

has already experienced in the way of suspension of industry is only a fraction of what it might possibly experience if a more general strike took place. The difficulty in any one trade may become a cause of quarrel in many trades, and employers and workmen in no degree connected with the point at issue, and otherwise working harmoniously, may be forced into hostility. The effect of this organization of labour has already been to draw employers together; and, though their organizations have not at present the mature experience or the proved loyalty of the labour organizations, and although, from the nature of the case, it is more difficult for employers to come together and to hold together than it is for workmen to do so, still the sense of danger is now so keenly felt that jealousies and rivalries are being overpowered by fear of loss. The industrial community is thus being organized into two vast camps, jealous and suspicious of each other, and preparing for a possible conflict, which, in a few months, may destroy the savings of many years. The extent to which this organization of employers and employed has now attained gives the whole question its present public and even its national importance.

VII. *The Cure of Strikes.*—What has been said above as to the great distinction to be observed as to the cause of strikes necessarily leads to the remark that the same distinction must be observed when treating of their cure. All those disputes which arise from a demand on the part of employes that they should have something more, or an effort on the part of employers to give them something less, have their origin in a conviction on one side or the other that the consideration given for labour is not satisfactory. This conviction is either well-founded or ill-founded, or it may have some justification, but not so much as is supposed. Obviously, the thing to be done under such circumstances, is to get at the truth; and, in doing this, it is necessary to get rid of everything that disguises the truth. It is frankly admitted that a great many disputes originate in ignorance, in mutual misunderstanding, in unfounded suspicions, in exaggerated alarms, and that very much is gained if all these disturbing accessories can be got rid of, and the controversy can be narrowed to its simple issue. No better method of dispersing the mists that surround a controversy of the sort under our consideration can be found than a friendly conference.

VIII. *Conciliation.*—A very large experience has shown that the difficulty is often cleared up in this way, and reduced to such dimensions as admit of a fairly satisfactory settlement. It is this experience which leads to the conclusion that the very first thing to be done, in order to promote the settlement of a labour dispute, is to try the effect of conciliation. And, in using this term conciliation for the first time in this report, it is convenient to remark here that the terms conciliation and arbitration are often employed somewhat vaguely as if they were interchangeable, and yet they really represent two distinct things. The function of any conciliation agency is to get the parties to a dispute to come to a common agreement voluntarily, without any opinion being pronounced on the merits, or any instructions given. The function of arbitration is distinctly to determine the merits and to give a positive decision to be abided by. If the declaration of such a decision can be avoided it is well that it should be, because decisions are generally more or less adverse to both parties, for even splitting the difference is an equal censure upon both. But conciliation, if it is a success, allows of a friendly settlement on a mutual agreement, and leaves no opening for discrediting the understanding or the impartiality of the arbitrators. That being so, the practical question that arises is, How should this primary remedy of conciliation be applied? It may naturally be said that no fresh law, no new appointments are necessary for the purpose. It is always possible for people who quarrel to meet together, with or without the intervention of third parties. It has been done frequently on a small scale, and also on a large scale, and with satisfactory results. In different localities, too, and as respects different trades, as is the case in England, Boards of Conciliation have been voluntarily established, have lasted for several years, have done good work, and often very difficult work. But, while this is admitted, it seems to us that the work of conciliation would be greatly assisted if there were in this colony an established organization instituted by the State, and always ready to be called into action by either of the parties to a dispute. The evidence on this point is not unanimous, some witnesses on each side being of opinion that no good would come of any State Board. But the great weight of the testimony is distinctly to the effect that the existence of a State Board of Conciliation would have a wholesome and moderating effect. Such an institution, clothed with the authority of the State, would stand before the public as a mediatory influence always and immediately available, and public opinion would be adverse to those who, except for very good cause shown, refused to avail themselves of its good offices.

IX. *Arbitration.*—But though, in the majority of cases, disputes will be settled by the preliminary process of having them thoroughly sifted before a Board of Conciliation, there will remain some cases in which, despite all explanation and mediation, there will survive an irreducible residuum. Under such circumstances, the question arises whether everything that can be done has been done, and whether the task of settling the dispute must be abandoned. All the experience hitherto gained goes to show that this need not be. Either under the term conciliation or under the term arbitration, Boards have to a very large extent been empowered to give decisions—that is to say, have practically exercised a judicial function. When conciliation has failed, then is the time for arbitration to begin. It is admitted that in some cases decisions have been given in error, and have been practically neutralised even by the consent of the parties. But in the immense majority of cases—both in France and England—the decisions given have been reasonably equitable, and have served to settle the dispute, till circumstances altered, and raised the same or a similar question again. It is impossible to resist the moral effect of the vast body of evidence which exists on this point. It is a demonstrated fact that decisions can be given as to industrial disputes which practically solve the immediate difficulty. Adjudication, therefore, is applicable between employers and employed, and, consequently, when conciliation falls short of doing what is wanted, the resources of arbitration can be effectively brought to bear.

X. *One Board or Two?*—When this point is taken as settled, the next question that arises is whether the Board of Conciliation that is already seized of the matter shall be the adjudicating body, and in many trades this custom has been advantageously followed. The Board tries first to