(*b*) Requirement of a secret ballot preliminary to strike. This is mere nonsense. For one thing, such is required of unions at the present time if they are not under the arbitration system, as part of the Labour Disputes Investigation Act, 1913. Further, what would be the sense of including in the Arbitration Act, under which strikes are penalized as a crime, a provision providing for a ballot before committing an offence against the Act. As strikes are forbidden, they could hardly in the same breath be implicity legalized or regularized.

(*c*) Appointment of a public representative. This seems a futility, unless he is to have the power of veto, which is impossible. The Judge represents the public interest, and the two nominated members represent the conflicting interests. If this safeguard is not adequate, what would be more so ? How should such a representative be appointed ? What would his duties be ? Would he sit as a member of the Court and make it up to four ? What if the four were equally divided in opinion ? The proposal is as impracticable as it us useless.

(*d*) Representation of affected interests. This is informally permitted to the extent that the Court deems it desirable, as such representatives may be allowed to give evidence at present. What limit would there be to this procedure if it were extended ? How many interests are to be heard ? Would a case ever be concluded if every conceivable interest to be affected were allowed to intervene, lead evidence, and address the Court ? Owing to the inter-relation of economic activities all other interests are affected. Where would the line be drawn ?

(*e*) Elimination of the nominated members and appointment of a Bench of three Judges. This would have the effect of neutralizing too pronounced social views of any one Judge. Hitherto it has not been necessary to do this, nor is it now. It would involve much expense. It would have the effect of eliminating those members of the Court at present most in touch with industry on the part of workers and employers, and substituting two more lawyers who would give the system an even more pronounced legal bias than it has at the present time.

(*f*) Provision of a guiding principle in the Act—*e.g.*, that the Court shall take into consideration the effect of its awards on industry generally. This is futile. The Court does it now, or at all events claims to do so. In any case you could force the Court to take such effects into consideration, but you could hardly force the Court to come to any particular conclusion, as a result of such consideration, different from those conclusions to which it in fact comes under the present Act.

Not one of these proposals would affect the real difficulty created by the uneconomic wage level, and the disparity between wages and export prices. My own suggestions are as follows, assuming that alteration of the system is desired. There is no reason in the nature of things why two main functions of the Court of Arbitration should be performed by the same body. These functions are wage fixation and the preservation of industrial peace. They are admittedly related, but may be either consistent or inconsistent. It does not follow that adjustments of the wage rate will bring about industrial peace, and there are many instances where it has not done so. Experience, too, makes it plain that, whatever the law may say, the power to strike exists whatever the right may be, and workers will not hesitate to adopt direct action if they think that it will result in substantial advantages. The figures already quoted show that as a preventive of strikes the Act has signally failed while in the effort to regulate the details of industry it has confined our industrial life in a strait-jacket of minute and inquisitorial regulations. On the other hand, most will agree that there should be a minimum wage below which it is not in the public interest that people should be hired. This minimum wage should be a true, physical minimum, of such a nature that actual wages would range above it in normal times, and it should be removed from bargaining just as factory, sanitary, and safety regulations now are. It is therefore suggested :—

(*a*) That the Industrial Conciliation and Arbitration Act, 1925, be repealed.

(*b*) That, subject to the provisions for ballot, notification, &c., contained in the Labour Disputes Investigation Act, 1913, which should be retained, the right to collective bargaining be restored to the parties, including the right to strike.

(*c*) That the present conciliation machinery on a voluntary basis be enacted as part of the Labour Department Act and placed at the disposal of such parties as care voluntarily to use it. It has proved valuable, and there is a tradition attaching to it that makes it desirable that it should be retained.

(*d*) That a minimum wage be fixed under section 26 of the Board of Trade Act, 1919. Under this section there is ample power to fix wages. It should be done in the first instance by a Commission consisting of the present Judge of the Court of Arbitration, the Government Statistician, and some other person, preferably an economist, after public inquiry and hearing of such evidence as the Commission thought fit. Thereafter it should be varied only at rare intervals to retain it at the same real level, and to allow for variations in the price level, and it should not be immediately responsive to changing prices, nor should it be altered unless the index on which it is based moved a considerable number of points.

(*e*) The other functions of the Court, such as workers' compensation, apprenticeship contracts, and closing of shops should be transferred to other Courts ; the first to the Supreme Court, the others to the Magistrate's Court.

There is the fear that if this were done there would be a larger volume of stoppages. Initially I think there would, but the ultimate results would, I think, be beneficial. It would make the parties more responsible, since they could not shift responsibility for industrial conditions on to the Court, it would get rid of the vexatious minutiæ of regulation that are hampering industry to-day. It would restore the view that wages really depend on production, and not, as they seem to do, on the fiat of a tribunal. It would restore reponsibility to the union officials, since they could no longer blame the Court for the results of their own folly. It would allow of easier and quicker adjustment of price levels and wages.

It is thought in some quarters that it might lead to employers and workers combining against the public. There is nothing to prevent their doing that now, if they want to. In any case, experience of collective bargaining in other countries has shown this fear to be groundless. Doubtless there are other difficulties in the way, but the whole problem is essentially difficult, and retracing the national steps after thirty years of compulsory fixation of labour conditions, if it is ever to be done, could not in the nature of things be accomplished in a hurry or without difficulty.

The Question of Adjournment.

Right Hon. the Prime Minister : Up to the moment I am unable to say anything at all concerning the chairmanship. I should like to meet the committee selected this morning almost immediately, if I may ; but before doing that I would like to get your feelings as to what should be our next course. How do you suggest we should proceed ? It has been suggested to me that we might now adjourn, in order that the Business Committee may get to work, and also the committee selected this morning in regard to the chairmanship. I think two papers will be ready for circulation to-morrow first thing.

Mr. Roberts : I think it would be better to have an adjournment till to-morrow morning. The committees have a lot of work to do, which should be done before this Conference can get to work at all. I move, That the Conference adjourn till to-morrow morning, when the order paper can be ready for us to go ahead straight away.

Mr. Williams : I am rather against the idea of adjournment. There are some of us who have come a long way for this Conference, and in the case of many of us it is an urgent matter to get back again. We cannot neglect our businesses for any lengthy time. I not only think it unwise to adjourn at 3.30 on that account, but I do not think I should be earning the " screw " you are so kindly paying me for this work. I would suggest that Mr. Roberts should read the paper which he said just now he had prepared, if we can be supplied with copies so that we can follow it in a proper manner.