

EX PARTE H. V. MCKAY.

Excise Tariff 1906 (No. 16 of 1906)—Application for declaration that wages are fair and reasonable—Test of fairness and reasonableness.

MELBOURNE,
Oct. 7, 8, 9, 10,
11, 14, 15, 16,
17, 18, 21, 22,
23, 24, 25, 28,
29, 30, 31, Nov.
8, 12, 1907.

The test to be applied in ascertaining what are fair and reasonable conditions of remuneration of labour, under the *Excise Tariff 1906*, is, in the case of unskilled labourers—what are the normal needs of the average employee regarded as a human being living in a civilized community?

Under the Act the remuneration of the employee is not dependent on the profits of the particular employer. The conditions as to remuneration must be fair and reasonable whether the profits are small or great; and the employer will not be compelled to produce his books in order to disclose his profits.

An "Excise Tariff Standard for Time-work" set forth for the guidance of the applicant and of other manufacturers in similar circumstances.

This was an application by H. V. McKay for a declaration by the President that the conditions as to the remuneration of labour in the applicant's factory were fair and reasonable.

Schutt for the Applicant.

Duffy, K.C., and *Arthur*, to object, on behalf of the Agricultural Implement Makers' Society; the Amalgamated Iron-moulders; the Amalgamated Iron Foundry Employees; Tinsmiths' and Iron-workers' Society; and the Iron-workers' Assistants' Society.

Sutch, Secretary of the Federated Saw Mills, Timber Yard, and General Woodworkers' Association, to object, on behalf of the Federated Sawmill, Timber Yard, and General Woodworkers' Union; the Amalgamated Carpenters; the Coach-builders' and the Wheelwrights' Society; and the Certificated Engine-drivers.

At the opening of the case, *Duffy*, K.C., asked for an order for the production of the applicant's books relating to the cost of manufacture and profits and copies of the last two years' balance-sheets. In the case of *J. S. Bagshaw and Sons*, heard in Adelaide, before Mr. Justice O'Connor, the balance-sheets had been produced and cross-examined on. The President said—I find, from the records, that what was done in *Bagshaw's* case does not establish a precedent for ordering the production either of books or of balance-sheets. The balance-sheet was, in fact, produced, but it was that of a public company. There is a difference between publishing the profit of a public company's transactions, and publishing the profits of a private manufacturer. I feel also that, assuming that I have the power, I should not at present make any order as to the books connected with the cost of manufacture and profits. I have to be very careful indeed not to injure the manufacturer by exposing to his rivals and others his business arrangements and his financial position; and I do not intend to make any such order unless an extreme case demands it. Mr. *Schutt* has relieved me by admitting that Mr. McKay is in a position to pay fair and

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reasonable wages, whatever I may find to be fair and reasonable; and I shall not regard any plea of impecuniosity or small profits. I shall refuse to make any order as to the books showing the cost of manufacture. With regard to the balance-sheets, at present I do not see that they are material, though they may become so.

The President, after hearing witnesses on all sides, delivered the following JUDGMENT:—

November 8,
 1907.

Application of H. V. McKay under section 2 (d) of the Excise Tariff 1906. The Commonwealth Parliament has by this Act imposed certain Excise duties on agricultural implements; but it has provided that the Act shall not apply to goods manufactured in Australia under conditions as to the remuneration of labour which are declared by the President of the Court to be fair and reasonable. My sole duty is to ascertain whether the conditions of remuneration submitted to me "are fair and reasonable." I have not the function of finding out whether the rates of wages have, or have not, been in fact paid since the 1st of January, 1907, when this Act came into force.

I selected Mr. McKay's application out of some 112 applications made by Victorian manufacturers because I found that the factory was one of the largest, and had the greatest number and variety of employees; and because his application was to be keenly fought. The Act left me free to inform my mind as best I could; and I was at full liberty to limit the evidence, or even to act without evidence. I felt that, in the course of the contest on this application, I should best learn what it was necessary for me to learn with regard to the various operations in the manufacture, the functions of the employees, the character of the work, and the proper conditions of remuneration. I intimated to all the applicants that I should make use of the information acquired by me in the course of this application for the purpose of dealing with the other applications; that I should not allow all the same kind of evidence to be given over again; but that each of the subsequent applicants should be at liberty to show any exceptional characteristics of his undertaking. Lest by any chance there should be any consideration omitted by Mr. McKay, I also offered to Mr. Coldham, who appeared for several large manufacturers, an opportunity to call evidence before McKay's case should be closed; but he did not do so.

The first difficulty that faces me is as to the meaning of the Act. The words are few, and at first sight plain of meaning; but, in applying the words, one finds that the Legislature has not indicated what it means by "fair and reasonable"—what is the model or criterion by which fairness and reasonableness are to be determined. It is to be regretted that the Legislature has not given a definition

of the words. It is the function of the Legislature, not of the Judiciary, to deal with social and economic problems; it is for the Judiciary to apply, and, when necessary, to interpret the enactments of the Legislature. But here, this whole controversial problem, with its grave social and economic bearings, has been committed to a Judge, who is not, at least directly, responsible, and who ought not to be responsive to public opinion. Even if the delegation of duty should be successful in this case, it by no means follows that it will be so hereafter. I do not protest against the difficulty of the problem, but against the confusion of functions—against the failure to define, the shunting of legislative responsibility. It would be almost as reasonable to tell a Court to do what is "right" with regard to real estate, and yet lay down no laws or principles for its guidance.

In the course of the long discussion of this case, I have become convinced that the President of this Court is put in a false position. The strength of the Judiciary in the public confidence is largely owing to the fact that the Judge has not to devise great principles of action as between great classes, or to lay down what is fair and reasonable as between contending interests in the community; but has to carry out mandates of the Legislature, evolved out of the conflict of public opinion after debate in Parliament. I venture to think that it will not be found wise thus to bring the Judicial Department within the range of political fire. These remarks would not be made if the Legislature had defined the general principles on which I am to determine whether wages are fair and reasonable or the reverse. But I shall do my best to ascertain by inference the meaning of the enactment; and Parliament can, of course, amend the Act if it desire to declare another meaning.

