

These figures are inadequate as a basis of exact comparison, and should be related to the number of wage-earners in the industries affected by industrial stoppages, since the number of non-wage-earners or of wage-earners in industries such as agriculture or retail distribution in which stoppages are very rare in all countries, varies from country to country. The fact does stand out clearly, however, that the number of days lost is amazingly small, and even if all due reservation is made as to the comparability of the figures, New Zealand compares very favourably with any other country. "In a country such as New Zealand," states the report (page 10), "in which during five of the most troubled years in industrial history only eighty-four working-days were lost per year per thousand of the population, the direct economic waste attributable to industrial disputes is, practically speaking, inappreciable. Moreover, to cite the most obvious of the compensating factors, idleness due to stoppage of work is frequently compensated by increased employment in other undertakings or in the same undertaking at some later date."

Further, during the period 1921-25, 90 per cent. of the stoppages (273 out of a total of 301 stoppages) were concentrated in three groups of workers—viz., mining, shipping, and cargo-working, and food and drink (mainly freezing-works), over which, for reasons largely dependent on the nature of the work, "the Arbitration Court has had little effective control." Only 10 per cent. of the stoppages were in the remaining twenty-eight groups. To blame the Court for failure over the field of industry in which it exercises "little effective control" seems hardly fair.

Speaking comparatively, the small extent and range of industrial conflict is one of the most outstanding features of our industrial life. To assert that the Arbitration Court has had little success in achieving industrial peace carries with it the corresponding implication that industrial conflict is in fact a serious problem in this country. When considered in relation to the conditions given above, and to the fact that most stoppages are trivial and of short duration, this suggestion carries its own repudiation.

Nor is it legitimate to point to the increased number of stoppages during the past twenty years as evidence of the weakening of the system; for it is due to general influences—to an increase in the intensity of forces outside the Court—which would have operated in any case. Such an increase in industrial conflict has occurred in practically all countries during the past twenty years(1). "In Great Britain, for instance, the number of days lost per annum per thousand of population during the five post-war years 1919-23 was two and a half times as many as during the pre-war quinquennium 1909-13, and approximately nine times as many as in the period 1904-8." In Canada "the loss in working-days per thousand of population was appreciably greater during 1919-23 than 1909-13, and more than two and a half times as great as during the five years 1904-8."(2)

It is not intended to assert that the Arbitration Court is the direct and sole influence making for industrial peace in New Zealand; but the assertion that it has failed to maintain industrial peace is certainly not true, and is in fact very largely in the nature of a piece of special pleading—a vague general belief incapable of proof.

The Act has at least familiarized the parties in industry and the general public with methods of settlement by conciliation and arbitration rather than by strike or lockout, and has created a public opinion within New Zealand more decidedly hostile to the strike and the lockout than in most other countries—certainly than in the United Kingdom. The provision of mediatory machinery, the development of a tradition of settlement by conciliation and arbitration, and the existence of a public opinion favourable to such development are surely important factors responsible in a large measure for the absence of serious industrial conflict in New Zealand.

(b) *The Alleged Widening of the Gap between Employer and Employee.*—As to the truth of the related statement that our arbitration system has furthered organization for contention rather than conciliation, and has widened the gap between the bargaining parties, those members of the Conference directly engaged in industry will be best able to judge. To a detached observer, however, it appears scarcely credible that the provision of machinery for the settlement of differences by means of conciliation, backed up, where this fails by an appeal to arbitration, is likely to create a greater measure of friction and distrust than where no such machinery and no such general habit of conciliation and arbitration exists. Referring to the readoption of the principle of conciliation in 1908, Dr. J. B. Condliffe, until recently Professor of Economics at Canterbury College, states: "The new method has had considerable success, and most disputes are agreed now in details before being submitted to the Court, which need pronounce only upon outstanding issues, the agreed details being incorporated in an award. The system, therefore, is one of voluntary conciliation, supplemented by judicial fixation of wages."(3) This opinion would be generally substantiated, I believe, by the majority of those with knowledge of the operations of the Industrial Conciliation and Arbitration Act. If it is true that the "new method has had considerable success," the allegation that the system increases friction and disharmony is scarcely tenable; for otherwise there would then be much less settlement by conciliation, and many more issues would be decided by compulsory arbitration.

It is possible that since the report quoted was written there has been an increase in the relative proportion of cases settled by the Arbitration Court instead of by conciliation. Whether or not this is the case, I have no knowledge; but such might be expected in times of falling prices and depression, and it is legitimate to point out that, in the absence of the Arbitration Court, a considerable number of such cases would have resulted in industrial stoppages.

(c) *The Necessity for Compulsion.*—It might be asked, however, why is there need for compulsory arbitration if the majority of issues are settled by conciliation? The answer is that there are always likely to be some issues which are difficult or incapable of settlement by conciliation, and settlement of these by arbitration considerably reduces the necessity for and the likelihood of an attempt at

(1) *Ibid.*, p. 9.

(2) *Op. cit.*, p. 9.

(3) Experiments in State Control in New Zealand. *International Labour Bureau*, Vol. IX, No. 3.