It is true that to allow one party to set the Board in motion would be, to a certain extent, to put compulsion on the other party, because it must either appear, or run the risk of having an award given in its absence. But this degree of compulsion is in the public interest clearly expedient. No quarrel should be allowed to fester if either party were willing to accept a settlement by the State tribunal. Industrial quarrels cannot continue without the risk of their growing to dangerous dimensions, and the State has a right in the public interest to call upon all who are protected by the laws to conform to any provision the law may establish for settling quarrels dangerous to the public peace. We may mention in support of this view that we have already some pertinent and valuable experience. The Newcastle agreement, which represents the matured experience of the colliery proprietors and of a compact body of about five thousand coalminers, provides that differences that cannot be settled out of Court may be submitted to a referee, and that either party may set the Court in action. Five cases have hitherto been so submitted, the miners having in each case taken the initiative, the masters coming into Court to defend their position.

XXVIII. *Compulsion as to the Award.*—The second point is, how far compulsion should be applied at the close of the arbitration process. Should there be any power to enforce awards, or to inflict fines and penalties for non-compliance? Most of the legal witnesses are in favour of such compulsion, on the ground that a Court that cannot enforce its award is not worthy of existence. But it should be remembered that a Court of Arbitration is not like an ordinary Court of law. There is no fixed code of law which it interprets, and its decision is only a declaratory statement as to what it thinks just and expedient. Neither party to the suit has been breaking the law; and the decision asked for is not, as in a Court of law, what is the law of the case, but what is the justice, or the wisdom, or the expediency of the case. In England it was for many years the law that Justices of the Peace should assess wages, and under such a state of things it was appropriate that there should be fines and penalties for disobedience to the constituted authorities. It has been said that if an Arbitration Court cannot compel obedience to its decisions it will be useless. The answer to this is that experience is, though not wholly, almost wholly the other way. In England all the trade arbitrations have been outside the law, because the three laws passed for the purpose have been inoperative. And yet, though arbitrations have been very numerous, the cases are very few in which the decisions have not been loyally accepted. The reason of this is that the decisions have been reasonably fair, and both parties to the suit have felt that it was better to acquiesce in a decision with which they were not wholly contented than to prolong the strife. Public opinion, too, which counts for a great deal in matters of this kind, is always in favour of acquiescing in a decision given after a fair hearing. There is every reason to expect that in the very great majority of cases the decisions of arbitrators will settle the dispute, and it is not worth while, therefore, for the sake of making compliance universal, to introduce the repugnant element of compulsion. Moreover, as has been pointed out by witnesses on both sides, although a Court of Arbitration might inflict fines and penalties, it could not compel men to work for less wages than they were contented with, because they could all give their legal notice, and quit their occupation; nor could an employer be compelled to keep on his business for a lower rate of profit than would, in his judgment, compensate him for his risk and trouble. The law cannot prevent him from refusing to take any new business and closing his establishment. It may be added that the absence of external compulsion does not prevent the parties from putting compulsion on themselves. All who want compulsion can have it. They can agree to a bond before going to arbitration that would give the right to sue a defaulter.

XXIX. *Unionism.*—We have already pointed out the great distinction to be observed between disputes which concern the remuneration and comfort of the workmen and those which concern the rights of labour organizations. And in concluding our report we wish to bring this distinction again into prominence. Of late years the latter cause of quarrel has come more and more to the front, and it is becoming a fundamental question between employers and employed. The contention on the side of labour is the "recognition of unionism." The contention on the side of the employers is "freedom of contract." This question of the organization and federation of unions is a fundamental point. It has not been possible for us to discover a solution, but we have had to consider whether Courts of Arbitration would be competent to pronounce a decision on the question when it comes before them as the principal element in a threatened strike. We cannot pretend to say that a Court, as we propose it, would be fully competent to deal with so large a question. It may, indeed, be an issue only ultimately to be settled by law. It seems to be the task of the present generation to work at this problem incessantly till the right conclusion is reached. The evidence before us has, however, impressed us with the conviction that the continuous operation of conciliation and arbitration will tend to assuage the bitterness of the dispute, to remove much misconception and suspicion, to bring the merits of the controversy more clearly into view, to diminish the force of the contending influences, to bring the disputants nearer together, to educate public opinion, and, if new laws should be necessary, to prepare the way for such legislation. While, therefore, we do not pretend that a State organisation for conciliation and arbitration would, under the existing circumstances, be a perfect cure for all industrial conflicts, we are of opinion that it would render inestimable service in the right direction, and that its establishment should not be delayed.

XXX. *The late Strike.*—In the course of our inquiry we have naturally elicited a great deal of evidence relative to the late strike. It is no part of our Commission to pronounce upon the merits of that dispute; but it is important that, in support of the proposal we submit, we should direct attention to the fact that several witnesses fully competent to speak on the subject are of opinion that, had there been for several years past a State Board of Conciliation in existence in this colony, the strike would, in all probability, never have occurred, because many outstanding complaints would have been adjusted, and the irritation that existed on both sides would not have been allowed to grow up. In that opinion the Commission concur.

XXXI. *Social Changes.*—Some of the witnesses examined before us have recommended