on, and as a consequence, I submit, the damage would be greater to the general public—the third party whom Professor Murphy wants to protect by abolishing the Arbitration Court. I would like the professor to tell us how he would compel the two contending parties to consider the third party. Professor Tocker told us this morning that one of the chief remedies for our present economic difficulties was increased production or reduction in wages. I would like Professor Tocker to prove that the workers of this country are not producing a fair thing. Take, for instance, the miner: I believe that the miner of this country has to his credit that per head he produces a greater amount of output than the miner of any other country in the world. It has been shown conclusively that his output would compare favourably with that of miners in any other part of the world. I believe that the