The Political Origins of Compulsory Arbitration in New Zealand
A COMPARISON WITH GREAT BRITAIN

With the passage of the Industrial Conciliation and Arbitration (I.C. and A.) Act in 1894, New Zealand acquired a system of industrial relations which was unique at that time, and which remained most unusual throughout its existence. In its early years New Zealand's system of compulsory arbitration aroused enormous interest throughout the world. Letters of enquiry about it poured into the Department of Labour in Wellington. Eminent visitors such as Sidney and Beatrice Webb, André Siegfried, and Henry Demarest Lloyd came halfway around the world to observe it at first hand. Yet despite much favourable publicity, compulsory arbitration on the New Zealand model was imitated only in Australia. This article attempts to explain why New Zealand enacted such a novel measure in the 1890s; to show what was peculiar about the New Zealand situation that made it possible to establish a system of industrial relations which, though much discussed and much praised, was generally rejected in other countries.

Part of the answer obviously lies in the character and interests of the I.C. and A. Act's main author, William Pember Reeves. Precisely who or what inspired Reeves to take up the question of industrial arbitration is not altogether clear. Industrial unrest was a matter of widespread concern at the time. Great strikes and lockouts like the London dock strike of 1889, the Australian and New Zealand maritime strike of 1890 and the Homestead and Pullman strikes of 1892 and 1894 in the United States had focused attention on 'the labour problem'. Politicians, journalists, and concerned men and women everywhere searched for some method of avoiding these bitter and destructive conflicts. The idea that some court or tribunal might be established that could hand down fair and impartial decisions when the parties to a labour dispute were unable or unwilling to negotiate a peaceful settlement occurred to many people in many places. 'Take the case under consideration' a worried U.S. Congressman suggested to the President of the Amalgamated Association of Iron and Steelworkers during Congressional hearings on the bloody dispute at
Homestead, Pennsylvania, in 1892. ‘Mr Frick [of the Carnegie Company] is right or the Amalgamated Association . . . is right; one or the other must be right or wrong in this contention. Can you see any objection to a tribunal which shall have jurisdiction in the matter to decide which is right?’ Compulsory arbitration was debated at the annual convention of the American Federation of Labor in 1892. In Britain it was advocated by witnesses before the Royal Commission on Labour, 1892-94, and was discussed during the debates on the Trade Disputes bill in parliament during 1895 and 1896. A clamour for it arose whenever one party to a major dispute held out against a settlement, the Webbs wrote in 1897. Advocates of voluntary arbitration felt called upon to refute the case for compulsion when they wrote on the subject in the 1890s. C. C. Kingston introduced a bill providing for compulsory arbitration in South Australia in 1890. Thus, the idea was ‘in the air’ when Reeves introduced his bill in 1891 and there were numerous sources from which he might have derived inspiration.

As to the drafting of the legislation itself, one can get some idea of Reeves’s method by comparing the New Zealand Act with C. C. Kingston’s South Australian bill of 1890. The claim by an Australian newspaper correspondent in 1903 that Reeves ‘incorporated en bloc all that is vital in his own bill from the South Australian measure’ is patent nonsense. Under Kingston’s original bill, local conciliation boards could be established only when the Industrial Registrar certified that this was ‘generally desired’ by employers and employees in the given area or industry, and extension of the conciliation system’s jurisdiction to unregistered unions needed the approval of both Houses of Parliament. It required a decision of the Ministry of Industry for a board’s decision to be made compulsory under the South Australian bill, and it was the minister too who decided which disputes should be referred to the State Conciliation Board. Reeves’s bill, on the other hand, established district conciliation boards irrespective of local opinion, allowed any dissatisfied party the right of appeal from the conciliation boards to the Arbitration Court, and gave the Court power to issue legally binding awards without any involvement by the ministry or parliament. Nevertheless, though the two measures are quite different in many essentials, Reeves did borrow several clauses verbatim from Kingston’s bill, including, for example, some dealing with the registration of trade unions under the Act. Other provisions of the New Zealand Act, as Keith Sinclair has pointed out, were borrowed from elsewhere, and the overall result was ‘mainly an original product of [Reeves’s] mind adapting his own and others’ ideas to local circumstance’.