The provision for fair and reasonable remuneration is obviously designed for the benefit of the employees in the industry; and it must be meant to secure to them something which they cannot get by the ordinary system of individual bargaining with employers. If Parliament meant that the conditions shall be such as they can get by individual bargaining—if it meant that those conditions are to be fair and reasonable, which employees will accept and employers will give, in contracts of service—there would have been no need for this provision. The remuneration could safely have been left to the usual, but unequal, contest, the "higgling of the market" for labour, with the pressure for bread on one side, and the pressure for profits on the other. The standard of "fair and reasonable" must, therefore, be something else; and I cannot think of any other standard appropriate than the normal needs of the average employee, regarded as a human being living in a civilized community. I have invited counsel and all concerned to suggest any other standard;

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and they have been unable to do so. If, instead of individual bargaining, one can conceive of a collective agreement—an agreement between all the employers in a given trade on the one side, and all the employees on the other—it seems to me that the framers of the agreement would have to take, as the first and dominant factor, the cost of living as a civilized being. If A lets B have the use of his horses, on the terms that he give them fair and reasonable treatment, I have no doubt that it is B's duty to give them proper food and water, and such shelter and rest as they need; and, as wages are the means of obtaining commodities, surely the State, in stipulating for fair and reasonable remuneration for the employees, means that the wages shall be sufficient to provide these things, and clothing, and a condition of frugal comfort estimated by current human standards. This, then, is the primary test, the test which I shall apply in ascertaining the minimum wage that can be treated as "fair and reasonable" in the case of unskilled labourers. Those who have acquired a skilled handicraft have to be paid more than the unskilled labourer's minimum; and in ascertaining how much more, in the case of each of the numerous trades concerned in this factory, I have been invited to make myself expert in a large number of technical details, and familiar with the mysteries of many mechanical appliances. Fortunately, I can find guidance more satisfactory than could be afforded by my mere inspection of the processes and machinery in the factory, or even by the evidence of differing experts in the several trades.

I may add that the view which I have stated of my duty under the Act seems to be supported by a critical verbal examination of the words "fair and reasonable" used in collocation. Under an English Act, an agreement between a solicitor and client as to costs can be set aside, unless the solicitor show that it is "fair and reasonable"; and it has been held by the Court of Appeal that "fair" refers to the mode in which the agreement has been obtained, and "reasonable" means that the amount payable must not be out of proportion to the work done (in *re Stuart* [1893] 2 Q.B. 201). Applying the reasoning to the present case, I cannot think that an employer and a workman contract on an equal footing, or make a "fair" agreement as to wages, when the workman submits to work for a low wage to avoid starvation or pauperism (or something like it) for himself and his family; or that the agreement is "reasonable" if it does not carry a wage sufficient to insure the workman food, shelter, clothing, frugal comfort, provision for evil days, &c., as well as reward for the special skill of an artisan if he is one.

It was strongly urged before me that I should compel the applicant to disclose his books, so as to enable the objectors to see what are his profits; and that if the profits are large the wages should be

large also. The applicant objected to such disclosure, and I declined to compel him. I cannot find anything in the Act to suggest a scheme of profit sharing. The *Customs Tariff* 1906 imposes a heavy import duty as to stripper harvesters—£12 each. Then the Excise Tariff imposes on Australian harvesters an Excise duty of £6 each; but even this Excise duty is not to apply if the goods are manufactured under conditions as to remuneration which I (or some other of the authorities mentioned in the Act) declare to be fair and reasonable. That is all. Fair and reasonable remuneration is a condition precedent to exemption from the duty; and the remuneration of the employee is not made to depend on the profits of the employer. If the profits are nil, the fair and reasonable remuneration must be paid; and if the profits are 100 per cent., it must be paid. There is far more ground for the view that, under this section, the fair and reasonable remuneration has to be paid before profits are ascertained—that it stands on the same level as the cost of the raw material of the manufacture. In this case, moreover, Mr. McKay relieved me of all doubt by admitting, through his counsel, that he is able to pay fair and reasonable wages—whatever may be declared to be fair and reasonable. As at present advised, I shall certainly refuse to pry, or to allow others to pry, into the financial affairs of the manufacturers, or to expose their financial affairs to their competitors in business. If it is to be cards on the table, it ought to be all cards on the table. But having regard to the Tariff protection given, the Excise exemption offered, and the admission which I have mentioned, I shall ignore any consideration that the business will not stand what I should otherwise regard as fair and reasonable remuneration.

I come now to consider the remuneration of the employees mentioned in this application. I propose to take unskilled labourers first. The standard wage—the wage paid to the most of the labourers by the applicant—is 6s. per day of eight hours, with no extra allowance for overtime; but there is one man receiving only 5s. 6d. There is no constancy of employment, as the employer has to put a considerable number of men off in the intervals between the seasons. The seed-drill and plough season, I am told, is in the earlier part of the year, about April; but the busiest time is the harvester season, about August to November. But even if the employment were constant and uninterrupted, is a wage of 36s. per week fair and reasonable, in view of the cost of living in Victoria? I have tried to ascertain the cost of living—the amount which has to be paid for food, shelter, clothing, for an average labourer with normal wants, and under normal conditions. Some very interesting evidence has been given, by working men's wives and others; and

