

The Industrial Conciliation and Arbitration Act : its Effect on Industry, the Workers, and General Prosperity.

Mr. Roberts : Prior to the year 1890 the people of New Zealand were suffering from many disabilities. Railways and roads were needed ; landed proprietors owned big estates throughout the country ; they employed a few shepherds for sheep-raising ; the interest rate on money was very high for the small farmer and the business man. Wages were low ; business was bad ; the conditions of employment of the workers were frightful. So bad were they indeed that a Commission was set up by Parliament, entitled "The Sweating Commission," which took evidence at Christchurch and Dunedin, and the report of this Commission indicates that there was general poverty throughout the country. The workers were compelled to work long hours under the worst conditions of employment possible. They received only a pittance in wages, and reports from the newspapers of that time indicate that the really useful people in society—namely, the working-farmer, the worker, and those who rendered useful service generally—were in a bad state. As an illustration : the *Lyttelton Times* of the 1st March, 1890, quotes the following prices for wool and dairy-produce from the New Zealand Loan and Mercantile Co. Wool—Half-breeds, 8½d. to 10½d. ; cross-breeds, 6¾d. to 9¾d. Butter, 6d. per pound. Cheese, 3d. to 3½d. per pound. This indicates quite clearly that the working-farmers, together with the workers engaged in industry, were suffering from the so-called depression that then existed.

Recently there have appeared in the press statements by employers of labour and one or two economists which would lead people to believe that low wages are necessary to obtain general prosperity in any country ; but when we point out that in this Dominion in 1890 sworn evidence was tendered before the Sweating Commission that experienced girls worked at dressmaking and in the clothing trades from seventy-five to eighty hours a week for 15s., and that a man worked in the meat-works from 6 in the morning till 7 or 8 at night for 6s. a day, and that "unemployed" workers were being paid in road-construction at 2s. 6d. per day, it demonstrates very clearly that low wages, instead of creating general prosperity, create industrial depression and general disaster in the country.

As a result of the report of the Commission the Conciliation and Arbitration Act was introduced by the New Zealand Parliament in 1894, and came into operation on the 1st January, 1895—that is to say, it has been in operation in New Zealand for thirty-three years on the 1st January of this year.

Along with the introduction of this Act Parliament introduced legislation for the bursting-up of large estates and placing people on the land. The Industrial Conciliation and Arbitration Act improved the conditions of employment of the workers and increased wages and improved their standard of living generally. That, together with the placing on the land of hundreds of hitherto landless people, inaugurated a period of general prosperity throughout the country.

We desire to point out that the improvement in the general welfare of the people was not due to the industrial legislation alone. It was due to the general sympathetic legislation of the then Government, which provided the farmers with cheap money for development, and increased wages which enabled the people to purchase the farmers' commodities. The Government assisted in opening up new markets for New Zealand primary products, and through this very legislation they founded the landed proprietorship which is opposed to the progressive industrial legislation of to-day.

The legislators of that day framed legislation to suit the then economic conditions, but every one will admit that economic conditions have changed considerably within the past thirty years, but our Industrial Conciliation and Arbitration Act, instead of being amended to meet economic changes due mainly to increased production and changed social conditions, has been amended to restrict the liberties of the workers, particularly in the methods of industrial organization. The operations of the Court of Arbitration undoubtedly increased the standard of living of the worker, and in this way put an end to the unfair competition which existed prior to its coming into operation. As already stated, the standard of living of the worker was raised, and this led to all-round prosperity, for, with the exception of the war period, the most prosperous time experienced in New Zealand was for the ten years 1898 to 1908.

In 1908 the Industrial Conciliation and Arbitration Act was amended, and by that amendment the Conciliation Boards were abolished and replaced by Councils of Conciliation ; and at the outset we desire to emphasize that these Councils of Conciliation have done far better work in bringing the workers and the employers together, and these parties to recognize the necessity of an amicable understanding, than the Court of Arbitration has ever done. These Councils of Conciliation performed splendid work until the war period, when their function was to a great extent curtailed by the Court of Arbitration granting bonuses to the workers. The Councils of Conciliation were hamstrung, so to speak, by the pronouncements made by the Court of Arbitration from time to time.

During this period the staunchest supporters of the Court of Arbitration were the primary producers. Indeed, it may be as well to remind the farmers that in 1913, when the waterside workers and seamen attempted to withdraw from the Court of Arbitration altogether, which resulted in a lockout by the employers, the farmers organized free labour and by the use of force the transport workers were driven back under the Court of Arbitration. It seems strange that the passing of time has completely altered the opinion of the primary producers, for to-day we find farmers demanding that the men in their employ shall not be governed by awards of the Court of Arbitration or industrial agreements made through the Councils of Conciliation.

We desire it to be definitely understood that the labour movement has no hallucinations whatever about the Court of Arbitration. We say unhesitatingly that we have not received justice from that institution for many years past. During the war period the bonuses allowed by the Court of Arbitration were only conceded to the workers months after the cost of living had increased, and when these bonuses were conceded they did not by any means compensate the workers for the increase in the price of commodities. For instance, the purchasing-power of £1 in 1920 as compared with the purchasing-power of £1 in the period 1909–13 was—for groceries, 9s. 8¾d. ; for dairy-produce, 10s. 3¾d. ; for meat, 11s. 10¾d. ; or for the three food groups, 10s. 7¾d. ; and for rent £1 had to be