Perhaps more important than his role as legislative draftsman, was Reeves’s determined and enthusiastic advocacy of his proposal. He introduced the bill to parliament in four successive years; he explained and defended it on numerous occasions; it was his ‘pet measure’; he was ‘saturated in it’. The passage of the I.C. and A. bill into law clearly owes a great deal to Reeves’s single-minded dedication and political skills.
Without his 'personal effort', Keith Sinclair has written, 'it is improbable that compulsory arbitration would have been introduced . . .', and this is at least an important part of the story.\textsuperscript{12}

But it is not the whole story. Reeves could not have turned his proposal into law without the consent of cabinet and the approval of parliament. Without a favourable political climate no cabinet minister could have achieved the enactment of such an important measure, and the I.C. and A. bill was recognized to be an important measure. It is true, as Reeves wrote later, that other proposals of his and the Liberal government, such as the Shop and Shop Assistants’ Act aroused much more public excitement.\textsuperscript{13} Nevertheless the I.C. and A. bill was considered carefully and criticized in detail by the main interested parties, the Employers’ Associations and the Trades and Labour Councils.\textsuperscript{14} Members of Parliament, according to the estimates of N.I. Moore, devoted 250,000 words, comprising 385 speeches to it.\textsuperscript{15} Compulsory arbitration was not slipped on to the statute books un-noticed, and its enactment cannot be explained solely in terms of the dedicated support of one cabinet minister. What must also be taken into account is the political situation in which that minister acted.

Another obvious and important reason for the passage of the I.C. and A. Act was the general public concern that undoubtedly existed about the problem of labour unrest; a concern which arose both from local experience, notably the maritime strike of 1890, and the apparent trend towards greater and more divisive industrial disputes throughout the capitalist world. Reeves, like all advocates of compulsory arbitration, stressed the senselessness and barbarity of unrestrained industrial conflict, and argued that compulsory arbitration provided a rational, civilized solution to the problem. It 'would never put an end to labour troubles', he said in 1892, 'but it would . . . put a stop to those disruptions of industry by which factories are closed, enterprise checked, work stopped and misery and desolation brought into hundreds and perhaps thousands of homes.'\textsuperscript{16} Everyone could agree that the object of Reeves's bill was admirable and by the 1890s even some conservative opponents of the Liberal government, such as Sir William Russell, had come to believe that compulsory arbitration was a necessary expedient.\textsuperscript{17}

It is hard to see, though, why concern about industrial conflict should have been greater in New Zealand than elsewhere. No doubt many New Zealanders were shocked by the labour unrest which had emerged in the late 1880s culminating in the maritime strike of 1890. Yet that strike had been decisively crushed, and the unions were pathetically weak for many years thereafter. According to D. A. Hamer, middle-class migrants to New Zealand were especially determined to avoid the reappearance in their adopted home of such old world problems as strikes and lockouts, and this may well have been how they looked at the issue.\textsuperscript{18} Yet it seems scarcely credible that middle-class Englishmen were any less concerned about labour problems than their kinfolk who had emigrated. Indeed
labour unrest was a matter of vital concern to Englishmen in the 1890s as the appointment of a Royal Commission on Labour (1892–1894) indicates. Compulsory arbitration was considered seriously in Britain as it was in New Zealand and was not rejected there on the grounds that endemic industrial conflict was desirable or even tolerable, as we shall see.

The determined advocacy of Reeves and a widespread desire to see labour disputes solved peacefully do help explain the coming of compulsory arbitration in New Zealand but they do not fully explain it. What was special about the New Zealand situation, it will be argued here, was a peculiar balance of political forces which was to appear also in Australia in a modified form. We can learn much about the origins of compulsory arbitration in New Zealand by first considering its history in another country, Britain, where the idea was given serious consideration but never implemented. The distinguishing features of the New Zealand situation will then become more readily apparent.

