

- (2.) It will be remembered that the Arbitration Court has no jurisdiction over disputes where the workers do not choose to be registered under the Industrial Conciliation and Arbitration Act, nor even in cases where the workers are so registered if the parties to the dispute choose to enter into an agreement between themselves or by means of a Conciliation Council without reference to the Court.
- (3.) Moreover, such an appointment would introduce an entirely new principle into the investigation and settlement of industrial disputes. Even where disputes are referred to the Arbitration Court, the Court's function or practice has been generally to settle, by compromise or otherwise, the points left in dispute between the parties after a discussion amongst themselves and an investigation by a Conciliation Council. The duty of a public representative would tend in the opposite direction of perhaps objecting to the settlement agreed upon by the parties or by the members of the Court in any case where he considered, for example, that the wages proposed would result in an undue increase in the price of certain commodities, or where he considered that the suggested settlement would in any other respect be unjust to the public or to other employers or workers.

The summary above quoted, however, shows the anomalous position that has already been reached in New Zealand in regard to the relative wages of workers in different industries. It will be seen that the lowest-paid unskilled workers in certain callings receive higher wages than the highest-paid skilled men in other trades who have taken the trouble to serve lengthy apprenticeships at low wages. Attention was called to this position of affairs in the 1919 annual report of the Department (page 2), when the pressing necessity was urged of stepping in for the purpose of bringing about some consistency between the wages of the various sections of the workers.

To meet the difficulties above referred to it is recommended—

- (1.) That the Act be amended to empower the Government to appoint some impartial person, not to be a member of the Court, but to appear before it whenever he thinks fit as a representative of the public. There would thus be three parties heard by the Court, of whom the public would be one. The Court would then be required to take this officer's representations into consideration before making its awards. It should not be difficult to secure a suitable man for this position.*
- (2.) That the representative of the public be empowered to appeal to the Court against any industrial agreement or other settlement of an industrial or labour dispute proposed by the parties thereto whether made under the Industrial Conciliation and Arbitration Act or otherwise. The Court should then be authorized to amend that agreement or other settlement in the public interest, and where the wage agreed upon is altered it should become the minimum wage for the purposes of that agreement.

PROFIT-SHARING AND COPARTNERSHIPS.

The questions of profit-sharing and copartnership have been discussed to a considerable extent during recent years, and in view of their interest at the present time as a possible means of bringing about greater industrial peace in New Zealand some inquiry respecting the chief systems already tried in England and elsewhere has been made.

Profit-sharing is regarded with much suspicion by many workers' representatives as being merely a device to obtain more work without really paying greater remuneration. It is said, too, that the capital of a firm upon which payment of interest is expected before profits are shared is sometimes an imaginary amount, and that quite unnecessarily large sums may be paid by the employer into a reserve or depreciation account for future contingencies. The opponents of profit-sharing do not appear to offer the same objection to some form of copartnership in which the workers would be given a voice through their representatives in the manner in which the work is to be carried out, together with—and this appears to be an important point—an equality of status of the workers.

The following information has been gathered from reports on the various systems of profit-sharing tried in England and elsewhere:—

Many large firms in Great Britain, United States of America, and in Europe generally have adopted one or other of the many variations of profit-sharing since 1862, and are continuing their schemes. The reports go to show that the movement is a growing one.

Profit-sharing is supported in England by men like Lord Robert Cecil, Viscount Bryce, the Right Hon. J. R. Clynes, and Will Appleton (both Labour M.P.s and prominent trade-unionists in England), the secretary of the Leicester Hosiery-workers' Union, also Professor Marshall (Professor of Economics).

Out of 367 profit-sharing schemes tried in Great Britain from the year 1862 to date the following is found:—

- (a.) 182 (one-half of the above total, and employing about 250,000 persons) are still in operation, and are apparently therefore successful. Eighty-seven of them had been in force for many years, having been commenced some time during the period 1862–1910.
- (b.) 104 have apparently been abandoned for various reasons which do not support one side or the other, such as the death of the employer, conversion to other systems, adoption of Government control during the war, and so on.
- (c.) About thirteen have been abandoned owing to trade-union opposition and other like causes.
- (d.) Sixty-eight have been abandoned owing to the apathy and dissatisfaction of the workers.

* I might mention in this connection that in the New York State the Governor recently appointed a board of laymen to intervene in industrial troubles, and that this board includes representatives not only of the employers and workers, but of the public, all appointed by him. For the latter the Governor apparently selects prominent and impartial men holding the confidence of the public.