

on in one direction, and that is to the farmer." I wish to ask Mr. Chadwick this question: Has all the money used to overcapitalize the freezing companies been passed on to the farmers, and has that been a big factor in causing the difficulties of the farmers at the present time?

Mr. Chadwick's Reply.

Mr. Chadwick: In reply to Mr. Cooke, I want to point out that I have not referred to the farmers' difficulties at all in my statement, and I want to make it quite clear that the two industries are absolutely inseparable. If any increased cost is caused to the freezing industry by reason of increased wages or other causes, it has to be passed on. As far as overcapitalization of freezing companies is concerned, we know that there has been frightful loss suffered by the freezing companies, but where their capital has gone I could not say.

Statement on the Freezing Industry.

By Mr. H. C. REVELL, Secretary, New Zealand Freezing-works and Related Trades Industrial Association of Workers.

Mr. Revell: Mr. Chairman, this short statement on the freezing industry of the Dominion is presented to bring certain important factors relative to the industry before the delegates.

The first point I desire to make is that the endeavour to maintain surplus establishments and excessive capital in the industry has created a false position, injurious to the industry as a whole and to the workers in particular. Referring to this factor, it is stated in the report of the National Bank of New Zealand that "During the war, when prices were high and the Imperial Government was freely purchasing for the armies in the field, no less than ten new freezing plants were erected, mainly in the North Island. With the close of the war and the cessation of the special demand there was not stock sufficient to supply all these works. They kept on operating, however, and with the continued overhead charges and a greatly reduced output financial difficulty was inevitable for the industry, especially for the majority of the co-operative concerns owned by farmers. How excessive is the number of freezing companies in New Zealand is shown by the fact that for 1923 the forty-six freezing-works had a total output of 149,217 tons, while in the Argentine Republic the output of the ten freezing-works was 673,750 tons." The point is sharply brought out by the fact that the paid-up capital in 1924 was three and a half times greater than in 1914, whilst the actual output was practically the same. If all the capital items are taken into account, and interest charges assessed at the rate of 6½ per cent. the cost in 1924 for interest was nearly three times that of 1914. The attached pamphlet gives fuller information and details of the overcapitalization and its results.

The above factors are entirely outside the range of the workers, and for which they are not in the slightest degree responsible. No arbitration award, whatever the conditions, wages, or hours, has entered into this cost factor. The wages of the industry, however, are not in any way commensurate with the nature and value of the service rendered. The work is disagreeable and dirty; it must be performed at reasonable speed to get the best results; it requires special energy and skill; the occupation is seasonal, and the employment transitional. Added to these factors is the hazardous nature of the occupation, which is illustrated by the accidents reported in the Labour Department Report for the year ended 31st December, 1926, where it is stated that "The total number of accidents in factories reported during the year was 2,768, an increase of 342 over the previous year. This increase is mainly accounted for by the extra number of accidents reported from freezing-works—viz., 1,325." 498 of these accidents resulted in the absence of the worker from employment for more than fourteen days, and 827 for lesser periods. One in every five of the workers in the industry was injured; 47½ per cent. of the total accidents recorded in the Dominion were in the freezing industry. Practically the whole of the industry is carried on in the piecework system. It is impossible to dissociate the abnormal number of accidents from the fact that piecework is the system in operation.

The importance of quality and appearance is recognized by all engaged in the industry. The appearance and quality of the product is largely governed by the knowledge and skill of the workers. It is admitted that the workers in the industry are highly efficient and producing both quality and quantity.

The evidence from the bank reports and a statement by Justice Frazer are conclusive that the main cause of the difficulties which have arisen is overcapitalization. It is impossible for workers by extra exertion to make amends for mistakes of this nature, and they ought not to be expected to take lower wages to rectify defective policies dictated by boards of directors in whose deliberations the workers had no voice.

NEW ZEALAND FREEZING INDUSTRY: EVIDENCE SHOWING ENORMOUS OVERCAPITALIZATION.

Revealing Statistics presented to the Arbitration Court in the Freezers' Dispute.

The New Zealand Freezing-works and Related Trades Industrial Association of Workers, being faced with the necessity of compiling as strong a case as possible in the dispute with the employers recently before the Arbitration Court, employed Mr. H. G. Stringer, public accountant, of Wanganui (who was previously manager of the Feilding and Wanganui Freezing-works), to prepare statistics dealing with the financial condition of the industry, and showing particularly in what degree it was overcapitalized. The association also asked Mr. Stringer to give statistical evidence revealing the difference in the cost of management and production at various companies' works, and to draw comparisons between the 1914-24 outputs in relation to the difference in the capital invested. He was also asked to indicate the wages cost of freezing for the season 1924-25. Mr. Stringer duly gave evidence along these lines when the case was heard by the Arbitration Court on the 14th February last, his figures not being subjected to any process of cross-examination.