

last two or three years—during which most of the awards have been made—any suffering has been caused by the institution of a minimum wage, while the benefit to the majority of workers is indisputable. The better class of employer is, of course, in favour of a minimum wage, since he is compelled by his own honesty to pay his men a just price for their services, and is thus exposed to unfair competition from the “sweater,” who wishes to grind the earnings of his workpeople lower and lower, and abhors a minimum wage that interferes with what he calls his “liberty to run his business as he likes.”

It was complained that the present Act had increased the cost of living by raising the pay of workers; that coal costs more on account of miners' high rate of wages; buildings are more expensive because carpenters, plumbers, painters, &c., all have higher wages than formerly. That fact must be admitted, but it appears to carry little disadvantage. As soon as the workman gets his wages they are almost all distributed again directly; with high earnings he buys more bread, beef, beer, tea, clothes, theatre tickets, excursion tickets, &c., than if he made poor earnings. Excepting the official classes with fixed incomes, and a few people who live on interest of investments, &c., there is no person in the community who does not benefit by the high wages of the workers; the money eddies round and round and fertilises every trade, business, and profession. This is denied by some, on the ground that farmers whose produce goes over-seas have prices fixed by circumstances outside the colony. Any one, however, who can remember the New Zealand farmer of twenty years ago, and will compare his position with that of the farmer of 1902, knows that the latter's grumbling at his present position is merely the exercise of “the Englishman's privilege.”

Accepting, then, the truth of the enhanced cost of living, a like acknowledgment cannot be conceded to those who say that it is a hardship to give “preference to unionists”—at all events, in so mild a form as that to be found in any award yet made. It has always been coupled with some compliance from the unionist side—*e.g.*, that an “unemployed-labour book” shall be kept by the union and be open to employers, or that no prohibitive entrance-fee be charged, &c. The unionist, who has to bear the worry, cost, &c., of disputes, and danger of offending employers, in order to better the condition of all workers, should certainly have some slight advantage over the man who is quite willing to accept the improved circumstances procured for him by the energy and self-denial of others, but is unwilling to share either the expense or the peril. Unfortunately for the workers, the practical part of any “preference-to-unionist” clause is nullified by the restriction that it is only when all other things are equal that preference is to be shown. As it lies entirely with the employer to say whether he considers one man equal to or better than another, the “preference” clause in the award helps the unionist very little.

The costly strikes (often accompanied with shedding of blood) which have recently taken place in Europe—notably at Barcelona, Trieste, and Moscow—make the valuable nature of our Conciliation and Arbitration Act all the more apparent. In spite of the reiterated cries of those opposed to it, and in refutation of reports industriously sent abroad as to the colony and the Government being tired of “compulsory arbitration,” that it has broken down, &c., every alteration of the Act during the last session or two has been in the direction of making the arbitration more compulsory and the provisions more drastic. The neighbouring Colony of New South Wales, after having made careful inquiries through a Royal Commission, passed an Arbitration Act based on that of New Zealand, with the added advantage of experience gained by our practical application, but with the notable difference that conciliation, the voluntary principle, was entirely eliminated, and only the powers of the Arbitration Court retained. It will be a matter of deep interest to citizens of New Zealand to watch the procedure of New South Wales under the new statute, and see if the result is favourable. So carefully and well have Conciliation Boards in many cases worked in this colony, so many are the occasions in which they have wiped out dozens of disputed points (leaving a few only for the Arbitration Court), sifted evidence, and given recommendations only requiring adoption by the higher Court, that very many, if not the majority of, people who have really studied the subject would view the abolition of the Boards with regret.

In regard to the supersession of Conciliation Boards by special Boards composed of experts in the trade under dispute, I quote the words of Mr. Justice Cooper, President of the Arbitration Court, who recently, delivering an award in the Wellington bookbinders' case, remarked, “The Court has experienced very considerable difficulty in reference to making its award in this dispute. It had to call in the help of experts, but unfortunately the experts had disagreed upon every item, instead of assisting the Court to arrive at a decision.”

By the amending Act of 1901 the Inspectors of Factories were given power to apply for enforcement of an industrial agreement or award, and several cases of breach have been reported to them during the year. I have considered that the position of an Inspector in the matter of laying an information under this Act is discretionary, and have instructed Inspectors that the same caution should be exercised under the Industrial Conciliation and Arbitration Act in regard to breaches of award, &c., as with violations of the Factories Act. If, on inquiry by the Inspector, and on his hearing what the other side has to say in the matter, he considers that there has been a breach of award or agreement he reports to the Chief Inspector in Wellington, and, if so instructed, files an information with the Clerk of Awards. If, however, the Inspector reports that the charges are frivolous, or that reliable evidence is not to be procured, the Government officers take no further action in the matter, and it is left for the union or person making complaint to proceed with or relinquish, as is thought best. I do not consider that any alteration of this section is necessary (although it has been mooted), because if the Inspector should have to take up every complaint, and, without using his judgment, carry such complaint before the Court of Arbitration, the colony would be put to heavy expense, the time of the Court uselessly taken up, and the industry harassed without any result except defeat.