

England: Boot-manufacturers can obtain supplies direct from warehousemen or makers as required, with no risk of having unfashionable materials left over at the end of the season. Being close to source of supply, they can bargain for a cut in price below the ruling rates for regular lines when large making orders are received by the factory.

13. *Disputes.*—

New Zealand: Wage disputes and working-conditions are settled by the Arbitration Court.

England: Disputes regarding piecework rates are settled by the District Councils in those districts where they are established.

A study of these comparisons bears out the contention of the manufacturers in New Zealand to us in our preliminary investigation in regard to the non-flexibility of labour dealt with in that report to the Committee. Quite apart from the fact that the English conditions apply to an industry that has twice as many factories in one town as contained in the whole of New Zealand, which in itself is an economic factor of the greatest value to England, the point cannot be overlooked that the shoe operatives' unions recognize the necessity of meeting the manufacturers' difficulties, brought about by fluctuations in orders received, by recognizing the necessity of keeping manufacturing-costs constant, and permitting some latitude in shop hours to meet holiday conditions and seasonal peak loads. In New Zealand the overtime-payment conditions are such as to prevent the manufacturers from obtaining any monetary benefit when seasonal rushes come that would normally provide an offset for the quiet periods, for which there appears no remedy. Again, the unrestricted employment of juniors, youths, and girls is an important advantage to English manufacturers. Were it possible for such conditions to obtain in New Zealand, the manufacturers here, in my opinion, would undoubtedly be better able to meet competition, and an avenue of employment for more youths and girls would result. It would be contended that this might increase adult unemployment in the country; but if it results in lower manufacturing-costs the reverse might quite logically result, by its being a means of securing more of the orders now placed overseas.

It would be a useful tabulation if it were possible to place an exact value on the various differences in conditions in New Zealand and England. All in the trade will appreciate that on account of the different styles, different methods of manufacture, and different sources and kinds of material each figure given would be subject to variation on the different kinds mentioned. During the investigation considerable cost data was collected, from which the following figures are extracted solely to give an idea of the relative positions:—

The wages rate per hour in New Zealand obtained by taking the minimum weekly rate and dividing it by 44 is 24·2d. per hour.

The comparative English rate divided by 48 works out to 13·1d. per hour, indicating that the New Zealand rate is 85 per cent. higher than the English rate.

By reason of being on piecework the English wage-earner would earn an average of 20 per cent. on his wages.

On account of specialized production on large-quantity orders, as obtains in England, the English manufacturer has an advantage of at least 10 per cent. over the New Zealand manufacturer on his labour cost.

On account of adopting good planning methods and having a better lay out in consequence, the English manufacturer has a further advantage which would amount to at least 5 per cent. on his labour costs.

It is obvious from the foregoing that the New Zealand manufacturer has a different set of conditions to contend with, many items of which are business conditions beyond his control at present. On the other hand, the labour conditions in New Zealand are not nearly so flexible as obtain in England, and the operators being treated as one class, with one minimum weekly rate, contributes to higher costs.

APPENDIX C.

PAYMENTS BY RESULTS: SOME CONSIDERATION AS TO THE SYSTEM TO BE ADOPTED.

By E. T. SPIDY.

While it is perhaps unnecessary to state the reasons for any system of payments by results, it clears the situation definitely to do so, because in all matters where the relations between employers and employees are concerned, if clear-cut methods and frankness do not exist, distrust and failure of the principles eventually result.

The necessity from the employers' point of view is summed up by the phrases "To reduce labour costs," "To enable competitive priced goods to be made," "To enable wages to be raised without increasing the cost of the product."

From the employees' point of view the individual workers who get increased earnings, provided a fair system is in operation, are in favour of such systems. Organizations in New Zealand usually oppose such systems on brotherhood or average-worker principles, which, unfortunately, do not follow economic laws.

If both sides mutually agree in the first place, the process of establishing such a system is not only materially assisted, but will accomplish much more in the way of results to both sides. It is desirable then first to get the support of employees, if possible, before starting, to get them to come in on the rate-setting, and for them to thoroughly understand all about the system.