First of all it is worth looking briefly at the development of voluntary conciliation and arbitration systems in late nineteenth-century Britain. The terms ‘conciliation’ and ‘arbitration’ were often used rather loosely at the time. Generally conciliation was understood to be a process by which representatives of employers and employees came together to discuss and settle disputes without resorting precipitately to strikes or lockouts. Often it was assumed that an indispensable instrument of conciliation proceedings was the sort of permanent joint board of labour and management that was established in many British industries from the 1860s onwards. ‘Arbitration’ was sometimes used almost interchangeably with conciliation even by supposed experts on the subject like Sir Rupert Kettle. Eventually however, arbitration came to mean something different and specific: the reference of a dispute for a final decision to a third party by joint agreement of the disputants. Arbitration was often presented by its advocates as a logical outgrowth of conciliation, or the two were seen as complementary processes. In fact, as Sidney and Beatrice Webb pointed out in the 1890s, they were fundamentally different. The establishment of a conciliation board, without provision for mandatory arbitration, often meant simply that the two parties were brought together on a regular basis for collective bargaining. If, on the other hand, it was known from the outset that any unresolved issues would be turned over to an umpire or arbiter, there would be little incentive for serious bargaining on contentious matters. Why bother to haggle and strive for agreement if the ultimate decision depended on the arbiter? Under arbitration, the disputants’ role came to resemble that of a litigant before a court rather than that of a businessman trying to make a deal.

The first conciliation board of lasting importance was established for the Nottingham hosiery industry in 1860 under the leadership of A. J. Mundella. In 1864 an arbitration board for the Wolverhampton building trades was formed under the chairmanship of Judge Rupert Kettle. These two experiments provided models for other trades and conciliation and
arbitration boards were widely adopted in the 1870s. By 1894 at least sixty-four of them were known to exist in Britain. The proliferation of these institutions, the apparent success of which provided fuel for advocates of compulsory arbitration later, can best be understood by considering how they affected the interests of the parties involved.

From the employers' point of view, there was little incentive to enter into a conciliation agreement as long as trade unions were weak or nonexistent, or where trade unionism aside, employers were able to impose their own terms of employment on their workers without difficulty. But by the 1860s, there were a number of industries where trade unions were too strong to be ignored, or where industrial strife had become so severe that the need for negotiated settlements was pressing. Conciliation agreements were particularly attractive to employers in industries where piece-work was the rule, for in them 'the opportunities for competitive wage-cutting and the frequency of minor disputes are normally greater than in a time-work industry'. Arbitration agreements might appear, on the face of things, rather more dangerous for employers, since these involved a commitment to accept the decision of an outsider on questions of vital importance to any firm; viz: labour costs. In practice, however, employers could generally rely on independent arbiters not to impose awards on them that were completely unacceptable. J. H. Porter has found, in a study of conciliation and arbitration in five major British industries between 1860 and 1914, that over 80 per cent of the arbiters were lawyers, politicians, and businessmen; that is to say men who were in the main from the same social classes as employers. One of the most famous of them, Judge Kettle, wrote that it was the arbiter's duty to keep clearly before the contending parties 'the primary laws of economic science . . .', an attitude that was hardly likely to favour the working man's interests at that time. In Porter's five industries, the majority of wage determinations occurred in the years of declining prices between 1873 and 1896, and since price was the arbiters' major criterion for fixing wages, only nine of the 61 awards gave advances while 35 gave reductions.

From the trade union point of view, conciliation boards were of no great interest in trades where satisfactory wage-fixing arrangements already existed in the 1860s. Thus they were 'almost unknown among the major crafts and in cotton, and rare in coalmining . . .'. Where there were no well-established traditions of collective bargaining or craft rules, the establishment of a conciliation board generally meant in practice that the trade union achieved recognition and collective bargaining rights. Even where trade unions were not explicitly recognized as representatives of employees on the boards, they usually managed to dominate or control the places allotted to the workmen.

It is more difficult to understand why trade unions were so often willing to submit to arbitration agreements, in view of what has already been said about them. Indeed arbitrators' awards often provoked protest and unofficial strikes, or the arbitration machinery broke down altogether
because of workers’ dissatisfaction. However, for a union in a weak bargaining position, an arbitration agreement could be better than nothing. ‘The arbitrator’s award’, the Webbs wrote in *Industrial Democracy*, ‘is a general ordinance, which, in so far as it is accepted, puts an end to Individual Bargaining between man and man, and thus excludes, from influence on the terms of employment, the exigencies of particular workmen, and usually also those of particular firms. It establishes, in short, like Collective Bargaining, a Common Rule for the industry concerned’. For a trade union then, an arbitration agreement could mean a step forward, even if only a limited one, and much the same could be said for other agreements entered into by British trade unionists in the late nineteenth century such as sliding wage scales, whereby wages rose and fell automatically with the selling price of the product made. Although some writers have criticized union leaders for accepting agreements which often brought meagre benefits to their members, it may often have been the case that the unions lacked the strength to achieve anything more substantial.

