

to himself. Short of such extreme contingencies it did seem possible that the Act might work beneficially to both parties. The employers would put up with a great deal before they would close their shops and see their invested capital disappear; and, on the other hand, it seemed a reasonable expectation that the employees would be loyal to the Act if and so long as the awards were more or less uniformly in their favour, even though the Act should not give them in every case all that they asked for. There has been evidence enough, however, that even to this extent the loyalty of the workers was not equal to the strain, as you have had them coming to Parliament year after year demanding concessions which the Court had refused; and the Committee is well aware of the several attacks that have been made by dissatisfied workers upon the *personnel* and constitution of the Arbitration Court. It was quite obvious from the first that the time must come sooner or later when the Court would be unable to grant further concessions in pay for fear of endangering the very existence of the industries affected, and it was quite obvious too that when that time should come there was nothing in the Act, or nothing in existence that I am aware of, that would prevent workmen from striking if they felt so inclined, especially if they happened to be led by irresponsible men of extreme views, as unfortunately is very often the case. Now this Bill proposes to make striking illegal, and prescribes a very wide definition of a strike and all the acts of aiding and abetting a strike, and provides also severe penalties for both. I do not wish to make any sweeping assertion and say it is impossible that such provisions should be effective: they may or may not be effective in preventing strikes, but I would point out to the Committee that workmen do not need to strike in order to gain their ends. They can put what pressure is necessary upon their employers to enforce their views, even to the extent, if they wish, of driving an employer out of business or into a lunatic asylum, by a method short of striking—a method which they know quite well and which they know how to use quite well—the method of going slow, of applying what is called the “ca’ canny” principle to their work; and I cannot imagine how the Legislature is going to devise any set of enactments that will prevent this. I have some figures here which will serve as an illustration of how this plan may be worked. These figures refer to a certain trade—not by any means an unimportant one—in the Dominion, and are taken from the official returns: In 1901 the hands employed in this industry numbered 4,176, the horse-power employed was 1,937, the amount of capital invested in buildings and plant was £455,621, the raw material used up in that year in the manufacture of goods was worth £495,599, the wages paid amounted to £361,150, the value of the product was £1,062,265. In 1905 the following increases in these items are reported: In the hands employed, 553; in the horse-power employed, 986; in the capital invested in land, buildings, and plant, £208,083; in the material used, £14,870; in the wages paid, £53,411. Now, on the basis of the number of hands employed the increase in the products for 1905 as compared with 1901 should have been £140,669, or, if you allow for the increased horse-power available and the increased capital invested, the products should have increased by £176,485. The Committee will hardly believe me perhaps when I tell them that the total increase in the products of that particular industry for that period was £15,310. That is to say, that the total increase in the products was not sufficient to cover the actual cost of additional raw material used up plus a reasonable percentage for profit, and that for the labour of 553 additional men, assisted by a large increase in power and an investment of capital of over £200,000, the employers in this particular industry got nothing—the industry itself gained nothing, and the Dominion gained nothing. The output per man as between those two periods fell from £254 7s. 6d. per year in 1901 to £224 17s. 3d. per year in 1905. This case is not cited as a specially shocking example of what is going on. The particular industry referred to was not harassed by labour conditions so severely as some other industries, nor was it a period of slack trade in that particular industry—the fact is the very reverse, as is shown by the importations of similar goods during the same period increasing in value by £234,184. If these figures mean anything, sir, they surely mean that this particular trade was checked for some reason, and the trade driven into the hands of foreigners. I cite this matter merely as an illustration of what men can do if they wish to put pressure on the employers without striking. I do not say that in this particular case they were designedly carrying out this policy, but I do believe that instances of the same kind might be multiplied by just about as many cases as there are industries in the Dominion, and that this result could be taken as an illustration of the dire effect upon industry of State regulation. I do not mean either to say that the whole of the blame for this state of affairs is to be laid on the arbitration system: I do say—and in this, Mr. Chairman, I perhaps had better say I am expressing my own opinion and am not authorised to make this statement on behalf of the Employers’ Federation—I do say that the arbitration system is partly to blame, and I believe is largely to blame. It is to blame in so far as it embodies and expresses, or even implicitly sanctions, what I believe to be false and vicious industrial and social ideals. It is to blame, for instance, in so far as it embodies or sanctions the theory that work is not a thing in which a man should engage cheerfully and manfully and into which he should put the best of his intelligence and his energy, but that it is a curse—a hateful and degrading necessity—imposed upon man for his sins, a penalty which it is not only justifiable but creditable to a man to dodge. I do say that the arbitration system is to blame in so far as it sanctions, implicitly, no doubt, shirking and laziness, and in so far as it puts a premium on inefficiency, and causes superiority in skill, or care, or industry to be regarded as a matter for reproach rather than of pride. If evidence is required that this spirit has at least thriven and developed amazingly under our arbitration system, even if it is not charged that it has been bred by it, I have only to refer the Committee to the report of the discussions of the Trades and Labour Councils and Conferences, and, on the other hand, to the addresses recently delivered by the Hon. the Attorney-General. You would perhaps ask me what special features of the arbitration system I think should mainly bear the blame for this state of affairs, and to that I would reply that I regard the minimum-wage system—however creditable to