which prevail where there is no arbitration system. That experience led to the passing of the Arbitration Act in the first place. Moreover, a study of the industrial conditions in England during the last thirty years is sufficient proof that without some legislative control progress towards improvement in industrial relationships is slow and attainable only at the cost of long and expensive strikes and lock-outs.

In the years 1889 and 1890 this country participated in an industrial upheaval which commenced with the great dock strike in England, and which spread throughout the Mother-country and the colonies. This experience demonstrated very forcibly two things—first, the growing strength of trade-unionism, and, second, the heavy losses which industrial stoppages were capable of inflicting upon the community. The object of those who in 1894 secured the passage of our Arbitration Act was to apply some measure of sane control to trade-unionism; and to direct it as far as possible into safe and useful channels by giving the unions due recognition, bestowing upon them certain privileges and imposing upon them certain responsibilities. In other words, it was hoped to make trade-unions a useful part of the industrial machine.

The question now to be answered is not whether the arbitration system is a perfect remedy for industrial unrest—no remedy devised or devisable has been or ever will be that—but whether it is of sufficient value to be worthy of retention either in its present or in a modified form. If the latter, then what amendments are necessary to make it more effective? In searching for the answer to the question we must admit all the facts, whether or not they support preconceived theories. The arbitration system has advantages and disadvantages. Both must be examined and a balance struck if a correct estimate of its worth is finally to be presented.

At the commencement of the examination it would be wise to remove a general misconception that the Industrial Conciliation and Arbitration Act provides for universal compulsory arbitration. This is not so. The machinery of the Act may be set in motion for the purpose of securing an award in any industry by an employer or registered union of employers, provided only that connected with the industry there is a registered union of workers against whom a citation can be filed. A registered union of workers can file a citation against an employer or group of employers whether there exists a registered union of employers or not. Reference of a dispute to the Court of Arbitration, therefore, is not compulsory, but optional—the option being entirely that of the workers in the industry. If they elect to form a union and register it under the Act, they can compel their employers to accept arbitration; if they do not, arbitration cannot be invoked in their industry.

At this stage it may be well to admit also that awards of the Court of Arbitration are not enforceable against workers, and are only partially enforceable against employers. It is impracticable to enforce compliance with the terms of an award upon workers if they choose to leave their employment, and, though the law provides penalties for breaches of awards by workers, those have seldom been enforced in recent years against members of strong unions. On the other hand, although it is possible to enforce legal penalties for breaches of an award by employers so long as the latter remain in business, the whole award would become a dead-letter if the employers were to find it unprofitable to carry on.

There are three obvious points of criticism in the Arbitration Act: First, the Judge of the Court may be a faddist or a man of strong prejudices, dishonest, without the necessary economic and business judgment, and weak in character; second, awards of the Court may be too inelastic and restrictive as to details; third, Councils do not take into sufficient consideration the effect of the wages paid upon the general public, and this is accentuated by the fact that the consumer cannot appear by representatives before the Court. So far the first has not been apparent, because the successive Judges of the Court have been men of the very highest calibre; it is, however, a possible danger. As to the second, while it is true that in many cases awards appear to be unduly restrictive, it is a fact that in the majority of cases restrictive provisions, apart from what may be called standard clauses covering hours, wages, overtime, and similar matters, have come into awards by mutual agreement of the parties. A comparison of many New Zealand industrial awards with Trade Board agreements made in England reveals the fact that the latter are quite as detailed and fully as restrictive as the former. Under any system of collective bargaining it is natural that every time an agreement has to be renewed the workers' union will seek to include provisions covering more and more matters connected with the conditions of work; and while considered alone any one of such new provisions may appear reasonable and comparatively harmless, the accumulated total after some years of agreements and awards may become a real burden for an industry to carry. Undue regulation and the restrictions on workers contained in the agreements on the Clyde between shipbuilders and their men has been one of the big hindrances towards a revival there of activity. It is difficult to see any remedy for this other than watchfulness and the exercise of common-sense and reason by those who on either side carry on the negotiations. As to the third, if there were no Court, there is at least as great a danger that masters and men in a sheltered industry would, in the absence of an Arbitration Court, agree upon rates of pay which, having regard to the conditions of the unsheltered industries, are inequitable. If anything, the danger is greater because one of the duties of the Arbitration Court Judge is to consider the effects of an award upon the general public and the country as a whole.

Admitting, then, that our arbitration system is not compulsory, but optional—the option being the workers'—that it is only enforceable within certain limits, and that it has certain inherent weaknesses, we may proceed to examine it and endeavour to decide whether on the whole its influence on New Zealand industries has been helpful or otherwise.

The Arbitration Act effected a revolutionary change in industrial relationships. Workers were encouraged to form unions, collective bargaining was legally established, and a tribunal was set up to settle industrial disputes when the unions and the employers failed to make agreements. The