Conciliation boards continued to spread in Britain after the 1890s. From sixty-four in 1894, the number increased to 162 in 1895 and to 325 by 1913. Arbitration on the other hand had become unattractive to many unionists by the 1890s. The long record of disappointing awards during the ‘great depression’ years was partly responsible for this, but also the growing strength of trade unionism in many industries. In 1894 the Royal Commission on Labour noted that arbitration was distrusted in the well-organized trades, and the number of well-organized trades was increasing.

It was not widely appreciated however that a particular set of circumstances had led to the creation of arbitration agreements in such abundance in the 1870s and 1880s and that circumstances were no longer so favourable by the 1890s. Books, pamphlets and articles in praise of both conciliation and arbitration continued to appear in the 1890s but the only analysis of the subject which appeared in print then and which still seems clear and to the point was that of the Webbs in *Industrial Democracy*. For many publicists and politicians, conciliation and arbitration were viewed simply as the triumph of civilized behaviour over barbarity. What could be more sensible than for men to sit down together and thrash out their differences peacefully? What could be more fair than the submission of disputed points to an independent umpire?

And if voluntary conciliation and arbitration did not settle every dispute, as it clearly did not, then the idea was bound to occur to some people that arbitration should be made compulsory. The damage that strikes and lockouts did to innocent third parties and the community at large was clear enough. The analogy between an arbiter in a labour dispute and a judge in a civil law dispute seemed obvious. Surely employers and employees should be compelled to submit their disputes to an impartial tribunal rather than be allowed to disrupt the economic and social life of the nation? The popularity of this idea in Britain during the 1890s has
already been referred to. The establishment and apparent success of compulsory arbitration in New Zealand aroused further interest in the subject. Reeves himself went to London as New Zealand’s Agent-General in 1895 and publicized the New Zealand experiment. Sidney Webb became an advocate. Ben Tillett began a campaign for it in the Trade Union Congress in 1899, and though it never carried the day there, a resolution supporting the principle won substantial support at the Congress of 1901. Sir Ernest Aves was dispatched to New Zealand and Australia in 1907 by the Home Office to study the subject, as well as the Victorian Wage Boards.

Probably few advocates of compulsory arbitration saw the full implications of their proposals at this time. What most wanted was some method of preventing the great strikes and lockouts which erupted when collective bargaining was rejected or broke down. Yet as the Webbs shrewdly foresaw, compulsory arbitration would not simply supplement collective bargaining; once introduced it would tend to replace it altogether. For just as under voluntary arbitration, parties to a dispute turned away from serious bargaining and concentrated on presenting a good case to the arbiter, so under compulsory arbitration, there could be little incentive for real bargaining when the ultimate result rested on the decision of a state tribunal. Once such a tribunal existed, weak trade unions would inevitably refuse to accept a hard bargain and would turn to the tribunal or court for an award. The end result would be an end to collective bargaining and the regulation of wages, and working conditions by the state. This was roughly what was to happen in New Zealand.

Opponents of compulsory arbitration in Britain, however, were concerned with the problem of strong trade unions rather than weak ones. How, they asked, could an arbitration court enforce a decision in a dispute, if the trade union or body of workmen involved found the terms of the award unacceptable? How could you compel men to work under the conditions laid down by the court if they chose to resist? Joseph Chamberlain was one politician who thought this problem not insuperable. Under New South Wales legislation, he said in a British parliamentary debate during 1895, Boards of Arbitration were empowered to recover damages from a union which failed to submit to a decree, and this amounted to a power of enforcement. However Chamberlain ‘doubted whether the employers or the working class are yet prepared for such a stringent arrangement as that . . .’. On this point he was quite right. Majority opinion among both unionists and employers was opposed to compulsory arbitration throughout, and as long as this was so, no government would consider attempting to establish it.

