

*Appointment of Judges.*—As compared with Judges in other Courts, the position of an Arbitration Court Judge is certainly unusual. Their function is to interpret the law; his is to determine what the law should be, and his work in regulating wages is legislative rather than judicial. But though this fact should be realized, it does not necessarily imply condemnation of the Court. The selection of a Judge for this important work is probably due to the feeling that in virtue of his office he already enjoys the reputation for impartiality which is essential to the success of the Arbitration Court. There is no fundamental reason why membership of the Court should be confined to Judges. A legal training and experience in interpreting the law does not necessarily fit a man for consideration of the intricate problems—economic, social, and political—which face the Court. But with our small population, it would doubtless be almost impossible to find any one who was not a Judge, who enjoyed anything at all like the general reputation for impartiality which Judges usually possess. It is important that the Judge should have some assistance, either from other Judges or Assessors, who will share with him the responsibility for awards. Even when those who work with him always disagree with each other, their presence is valuable, as even the most strong-minded man will be greatly strengthened if he has others to consult before announcing his decision.

*Piece-rates.*—The importance attached to piece-rate methods of payment as a stimulus to production is commonly much exaggerated. A great deal depends on the conditions of work, and it is apparently forgotten that piece-rates are already common in some of the industries in which industrial unrest is also common. For the type of work in which I am engaged, piece-rates were at one time frequent; time payments have now been generally substituted, and it is agreed everywhere that the change was a good one. It is probable that in some industries wage-earners would be well advised to look with a more kindly eye on piecework proposals, but employers should also study carefully the basis of the objections commonly made to piecework by trade-unionists, and should not imagine that if only piece-rates were accepted, all their difficulties would disappear. If piece-rates are imposed on unwilling workmen, it is quite certain that the good results which are hoped for will not be forthcoming. Where both parties are agreed about the principle of piece-rates, there is apparently nothing in the constitution of the Court to prevent an agreement being made, provided that the minimum time wage is guaranteed, which in any case is an essential condition of the piece-rate system.

*Profit-sharing.*—It is also common to exaggerate the advantages to be reaped from a general extension of profit-sharing. There have been many interesting experiments in this direction, and it is quite desirable that they should be continued where the parties concerned are favourable. The objections to the general adoption of profit-sharing, supposing that to be possible, are however grave. There is no reason why the wages of men doing the same kind of work with the same efficiency should be different on account of differences in the efficiency of management. The general adoption of profit-sharing would mean that the less efficient and less favourably situated firms would be able to get their labour more cheaply than their more efficient rivals. This is not in the social interest, which demands that as far as possible work should be concentrated in the most and not in the least efficient hands.

*Reaction on Trade-unions.*—The Arbitration Court is probably to some extent responsible for the general lack of interest among trade-unionists in the work of their unions. This in itself is not a good thing. It would be to the general advantage if trade-unions were vigorous, progressive bodies, whose members took a lively interest in their work. It would, however, be rash to assume that a diminution of the Arbitration Court's authority would stimulate union members to just that kind of constructive work which would be in both the general interest, and in the interest of trade-unionists. Those who are anxious for more vigorous life among the unions should look in other directions.

*Exemptions from Awards.*—Claims for exemption from the Court's jurisdiction sometimes reveal an implicit belief that the Court is a handicap to progress. If this is the case, then, of course, the proper conclusion is not merely exemption, but either the abolition of the Court, or a very drastic restriction of its powers. But if, as has been suggested, this is not the case, claims for exemption must be based on other grounds. Where an industry can devise machinery of its own which will satisfy its members without reference to the Court, there is no reason why the Court should insist on exercising its control there. There is little virtue in mere uniformity of machinery, and though there is an advantage in having a central authority in touch with wage-movements everywhere, this advantage might well be sacrificed where both the parties concerned agree that other machinery is preferable. Exemption might also be granted to industries where the grounds on which our case for the Arbitration Court has been built up do not apply, *i.e.*, where conditions do not make collective bargaining of some kind a practical necessity, where there is no danger of sweating, and where the conditions of work are such as not to admit that degree of uniformity which is presumed in an Arbitration Court award.

The Arbitration Court is not an institution about which it is easy to arouse much enthusiasm. Those who looked to it as a potent instrument of social reform have certainly been disappointed—the causes of inequality of income are too deep to be touched by the Arbitration Court—but those who now regard it as the main source of their troubles will certainly find that they have been deceived. Lacking, indeed, the great power which has sometimes been attributed to it, both for good and for evil, the Court carries out with reasonable efficiency the prosaic but useful and essential function of providing machinery for wage-determination. Any suggestion to abolish the Court or seriously to diminish its authority would undoubtedly be interpreted as a preliminary to attempts to lower existing wage-rates. In spite of formal denials, it is difficult to believe that such intentions are entirely absent from the minds of some critics of the Court. Statements that present wage-rates are too high seem to point definitely in this direction. It is possible that the attempt might succeed but it could succeed only at the cost of a great deal of strife and loss and ill-feeling, which I should prefer not to risk, and which would scarcely lead to helpful relations of co-operation in production.