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the evidence has been absolutely undisputed. I allowed Mr. Schutt, the applicant's counsel, an opportunity to call evidence upon this subject even after his case had been closed; but notwithstanding the fortnight or more allowed him for investigation, he admitted that he could produce no specific evidence in contradiction. He also admitted that the evidence given by a land agent, Mr. Aumont, as to the rents, and by a butcher as to meat, could not be contradicted. There is no doubt that there has been, during the last year or two, a progressive rise in rents, and in the price of meat, and in the price of many of the modest requirements of the worker's household. The usual rent paid by a labourer, as distinguished from an artisan, appears to be 7s.; and, taking the rent at 7s., the necessary average weekly expenditure for a labourer's home of about five persons would seem to be about £1 12s. 5d. The lists of expenditure submitted to me vary not only in amounts, but in bases of computation. But I have confined the figures to rent, groceries, bread, meat, milk, fuel, vegetables, and fruit; and the average of the list of nine housekeeping women is £1 12s. 5d. This expenditure does not cover light (some of the lists omitted light), clothes, boots, furniture, utensils (being casual, not weekly expenditure), rates, life insurance, savings, accident or benefit societies, loss of employment, union pay, books and newspapers, tram and train fares, sewing machine, mangle, school requisites, amusements and holidays, intoxicating liquors, tobacco, sickness and death, domestic help, or any expenditure for unusual contingencies, religion, or charity. If the wages are 36s. per week, the amount left to pay for all these things is only 3s. 7d.; and the area is rather large for 3s. 7d. to cover—even in the case of total abstainers and non-smokers—the case of most of the men in question. One witness, the wife of one who was formerly a vatman in candle works, says that in the days when her husband was working at the vat at 36s. a week, she was unable to provide meat for him on about three days in the week. This inability to procure sustaining food—whatever kind may be selected—is certainly not conducive to the maintenance of the worker in industrial efficiency. Then, on looking at the rates ruling elsewhere, I find that the public bodies which do not aim at profit, but which are responsible to electors or others for economy, very generally pay 7s. The Metropolitan Board has 7s. for a minimum; the Melbourne City Council also. Of seventeen municipal councils in Victoria, thirteen pay 7s. as a minimum; and only two pay a man so low as 6s. 6d. The Woodworkers' Wages Board, 24th July, 1907, fixed 7s. In the agreement made in Adelaide between employers and employees, in this very industry, the minimum is 7s. 6d. On the other hand, the rate in the Victorian Railway workshops is 6s. 6d. But the Victorian Railways Commissioners do, I presume, aim at a profit; and as we were told in the evidence, the

officials keep their fingers on the pulse of external labour conditions, and endeavour to pay not more than the external trade minimum (p. 388). My hesitation has been chiefly between 7s. and 7s. 6d.; but I put the minimum at 7s., as I do not think that I could refuse to declare an employer's remuneration to be fair and reasonable, if I find him paying 7s. Under the circumstances, I cannot declare that the applicant's conditions of remuneration are fair and reasonable as to his labourers.

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I could stop here, take no further trouble, and simply refuse to declare that the applicant's conditions as to remuneration are fair and reasonable. But this course would leave the applicant in the dark as to the wages paid to his other employees. He might hereafter pay the 7s. to his labourers, and come again for exemption, and then find that his other wages are regarded as too low. Now, as I have had to consider and form an opinion as to the applicant's whole list of wages, I do not see why I should not frankly let him know my conclusions, in order that, if he seek remission of Excise for his future manufactures, he may secure it by simply paying what—until further order—I regard as fair and reasonable wages. For I have had mentally to form a standard of fair and reasonable wages in order to decide whether the applicant comes above or below that standard. Moreover, I am impressed with the importance and the justice of uniformity as between manufacturers—uniformity so far as circumstances permit it. I cannot have one scale for A, and another for B, where they manufacture under conditions which are substantially similar. I must be free to consider and allow for exceptional circumstances; but they must be very exceptional indeed to justify me in departing from uniformity. Therefore, to insure this uniformity, and to give to the applicant and other manufacturers that certainty as to my requirements, which is so essential for their business, I propose to annex to my order a schedule, stating openly the minimum conditions as to remuneration which I regard as fair and reasonable. I shall call this "The Excise Tariff Standard."

I pass now to the various trades which are concerned in the operations of making agricultural implements; and first, iron-moulders. This trade at once raises the question as to Victorian Wages Board determinations. Personally, I should have been very glad to have the assistance of a Victorian Wages Board, if it were the genuine, unfettered decision of employers and employees conversant with all the points and details of an industry, and meeting in friendly conference. But it has to be remembered that I have to deal with this industry through all Australia, and that I have no right to let one State, through its particular machinery, prescribe

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the conditions of labour for other States. Nor can I let the Victorian manufacturers carry on their undertakings at lower wages than manufacturers elsewhere, simply because a Victorian Wages Board has prescribed low wages. In the next place, the conditions under which each Board acts have to be carefully scrutinized. There is an Agricultural Implements Board, but it is under the operation of the "reputable employers" section (S. 83). This inquiry was finally opened on the 7th October, after long adjournments, granted by my predecessor with the view of giving the Board ample time for coming to some conclusion with regard to wages. But the Board had failed to come to any conclusion, and the Minister of Labour had suggested that the Board should adjourn till an amending Bill should be passed (see letter of 23rd September, 1907). On the evenings of the 7th and 8th October, however, the Board suddenly came to certain determinations, which have been pressed upon me. But it turns out, from the evidence of the Secretary of the Board, that the chairman, finding himself coerced by the "reputable employers" section, declined to receive any motion for a wage exceeding the average appearing from the returns of wages paid by "reputable employers." This restriction upon the free action of the Board deprives the Board's determination of almost all value in the eyes of an outside investigator, and especially in the eyes of one who has my duty to perform. If my view of my duty in ascertaining what are fair and reasonable conditions as to remuneration, as stated above, is right, how can I fulfil that duty by accepting the average rates which employers think fit to give on individual bargaining with men seeking work? I should attach, I think, overwhelming value to conclusions freely formed by experts in the trade, representing the opposing interests; but I decline to accept the mere conclusions of employers, just as I should decline to accept the mere conclusions of employees. Again, a determination of a Wages Board may be reversed or varied by the Court of Industrial Appeals (section 120). The Court consists of a Supreme Court Judge; and he is bound to lower the minimum wage fixed by the Board if he thinks that it may prejudice "the progress, maintenance of, or scope of, employment in the trade or industry." In other words, he is to put the interests of the business—of the profit maker—above the interests of the human beings employed. I cannot think that this system is consistent with that marked out for me by the Excise Tariff. The scheme of the Excise Tariff seems to be based on making fair and reasonable remuneration a first charge, as it were, on the gross receipts—based on putting such remuneration in the same position as the cost of raw materials. I cannot delegate my functions to the Judge, whoever may be appointed from time to time, of the Court of Industrial Appeals, acting under a very different Act, under conditions which coerce him on every side, and

especially when I know that he, though non-expert in the industry, is enabled to reverse what experts in the industry may have concurred in deciding. In addition, I cannot impose the Victorian Act or Victorian conditions on other States, and I shall keep steadily in view the importance to the manufacturers of certainty and (so far as possible) uniformity, throughout Australia. I am forced to make these observations on the Victorian Factories Act, in order to explain why I cannot accept the Wages Board determinations as sufficient for the purpose of my decision under the *Excise Tariff* 1906. I have no right, and I have no desire, to criticise what any Parliament may do. But when the determinations of Wages Boards are pressed upon me, I have to consider all the circumstances, in order to see whether these determinations are a safe guide for me in the performance of my duty under the *Excise Tariff*.

