

1928.

## NEW ZEALAND.

## NATIONAL INDUSTRIAL CONFERENCE.

STATEMENT BY THE PRIME MINISTER (RIGHT HON. J. G. COATES) ON LAYING THE REPORT OF THE CONFERENCE ON THE TABLE OF THE HOUSE OF REPRESENTATIVES, 28TH AUGUST, 1928.

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*Laid on the Table by Leave of the House.*

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In laying upon the table the report of the National Industrial Conference I wish to take the opportunity of placing upon record my appreciation, and that of the Government, of the impartiality with which the delegates to that Conference entered upon their highly important task, and of the spirit of mutual understanding and toleration with which its proceedings were conducted throughout.

It is impossible to exaggerate the importance of the object for which the Conference was called. The relations between employer and employee are receiving most anxious consideration at the present time practically throughout the whole world, and in these days of intense competition the country which is able to solve the problem of industrial peace will most certainly have a great advantage in the struggle for trade against those peoples who still remain imbued with the ancient idea—now very largely exploded—that the interests of the employers lie in confining the remuneration of labour to the lowest possible limit, and that the interests of the workers lie in constantly attacking the employers.

The object of the Government in calling this Conference was to bring out as clearly as possible the very real identity of interest between the employers and workers of New Zealand, and their responsibilities to the whole Dominion, and to give those concerned in industry the opportunity of solving, by agreement among themselves, many of the problems that are facing us to-day. It was with no little anxiety that the Conference was decided upon, and the fact that both sides were able to meet in a spirit of amity and good will must be regarded by all as a most promising indication of what may be possible along these lines in the future.

There can be no denying the real advantage of getting all parties concerned in a controversy to meet man to man round a common table. The personal contacts so established, and the readiness with which opposing points of view may be explained and understood, undoubtedly facilitate a settlement of the most difficult and controversial questions; and this principle must apply not only to a Conference such as that held this year to decide matters of policy, but also to similar meetings to decide the practical details of industrial conditions in any industry and locality.

The agenda which was placed before the Conference was a very comprehensive one, but in the final result it was found that the deliberations of the Conference were largely confined to the four subjects of unemployment, immigration, workers' compensation, and industrial arbitration, of which the last was, of course, the most difficult. On three of these subjects the Conference presented a unanimous report, but no agreement was found possible on industrial arbitration.

Before discussing this last-mentioned subject I wish to comment very generally on the first three ; and in the first place I wish to put upon record the fact that the Government attach the utmost importance to these recommendations, and have no hesitation in accepting them as the basis for future action or legislation, as the case may be. How far it will be found possible to take immediate steps in all cases, or to implement the recommendations in their complete detail, I am not able to say at present.

On the subject of unemployment the Conference recognized that the complexity of the problem called for further statistics and for further inquiry, which it suggested should be undertaken by a Committee. The Government entirely agree. Statistics have already been asked for, and the necessary steps to set up such a Committee are in hand. The recommendation that the Consolidated Fund should in the meantime provide the moneys required to cope with unemployment is in effect a recognition of the principle which is already in operation, and which we have no intention of disturbing while the need for special assistance remains.

With the recommendations as to immigration we are in general agreement, though considerable difficulty is expected in arranging for the medical examination of full-fare migrants as recommended. We are, however, now giving the necessary consideration to the method of putting the recommendations into force in so far as they differ from existing practice.

The recommendations on workers' compensation, again, recognize the complexity of the position. As honourable members are aware, a special investigation has recently been made into the Ontario legislation, and we have come to the conclusion that further information will be necessary before we are in a position finally to examine its possibilities. It will, I think, be generally agreed that the subject should be treated as a whole, and we propose to defer a decision on the questions of compulsory insurance, medical attention, and lump-sum payments until a final determination on the general question can be taken.

Our system of industrial arbitration, which was introduced by the Hon. Mr. Pember Reeves some thirty years ago as an industrial experiment, has been in operation for so long a period that any Government would hesitate before abandoning this system without adequate reason.

As honourable members are of course aware, however, in recent years there has been considerable criticism of the effect of the system upon the welfare of the Dominion, and it has been asserted, with some show of reason, that the artificial fixation of wages and other conditions of work is not in accordance with economic laws, that it has hampered the prosperity of the country, and has rendered impossible that elasticity which is essential to meet the varying conditions of the world's markets.

Again, the readiness with which both parties to industrial disputes have in the past been prepared to refer to arbitration the vital questions of wages and hours has, it has been said, militated to some extent against a proper understanding of the mutual difficulties. On the assumption that these questions would in any case be referred to arbitration there has not perhaps been that frankness and full disclosure that is of the essence of conciliation proceedings properly understood. In many cases, had both sides all the information available as to the financial and economic position of the industry on the one hand, and the individual difficulties of the workers on the other, a fuller appreciation of the realities and of the possibilities and impossibilities of the case must inevitably have followed.

The main object of the Conference was to find, if possible, a way of meeting these objections. We felt that if those concerned could find their own solution, this course would be preferable to any attempt to decide such a delicate and vital matter by legislation or other regulation from outside the ranks of industry ; and I might add that this point of view is becoming recognized with increasingly greater frequency in other countries which are faced with the same difficulties. If industry can itself show the way out, then a course so recommended must undoubtedly be welcomed by the whole country ; and I need not say that a scheme which meets with general approval has much greater prospects of success than any measure which might create suspicion or distrust on one side or the other.

The Conference, despite the good will of its members in their earnest attempt to grapple with the problem, failed to agree upon a unanimous solution. I believe, and my colleagues believe, that this failure may have been temporary only. We think that the results of the Conference, though small on the practical side, were large from other points of view which, if less easy to perceive, are of even greater importance, and we feel that in the good feeling engendered by the last Conference there is sufficient prospect of a further step forward to warrant the calling of another Conference before any final decision is arrived at.

The failure of the representatives of industry to agree after an honest and prolonged attempt to do so, shows the very real difficulty of the subject, and where the experts have failed to point the way it would be rash for anybody less highly qualified to move except with the utmost caution. We have therefore decided to bring the parties together again, in the hope that they may this time be able to find an agreed solution which will protect the national welfare as well as preserve their own interests, which, as I have stated before, are, in the long view, identical.

It is proposed to convene another Conference during the summer, and to lay the whole matter again before it with the same object in view as on the previous occasion—that in the interests of the whole of New Zealand they should endeavour to hammer out together a solution of our industrial problems which may be presented to the country as the solution recommended by industry as a whole.

Until such a Conference has definitely failed the Government do not intend to propose any legislation other than that necessary to maintain the *status quo*, and for this purpose, as a temporary measure only, it is proposed to continue in force for another year the provisions of the amendment enacted last session. We propose to make one small alteration, entirely in keeping with the principle that the agreement of the parties should be the paramount consideration—namely, that should both workers and employers desire a new award they may take the necessary steps to obtain it.

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That such a Conference has definitely failed, the Government do not intend to force for a second time, and the Government do not intend to maintain the status quo, but to propose to continue in force for a second time the amendments enacted last session. We propose to make one small alteration, entirely in keeping with the principle that the agreement of the parties should be the paramount consideration—namely, that should both workers and employers deem a new award they may take the necessary steps to obtain it.