

than to lessen industrial friction; (e) to produce conditions leading directly to unemployment." On another page Mr. Williams suggests the use of the Industrial Disputes Investigation Act, instead of the Industrial Conciliation and Arbitration Act. I agree that it may be used by workers who do not wish to register under the Industrial Conciliation and Arbitration Act. Some workers I represent are in that position; they had not got the Court's increase of 4s. for the past few years; and when we met the employers, the employees refused to give the 4s. What would Mr. Williams suggest in such a case? Should the workers strike for the 4s., or take the employers' refusal lying down?

Mr. O'Byrne: Sir, on page 102 Mr. Williams states that the only way to solve the problem is by reduction of wages or by increased production. I would like to know how he squares that view with the position now existing in the timber industry, where we have overproduction by millions of feet of timber and thousands of men are out of employment on account of this overproduction. At the same time wages have been reduced in my district, the Southland and Otago District—and I suppose the same applies throughout New Zealand—by something like 2s. a day, down to the economic wage of the Arbitration Court. We have had a reduction in wages and we have overproduction, and still there are thousands of men out of employment. How will Mr. Williams cope with that position?

Mr. Martin: On page 101 of his paper dealing with the "False Basis of Wage-fixation," Mr. Williams says, "To this we attribute the comparatively poor standard of *per capita* production." What comparison has Mr. Williams made from which he concludes that the *per capita* production of the New Zealand worker is poor? Is it with the production of the workers of other countries, or where does he get his figures from, from which he has drawn that conclusion?

Mr. Churchhouse: On page 101 of his paper Mr. Williams says that the Judge of the Arbitration Court "has complete control over the wages to be paid, and no control over the output returned for those wages." I want to say also that he has no control over the amount of labour that the sheep-farmer will employ. That is rather an important question for this Conference to deal with, because there is the unemployment question. That is a problem that we are met here to-day to try to solve. For the moment I am not troubling so much about the man who has a job as about the man who has no job at all. It will be seen that on page 101 of his paper Mr. Williams says, "Under the Arbitration Act labour is the one commodity that has been removed from the operation of the law of supply and demand." I do not know what the economists think about it, but labour is only labour when it is working; when it is not working it is not labour at all; so that we are affected by the law of supply and demand to a great extent. What I want to know from Mr. Williams is whether, under any tribunal for the settlement of disputes, the sheepowners would be able to employ more men than they do to-day, and so tend to assist the country to solve the unemployment problem.

Mr. A. Cook: I desire to make an explanation. When I was speaking about the question of shearers' requisites I should have said that with the assistance of the Sheepowners' Federation we could import shearing requisites and let the pastoral workers have them at 75 per cent. less than they are compelled to pay for those articles to-day.

Mr. Williams's Reply.

Mr. Williams.—The first question I have here is in reference to Mr. Acland's paper. Mr. Acland refers to the happy relations which existed during the war period between the sheepowners' representatives and the workers representatives, and I am asked to explain the attitude of the Sheepowners' Federation in absolutely refusing to discuss wages and conditions before the Conciliation Council, stating that they desired to place the responsibility upon the Arbitration Court. Now, to explain that matter fully would involve a criticism of the Court from the beginning. The sheepowners of New Zealand have never submitted willingly to the right of any one to dictate to them in the matter of wages and hours for their employees, because they preferred that to be put on a legal basis. In recent years, when attending the Conciliation Council, we have always known beforehand that the demands of the workers as formulated were not possible to comply with, and as a matter of policy we have always sought to place the responsibility on the Court for passing on to us and imposing on us rates which we contend that the industry cannot bear.

In the second question I am asked to explain to the Conference why the Sheepowners' Federation has refused to assist the Shearers' Union by refusing to import shearing requisites, so that shearers could get them at a reduced price. This involves the principle of interfering with private enterprise. That is a principle which is not under discussion at the present time, and that principle has nothing to do with the case in point.

Mr. Robinson, in asking his question, states that I blamed the Arbitration Court for bad conditions, and asks whether I am aware that the Court requires conditions to be fixed by the Conciliation Councils, and why I, therefore, blame the Court. I am blaming the system altogether for the conditions, to a certain extent. I have never suggested that the Court or the present system was wholly responsible for the conditions. We have shown a certain tendency which leads to these conditions, and I submit that the question cannot be answered in any other way. Mr. Robinson also asks, "Is it not a fact that, as the Court has the power only to fix the amount of wages, the employer can defeat the increase of wages by raising his prices immediately afterwards?" That question contains the essence of one of our objections to the system—that is to say, the employer can increase his costs, and thereby the increased costs in every industry have been thrown upon the primary industries of this country.

The next question is, "Is Mr. Williams or the Sheepowners' Federation in favour of a standard minimum wage being fixed, and what steps does his Federation recommend in this direction?" The answer to that is, No, our Federation is not in favour of that.

The next question is on the following lines: "Mr. Williams says, 'the spirit of compulsion must enter also into the work of conciliation, creating antagonism where none need exist,' yet practically