But the case of the Ironmoulders Board is different. This is the only Board which applies to any of the trades concerned in this industry; and it is not under the operation of the "reputable employers" section. I have, therefore, been strongly tempted to bow to the judgment of men who must know better, and to accept the findings of this Board, 1st October, 1904, and 2nd April, 1906. The chief point to be considered is, the distinction made by this Board between light ironmoulding (including agricultural implements work) and engineering, or heavy ironmoulding. The Board has fixed a minimum of 10s. and 9s. for the latter, and a minimum of 8s. for the former. Unfortunately, it turns out that this Determination was carried only by casting vote of the chairman — a gentleman who had not any previous experience of the trade. The employers voted for this distinction; the employees voted all against it. It is significant that the heavy ironmoulders, speaking through their union, do not wish to be paid more than the light ironmoulders. If I had to decide from the evidence, and from what I have seen, I should say that the extra pace, and the monotonous repetition in the light ironmoulding fully balance the extra skill and the extra weight in the heavy work. The tax upon the muscular and nervous energy is, I should think, pretty equal at the end of the day. But I rely mainly on the uniform practice of the greater foundries where no distinction is made. The Austral Otis, Victorian Railway workshops, Robinson's, Muir's, Australian Steel Company, Brunswick Mains foundry, Mackenzie, made no distinction between heavy and light. It is true that these are not agricultural implement factories. But they have plenty of light ironmoulding of other sorts; and the men engaged at it are paid at the same rate as the men on heavy work. The ruling all-round rate in the foundries which I have mentioned is 10s. per day, although some men are paid more for some special skill. The rate of 10s. is also the rate agreed on between master moulders and men in the New South Wales

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agreement. I see, moreover, no sufficient reason why, if 10s. is a fair and reasonable rate for the average journeyman fitter, it should not be fair and reasonable for the average journeyman moulder. I have not omitted to consider the fact that, according to the United States Bulletin of The Bureau of Labour, 1906 (p. 22-36), the average wages per hour of the agricultural implement employees is less than the average wages of the employees in the foundry and machine shop. But, so far as I can make out from the bulletin, boys as well as men are reckoned for computing the averages; and, of course, there would be a larger proportion of boys in agricultural implement factories, as the work is light, than in the engineering works. As for turners, I have followed the practice of the Victorian Railways, and placed them in a class apart from the other iron machinists. In the Victorian Railways both fitters and turners have a minimum wage of 10s. This is the minimum of the Metropolitan Board, and the union rate prescribed by the Amalgamated Society of Engineers. The Melbourne City Council rate is 11s. for fitters; but, on the other hand, the New South Wales agreement prescribes, I know not why, only 8s. 6d. The principal engineering shops pay 10s. I adopt that figure. The other iron machinists seemed likely to raise a formidable problem, because of the alleged differences in the skill required to work the numerous ingenious labour-saving machines—planing machine, boring machine, centering lathe, tapping machine, washer lathe, punching and shearing machine, pipe-cutter, circular cutting machine, drilling machine, bolt making machine, &c. But I find that the Victorian Railways class all these machinists together at 9s., except drillers; and I propose to follow their example—especially as it is accepted and approved by the Amalgamated Society of Engineers. The drillers, as well as the dressers, I treat as if they were labourers with some extra skill.

There has been a protracted contest as to blacksmiths; but here, as in the case of the moulders, I think that far too much has been made of the difference between heavy and light work—for the heavy work in engineering shops there is generally more mechanical assistance. If there is more skill, there is less pace and less monotony than in agricultural factories. The system adopted by the applicant is graphically indicated by one witness (p. 505): "I was kept on springs (for disc ploughs) for a good while, to knock out a number, 50 in the morning and 50 in the afternoon. . . . Any man kept on one class of work will become very fast, and it is profitable to the employer to keep him on that class of work. . . . I was on stays for disc ploughs for about three weeks." The damage done to eyes and ears, and the nervous and muscular strain, seem to be at least equal in agricultural factories. I adopt 10s. all round,

following the Victorian Railways, the Metropolitan Board, the coach-building trade, the New South Wales agreement, the Melbourne City Council, and the Amalgamated Society of Engineers. 1907.
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I might add that, in the South Australian workshops in 1902, the standard rate was 19s. 6d.; and in the New South Wales railways to-day, as I am told, most of the smiths receive 11s. 8d. The blacksmith's strikers I fix at 7s. 6d. They are not artisans; but they have a skill greater than the unskilled labourer. Mr. McKay pays most of his strikers less than 6s.; and yet even Mr. Rigby, of the Austral Otis Company, a witness for the plaintiff, says that 6s. is a proper wage.