The reasons for trade union opposition to compulsory arbitration were made very clear by speakers in several debates at Trade Union Congresses from 1899 onwards. Representatives of strong unions believed they were better off relying on their own resources than on the whims of a judge. Compulsory arbitration ‘would place in the hands of judges the power to
either raise or lower wages, the men being required to hand over the power of which they were at present proud’. Speaker after speaker rose to attack the record of British judges on matters affecting the rights of labour. The most prominent proponents of compulsory arbitration within the T.U.C., were Ben Tillett of the weak Dockers’ Union and Richard Bell, of the Amalgamated Society of Railway Servants, an organization that had been unable to secure recognition from the major railway companies. In the debate of 1901, Tillett felt called upon to deplore sneers at weak unions, and another speaker the following year referred to the opponents of compulsory arbitration as ‘the big dogs that can wag their own tails’.

To the outsider, compulsory arbitration might appear as the rational and civilized answer to the problem of industrial strife. To a trade union it meant surrendering control of its own destiny to an unpredictable and untrustworthy judge who would almost certainly be a man of upper- or middle-class background. Successful trade unions had only achieved power through years of bitter struggle. They would not willingly throw away their right to strike for better conditions. Only weak trade unions were attracted to the idea of compulsory arbitration. For them it might bring recognition, or at least legally enforced common rules for the trade. But the weak unions were outvoted in the T.U.C., and of course the totally unorganized who might have benefited most from such a system were not represented at all.

As long as the big guns in the trade union movement were, in the main, opposed to compulsory arbitration, it was difficult to imagine how such a system could be enforced, and no government was willing to try. By the time the issue was raised in Britain, many unions were strong enough to resist the kind of voluntary arbitration agreement that had been so popular in the 1870s and 1880s. Compulsory arbitration was even less attractive to them. Consequently it never had a chance in Britain. Had New Zealand’s trade unions been as strong as Britain’s in the 1890s, a dozen William Pember Reeves could not have made a success of compulsory arbitration there.

In fact New Zealand’s trade unions were pathetically weak in the 1890s. Only a few small unions had existed prior to 1889. Of the Trades and Labour Councils formed in the four main centres during the early 1880s only one still existed in 1886. A National Trades and Labour Congress languished after two meetings in 1884 and 1885. A surge of ‘new unionism’ swept New Zealand during 1889 and 1890, but most of the new unions and new unionists disappeared with the defeat of the maritime strike in 1890. In the main centres the Trades and Labour Councils, which had revived in the late 1880s, continued to exist after 1890 but as late as 1895 the combined membership of their affiliates was estimated to be a puny 2500.

Though weak on the industrial front, however, organized labour could claim some political influence after 1890. The Liberal ministry which came to power after the general election of that year was supported by a
parliamentary majority which included several union men and about twenty MPs who had been elected with trade union endorsement. The Liberals established a Department of Labour, headed by Reeves, embarked on an extensive programme of social and labour legislation, and cultivated the support of working men generally and the Trades and Labour Councils specifically. Through Lib.-Lab. politics labour could hope to make up some of the ground lost through abortive industrial action.

It is unclear whether union leaders foresaw precisely how they would be able to use the I.C. and A. Act to their advantage once it became law. They may not have realized how easy it would be for a mere handful of workmen to draw up a list of detailed demands, present them to an employer and thereby create a ‘dispute’, force the employer into conciliation proceedings, and, if that failed to produce a satisfactory result, apply to the arbitration court for a legally-binding award covering minimum wage rates and working conditions. This was what was to happen after 1894 and the outcome was the creation of a host of ‘arbitrationist’ unions which owed their very existence to the I.C. and A. Act and a system of state regulation of wages and working conditions.

Even if the full implications of the Act were not clear to unionists before its enactment they must have realized that compulsory arbitration would force employers to make some concessions that could not be obtained by weak unions through the threat of industrial action. In any case, trade union leaders by and large supported Reeves’s bill. A national conference of delegates from the Trades and Labour Councils considered the bill, clause by clause, in 1891 and suggested only slight changes. Another conference in 1893 publically endorsed ‘the principle of compulsory arbitration as contained in the Conciliation and Arbitration bill . . .’. Support also came from the Knights of Labour and from the labour men in parliament. Though some opponents of the I.C. and A. bill claimed that organized labour was opposed to the measure, they were effectively refuted by Reeves and the labour men in parliament on this point.

