

widely differing opinions which that Bill brought forth. In the circumstances the Government decided to postpone further action on the Bill and to call this Conference, which was made possible, and indeed necessary, by the varying points of view that were expressed in connection with the Bill. For several years past there has been considerable criticism of the functioning of the industrial laws of New Zealand, and this criticism has been especially marked in the primary industries. Few will disagree with me when I say that the prosperity of New Zealand for many years must be dependent upon the output of our primary industries. Our secondary industries, though of vast importance, must in the meantime take second place to our primary development; and one of our principal problems at the moment is the fact that while the primary industries are dependent almost entirely on world prices, their costs are to some extent fixed without reference to this fact. The fact that the surplus products of the farm are sold abroad and are subject to world-wide competition must be recognized, and the Conference should direct its attention particularly to devising some means by which the primary industries can be fostered, having due regard to the country as a whole.

Now, this Conference may be looked upon as a national stock-taking of our industrial relations, providing an opportunity for looking facts in the face and discussing them. This assembly may rightly be termed an industrial Peace Conference which should aim at evolving the best methods of team work to increase the prosperity of all; it should examine our position as a community; general discussion should clear away misunderstandings and should help to smooth out difficulties. The interests of the different sections of industry in New Zealand are various, as must be the case in every country; and yet, paradoxical as it may seem, in the ultimate result they are so bound together that they are practically identical. In our national business, as in any private business, we must take into consideration the interests of three parties, all of whom have their rights and their duties. There are the shareholders, who in the case of a national undertaking are in the last resort the general public; there is the management, and there is labour: all these three are inseparably bound together. In both private and public enterprise it is essential, if the best results are to be obtained, that there should be complete understanding and confidence between all concerned; and what you, gentlemen, are asked to consider is whether and how it is possible to implement this axiom in a national sense. It is clear that while industrial unrest and disturbances occur they affect not only individual enterprise but national interests as well. Every stoppage in industry affects us all; every national loss makes us individually poorer, and puts us in a worse position to meet our competitors in the world's markets. In these days of competition it is vitally important that every citizen of New Zealand should understand these facts, and that every possible step should be taken to avoid national loss. In a modern democracy such as ours, where government by the people is carried to its furthest extent, there are bound to arise from time to time difficulties in the reconciliation of what appear to be conflicting interests, and it will be your task, gentlemen, to endeavour to reconcile these apparent conflicts, and to place the widest interests above individual interests. The public as a whole will be intimately concerned in your deliberations. They are the shareholders of our business, and to some extent all our dividends will depend upon your deliberations. In considering this point of view, however, you will necessarily be obliged to consider also the interests of capital and no less the interests of labour. Capital is of little use by itself, and labour without well-directed effort is largely wasted in modern society. Your problem is to find the correct balance, and care must be taken to see that justice is done both to capital and to labour. While not for a moment losing sight of the standard of living of our people, we must at all times have due regard to the fact that any fictitious position not justified by economic facts must ultimately prove to the disadvantage of all.

Mr. Philip Snowden wrote recently, "No society could hold together if there were unfettered and unregulated competition, and in obedience to laws of self-preservation we have had to substitute co-operation to a great extent for competition. If by industrial peace we mean the substitution of conciliation and arbitration for the folly of fighting, then peace is not only possible under capitalism but has proved to be so in innumerable instances. . . . More cannot be taken out of industry than is produced. Good wages cannot be paid out of an unprofitable industry. The more prosperous industry is, the better are the chances of labour getting higher wages. The sensible policy for labour, then, obviously is to co-operate in making the industry efficient. But the condition of such co-operation must be that labour shares in all improvement. The policy of fighting out differences is being increasingly realized by both employers and union leaders as a foolish and futile policy. The wiser employers have come to see that low wages are uneconomical, and that contented, well-conditioned workmen are more productive." Those are Snowden's words.

Another writer on industrial subjects made the following remarks: "It is an illusion that machines make a man like a machine. It is the man who digs with a spade who is a machine. The man who works with a steam digger is himself running a machine. Every soldier is entitled to good generalship, and you cannot ask soldiers to fight in battle—in war or industry—unless they believe their generals are capable of gaining the victory. There is one asset you never see in the balance-sheet of any company, and yet it is an asset of extraordinary value. Although no accountant recognizes it as existing, it does exist. That is the loyal co-operation and friendship of those engaged in an industry. That is its biggest asset, more valuable than all its machinery and plant and tangible assets, because it enables it to be carried on successfully. Old customs which do not promote this co-operation should be scrapped, because it is fundamental for the future well-being and progress of this country."

Now, I hope, gentlemen, that you will really look upon this Conference as a "get-together Conference"—that every member will approach his highly important labours in a spirit of service for the general good, setting aside all personal, political, and party interests, and discussing each aspect from one viewpoint alone—the good of the whole community. In this connection I would ask you to bear with me if I quote from the remarks of Mr. Ben Turner, a Labour representative at a