Professor Tocker in the Canterbury Chamber of Commerce Bulletin No. 28, of May, 1927, and I should like, with the leave of the Conference, to put in an address I gave before the Royal Agricultural Society last year. I quite recognize that the point will be made against all four of us, in greater or less degree, that, as college professors of economics we are academic and our views will have to be heavily discounted because they are academic. But I would suggest that the matter for consideration is not whether the views of university professors are academic, but whether they are valid and based on sound reasoning. If they are valid, the objection I have referred to falls to the ground. It is perfectly true that we professors are not constantly mixing with our fellow men in business or industry, and are not employed in the everyday work of the Arbitration Court, and will therefore miss a number of points that are apparent to the men "in the game" on both sides; but it is also true, I suggest, that onlookers see parts of the game that participators do not see, and that even an academic professor may have something of value to contribute to a discussion of this kind. I am sorry to have to confess that my industrial experience is of a slight nature and dates back a good many years. At the same time I think I can say that I understand the Industrial Conciliation and Arbitration Act well, because it has been a part of my duty to lecture on it for a number of years at one of our colleges. It seems to me that the ideal laid down for the Conference, of securing industrial peace and ensuring to everybody a fair share of the national dividend, is one that every man will endorse in principle but most men will differ over in practice. This opens up the question whether, in a changing world, in a world where processes are not standardized and industry is always altering, and in view of the fact that men have divergent interests, any complete system of industrial peace is obtainable at all. What I think we should aim at is to recognize frankly that, in industry as elsewhere, there is a certain amount of struggle in life that you cannot eliminate. Competition between men you cannot abolish, although you may change the channels through which it flows; and I think the true objective is not to get rid of the conflict of interest amongst men, because that is not possible, but to elevate and moralize the struggle and control its processes in the interests of the community. The problem the Conference has to face, I submit, is "Does the conciliation and arbitration system control and moralize that struggle between the various claimants for a share in the national dividend; whether any alteration of the system is possible and desirable; and whether the good that it does is so valuable that it more than outweighs the defects of its qualities?" I do not think that anybody here would claim that the system is wholly good or wholly bad. A great many points have been made pro and con during the discussions of the last few months; and most of those points are incontrovertible to a great extent, and not a few of them reconcilable. Not so long ago Professor Tocker gave an address in which he said that the system of compulsory conciliation and arbitration was against the best interests of the public; but very soon afterwards Mr. Tucker delivered a speech in which he took an absolutely opposite view. I mention that to show the widely divergent opinions that can be held on this matter, and to illustrate the fact that the system is not perfect. One or two preliminary observations should be made; and the first is that in all these discussions no partisan on either side has attacked in any way the administration of the Act and the Court. We may take it then that the system has been seen at its best. The Act has been in operation during the past thirty years and you have had half a dozen able Judges administering it. It is clear that if the Act shows defects in its operation, that is hardly the fault of the administration of these Judges, which has been on a very high plane. I think too, that a further point might be made, and it is this, That there is a tendency to over-estimate the effects of the Arbitration Court. I do not think that it can really be held to be as valuable an institution as many of its advocates would lead us to suppose, nor do I hold that it has done all the harm that its chief opponents would suggest. I think its influence is a good deal less than most of its antagonists suggest. During the last year or two I have been forced more and more to the conclusion that the principle upon which the Arbitration Act is founded is unsound and against the public interest, and I base that opinion on the following grounds, which I will place before you as shortly as possible. In the first place, I think the principle of arbitration is invalid and defective in two ways: it seems to me that it does not necessarily, or, indeed, usually, study the public interest, or that of anybody save the immediate litigants. That, I take it, is the object of an arbitration tribunal. What is the duty of the Judge? Two contending parties come before him, differing in material matters, and asking for variation of awards in respect to wages, hours, and other matters. The duty of the Court is not to give judgment in the public interest, but to arbitrate between the immediate parties on these problems upon which they fail to agree. If they can come to an agreement the Court will register that agreement, even though it might prove to be contrary to the public interest. It is quite possible for the parties coming before the Court, or before the Conciliation Council, to make arrangements which will be equitable and compulsory as between the immediate disputants, but which will not be in the public interests. No employer would have any serious motive in resisting an alteration upwards in the wage level, if he were satisfied that he could pass it on. It is therefore possible, under this system and some other systems, for two parties to get together and make an agreement which, while satisfactory to them, would be inequitable in the public interest, and to get it ratified by the Court, and to have it given the force of law. Now, it appears to me that there is nothing to prevent that being done by a series of private negotiations between trade-unions on both sides. It seems to me that this is the crucial point in the Act—that it is not in the public interest that a public tribunal should exist with the power and the effect of ratifying and giving legislative sanction to arrangements between two immediate parties that may make for conditions which are not in the interests of the public. That, I think, is one weak spot in the Act, and it really boils down to this, that the Arbitration Court is not a Court in the ordinary sense of the word; it is a legislative body. The function of a Court of law is to ascertain the body of facts, and to apply to that body of facts certain principles of law which are presumed to be known to everybody, and all ready to operate. That is the essence of the judicial