Coming to woodworkers, I find that the applicant treats 9s. as his standard rate for carpenters. At all events, this is the rate of payment to 19 out of 23 men whom he admits to be journeymen. Mr. Sutch, who appeared as Secretary of the Federated Sawmills, Timber Yards, and General Woodworkers' Employees' Association, strongly pressed me to fix either 10s. 8d., the rate awarded by Mr. Justice Cussen in a recent building dispute, or else 10s. 4d., the rate fixed for all but coarse work by the Woodworkers Wages Board (24th July, 1907). I have read Mr. Justice Cussen's reasons for his judgment; and, so far as my information enables me to form a conclusion, the conditions of the trade in the case of building carpenters, the conditions which induced the learned Judge to fix the rate at 10s. 8d., do not exist in the case of factory carpenters. The finding of the Woodworkers Board (which is not under the "reputable employers" section), has certainly impressed me. But the standard is 10s. in the Victorian Railways, the Metropolitan Board, the Melbourne City Council, and the average of thirteen municipal councils is about 10s. 3d. The South Australian agreements, made at the instance of Mr. Justice O'Connor, is 10s. I have not been shown any sufficient reason for giving carpenters in factories a higher minimum than the other artisans; and, after full consideration, therefore, I fix the rate at 10s. This, I may add, is the usual rate in the New Zealand awards of which I have any evidence.

The distinctions between wood machinists, added to the distinctions between iron machinists, seemed to make my task hopeless at first. "Shaping machine, bench hand, band sawyer, buzz planer, planing machine, crosscut sawyer, tenoning machine, circular saw, sand-papering machine, boring machine"—how was I to distinguish the relative skill, the relative danger, the relative conditions; and how was I to assign the proper grade of pay to each? But the Victorian Railways again came to my aid. They made no distinction, except (as I understand) in the case of the shaping machine,

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which is very dangerous. The usual rate of the Victorian Railways is 9s. But the Furniture Wages Board, 23rd October, 1907, fixed the minimum at 9s. 8d. for most of these machines; and even Mr. Sutch admits that 8s. is a fair wage for men working a boring machine or a cross-cut saw. This is the rate fixed by the Woodworkers Wages Board (24th July, 1907). The applicant pays only 5s. 10d. per day to the man who works the boring machine. That man is called a "machinist" in the list; but the applicant now says that he is an improver—another proof of the indefiniteness of the distinction between journeymen and non-journeymen.

The work of painters is disagreeable and unhealthy, but it does not involve much heavy muscular strain, or, indeed, in the case of brush hands, much skill. The applicant's minimum for brush hands is 6s., but most of them get 7s. His minimum for writers and liners is 8s. This is too low. In May, 1907, the Melbourne Master Painters' Association agreed to 9s. as a general wage, without making any distinction. The evidence is that the usual Melbourne rates are 9s. and 10s. The Woodworkers Wages Board prescribed 8s. 6d. as the minimum. The Victorian Railways have 8s. 6d. as a minimum; but, unless I mistake the meaning of what has been said, this figure is applicable to those who paint trucks, and do other such rough work. The Metropolitan Board has 8s. for plain brush work, and the Melbourne City Council has 9s. The New Zealand awards, which I have seen, vary from 8s. to 10s. But what influences me much is the New South Wales agreement, sanctioned by Mr. Justice O'Connor, which fixes 10s. On the whole, it seems a fair thing to fix 9s. for brush hands, and 10s. for writers and liners.

With regard to the engine-drivers, I adopt the scheme of the Furniture Wages Board determination (23rd October, 1907):—
 Engine-drivers, with other work, 10s.; engine-drivers, first-class engines, 9s. 2d. The Victorian Railways have 9s. as the standard; but they do not give the engine-driver other work; and they make no distinction between first-class and second-class engines. The applicant's engines are first-class. I have no precedent put before me for the malleable iron annealers; but if I may judge from what I saw in the factory, they should get 8s. if the unskilled labourer gets 7s. The pattern-maker was accidentally omitted in the applicant's first two lists. The applicant pays him only 9s. 6d.; but the Victorian Railways and the Hoffman Brick Company pay the pattern-maker 11s. The Brick Trade Wages Board fixes 11s. (October, 1907). I have no evidence of any pattern-maker elsewhere getting less than 11s.

I now come to the difficult question as to "improvers." "Improvers" appear in the lists submitted to me by the applicant, but

they do not appear in the wages books or in the wages record supplied to the Chief Inspector under the Factories Act. I ought, perhaps, to except the case of ironmoulders ever since the Factories Act was extended to the applicant's factory as regards this trade. Two men may work at the same bench, at the same work, with the same skill. Neither knows that there is any distinction between them, in description or in wages; and yet the applicant puts one in this list as a journeyman, because he receives 8s. a day, and the other in the list as an improver, because he receives 7s. This actually happened in the case of two men working as ironmoulders. It is not unfair to say that an "improver" is a man working at a trade who receives less than the standard wage. There is no limit to the age of an "improver." I find one man an "improver" at the age of 29; another at 31. I am told that there are some men who never become proficient at their trade. That is quite true; but I cannot believe that such a large proportion of Victorian lads, as the applicant's list shows under the head of "improvers," are unable to attain average proficiency after five or seven years' proper training. I have clear evidence that in the Victorian Railways workshops only three cases of inability to learn have been found within the last six years, and yet the apprentices there average 25 per annum, and there are over 1,000 mechanics. In the applicant's list there are 59 adult men doing artisan's work receiving less than even his standard wage for journeymen, and called "improvers," but there are many other adults in the same position, yet not called by that name; and I have counted 189 persons under 21 in this factory out of 495 employees. In the fitters' shop, out of 102 employees, only 28 receive so much as 8s. The rest are called "improvers" (14), "helpers" (19), "apprentices bound" (1), "apprentices not bound" (24), "boys" (16). I have had specific evidence submitted to me as to three men in the blacksmith's shop, and one man among the ironmoulders, who were doing average journeyman's work, with skill at least equal to that of others who are called journeymen; and yet the applicant calls these men "improvers." He calls them improvers in his application to me simply because they were receiving less than his journeyman's standard, 8s. They were receiving 7s. 8d., 7s. 7d., 7s. 6d., and 7s. respectively. It is absurd to pretend that any foreman, however discriminating, can assess values of work with such nicety as these wages indicate—one penny a day sometimes, or sixpence a week. Mr. G. McKay, who fixes the wages for the factory, says that he pays the men—nearly 500 in number, and of many different trades—according to their values. Of course, he means according to his opinion of their values. Yet when I asked what was the difference between an improver at 7s. 10d. a day and a journeyman at 8s. a day in the department of sheet-iron workers, Mr. McKay admitted that there

