A COUNTRY WITHOUT STRIKES: A VISIT TO THE COMPULSORY ARBITRATION COURT OF NEW ZEALAND

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A Visit to the Compulsory Arbitration Court of New Zealand

By

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WITH INTRODUCTION BY

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INTRODUCTION

It is very often asserted that those political laboratories, the Colonies of Great Britain, shrink from no experiment the object of which is to regulate and improve the condition of the labourer. This assertion is but partly true. The British colonies, though all endowed with complete self-government, differ very widely in the temper in which they approach the labour problem. For instance, two of the knottiest questions which humanitarian social reformers have endeavoured in our time to solve, are confessedly the conflict of organised capital with organised labour, and the necessity of securing a minimum of comfort for the humbler class of workers. Among eleven self-governing British colonies two only have made any serious endeavour to cope with the second of these problems, and one only has made any determined effort to grapple with the first. Victoria and New Zealand essay to control by statute wages and the conditions of labour; in New Zealand alone the conflicts of labour and capital are by law and custom submitted to the arbitration of state tribunals. The Victori-

an Factories' Act, to which I have just referred, is an extremely interesting measure under which the wages paid and certain other conditions observed in the clothing, boot and shoe, furniture-making, and one or two other industries are determined from time to time by a state board whose rulings have legal force. The statute deserves careful study and may be regarded as an experiment kindred to, though by no means identical with, the New Zealand Industrial Conciliation and Arbitration Act which is the subject of Mr. Lloyd's book. There are theorists and observers in Great Britain who think that the Victorian law is more likely to be imitated in the large industrial countries of the world than that of New Zealand, and that its narrower scope and more calculable effects render it a less venturesome and hazardous experiment. There is no doubt something to be said for this contention if the object of the reformer be merely to better the conditions of the most helpless class of workers in the worst-sweated industries. But if the object be to find a remedy also for those conflicts of capital with labour which have agitated the industrial world in Europe, America and elsewhere for the past century, which increase in area and bitterness with each decade and which constitute one of the greatest puzzles of social students in the old world and the new, then the Victorian Wages Board law is not what is wanted.

The object of the New Zealand Conciliation and Arbitration Act is not only to stamp out sweating and improve the workers' condition.

These, indeed, were not its immediate aims though they are consequences—and very valuable consequences—which have flowed from it. Its special and primary object was to bring about industrial peace, and, in so far as it has substituted orderly and methodical hearing and adjudication by impartial state tribunals for the loose, violent and haphazard methods of the strike and the lockout, it has succeeded in bringing about industrial peace.

True it is that an act under which one of the parties to an industrial dispute has the right to bring all other parties before a public tribunal does, in effect, if general use be made of it, involve a great deal of state regulation of labour. That is what has come about in New Zealand, and those who look upon state interference as anathema, and think that any law which increases it is necessarily bad, will regard the arbitration law with abhorrence. So far, however, as New Zealand is concerned, a sufficient answer to this objection is easily found. In the first place, if the parties to labour disputes there wish to settle their own differences in their own way, the state does not meddle with them. In the second place, New Zealand is perhaps the most simple and complete little democracy in the world; legislation is facile, and were any law found tyrannical or intolerable it would have very short shrift indeed. In New Zealand, I may remark, the most powerful class in politics are not the wage-earners but the farmers.

The Arbitration Act has not yet had a very

long life. It was passed in 1894 and did not come into active use until more than twelve months afterwards. Its popularity and usefulness have, however, steadily increased, and most of the organised industries of the colony are now being carried on under the conditions laid down by its Conciliation Boards and Arbitration Court. It should be stated frankly that most of the cases brought before these tribunals have been initiated by trade-unions and that most of the decisions have granted concessions of more or less value to the plaintiffs. The explanation of this is found in the prosperity which has marked the last four or five years in New Zealand. The labour market has been a rising market since the Arbitration Act came into use. Under the old conditions the workers whose wages had been cut down in the dull times of the previous decade would have struck on a rising market as they strike elsewhere. Instead of striking on a rising market they have arbitrated on a rising market, and instead of the industries of New Zealand being convulsed and disorganised the factories have not been closed through labour troubles for one single day.

Next to the wide use which has been made of the law in the colony, the most striking feature of its history has been the respect that has been paid to its decisions. Where, as in certain cases, these have been disappointing to the trade-unions they have been loyally obeyed; and though in a few instances the same cannot be said for the employers, the recalcitrants have not been