

Results of Disputes, 1921-25.

						Number of Disputes.	Number of Workers involved.
In favour of workers	..	..	..	..	..	54	3,221
In favour of employers	..	..	..	..	..	84	22,217
Compromise	..	..	..	..	..	59	8,339
Indeterminate	..	..	..	..	..	104	14,952
Total	..	..	..	..	..	301	48,729

About one-sixth of the number of stoppages resulted definitely in favour of the workers; but these were obviously small disputes, for the workers involved in them were only one-fifteenth of those involved in the total stoppages. In the remainder of cases, measuring by the workers involved, nearly half of the total disputes resulted definitely in favour of the employers; about one-sixth in compromise, where some concessions were made; and nearly one-third were indeterminate or petered out without any definite solution being reached.

The next table gives the official classification of the methods by which disputes were settled:—

Method of Settlement of Disputes, 1921-25.

						Number of Disputes.	Number of Workers involved.
Negotiations under Industrial Conciliation and Arbitration Act ..	..	..	..	..	..	15	934
Negotiations between parties	..	..	..	..	..	46	6,294
Substitution of other workers	..	..	..	..	..	23	1,623
Otherwise (see below)	..	..	..	..	..	217	39,878
Total	..	..	..	..	..	301	48,729

Once stoppages of work had occurred, the arbitration system aided in the settlement of only 5 per cent. of the disputes, which covered 2 per cent. of the workers involved. The remaining 95 per cent. of disputes, covering 98 per cent. of the workers involved, were settled by the parties concerned without resort to official machinery. Measuring again by workers involved, 2 per cent. were settled by the State machinery, 13 per cent. by negotiation between the parties, 4 per cent. by taking on other workers in place of strikers, and 81 per cent. by other methods, which means in most cases that one side gave in without any solution being reached.

In the light of this evidence, it may fairly be concluded that as a means of advancing the workers' interests strikes are a lamentable failure. Out of every fifteen persons involved in stoppages during the five-year period, only one is officially classed as successful in his dispute. Further, out of every fifty workers involved in stoppages, only one had his dispute settled by the arbitration machinery; the remainder either petered out or were settled by the parties themselves.

2. THE ORGANIZATION OF INDUSTRIAL PEACE.

It was shown in Bulletin No. 27, dealing with "The Position of the Wage-earner," that the arbitration system confines its investigations to the disputes of recognized trade-unionists; it takes no direct part, therefore, in settling differences for non-unionists, who constitute three-fourths of the wage-earners of New Zealand. Over this larger part of the field of employment differences which arise are settled by the parties immediately concerned, and there exists between the parties a fair measure at least of understanding, loyalty, co-operation, and of those relations which make for efficient working. Industrial strife is conspicuously absent. Trade-unionists alone, and not all of them, submit the settlement of their differences to the external tribunal provided by the arbitration system.

The trade-unionists comprise about one-fourth of the total wage-earners. Over this smaller part of the field of employment not only is industrial peace less well assured, but the measure of loyalty, co-operation, &c., between employers and employed is more variable. For three-fourths of the trade-unionists industrial relations may be regarded as fairly satisfactory, since these unionists were involved in only one-tenth of the total stoppages of work in the five-year period examined; but for the remaining one-fourth of the trade-unionists industrial relations must be considered unsatisfactory, for they were involved in nine-tenths of the stoppages in the same recent period.

There are thus, broadly divided, three parts of the field of employment within which marked differences in industrial relations exist. The largest and non-unionist part, about three-fourths of the whole, employs no external machinery for mediation, but enjoys industrial peace. For the remaining unionist one-fourth the arbitration system is provided. A fair measure of peace is secured over about three-fourths of this unionist part; but in the remaining section, where unionism is more militant, industrial unrest is more prevalent and conflict is frequent.

The militancy of this last small section, comprising about 6½ per cent. of the total wage-earners, is probably due in part to the characteristic forceful methods natural to men engaged in somewhat dangerous and precarious occupations; but it is accentuated by the fact that the nature and size of the industries in which such men are engaged makes big organizations of workers possible, and at the same time prevents that constant contact of employers and employed which makes for mutual understanding. Misunderstanding and mutual mistrust tend to arise, and emphasis is given rather to the conflict of the two parties engaged in the industries than to their mutual interests.

The tribunal of the Arbitration Court, set up to secure industrial peace, appears to have now but little success in achieving this aim. It operates continuously only over a part of industry where industrial unrest never was common and is unlikely to develop in the near future. Over that small part of industry where industrial conflict is more frequent the Court has little influence in promoting peace, for the unions dispense with the Court's services at their pleasure.

Moreover, the Court has tended to promote the organization of conflicting parties and interests in opposite camps, to encourage the emergence on either side of a type of industrial advocate to whom the representation of interests is delegated, and to make the settlement of differences a matter to be decided by a Court of law rather than by agreement between the parties directly concerned, who alone can appreciate fully the real points at issue. The system of delegating authority to specialists in advocacy, the interests of the advocates themselves, the further representation of the opposite parties by assessors who tend to be regarded as additional advocates, the compulsion and finality of conditions imposed by the Court's awards—all these factors tend to widen rather than close the gap of misunderstanding, suspicion, and mistrust which divides employers and employed, and which is the prime cause of industrial strife.

This tendency is increased by further effects of the Court's operations. It is not practicable for a centralized tribunal, making awards binding on the parties, to avoid standardizing its decisions. In consequence of its inevitable standardization, the Court has imposed on the industrial organization and industrial relations within its jurisdiction a peculiar rigidity, which, by preventing that variety, flexibility, and elasticity or internal organization on which the efficiency and progress of industry must always depend, has prevented also the development of that more effective application of labour in production which alone can make higher wages and improved conditions possible.

This rigidity has worked out its effects in two ways. Firstly, the minimum wage has tended to become the standard wage, and the efficient worker is usually degraded to the level of pay of the inefficient. Consequently the powerful incentive to efficiency provided by differential rates of wages dependent on variations in ability and skill has been removed, and the tendency has been to reduce effort, skill, and efficiency to a mediocre level. The cumulative effects of this tendency over the period of more than thirty years during which the system has been in operation have not been adequately measured, but what evidence there is points to the conclusion that in some occupations at least they have been very considerable. Secondly, the Court's awards cover a very wide range, and include almost every detail of industrial organization which can be interpreted as a cause of dispute. Thus there has accumulated a mass of minute regulation throughout industry which is probably unequalled in the rest of the world, and the effect of which is towards stereotyping methods of production and stultifying efforts for improvement. Practically all progress and improvement depend on variety of methods and on experiment, and are due to successive