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was no appreciable recognisable difference between the men corresponding to the 1s. a week difference between their wages. One of the applicant's witnesses, Mr. Rigby, of the Austral Otis Company, complacently assured me, on the strength of a brief inspection of the factory, and of the list submitted by the applicant, and without knowing the qualifications of the individual men, that the wages paid are, in his opinion, fair and reasonable. He did not consider the quality of the men at all, but the class of work. I can only say that I am not going to accept as final the employer's unchecked opinion as to an employee's worth in wages, any more than I should accept the value of a horse on the word of an intending vendor. The one-sided nature of an employer's valuation of an employee is indicated clearly by the frank statements of Mr. Geo. McKay:—"I pay the men what I consider them to be honestly worth (p. 216). In fixing the wages I have endeavoured to get labour at the cheapest price that I honestly could" (p. 133). Mr. Rigby says that his idea of a fair wage is what the employer, on looking at the man, chooses to give him for his work (p. 289). These statements apply to all wages, including the wages paid to those men whom the applicant chooses to call "improvers" in the list. The truth seems to be that there are two classes of improvers. One is a class of fully-trained men, men of average proficiency at the least, who are put off with petty increases of wage, perhaps 1d. or 2d. a day, when they ought to be getting the journeyman's standard. The other class consists of men not fully trained—men who have not been properly taught—men who usually have not been apprenticed by indenture—but who have been employed at sundry operations of the trade without being instructed in all its branches. I gather from the evidence a tendency on the part of the employer to pick out the easiest part of an artisan's work, and to give it to lads or younger men to do, paying them less wages than the standard; and to confine the standard wage to those who do the more difficult parts. This monotonous application to the easier work is by no means conducive to efficiency in the trade, although it tends to speed in the operations. The employees of the latter class are, of course, conscious of being below the journeyman's standard, and they have to accept almost anything that the employer offers. The existence of this class is a standing menace to industrial order and industrial peace, as well as a hindrance to industrial proficiency. As one witness said (p. 423)—"Employers will take on the slightly inferior tradesmen if they ask for a little less than the standard wage, and the result is that the efficient tradesman has often to walk about. . . . Unless the efficient tradesman cuts his rates, the imperfectly-trained men are taken on. . . . We journeymen have to go without work months and months because we cannot get

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a journeyman's wage." It is this body of half-trained men, hanging on to the skirts of a trade, that is used for the purpose of pulling down the wages of men fully trained. On this irregular force of industrial inefficients an employer can always rely for temporary assistance in industrial crises. It is not my function, however, to urge the importance, from every point of view, of proper training, and the necessity for obligations of a definite character and for a definite term between master and apprentice. But as to the men in the former class of "improvers," of course; I refuse to declare that the conditions as to remuneration are fair and reasonable; and as to the unfortunate men in the latter class, I am utterly unable to include them in my Excise Standard. I can fix no rate for them; for they defy definition—they defy classification. There is no limit as to age, or as to experience, for an improver, and there are no satisfactory means for settling capacity. It may be fair and reasonable to pay one man 6d. a day; and fair and reasonable to pay another 9s. a day. But it by no means follows that, because improvers are not mentioned in my standard, an employer who has improvers cannot get a declaration under the Act, such as will exempt him from Excise duties. I have no power to say that improvers shall not be employed. But the Excise Standard will be no guide to the employer. He must take his risk and the burden of proving that what he gives to each of his improvers is fair and reasonable remuneration. I have not overlooked the consideration that an employer who wants to make sure of exemption from Excise may have considerable inducement to get rid of men who do not come within the classification in the Excise Standard, and may, in some cases, dismiss his half-trained "improvers." If we were to regard only the efficiency of the trade and the general good, this result would probably be desirable. If a job is open, and if there is not enough work to go round, it is better, for many reasons, that the fully-trained man should have the job. But to mitigate, as far as possible, any hardship which might result to the class referred to, by reason of any sudden change, I propose, in my schedule, to sanction a continuance, for two years, of the practice of paying lower wages to men under 25, but not less than five-eighths of a journeyman's wage for the first year, and three-fourths for the second year. As the Excise Standard is subject to alteration, I may add that if any means can hereafter be suggested for settling the standard for men in a trade who are neither apprentices nor journeymen, I shall gladly consider it. The difficulty seems to lie in the attitude so commonly taken by employers that they will allow no interference in their business, and that they will take no dictation as to the value of an employee's services, and especially from a union. But this very Act, whether rightly or wrongly, steps in between the employer and his employee, and ignores this dogma of

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the employer, so far as human labour is concerned. None can know so well the value of a man's work as the men of his own trade; and if the employer and the appropriate union concur in fixing the man's wage at a rate below the standard, one could be tolerably certain that the reduction is justified.

Having regard to what I have said of "improvers," I need not speak at length of what the applicant calls—and some others call—"unbound apprentices." This is another fruitful seed-ground for incompetent artisans—a reservoir from which "improvers" are drawn. Mr. Geo. McKay told me that he required quarterly reports from the foremen as to these lads. This report system was not begun till last September. These lads are discharged, if the employer does not want them, at the end of the busy season. They have neither constancy of employment nor systematic training. If my Excise Standard should have the incidental effect of securing proper indentures for these lads I shall not regret it. I have taken my scale for apprentices (bound apprentices) from the determination of the Wages Board for Ironmoulders. The wages for boys not apprenticed I have taken from the Victorian Railways.

