

shoulders of the leaders of both labour and capital. They should shoulder that responsibility, and develop strength and leadership in the process, and I do not think it is in the public interest that the leaders of our essential national industries should have the right to throw their responsibility on to the shoulders of a tribunal. I believe that we have the right to look to the leaders of industry to settle this problem between themselves. I think a better outlook for industry is apparent when we have the leaders on both sides filled with the responsibility of industrial negotiations, industrial peace, and industrial conditions generally placing it on their own shoulders directly, and not on the shoulders of the Court. Some may say that you cannot eliminate the struggle in that way, because there would be temporary disagreements, and probably a certain number of stoppages. To some extent we get them now. Much time now is taken up trying to work points on the Court, putting evidence across the Court, using technical points, and in fact humbugging the tribunal over points and matters regarding which I think our industrial leaders should agree among themselves. Under the present system the men go to Court for an adjudication of their wages, and they are given something a little higher. It is really not very much higher: everybody gets accustomed to the new scale. But there are further applications, and at last the employer can bear no more. No man will put a limit on his desires and the standard of life he seeks to obtain; and I ask any fair-minded labour man, is he not out for all he can get? The answer I should give in their position would be "all we can get." The men will ask a little more, and here and there the Court will grant a little more, and for a long time there will be no prospect of serious trouble, because there is still a little slack to be taken up. The question of a fair wage is ultimately bound up with that of what is fair profit. In New Zealand there is a confusion of ideas. The point is, is it desirable that wages should be fixed by the State—for that is what it comes to with a State tribunal—or is it desirable that they should be fixed, as elsewhere, by bargaining between the different interests? No man can answer that question for another. If you ask a man what wages he should get you are asking him the most profound question outside the spiritual world that any one man can ask his fellows, because you are asking him to estimate the whole value of his relations with his fellow men. In order to better things we should adjust this relationship by a process of bargaining, as elsewhere, by studying supply and demand, which in my opinion cannot be eliminated. The other view is, is it better in the long-run that wages, and finally interest and profit, should be fixed by a State tribunal? My own idea is that it is not better; but I am not answering that question for another man. Another point I think of importance is, that it seems to me that the compulsory arbitration system has been extremely unfortunate, because it has simply resulted in practice, although not in law, in keeping the parties apart, with much harm to the community generally. It has not given them a fair chance of coming together to settle industrial disputes. And the mere fact that we are here to-day, and that there has been so much controversy over the matter, is proof that in themselves our existing arrangements are not pleasing anybody. Theoretically, the Arbitration Court need not be used, which has meant a one-sided policy. The employees can form a union, and drag the employers in, but the employers cannot draw the employees in unless they are unionized. There is nothing in the arbitration system to enable employers and employees to get together except along legal lines. It does not encourage the conciliatory spirit, but encourages the litigious spirit. It has the effect of preventing the parties exploring any other avenue. There are times when academic suggestions cannot do much good, but I might advance one here: it is that ultimate peace will never be obtained unless we are agreed on the principle of social justice, and we are not agreed on that. In an ideal community we should have established a measure of social justice. But we cannot hope for that, and so the best you can do is to recognize that men have different ideas as to what is a fair thing, and different ideals of distribution, which cannot be entirely reconciled. There should be another way, a way out if the parties want it. I suggest that the existing system is not the way, and that it is not possible while we have compulsory arbitration along existing lines for the parties to get together on issues that are non-contentious. You know the difficulties that led to the passing of the Apprentices Act of 1923. We there made an effort more or less in vain to get the problem of industrial training removed from the contentious administration of the Court. It may be possible in theory for the employers and the workmen to take their contentious problems to the Court, and to work out their non-contentious themselves together, but that does not happen in practice, and it will never be possible to settle them while the industrial system stands as at present. Suppose the workers in the iron industry enter into an understanding—an industrial council arrangement—with their employers, and another factory making pig iron were to come into existence, what is to prevent the workers in this new factory from organizing a union and going to the Court and registering, and taking advantage of the other parties who have already made an arrangement which suited them quite well and which they did not desire to change? I cannot see any legal bar to that, and I cannot help thinking that it is a very serious defect. I have not dealt with the problem of the sheltered and the unsheltered industries, which will be dealt with by other people here. I am not forgetful of the fact that some of the unprotected sections of the community feel very strongly that any privileges the sheltered sections obtain are really got at the expense of the unprotected sections. It is a great pleasure to us to recognize that many people are well-off but that pleasure is mitigated when it is reflected in our income-tax or cost of living. Another point is that of the rise in wages consequent on the machinery of the arbitration system. I have been considering tables of figures which Mr. R. M. Campbell has taken out. I have got them here, and they indicate that the real purchasing-power of wages is somewhat lower now than it was in the year 1900. These figures can be quite easily checked. It seems to me that the whole system is more or less futile. You have rising wages, rising costs, rising tariff duties, and rise in the cost of living round and round in an ever widening circle, until the thing is stopped by the non-protected people not having the means of buying the commodities.