Employers, on the other hand, generally opposed the bill. The Auckland Employers’ Association had always ‘strongly opposed the principle of compulsory arbitration’, its president declared in 1894, and detailed objections were sent to the minister. Employers in other centres took a similar stand. In parliament several Opposition members claimed that the bill was aimed at promoting the interests of labour at the expense of capital, and Reeves, though he denied the charge, admitted that ‘employers for the most part have opposed the Bill . . .’. The essence of the situation which enabled compulsory arbitration to become law in 1894 was that the unions, being industrially weak, lacked the will to oppose it, while the urban employers, being politically weak, lacked the power to prevent it.

The political equation would have been very different had rural employers, that is, farmers, perceived that compulsory arbitration might be applied to their industry. Had they done so, it is unlikely that Reeves
could have persuaded the 'country liberals', who dominated the Liberal party by the time the I.C. and A. Act was passed, to support it. But this question was not raised in the debates that occurred between 1891 and 1894, and it was generally assumed that industrial arbitration concerned only the urban sector of the economy. Significantly, when an application for an award for agricultural workers was made in 1908, the Arbitration Court, with curious reasoning but a fine sense of political realities, refused to make a ruling.

The political realities which underlay the passage of the I.C. and A. Act were obscured, to some extent, by the nature of the parliamentary debates on the bill. For one thing a great deal of attention was focused on relatively peripheral issues, such as whether government-employed railway workers should be included within its jurisdiction, and whether it was appropriate for a Supreme Court judge to preside over the Arbitration Court. More importantly, Reeves insisted throughout the debates that his bill was an even-handed measure which would benefit employers and employees equally. The sole purpose of the bill, he claimed, was industrial peace, and the arbitration court would only be called upon to settle a handful of particularly serious disputes. Clearly some opposition members, such as Sir William Russell, were persuaded by Reeves that this was so. When others, like Sir John Hall, argued (correctly as it turned out) that the bill would drive workers into unions, some labour men agreed, and said such a development was desirable. Reeves, however, took a different line. Non-union labour was alleged to be perfectly happy with the status quo, he argued cleverly if disingenuously. Why then should non-union men seek to make use of the Act at all? Historians have often noted that the full title of the original I.C. and A. Act read 'An Act to encourage the Formation of Industrial Unions and Associations and to facilitate the Settlement of Industrial Disputes by Conciliation and Arbitration', and have suggested, not unreasonably, that the unionization of non-union labour was one of the primary goals of Reeves's bill. However this is not what Reeves said during the parliamentary debates. When challenged on the point by Hall he responded 'I deny that the action of the Bill will drive these unorganized labourers into the unions.'

The country at large must have been left with the impression that it was getting a system in which compulsion would only be applied in a few very intransigent cases, whereas in fact it was getting a system of general wage-fixing by the state. Reeves himself was presumably unaware of the full implications of his own bill; either that, or he was a terrible liar. Nevertheless it was clear enough that he was proceeding with the support of organized labour and against the wishes of employers. Whatever Reeves's intentions, this was not, politically, an even-handed measure. Had the trade unions in New Zealand been strong enough to negotiate satisfactory agreements with employers unaided, they would surely have rejected the concept of compulsory arbitration, and without the support of either labour or employer organizations, the government could hardly
have gone ahead with the bill. If, on the other hand, the government of the day had been more orientated to employer interests than it was, compulsory arbitration would also have been ruled out. Reeves’s personal dedication to the idea of compulsory arbitration and a general desire to avoid industrial upheavals were two factors which helped to bring about the passage of the I.C. and A. Act. Neither would have counted for much, however, if organized labour had not been industrially weak and employers politically weak in New Zealand during the early 1890s.

In Australia, compulsory arbitration was introduced in a somewhat similar set of circumstances. It was generally opposed by trade unions in Australia before 1890 when the trade unions seemed to be strong and growing stronger. Much of that apparent strength evaporated with the decisive defeat inflicted on organized labour in the great strikes of 1890–91 and the onset of depression in the 1890s. After that trade union leaders came to see merit in compulsory arbitration, and by 1900, the benefits that had accrued to unions in New Zealand under the I.C. and A. Act were readily apparent. The Labor Party gave strong support to the New South Wales Conciliation and Arbitration Act of 1901, which was modelled on the New Zealand Act and the Commonwealth Conciliation and Arbitration Act of 1904. In these cases the role of an industrially fragile but politically influential labour movement in the enactment of compulsory arbitration laws was even more obvious than in New Zealand.