In most cases my standard of wages is higher than the applicant's—as necessarily followed when once I had settled a higher standard for unskilled labourers. As will be seen from my preceding remarks, I have generally solid precedents for my standard in the actual practice of experienced employers in great undertakings; and sometimes precedents in awards and Wages Board determinations. In cases where I had not the benefit of such guidance, I have freely availed myself of the applicant's own practice, as to the proportion which he maintains between the labourer's wage and that of the several classes of artisans. I make use of his practice as a kind of check or regulator of my conclusions. For instance, the applicant's labourer's wage is 6s., and the wage of his sheet-iron workers is 8s. Having fixed the labourer's wage at 7s., I put the wage of the sheet-iron worker at 9s., on the strength of a New Zealand award and such other materials as are before me; and I feel more confidence when I find that I keep nearly the same proportions as the applicant. The ratio of wages paid by an employer is a tolerably safe guide as to the relative merits of the two classes, although the absolute amounts may be too low. There is, therefore, nothing violent or fanciful in my standard. I do not regard it as my duty to fix a high wage, but a fair and reasonable wage; not a wage that is merely enough to keep body and soul together, but something between these two extremes. Having settled the minimum remuneration which I regard as fair and reasonable for the several classes of employees mentioned in the schedule, I may safely leave the men of special skill or special qualifications to obtain such additional remuneration as they can by agreement with the employer. As I am

not an expert in the trades, or any of them, I cannot attempt to appreciate the nice points of distinction in the higher ranks of labour. I have dealt only with men of average proficiency.

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I hope that I do not exceed my duty in adding that, if it were in my power to give a certificate of exemption to this applicant, on his undertaking to pay wages according to the Excise Standard in the future, I should gladly do so. I regard the applicant's undertaking as a marvel of enterprise, energy, and pluck. I understand that without any training in any mechanical trade, or in finance, or in factory organization, this gentleman, the son of a farmer, seeing what farmers required, has invented successful machines, has produced them in great numbers, has established, and manages, a huge factory with numerous and complicated handicrafts, and has sold his machines, not only throughout Australia, but also—in competition with the world—in the Argentine, in Chili, and elsewhere. The factory bears every sign of business-like management, of devices for economy in labour, of devices for keeping employees at high pressure. The work is minutely subdivided; the pace of the men is increased by "repetition" work; and all the latest labour-saving appliances are adopted. All these economies are, of course, legitimate, so far as the Excise Tariff is concerned. The employer can displace men by introducing machinery as he chooses. He can make the work as monotonous and as mind-stupefying as he thinks to be for his advantage. He has an absolute power of choice of men and of dismissal. He is allowed—if my view of the Act is correct—to make any profits that he can, and they are not subject to investigation. But when he comes, in the course of his economies, to economize at the expense of human life, when his economy involves the withholding from his employees of reasonable remuneration, or reasonable conditions of human existence, then, as I understand the Act, Parliament insists on the payment of Excise duty. The applicant seems to me to have fallen, most naturally, into the practice of not spending more in the payment of his employees than is sufficient to induce them to work for him. Most naturally, as he buys his raw materials, his iron, and his wood in the cheapest market, he, in many cases, pays no more to the workmen than the price at which they can be got. There is no evidence that he is a bad or an unfeeling employer. His mode of dealing with his employees is reasonable from an employer's point of view, as a purchaser of labour as a commodity. He followed, as to ironmoulders, the determination of the Ironmoulders Wages Board as soon as the Factories Act was extended to Braybrook; and, as to the other numerous trades in his factory, he followed his own judgment and the state of the labour market; for there was nothing else to guide him. These other trades were unregulated, unprotected, and, as was only to be expected, the needs

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Ez parte scale of wages—have made the standard for journeymen too low,
 H. V. MCKAY. and have caused even that standard to be denied to many who are
 The President. entitled to it. But when I am asked to say—not that his conduct
 but—that his conditions as to remuneration are reasonable, within
 the meaning of the Act, I have to refuse to do so. I have no alter-
 native. I cannot exempt from Excise duties, as the current
 phraseology implies. The Act does that. I have been asked,
 gravely, to say that a manufacturer's wages are fair and reasonable,
 if he acted fairly and reasonably in paying low wages because there
 has been no standard to guide him. But it cannot be too clearly
 understood that I cannot declare wages to be fair and reasonable
 because the manufacturer is fair and reasonable. If I were to do
 so; and declare that a wage of 5s. a day is "fair and reasonable"
 (under the circumstances), the Customs would have to act on my
 declaration until it has been altered. I have to put my foot down
 upon the unreasonable wage at some time; and the proper time
 is now, when it is submitted to me. I am glad to find, however,
 that this is no parasitic industry—that it is not an industry that
 cannot exist except at the expense of the employees, by drawing the
 life blood from them. It is a healthy, flourishing industry, based on
 the great demands made by the great staple industry of agriculture.
 The applicant does not pretend that he is unable to pay fair and
 reasonable wages, whatever they may be found to be; and the
 effect of my decision will probably be merely that he must elect
 between paying wages according to the Excise Standard and paying
 the Excise duties.

I shall declare that so far as the applicant is concerned the con-
 ditions as to remuneration of labour appearing in the schedule
 called "The Excise Tariff Standard for Time-work" are fair
 and reasonable for the purposes of the *Excise Tariff* 1906, and that
 the conditions appearing in list A submitted to me by the applicant
 are not fair and reasonable in so far as they fall below that stan-
 dard. And the applicant, or any one or more of his employees (not
 being less than one-twentieth of the total number of the employees)
 or any union or other association of workers in any of the trades
 or occupations referred to in the standard may apply for any altera-
 tion of or addition to the standard as occasion may require.

The standard is confined to time-work rates. Nearly all the
 applicant's wages are based on time; but there is a little piece-
 work. I have not, however, as yet been supplied with information
 sufficient to enable me to draw up a piece-work standard; and the
 standard will protect a manufacturer only so far as his time-workers
 are concerned.

As I understand the Act, a manufacturer to whom the standard applies, if he has time workers only, will be able to get exemption from the duties by merely producing to the Customs authorities the standard (it will be a schedule to the order made on his application), and then satisfying the Customs that the goods in question have been manufactured under the conditions set forth in the standard.

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SCHEDULE.

THE EXCISE TARIFF STANDARD FOR TIME-WORK.

The following conditions as to remuneration of labour are declared to be fair and reasonable, for the purposes of the *Excise Tariff* 1906, for persons employed on time-work in the manufactures referred to in the Act, if (except as provided in Part IX. with regard to lorry-drivers and carters) their hours of work do not exceed eight hours per day, or $8\frac{3}{4}$ hours on five days in the week, and $4\frac{1}{2}$ on the sixth day, or if (except as aforesaid) there be some other similar distribution of hours adopted for the purpose of securing a weekly half-holiday on the basis of an eight hours day.

