settle the dispute without a decision, and, if required, finally exercises its authority to give a decision, and this plan has met with a large degree of success. The principal objection made to it is that the persons most suitable to act as conciliators are not necessarily the most suitable to act as arbitrators, and that the two separate functions will be better exercised by two separate agencies. Two reasons are adduced in support of this view. The first is that conciliators should be selected in virtue of their knowledge of the details of the trade in question—a knowledge not so necessary for arbitrators who have to deal only with the residuary difficulty after all minor matters have been disposed of. Arbitrators, whose special work is judicial, should be chosen mainly for their judicial temperament and ability. Secondly, in a Board of Conciliation all the members but the Chairman will be chosen respectively from the two bodies of employers and employed. They will inevitably have the bias of their class, and will feel some responsibility towards their associates for upholding their class interests, and therefore at the Board will act in the mixed capacity of advocates and judges. On the other hand, it must be borne in mind that, in the absence of compulsion to enforce the award, it is all-important that it should be voluntarily acquiesced in, and that therefore both sides should be contented with the constitution of the tribunal. It is clear from the evidence that in this colony the trades unions will not accept readily the decisions of any Court in which unionism is not represented. This implies, of course, that the employer must have a corresponding representation. It follows that the Arbitration Court cannot consist exclusively of independent judges, but must consist predominantly of persons chosen to represent class interest, the purely judicial functions being performed only by the umpire, who would decide when the votes were equal. It is true that the members of the Court would be chosen on account of their high character, and would be expected to be fair and impartial; still their special function is to see that their class is not wronged. Under these circumstances, seeing that an absolutely judicial Court is not possible, and that it must, to a large extent, be composed of the same material as a Board of Conciliation, the argument for having two separate bodies is weakened.

XI. *Objections to a Second Hearing.*—It is obvious that the reference of the dispute to a second Court requires that all the details should be gone over again and explained to a second set of persons—an expenditure of time and trouble that could only be justified by results of corresponding value. The expense of adjudication would thereby be considerably increased, and there might be some difficulty, unless that course were made compulsory, of passing the question on from the Board of Conciliation to the Court of Arbitration.

XII. *Recommending one Board.*—Taking all these things into consideration we recommend that, in the first instance at least, and until circumstances justify some further differentiation in the constitution of the labour tribunal, there should be only one Board, but that this one Board should be empowered in some form to discharge, as occasion may require, the double duty of conciliation and arbitration. That is to say, that its first effort should be towards bringing about a voluntary agreement between the parties, and, failing that, that the Board, or the permanent part of it, should discharge the duty of adjudication and pronounce a decision.

XIII. *Constitution of the proposed Board.*—Assuming that arrangement to be adopted, it then remains to be considered how this Board should be constituted. For the purposes of conciliation it is, as we have already shown, absolutely necessary that the Board should be representative, so that it may be able sympathetically, as well as intellectually, to consider the question equally from the point of view of the employer and that of the employed. The parties themselves and corroborating witnesses will have to make their statements and give their evidence, but that evidence will have to be searchingly tested from opposite points of view. The Board must have the whole case before it and study it fairly from both sides before it can suggest any settlement that will be a reasonable solution of the difficulty, or before it can pronounce any decision that will carry with it the conviction that it is just. Secondly, a Board of Conciliation must consist to some extent of persons who are intimate with the trade or occupation in which the dispute occurs. Not that outsiders cannot be made to understand the technicalities of a trade or occupation when they are sufficiently instructed, for, as is well known, this is done continually in our Courts of Justice, where Judges, counsel, and jury are compelled to form an opinion on matters that were previously new to them. But the process is slow, and not always satisfactory. Where the object is conciliation it is obvious that those who understand all the intricacies of a trade can appreciate the difficulties, feel the force of objections, and see the merit of suggestions, much more quickly than those whose minds have not been exercised over the same details. But, if part of the Board is to consist of men practically experts in the business principally concerned, they must be chosen anew as each fresh dispute arises. How they should be chosen is a matter of detail, the essential point being that they must be satisfactory to the interests they represent. The parties to the dispute might nominate as members the persons they prefer; or it might be left to the particular trades union, or to the Trades and Labour Council, to name the members who should represent labour, and to the Employers' Union or the Chamber of Commerce to name those who should represent the interests of employers. The choice might be left absolutely open on either side until the occasion arises; or, as some have suggested, there might be framed annually a list out of which conciliators should be chosen. For many reasons, the less bondage and the more freedom in constituting the Board, the better it is likely to be for its purposes.

XIV. *The Standing Part of the Board.*—But though a part of the Board should, in order to adapt it to its special work, be renewable for each new occasion, it would be well that a part should be more permanent. And this for two reasons: In the first place the continuing portion of the Board will come to possess a qualification quite as important as that of detailed knowledge. For, by practice, they will become experts in their work, with a quick eye to the knot of the difficulty, and with the tact and skill to untie that knot, if it is not too obstinate. Secondly, this permanent portion of the Board will be well fitted to act as a Court of Arbitration, should the general body of Conciliation fail to bring about an agreement. It would not be desirable to make this whole body perform judicial functions. The temporary portion would necessarily be subject to a strong class