Compulsory arbitration was, of course, only one of a series of statist innovations which earned late nineteenth-century New Zealand a measure of international renown. Perhaps no single factor explains this penchant for ‘state experiments’ but it seems likely that the role played by a weak trade union movement in the coming of compulsory arbitration had its parallels in other spheres. In a new and developing capitalist society, private institutions, both commercial and non-commercial, either lacked the resources or simply had not had sufficient time to establish themselves as the primary agencies of economic and social development. Often the government did not need to mediate between powerful interest groups, or concern itself with the impact of its policies on wealthy corporations or venerable private associations, for in many cases, they hardly existed; instead the state simply stepped into a vacuum.

Once a new state or programme had been created, whether it be railway construction, a pension plan, or a credit agency, new private interest groups and new political issues often emerged in its wake. Thus the compulsory arbitration system, which was supposed to mediate between already-existing groups of capitalists and workers actually created dozens of new unions and an entirely new system of wage-fixing. The success of that system then came to depend on a new and unanticipated set of economic and political conditions, but that is another story.

JAMES HOLT

University of Auckland
NOTES

1 Edward Tregear to W. P. Reeves, 31 August 1900, Letters from Men of Mark in New Zealand to W. P. Reeves, London School of Economics Library.
3 National Labor Tribune, Pittsburgh, 12 December 1892.
8 Auckland Star, 6 March 1903.
9 See Clauses 3–6 of Reeves’s bill and Clauses 14–17 of Kingston’s.
11 ibid., pp. 151, 205.
12 ibid., p. 212.
15 ibid., pp. 1–4.
16 Clipping from unidentified newspaper, 1892, Papers of W. P. Reeves, Turnbull Library, Wellington.
19 See, for example, Henry Crompton, Industrial Conciliation, London, 1876, p. 17.
20 Webbs, p. 222.
27 Porter, p. 465.
28 Clegg, Fox and Thompson, p. 24.
29 Phelps Brown, p. 127.
30 Allen, p. 250.
31 Webbs, p. 224.
32 The merits and demerits of various late nineteenth-century wage fixing arrangements from the trade union point of view are discussed by Clegg, Fox and Thompson, p. 23; Allen, pp. 251–4; Porter, pp. 470–5; Sidney and Beatrice Webb, The History of Trade Unionism, London, 1911 ed., p. 323.
33 Sharp, p. 5.
34 R.C. on Labour, 1894, Part 1, Report, Cd. 7421, Paragraph 137.
35 More typical of late nineteenth-century writing on conciliation and arbitration is Jeans, Conciliation and Arbitration in Labour Disputes.
36 Sinclair, pp. 248, 275.
38 *Report, Trade Union Congress*, 1901, pp. 67–70.
41 See, for example, A. J. Mundella’s speech, *Hansard*, 5 March 1895, p. 403.
42 ibid., p. 406.
43 Clegg, Fox and Thompson, p. 265.
48 AJHR, 1891, Session 2, Vol. 4, H–48; *New Zealand Times*, 24 June 1891.
49 *New Zealand Times*, 8 August 1893.
50 *New Zealand Herald*, 26 January 1894; *New Zealand Parliamentary Debates (NZPD)*, LXXIX (1893), 147, 163, 367, 370.
51 NZPD, LXXIX (1893), 146–7, 998.
52 *New Zealand Herald*, 2 August 1893; 10 August 1893; 26 January 1894.
53 Henry Broadhead, *State Regulation of Labour and Labour Disputes in New Zealand: A Description and Criticism*, Christchurch, 1908, p. 9; *New Zealand Times*, 12 May 1892.
54 NZPD, LXXVIII (1892), 152–3; LXXIX (1893), 364; LXXXIII (1894), 130–1.
57 NZPD, LXXVIII (1892), 121, 131–2, 152, 178–9.
58 ibid., LXXVII (1892), 30, 32; LXXIX (1893), 167; LXXXVIII (1894), 129–30.
59 ibid., LXXIX (1893), 163, 370–1.
60 ibid., LXXVIII (1892), 182.
62 NZPD, LXXVIII (1892), 182.