

PRICE INDEXES.

					All Wholesale Prices.	Import Prices.	Export Prices.	Animal Products.
1909-13	..	..	..	..	100-0	100-0	100-0	100-0
1926	..	..	..	..	161-9	158-9	152-6	141-0
Average of last quarter, 1926	..	..	..	..	160-7	158-6	138-1	133-2

SHELTERED PRICES.

					Milled Agricultural Products.	Textile Manufactures.	Wood Products.	Coal.
1909-13	..	..	..	..	100-0	100-0	100-0	100-0
1926	..	..	..	..	192-8	209-4	207-4	187-5
Average of last quarter	..	..	..	..	194-1	205-9	203-3	188-2

These are the prices of articles having for the most part a sheltered local market. There appears to be a close connection between high prices in these sheltered industries and high wages in the corresponding groups of wage-earners employed in the sheltered industries, and an equally close connection between the lower wages and the low prices of the unsheltered industries.

The crux of the matter as an argument against the arbitration system is that if the Court had not increased the wage in this instance the worker economically would have been unable to buy as much of the article as he used to do, and the producer would have been forced to adopt means to bring down the price to the level where he could sell it freely again. In other words, the matter would tend to adjust itself on economical lines without putting up costs all round to the ultimate damage of the farmer more than any one else.

14. The arbitration system of wage-fixation is held to be responsible to a large extent for the increase in unemployment. This argument is based on the case argued above, and the resulting unemployment is due in the main to two direct causes:—

- (a) The farmer finds that with increased costs he cannot afford to pay the increased wages that are required, and there is a tendency for him to reduce the number of his workmen. There was a very good example of this kind of thing in Dunedin recently, though not in the farming industry. The City Council, faced by an increase in wages awarded by the Court, and with the same income as before, had to make the inevitable decision to reduce the number of their employees.
- (b) The increased wages in the town attract men from the country, so that an oversupply is created in the town.

In support of these two arguments it is submitted—

- (a) That there is evidence that farms have been abandoned in some cases, and that in many cases farm-work has fallen into arrears. It is not, of course, suggested that all this can be attributed to the system, but that much of it can be traced back to that cause. (See Year-book, pages 80, 96, and 444.)
- (b) That official figures show that between 1923 and 1926 the mean population increased by 80,000 (over 6 per cent.), the numbers employed on the land decreased by 9,000 (over 6 per cent.)—i.e., there was a fall of 12 per cent., or nearly one-eighth in the proportion of our population engaged in farming. By 1927 the decrease of farm employees had reached over 13,500, and there had been a considerable further increase in the mean population.

We submit that it is a fair inference that the unemployed are recruited from men who have drifted from the country into the towns, or from men displaced by such newcomers. The prevailing unemployment is due partly to the contraction of industry and partly to the drift to town; but the farmer's unfavourable position is mainly responsible for both these factors.

15. Although we understand that the commonly quoted basis of a man, his wife, and two children, has no legal place in the wage-fixing system, it is commonly referred to, and we believe is commonly claimed as being the minimum basis for wage-fixing. We wish to draw attention to the fallacy of this assumption. The census figures show that 45 per cent. of the total population are bread-winners and 55 per cent. dependants, so that instead of one wage having to provide for four persons it has on the average to provide for less than two and a quarter persons. Other statistics can be abstracted from the census returns confirming the fact that the four-unit family is very far from being usual.

16. We wish to make it quite clear that, like, we are sure, every other body of employers in New Zealand, we do not want to see any lowering of the standard of living of a single worker in this Dominion. What we want is the relaxation of a system which we believe limits production. We want this relaxation in order that industry may, by regaining its natural economic flexibility, be able to provide a larger production, the benefits of which would be felt by the whole country, wage-earners as well as employers.

A Survey of Production and Occupations.

(Canterbury Chamber of Commerce Bulletin No. 22.)

INTRODUCTORY.

Population figures show that New Zealand is growing in numbers at a rate more rapid than that of almost any other country. Our people numbered 627,000 in 1891, 1,008,000 in 1911, and 1,325,000 in March, 1925, excluding Maoris in each case. We have approximately doubled in numbers during the last thirty years. This rapid development is likely to continue for many years to come. But the uncertainty and instability of economic conditions on produce prices, production costs, of industrial relations, markets and trade, that have been so marked a feature of the war and post-war years, have occasioned much industrial dislocation and many other economic difficulties. These disturbed conditions have led to some conflict of opinion and many varied suggestions regarding the direction our development should take. But the only sound ground on which to base constructive policies for furthering development is a wide and accurate knowledge of the past, present, and probable future of our industrial organization.