

(5203.) MEMORANDUM ON APPLICATIONS UNDER WAR LEGISLATION AND STATUTE LAW AMENDMENT ACT, 1918.

In the Court of Arbitration of New Zealand.—In the matter of the War Legislation and Statute Law Amendment Act, 1918, and of various applications thereunder.

*War Legislation and Statute Law Amendment Act, 1918, Section 18—General Principles upon which Court purposes to proceed with regard to Applications—Basic Wages for Skilled, Semi-skilled, and Unskilled Workers—Bonus to compensate for Increased Cost of Living—Periodical Adjustments of Bonus at Six-monthly Intervals.*

*In order to preserve some sort of uniformity the Court purposes to fix basic wages for three classes of workers—viz., skilled, semi-skilled, and unskilled—which wages will not be subject to variation during the currency of the award, but will, of course, be open for reconsideration on the making of any new award affecting such workers. In addition to these basic wages the Court will grant to workers a bonus by way of compensation for the increase in the cost of living, and this bonus will be varied from time to time according to the rise or fall in the cost of living as ascertained for the Dominion. The Court has decided that such adjustments should be made half-yearly, the half-yearly periods ending 31st March and 30th September having been selected.*

UNDER section 18 of the War Legislation and Statute Law Amendment Act, 1918, any party to an award may at any time, and from time to time, apply to the Court for an amendment of such award in so far as the provisions thereof determine the hours of employment or the rates of remuneration of the workers affected thereby. In dealing with any such applications the Court is directed to take into consideration, amongst other things, any increase since the date of the award in the cost of living. In pursuance of the provisions of the Act many applications have already been made to the Court, and many more will doubtless be made. It seems desirable, therefore, to lay down some general principles upon which the Court purposes to deal with such applications.

In the first place it is obvious that if the Court is to take into consideration the increased cost of living between the time of making the award and of the application for amendment, and to grant increases in wages accordingly, such increases might result in the wages of workers in the same industry being made to vary in different districts, as the increases would depend upon the accidents of the date of the award and the date of the application. Anomalies of this kind would inevitably give rise to discontent, and should therefore be avoided if possible. It is, moreover, undesirable that the rates of wages of workers in an industry should be liable to variation at short intervals, as this would necessarily be embarrassing if not unfair to employers, especially in cases where, as frequently happens, they enter into contracts extending over considerable periods and involving the employment of a large number of workers.

In order, therefore, to preserve some sort of uniformity the Court purposes to fix basic wages for three classes of workers—viz., skilled, semi-skilled, and unskilled—which wages will not be subject to variation during the currency of the award, but will, of course, be open for reconsideration on the making of any new award affecting such workers. In addition to these basic wages the Court will grant to workers a bonus by way of compensation for the increase in the cost of living, and this bonus will be varied from time to time according to the rise or fall in the cost of living as ascertained for the Dominion. In order to give effect to this scheme periodical adjustments of the bonus will be necessary, and the Court has decided that such adjustments should be made half-yearly. The Court has consulted the Government Statistician on this point, and he advises that for the purpose indicated the half-yearly periods ending 31st March and 30th September would be the most equitable that could be selected, and he has undertaken to prepare index numbers showing the variation in the cost of living during these periods in each year.

It will also be necessary to bring the wages of the different classes of workers into line before the application of the principle underlying the scheme. The Court, therefore, has determined to fix the basic wages as follows:—

Skilled workers, 1s. 7½d. per hour.

Semi-skilled, 1s. 4½d. and 1s. 6d. per hour (according to degree of skill).

Unskilled, 1s. 3½d. per hour.

These wages are substantial increases for the different classes of workers upon the wages prevailing immediately prior to the war, and to some extent, although not wholly, compensate the workers for the increases in the cost of living up to the time of the passing of the recent Act. To the above wages will now be added a bonus of 2½d. per hour to compensate the workers for the further increase in the cost of living up to the 31st March, 1919, and this bonus, as before stated, will be readjusted as on the 30th September and 31st March in each year in accordance with the increase or decrease in the cost of living as ascertained by the Government Statistician as the average for the Dominion, the first adjustment to take place as soon after the 30th September next as is found practicable. It must be understood that the scheme above indicated is not to be applied as a hard-and-fast rule, but will be subject to modification if necessary to meet special cases or those where the working-conditions of the trade affected may be unusual.

It will, however, it is hoped, be a working guide for the determination of cases coming before Conciliation Councils, especially those in which the remuneration of craftsmen and their assistants is concerned.

Inasmuch as the bonus is to be given to workers as compensation for the increased cost of living, and is to be varied in conformity with the variations from time to time in such cost of living, it has been decided to exclude the bonus from the computation of payment of overtime. In view of this, and also of the fact that recent investigations both in England and America have shown that the working of overtime is inimical to the health, efficiency, and contentment of workers, the Court has determined to grant a substantial increase in the amounts to be paid for overtime work, and will in future, unless good cause is shown to the contrary, prescribe payment for overtime at the rate of time and a half for the first three hours and thereafter double time. This, it is hoped, will result in the amount of overtime being largely reduced, except in specially urgent cases in which the employer may reasonably be expected to make special provision for the extra remuneration to the workers concerned. The present statement has no application to questions arising with regard to the wages of females, which in the opinion of the Court appear in many cases to be lower than can reasonably be maintained under present conditions, nor does it apply to those workers engaged in various occupations in which they are in regular employment at weekly or monthly salaries. All such cases will be dealt with on their merits, and as occasion to consider them may arise.

Dated this 19th day of April, 1919.

T. W. STRINGER, Judge.