H.—35.

(1) employers, (2) workers." The answer is, no, I cannot. But that matter does not really have any bearing on the case, because if more agreements are broken by one side than by another the more is

the provision for compulsory arbitration condemned.

Another question refers to what is termed "one-sided" compulsion: Has not the employer under the present law to file a case against a union, and take them to the Court for the purpose of obtaining a new award? My answer is, Certainly they have the power until that union cancels its registration. They have not lost the power in that respect. The next question relates to compulsory conciliation, and is, "Would you give the Chairman of the Conciliation Board or Council a vote to decide a point that the parties could not agree on"? My answer is, I would not allow the Chairman to vote at this juncture. But that is a machinery matter that requires far more consideration than we can give to it just now.

Mr. Worrall asked me whether, in my opinion, the question of distribution must be solved first, or greater unemployment will be caused by greater production? My answer is, No, I do not think any of those questions should be solved first. An opportunity is being given us now to solve one particular aspect of this very great question, and the solution of that one will help us in the solution of the others which must follow. I have already said I do not think greater production would in any sense result in greater unemployment.

A Delegate: I move, That an extension of time be granted Mr. Williams.

Mr. Henderson: I am sorry to have to object, but I have to go south to-night.

A Delegate: He is replying to two papers.

The Chairman: An extension can only be granted with unanimous consent, and, as objection has been raised, Mr. Williams cannot proceed.

Statement of Position by Dairy Industry Delegates,

Mr. Sterling: Like some of the speakers who have preceded me, I wish to make a few preliminary remarks before reading the paper I have here on behalf of the dairy-farmers. In the first place, the Conference will probably find that, compared with some of the preceding papers, ours is the briefest of the lot, and therefore, as brevity is the soul of wit, apparently all the wit lies amongst the dairy-farmers. We have considered the question not only from that point of view, but also from the practical point of view, if we are going to get through our job in a reasonable time. We therefore need economy in time, but with it quality in regard to intelligently dealing with the questions involved. We have had many subjects to deal with, but so far we have considered it our duty to essentially deal with the point that we considered was the central one rather, and around which the work of this Conference would revolve. Members will see that we stress that point in the course of the paper. My next point is that our paper is not to be taken as necessarily referring to the dairy industry, or to the activities connected with it, such as manufacturing in our factories, and so on; but is intended to be the dairy-farmers' conception as to how the industrial machine is working generally in the Dominion. My paper is as follows:—

STATEMENT OF POSITION BY DAIRY INDUSTRY DELEGATES.

In presenting this Report to this Conference we realize that we are speaking on behalf of the principal primary industry of the Dominion, the industry which accounts for the greatest proportion of the national income; and, while the statement is particularly designed to convey the collective opinion of our people on the present industrial situation, we desire to say that we have endeavoured to examine the problem essentially from the point of view of the Dominion as a whole.

We commence at the point which seems to stand out clearly and is quite beyond the realm of dispute—that there is a large measure of dissatisfaction with the system of working of the industrial machinery of this country. The dairy-farmers of the Dominion have had it forced on them that for some years past their net income has been diminishing. They have found their expenditure increasing without any commensurate expansion on the revenue side. They have to compete for their revenue with the rest of the world, unassisted by any such artificial protection as may be opened to other industries, commonly called "sheltered." They have felt, on the other hand, that as a result They have felt, on the other hand, that as a result of interference under state regulation with the free operation of economic laws the dairy-farmer has had his expenditure increased, to his disadvantage. Unquestionably, there are a number of factors operating to bring about the present disadvantageous position of the farming community, and among these factors our people are firmly of the opinion that the operation of our industrial machinery as at present manifesting itself is a material one. To understand clearly where the dairy-farmer stands on this matter, we think it necessary to go back to the very genesis of the industrial conciliation and arbitration machinery. The Act was first passed in 1894, and was sponsored by the Hon. William Pember Reeves. He stated the fundamental principles underlying the scheme of the Act very clearly in the following words: "I do not think the Arbitration Court will be very often called into requisition: on the contrary, I think that in ninety-nine cases in one hundred in which labour disputes arise they will be settled by the Conciliation Boards." This statement brings out very clearly what Mr. Reeves regarded as the very essence of the scheme: in a word, "conciliation." With this principle the dairy-farmers have no quarrel. Administered and worked with the idea of conciliation always kept uppermost, we feel satisfied that the present position would not have arisen. But what do we find? We find that there has been a gradual subordination of the principle of conciliation to that of arbitration, until at the present moment the machinery prescribed in the conciliation sections of the Act has become more or less an empty formality, necessary to be gone through by the parties to enable them to use the machinery of the arbitration provisions of the Act in a manner and to an extent that was never originally contemplated. Obviously, this has tended to make the settlement of our industrial affairs rigid instead of elastic, but more particularly has interposed a third party between the essential parties in the settlement of the industrial affairs of the country. In other words, where