

Many investors are timid about embarking their savings in any industrial pursuit, which can at any time be brought to a stop by a strike or lock-out; and if this uncertainty could be removed, there would, in all probability, be a great development of industry. The resources of the colony, it is admitted, are at present but very imperfectly developed, and the openings for industry are many and promising. But the spirit of enterprise is considerably damped by the unwillingness of many to set up at their individual risk establishments employing a considerable number of workmen, and who consequently prefer to be idle shareholders in joint-stock companies, or to accept a small interest on fixed deposits at the banks rather than run the risk of losing their capital in a venture that may be ruined by strikes. The timidity that exists may be in excess of what the facts of the case justify, but savings are principally made by cautious and prudent people, and they, as a class, seem to be much affected by the danger to them of quarrels, which they can neither prevent nor control, and which sometimes they cannot even understand.

IV. *The Exact Conflict.*—The social conflict, as it exists, is generally spoken of as a conflict between labour and capital. To some extent, however, the capitalist stands outside the arena, though intensely interested in the issue. The exact antagonism is between the direct employer and the employed. Some employers work entirely on their own capital, and some joint-stock companies do the same, and in those cases the employer and the capitalist are one. Some employers, especially those who are struggling upwards, have very little capital of their own, but work largely on credit; and we may mention incidentally that quarrels over little points arise most frequently with small employers, to whom small gains are of proportionately greater importance than they are with large employers. The majority of employers in this colony lie between the two extremes. They have some capital of their own, and they borrow the rest from banks, finance companies, or individual capitalists. The lender, who is not personally involved in the business, does not directly come into contact with the workman, or into any conflict with trades unions, but he is indirectly concerned in the maintenance of social peace, because it is to his interest that those to whom he lends should carry on their industry profitably, and should be able to pay him for the use of the money advanced, as well as to refund the principal.

V. *Causes of Strikes.*—One part of our instructions was to inquire into the cause and cure of strikes. So far as this colony is concerned, there does not appear to exist any systematic record of the number of strikes in recent years, nor of their causes, their duration, and the way in which they were settled. From the evidence, it appears that, until recent times, the most frequent causes have been an effort to raise wages or to resist the reduction of wages, an effort to secure shorter working hours, or to resist any covert or open increase of the hours of work, or claims for the intermission of labour for rest, or a demand to employ more hands for a given work, or to resist the discharge of men supposed to be punished for their position in a trades union, or their prominent labours in connection with it. All these are matters which affect the personal comfort of the workman, and his status as respects his material interests. The last, however, is specially in defence of the principles and practice of unionism. And this leads to the remark that, at the present time, more important than all the causes mentioned is that which is rapidly becoming the chief ground of contention between employers and employed—namely, the employment of non-unionists. The late strike turned almost wholly upon this extremely important point. The incident of the discharge of the stoker Magan from the Tasmanian Company's steamship "Corinna," though it turned on the dismissal of a man who was a delegate, and who was thought to have been dismissed for that reason, was comparatively unimportant, and arrangements had been made for settling it by negotiation. But the refusal of the ship-owners to allow their officers to affiliate their union to the Trades and Labour Council was resisted as an opposition to the development of unionism itself, it being contended that the right of affiliation was only an extension of the right to form a union. The ship-owners took the ground that their officers had the right to form a union of their own, but that the necessity for maintaining discipline at sea made it inexpedient in the owners' interest, and in that of the travelling public, that officers who represented employers should affiliate with other labour bodies, because when at sea they could hold no direct communication with such employers, and therefore occupied a position that distinguished them from ordinary servants. It is obvious that this distinction raised the question whether the right to form trades unions has any limitation, and whether the position of ships' officers constitutes one of those limitations. The question was, therefore, distinctly raised as to the rights of unionism, but it was raised in a form as to whether those rights were subject to the limitation referred to. It was not the question of unionism in the abstract that was raised, but the restraint on affiliation as being a restraint on unionism. The difficulty with the shearers also raised the question of unionism, and it did so in this form: whether the Shearers' Union was entitled to demand the non-employment of non-union men. This question was raised in a practical way by the declared refusal of the wharf labourers to handle non-union wool. It is clear from this statement that a very broad and important distinction is to be drawn between all those demands of the wage-getting class which directly affect their comfort, and those which are put forth in defence of their labour organisations, and in assertion of their right to extend the operations of those unions and their confederation. This difference will be further emphasised when we come to consider the cure of strikes.

VI. *Federation of Employers and Employed.*—The federation of labour and the counter federation of employers is the characteristic feature of the labour question in the present epoch. A few years ago each union was an independent organisation, though the sympathy between different trades was strong, and showed itself repeatedly in the form of subscriptions to assist other trades when their members were on strike or were locked out. But now the union of men in a trade has developed into a union of different trades together, and practical sympathy has taken the form of aiding a strike by striking also. This, of course, has the effect of increasing the area of contest, and of dragging into it persons not originally involved. It is obvious that there is no limit to this extension of any strike, except the limit of the labour organisations themselves, and what the colony