

a real boost, worth more than a thousand regulations, which after all are simply paper promises. Our reason for the last expression of opinion is based on the fact that owing to the high cost of building, the industry has had to be almost completely employed on highly reproductive buildings. And if it is admitted that a building is going to bring a good commercial return, it is obvious that it must be needed. If the new regulations can do more than high costs in eliminating useless buildings, we shall be surprised. They provide no real guarantee that more houses will be built.

#### How the Regulations Work.

Some indication of how the regulations are to be administered is given in a statement by the Hon. E. P. Lee, President of the Board of Trade. He says that as the whole object of the regulations is to direct supplies to essential works, arrangements have been made to facilitate the process of obtaining permits for dwellings. The local authorities throughout New Zealand have been supplied with the necessary forms, and have been authorised to issue permits for dwelling-houses and essential farm buildings within their districts. Applications other than those for works which the local authority is authorised to deal with will be considered by the Board of Trade, with whom an advisory committee will be associated for the purpose. Works at present in course of construction will be allowed to proceed for a space of two months.

#### Timber Prices—A Contrast.

New Zealand's export of timber does not reduce by one plank the quantity of timber available for use in the Dominion, says the Hon. Sir Francis Bell, Minister in the charge of the State Forestry Department. He suggests that the millers can obtain a much higher price for their timber free on board vessels bound for overseas markets. This is so, but the export is strictly limited, and the millers have really as good a case for compensation out of the consolidated fund as those butter producers who are now demanding of Parliament that they be repaid about a quarter of a million levied on their butterfat during the 1916-17 season, so as to keep down the price of local butter to the New Zealand consumer when the export values were high. Of course, the miller has no chance of a State dividend of this description, because he is not so powerful in Parliament as the farmer. His difficulty will be to get a fair price under the handicap of constantly mounting expenses. We are glad to note that the Board of Trade watches the timber position constantly, and has allowed increased prices to be charged in accordance with increased expenses. There is official basis for the statement that on the average, the factor of wages is responsible for 70 per cent of the cost of timber at the mill. This is another illustration of the economic Dervish-dance in which all classes in New Zealand are now engaged—a chase after high wages, a retort by way of higher prices, then another chase after high wages. The pace is getting giddier all the time, and one wonders when the mad process will come to an end. The Govern-

ment tries palliatives, but seems helpless in the face of the problem. For instance, the Speech from the Throne on the occasion of the opening of Parliament contained a sad admission that it is impossible to prevent profiteering which goes on before imported goods are landed. Why is this impossible? Is New Zealand not part of the British Empire, and are not the British manufacturers and merchants the chief profiteers in regard to our imports? One of the lines of imported goods most generally used in New Zealand is handled in this country by a "dummy" company which is only a selling agent for the Home house, and does all its work on the extremely modest basis of 2½ per cent. profit. The real profit is put on before the goods are landed, and the real company made several millions of profit last year. This the New Zealand income tax, which at one time was more severe than the English tax. It also had the dummying system originated out of a desire to avoid advantage that it largely overcame the double income tax which had to be paid on companies operating both in New Zealand and the British Isles. Now it has become one of the principal devices of the profiteer, and the Government in effect, tells that enterprising class to go ahead, for it cannot be helped.

#### Payments by Results.

The recent trouble in Dunedin over piecework in the engineering trade indicates that New Zealand opinion is somewhat behind the times over this system. Strong objection was taken to an engineering firm running the piecework system, though its employees preferred this method of remuneration in proportion to effort. The National Federation of General Workers, an English organisation representing a million and a half employees, has resolved in favour of payment by results. This body consists of semi-skilled, and unskilled workers, and the resolution, we admit, would have been more important had it come from a great body of skilled workers such as the engineers. What killed the piecework system in England years ago, and still bars the way to its re-acceptance, was the short-sighted policy of employers, who begrudged the men the higher wages they could earn by extra effort, and gradually brought down the piece-work rate until this heavy effort was necessary to earn a living wage. If the piece-work system is to be used as a sweating system, it will never be accepted by the men. But under such conditions as the present, where the last ounce of effort is needed to make up for the gap in production due to the war, a system of payment by results, liberally administered, seems the quickest way to making up for the lost years. In some trades in New Zealand the employers, though afraid to raise the old trouble of opposition to piece-work, encourage good men by paying them more than the minimum wage, once they discover that their output is higher than that earned by men who are on the minimum. This is a modified form of piece-work, and it may lead eventually to acceptance of the real principle, once the men become satisfied that the employer is honestly desirous of allowing them to retain the full benefit of their increased effort. It is the most promising antidote to "go slow."