his arbitration the party objecting appeals to the Justice Court, but he will be obliged to pay the whole expenses of both litigants if the proposal of arbitration is found just and reasonable. In this Court, and henceforth in all the courts to which the case may go, the parties can employ counsel, but through them all the only evidence or statements of facts received are the minutes of the first Compromise Court."

The following is what is said of these Courts and their working in Denmark:—"These admirable Courts of Compromise, whose constitution I have already described, were established first by the Danish Government in 1755 in the West Indies, and afterwards in 1795 in Denmark itself. They have proved thoroughly successful there. In 1843 the number of cases brought before these Courts was thirty-one thousand three hundred and thirty-eight, of which twenty-one thousand five hundred and twelve were settled, two hundred and ninety-nine postponed, and nine thousand five hundred and twenty-seven referred to Courts of law, where only two thousand eight hundred and seventeen were prosecuted. The fact that they have been established, and so often employed, reflects honor on both the nation and the Government."

A copy of the *Despatch* newspaper, published in January, 1866, contains the following remarks on this subject:—

"The representatives of the Chambers of Commerce who have sat in London this week have, amongst many other suggestions, put forward one of a character which commends itself to the attention of Parliament.

We know the costliness and dilatory operation of the law on matters of commerce, and it seems hard that British merchants are not permitted to do for themselves what Frenchmen already accomplish with so much advantage to the trade of France.

"In France, Mr. Samuelson says that "out of eighteen thousand one hundred and fifty-nine cases seven thousand and thirty-five only went so far as trial or judgment, for no less than five thousand seven hundred and sixty-three were "conciliated" by the Judges without any form of judgment being pronounced, and as many as four thousand six hundred and sixty-one were withdrawn, mainly through the influence of the Judges of these tribunals.

"The Court consisted of a president, fourteen judges and sixteen assistant judges, three of whom formed a quorum, although there were generally four or five present. All these judges were either traders or retired traders, but the only paid officer was the Registrar, and his duty consisted in receiving the debts and paying over the money, but his remuneration was paid by fees. The jurisdiction of the tribunal extends to all transactions, wholesale and retail. There is no appeal under £60, and the appeal is limited to points of law. Out of the eighteen thousand one hundred and fifty-nine cases there had only been six hundred appeals.

"It may be urged that mercantile disputes may be arbitrated, and so they can; but then the consent of both parties is required to such a course, and so the minority of commercial men, opposed to tribunals, is sufficient to destroy the usefulness of this plan of legal arbitration.

"The Chambers of Commerce decided last year to adopt County Court Judges, and Bankruptcy Commissioners as presidents of the new tribunals, but the proposal was resisted by the Government for no good reason, as we could then see, except that the public mind was not prepared for so vast a change as was then contemplated."

The eminent Dr. Lieber, in his work on "Civil Liberty and Self-government," page 234, says:—

"Courts of Conciliation have existed in many countries, and long before the present justices of the peace were established in France by the first constituent assembly; but as we see them now there they must be called a French institution.

"It has proved itself in France, as well as in other countries, of the highest value in preventing litigation, with all the evils which necessarily attach themselves to it.

"Courts of Conciliation have attracted increased attention in England, since Lord Brougham's proposition of an Act for the further cheapening of Justice, in May, 1851.

"An instructive article on this important subject, and the excellent effects these Courts have produced in many countries, shown by official statistics, can be found in the German Saats—Lexicon ad verbum 'Friedensgericht.'

Courts of Conciliation exist also all over the Brazilian Empire, and no cause can be brought into any of the regular Courts of Law without a certificate that the parties to the suit have already appeared in one of the Conciliation Courts, and endeavoured to accommodate their differences. The system diminishes immensely the amount of unnecessary litigation.

In the Constitution of the United States of America provision is made for the establishment of tribunals of conciliation. Your Committee, however, have been unable to discover to what extent the various States have availed themselves of such provision; with the exception of the State of New York, in the several counties of which they find that tribunals are established known as Courts of Conciliation.

From the foregoing it will be seen that in the different countries enumerated the system of adjudication in civil cases as alluded to in the order of reference exists in the various shapes of Courts of Arbitration, Courts of Conciliation, and Courts of Mutual Agreement.

With regard to the best mode of giving effect to the principle of Arbitration in this Colony, and of putting it into practical shape, so as to be dealt with by the Legislature, this is a matter which cannot be done in a hurry, and the details of which will require very mature consideration. The Committee therefore suggest that the earnest attention of the Government should be directed to the question during the recess, with a view to some definite action being taken next Session, in order that the system may be brought into operation not in the first instance generally, but by way of experiment in one or two localities.

The Committee would only observe further that, while the question is one which requires to be carefully considered in order to be embodied in a Statute, yet that with the practical experience of other countries as a guide, there need not be any very great difficulty in the way of framing a simple Legislative enactment which would give effect to the object in view.

JAMES MACANDREW, Chairman.