3. Remedies.

It becomes necessary, therefore, to look for means to alleviate present conditions and to restore prosperity to those primary industries on which the prosperity of the whole Dominion is so closely dependent. Since present difficulties are largely due to the disparity between farmers' costs and prices, they might be remedied either by lower costs, by higher produce-prices, or by both. But little is to be expected from higher farm prices. It appears probable that export prices will improve somewhat during the coming season. But they depend on world levels of prices, and world prices are now much more stable than at any time since 1914, and they are well below the internal price-level in New Zealand. It is practically certain that, in the future, as in the past, our export prices will fluctuate alternately above and below a fairly stable general level of world prices, which means that they will average considerably below our present level of internal prices. The disparity between price-levels is therefore unlikely to be much reduced in this way.

Much more is to be hoped from an increase in farmers' incomes without corresponding increases in their produce prices—that is, from increased farm production at about the present level of prices. Something has already been done in this direction, for farmers, enjoying none of the artificial protection of sheltered industries, and suffering little directly from the restrictive regulation imposed upon those industries, have relied more on their own ability and energy to meet their difficulties. Close attention to the business side of farming, better farm management and organization, elimination of wastes, fuller utilization of resources, methods such as herd-testing and top-dressing of pastures—all these have been advocated as means whereby production might be expanded without corresponding increases in costs, and some measure of success is being achieved. Such methods are the foundations of solid progress in any industry, and it is highly desirable that their use be extended in every kind of production.

But the adoption of improved methods such as these should not be confined to primary production alone, and the increased production effected in some of the primary industries might be much enhanced were expansion not retarded by the prevailing high costs due to high internal prices. The internal price-level is kept up by high overhead charges, heavy taxation and rates, overcapitalization, &c., and by high prime costs for which the tariff and State regulation are largely responsible. To the burden imposed by taxation and rates we shall return in an early bulletin.

With a view to lowering internal prices, which bulk so large in our present difficulties, the easiest and most beneficial reform appears possible in drastic revision of regulations which now restrict production and increase cost. The need for increased production at lower cost is universally recognized, but it is futile to expect that this desirable end should be fully achieved while we fail to recognize how greatly industry is hampered by the cost-increasing regulations and restrictions imposed by Arbitration Court awards and by public authorities. At the present time the State appears to be doing its utmost to help particular industries with one hand and to hinder industry in general with the other, while it imposes on all industry the swollen costs of both its help and its hindrance. The basic primary industries, unsheltered, unprotected, and but little regulated, have achieved soundness and health in the past largely because their freedom threw the onus of achieving success on the initiative and enterprise of individuals. If we wish other industries to achieve the same sound health, to produce more at lower cost, thereby widening the local market for their goods and for the labour they employ, to ensure their own well-being without State aid, and to help rather than hinder the progress of the primary industries and the Dominion as a whole, then the restoration of a similar reasonable measure of freedom appears to be essential.

Discussion on Paper.

Mr. Revell: I would like to ask Mr. Turner whether he supports the system of employment which tends to endanger the life of the workers employed by requiring them to work at a speed which is dangerous. I am referring to the piecework system. In view of the alarming figures shown in the Labour Department's report in connection with the workers in the freezing industry, I want to ask Mr. Turner whether it is a fair thing to ask them to go any further.

Mr. Robinson: In paragraph 4 of Mr. Turner's paper complaint is made that there is too great rigidity in the fixation and interpretation of conditions governing employment; but I want to know whether it is possible, in covering a multitude of parties, to have elastic awards without the elasticity being taken advantage of by some of the less scrupulous parties. Is it not a fact that such watertight clauses as appear in awards have been put there because some employers have taken advantage of loosely-worded clauses in order to do things that were never intended by the assessors at the Conciliation Council? In paragraph 5 (ii) it is stated that payment should be generally by results. Now, is it equitable to base wages on results when the workers at present have no control over the machinery of production? Would the employers agree to permit the workers to produce as much as they can, and guarantee that there should be no limitation of production by managerial interference? Would they agree that the workers be given a share in the control of industry? In paragraph 5 (iii) he says, "Wages should not be based on such artificial conditions as the size of a man's family." Since when have families been manufactured artificially? Does Mr. Turner know that the Dunedin City Council, which could not find an increase of 1d. per hour without reducing hands, had no difficulty in financing out of the profits of trading departments the cost of a new Town Hall, a proposal which the ratepayers had turned down?

Mr. Fulton: Mr. Turner infers on page 141, paragraph 14, that the Court has reduced the purchasing-power of the workers, and that the producers would be forced to adopt means to bring down the price to the level where they could sell it freely again. Does not Mr. Turner think that the main cause of the loss of the farmers' purchasing-power is due to the overlapping expenditure and mismanagement on the part of the employers and farmers? I would like to qualify that question by quoting from the *Dairy-produce Exporter* an article contributed by Mr. Singleton, in which he states that the overlapping in cream-collection is responsible for over £35,000 loss to the farmers. One of his statements reads as follows: "There is one extreme instance referred to me in which cream-cartage is estimated to have cost a company £9 per cow for transporting the cream from two farms." The suppliers should realize that these extra costs are paid out of the proceeds of butterfat sales, and if the farmers do not get a higher price for their butterfat is not that responsible for reducing the purchasing-power of the farmers?

Mr. Martin: The papers which we have had from the other side in this Conference have all suggested the limitation of output and restriction of output as far as the workers are concerned. I have already asked two questions in connection with this matter, but have not received the courtesy of a reply, and I want one this time. One gentleman said that by making a comparison—I do not know what his comparison was—he came to the conclusion that the output of the worker in New Zealand had been considerably reduced. In this paper by Mr. Turner we have the statement, "It