

be based not on the mass production but on the quality thereof. Further than that, I hope that if the question of the remuneration were taken before the Arbitration Court, perhaps Professor Tocker would support Mr. Justice Frazer's dictum that the payment should be based on the amount of time and work put in. On the humanitarian side there is much to be considered.

The motion was carried by acclamation.

Professor Murphy: The professors thank the Conference for that resolution.

The Chairman: The Conference very heartily thanks the professors for the papers they have presented. I personally feel that they are indeed valuable additions to the literature of the very important subject discussed. They will not be lost sight of, I am sure, in the future work of this Conference; and I have no doubt they will be greatly used by the committees that have been set up, and the facts and suggestions contained in them will be given full consideration.

Professor Murphy: Mr. Chairman, the professors thank the Conference for its very kindly vote. We feel that we have done no more than our duty, and have been impressed by the fact that such highly contentious matters could be brought up in such an amiable and friendly atmosphere as has prevailed so far.

Statement by New Zealand Farmers' Union.

The Chairman: The next business of the Conference is the reading of a paper prepared by the Farmers' Union group.

Mr. Polson: Mr. Chairman, may I have permission to begin by making an apology. Professor Belshaw tells you that three years ago I twitted him upon his youth. I do not remember the incident, but I accept his word for it that I was guilty of such discourtesy. I wish, therefore, to withdraw the statement then made and to compliment him upon his youth. I regret that the Farmers' Union was not so wideawake as others have been. We did not realize that we might have got this paper printed for nothing, and consequently some slight errors have crept into it. If the Conference will allow me, I will just indicate them as I go along, and ask the delegates to make the necessary corrections in their copies.

STATEMENT SUBMITTED BY THE NEW ZEALAND FARMERS' UNION, NATIONAL INDUSTRIAL CONFERENCE, 27th MARCH, 1928.

The main problem facing the Conference is, in the words of the circular issued by the Prime Minister, "attaining industrial peace and industrial efficiency, with a fair distribution of the national income." This union is entirely in sympathy with so worthy an objective, but feels that in any circumstances it can be realized only imperfectly, and that under no conceivable conditions would all interested parties agree as to what constitutes a "fair" distribution of the national income. It is also felt that industrial peace in any full sense is impossible until all sections of the industrial world are convinced that they are justly treated. In a world of change and conflict complete peace in any field, industrial or international, seems to be an unattainable ideal. What should be aimed at is as full a measure of harmony as is consistent with national efficiency and progress, and with individual freedom. Artificially induced and superficial peace is not real peace. The peace of industrial paralysis, or sleep induced by economic chloroform, is not true peace at all. It is hopeless to expect that conflict can be eliminated from economic relations among men. We must face facts, and recognize that, while employers and workers have many interests in common, they have very important interests that cannot be completely reconciled, chief among which is the division of the product of industry. This can never be decided save by bargaining, and supply and demand. What is wanted is effective means for allowing this play of supply and demand to function easily and smoothly, and the removal of checks and hindrances to the process that may disguise, but cannot eliminate, conflict of interests, while in other ways reacting seriously against the interests of the general community, and perhaps securing advantages to favoured sections at the general expense.

It is intended to restrict this memorandum mainly to a discussion of the industrial arbitration system of the Dominion as it appears to this union. Taking the items on the agenda paper in order, the following are the views of the Farmers' Union, and the reasons upon which such views are based:—

- (A) *The effect of the present system of industrial legislation on (1) the welfare of the country, (2) the interests of employers, (3) the interests of the workers.*

The union considers the effect of the industrial arbitration system to be detrimental to the welfare of the country, on the following grounds:—

(1) It imposes on our industrial system a rigid and inflexible code of industrial regulation, embodied in awards, with the force of a statute, breach of which is a penalizable offence, and which cannot be altered, even by consent of the parties, without first setting in motion the necessarily dilatory and cumbrous machinery of a peripatetic Court. The awards tend to be standardized in form and phraseology, as all Court orders tend to do, and the result is that a clause governing operative conditions, introduced perhaps in one district without due consideration of its effects, gradually spreads over the whole field of industry as "the Court's usual clause."

Being a Court of Justice administering a complex system of *ad hoc* jurisprudence, the Court is not sufficiently flexible to accommodate itself conveniently to the changing requirements of industry. It is, in fact, on the horns of a dilemma. If it does not develop and maintain both legal and economic precedents, it lands in chaos, since it could hardly be operated with consistency and sanity unless parties could assume that what it had decided before it would decide again the same way in the like circumstances. No tribunal can operate without this basis of rational calculability in its actions, and it cannot help being bound in practice by precedents of its own creation. Moreover, being a compulsory tribunal, it has to provide an elaborate system of inspection and enforcement, and this means