

(5127.) MEMORANDUM BY THE COURT OF ARBITRATION *RE* APPLICATIONS FOR THE AMENDMENT OF AWARDS OR INDUSTRIAL AGREEMENTS UNDER THE WAR LEGISLATION AND STATUTE LAW AMENDMENT ACT, 1918.

In the Court of Arbitration of New Zealand.—In the matter of the Northern Industrial District (except Gisborne Judicial District) Furniture Trades' award; the Northern Industrial District Plumbers and Gasfitters' award; the Northern Industrial District (except Gisborne Judicial District) Carpenters and Joiners' award; the Wellington District Coach-workers' award; and the Wellington Iron and Brass Moulders' award; and others.

UNDER the War Legislation and Statute Law Amendment Act, 1918, power is given to the Arbitration Court, on the application of any party to an award or industrial agreement, to amend the provisions of any such award or industrial agreement so far as such provisions determine the hours of employment or the rates of remuneration of any workers.

In exercising the powers thus conferred upon it the Court is directed to take into consideration—

- (a.) Any alteration, since the date of the award or agreement, in the conditions affecting the industry or industries to which such award or agreement relates; and
- (b.) Any increase, since the date of the award or agreement, in the cost of living affecting the workers, or any class of workers, engaged in such industry or industries;

and if, having regard to these and other relevant considerations, the Court is of opinion that it is just and equitable to amend the award or agreement it is directed to amend the same accordingly.

Applications under the Act have now been made for amendments of the above-mentioned awards, at the hearing of which the only relevant consideration brought under the notice of the Court was that of the increase in the cost of living since the respective dates of the awards. Information on this question was furnished by Mr. Malcolm Fraser, the Government Statistician, who attended in person and gave evidence, and also supplied the Court with tabulated statements showing how the increases in the cost of living had affected workers in the different industries covered by the awards

under consideration, and what amounts were required in order to bring up the wages fixed by those awards to the same purchasing-power as they possessed at the time the awards were made.

In the past the Court has not acceded to the demands of the workers to increase wages in the same ratio as the increased cost of living, as it considered that as such increased cost of living was mainly attributable to the war, and therefore that workers, or at least those who were receiving substantially more than a mere living-wage, could and should bear a portion of the burden imposed by the war upon the community generally, and ought not to expect to be fully exonerated from their share of such burden, which could only be done by throwing an increased burden upon other members of the community who were already bearing their fair share of such burden. In the result, as appears from the statistics, notwithstanding several increases granted by the Court during the war to workers in different industries, they are now in a worse position financially than they were at the outbreak of the war, inasmuch as their real, as distinguished from their nominal, wages have been reduced.

The Court, however, interprets the recent statute to mean that, in the absence of any countervailing consideration, which was not shown to exist in any of the cases before the Court, the wages of workers should, for the future, be increased in correspondence with the increase since the making of the several awards in the cost of living. The Court has acted upon this view in the cases under consideration, and has therefore granted increases in wages, making them approximately equal in purchasing-power to the existing wages at the time the latter were granted. This has been effected by placing all the workers in the trades affected—all of which are skilled trades—on the same footing as to wages, as the Court thinks they should be. The Court has therefore fixed a flat rate of 1s. 7½d. per hour for all these skilled workers, and has granted in addition thereto a bonus of 2½d. per hour, which may be varied from time to time according to circumstances.

It is certain that workers in other industries than those now being dealt with will in the course of time make application to the Court for amendment of their awards, similar to those now made, and a general increase in the wages of workers may therefore be expected. It is inevitable that the effect of these increases will be reflected, and probably in a magnified form, in further increases in the cost of living if the other and more potent factors in raising the cost of living remain in full force and effect. Unless, therefore, the cost of the necessities of life is reduced as a result of the cessation of the war, or, failing that, unless the price-controlling authorities, the Government and the Board of Trade, are able to devise and enforce some method of preventing further increases in the price of such necessities, the Court will again and again be asked to amend its awards and increase wages in conformity with the ever-increasing cost of living.

It is obvious that the continual increase of wages of organized workers through the medium of the Court, which results in these workers obtaining partial and often only temporary relief, largely at the expense of members of the community with fixed incomes and of unorganized workers who are unable to claim the intervention of the Court, cannot continue indefinitely, and that sooner or later many industries may become unprofitable and cease operations, with the result that many workers may be thrown out of employment. If this most undesirable consummation is to be avoided the means of doing so must be found by the Legislature, as the Court is powerless in the matter.

As, under the Act, it is permitted for any party to an award or industrial agreement at any time to make application for an amendment of the existing award or agreement, it is necessary to state that the Court would not feel disposed to entertain any application in respect of the awards now being dealt with, either by employers seeking to reduce wages or by workers seeking to increase wages, unless there was shown to be a substantial alteration in the conditions affecting the industry concerned, or a further substantial variation in the present cost of living extending over a substantial period of time.

Dated this 6th day of March, 1919.

T. W. STRINGER, Judge.