The Standard remains, until altered.

Part I.—	Rate.
	s. d.
Labourers, unskilled (including furnacemen's labourers and lorry-drivers and carters) ...	7 0
Labourers, skilled (including pullers-out) ...	7 6
Part II.—Ironworkers (Journeyman)—	
Strikers ...	7 6
Dressers ...	7 6
Drillers ...	7 6
Ironbenders ...	8 0
Malleable iron annealers ...	8 0
Belt cutters ...	8 0
Furnacemen ...	9 0
Sheet ironworkers ...	9 0
Machinists, iron (other than fitters and turners and including grinders) ...	9 0
Fitters ...	10 0
Turners ...	10 0
Moulders (including coremakers) ...	10 0
Blacksmiths ...	10 0

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s. d.

Part III.—Woodworkers and Painters (Journey-
 men)—

Machinists, wood (excepting those working shaping machines or Boulton's carver or boring or mortising machine or cross-cut saw) ...	9	6
Men working shaping machine or Boulton's carver	10	8
Men working boring or mortising machine or cross-cut saw	8	0
Carpenters (including timber marker) ...	10	0
Wheelwrights	10	0
Pattern-makers	11	0
Painters—brush hands	9	0
Painters—writers and liners	10	0

Part IV.—Sundry (Journey-men)—

Timber yardsmen... ..	8	0
Engine-drivers driving 1st class engines ...	9	2
Engine-drivers driving 2nd class engines ...	8	0
Engine-drivers, with other work	10	0

Part V.—Apprentices—

	Rate per week	
1st year	8	0
2nd year	12	0
3rd year	16	0
4th year	20	0
5th year	24	0
6th year (if any)	30	0
7th year (if any)	36	0

Part VI.—Boys (not apprenticed)—

	per day	
Under fifteen	2	0
15 to 16... ..	2	6
16 to 17... ..	3	0
17 to 18... ..	3	6
18 to 19... ..	4	0
19 to 20... ..	5	0
20 to 21... ..	6	0

Part VII.—Young Journey-men—

Class A.

Rate: not less than two-thirds of the minimum prescribed
 for journeymen.

Class B.

Rate: not less for the first year than five-eighths, and for the second than three-fourths of the minimum prescribed for journeymen.

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Part VIII.—Exception to Parts I to VII.—

Any old, slow, or infirm worker licensed to work at a lower rate (a) by the Registrar of the Commonwealth Court of Conciliation and Arbitration, or (b) under section 99 of the *Factories and Shops Act 1905* (No. 2) of Victoria (or any substitution therefor), if the licence be approved by the said Registrar.

Part IX.—Overtime—

At the rate of time and a quarter for two hours, time and a half for the next two hours, and double time afterwards.

Double time on Sundays and Christmas Day, New Year's Day, Good Friday, and Eight Hours Day.

Overtime to be reckoned separately for each day from the usual time for beginning or ceasing work, and without regard to any time off on other days.

Part X.—Definitions.

The time expended by lorry-drivers and carters before or after the usual time for beginning or ceasing work, in feeding and attending to their horses is not to be regarded as overtime.

"Journeyman" means any person doing any of the work of an artisan as an employee, not being an apprentice or a young journeyman.

"Apprentice" means (a) any person under 21 years bound by indenture for a term of years (not less than five or more than seven) to learn the trade of an artisan; (b) any person who, on the 1st November, 1907, was bound as an apprentice by indenture for a term, and who has attained, or will attain, the age of 21 years before the expiry of his term; (c) any person under 25 years who, on the 1st November, 1907, was learning any trade as an unbound apprentice, and who has not had in the whole more than five years' experience in the trade, and who becomes forthwith a bound apprentice for the balance of the five years.

"Young journeyman" means—Class (a) Any person who has served his time as apprentice, and who has not had more than one year's subsequent experience. Class (b) For a period of two years only from the 1st of November, 1907. Any person under 25, and not being an apprentice who on that date was doing any of the work of an artisan in the manufacture of any of the articles referred to in the schedule to the *Excise Tariff 1906*.

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The form of the Order made was as follows:-

In the matter of the Excise Tariff Act
 and

In the matter of the Application of HUGH VICTOR MCKAY, of
 Sunshine, Victoria,

BEFORE THE PRESIDENT OF THE COMMONWEALTH COURT OF
 CONCILIATION AND ARBITRATION, PRINCIPAL REGISTRY.

Friday, the 8th day of November, 1907.

Upon reading the application of the abovenamed Hugh Victor McKay, dated the 30th April, and the list Ex. A, which was substituted at the request of the applicant for the list contained in the said application, and upon reading the two affidavits of the said Hugh Victor McKay, sworn and filed herein on the 30th April, 1907, and the 28th October, 1907, respectively; and upon hearing the evidence taken on oral examination on the 7th, 8th, 9th, 10th, 11th, 14th, 15th, 16th, 17th, 18th, 21st, 22nd, 23rd, 24th, 25th, 28th, 29th, 30th, and 31st days of October, 1907, on behalf of the said applicant, and on behalf of the various trade unions permitted by me to appear on the said application, and upon hearing Mr. Schutt, of counsel for the applicant, and Mr. Duffy, K.C., and Mr Arthur, of counsel for the Agricultural Implement Makers' Society, the Amalgamated Iron Moulders' Society, the Amalgamated Iron Foundry Employees' Society, the Amalgamated Society of Iron Workers, the Tinsmiths' and Iron Workers' Society, and the Amalgamated Society of Iron Workers, and upon hearing Mr Sutch, the secretary of the Federated Saw Mill, Timber Yard, and General Wood Workers' Employees' Association, and representing the said association, and also the Amalgamated Society of Carpenters and the Painters', Paperhangers', and Decorators' Society of Victoria, I, the President of the said Court, in exercise of the powers conferred upon me by the *Excise Tariff* 1906, declare that the conditions as to the remuneration of labour appearing in the schedule hereinafter written and called "The Excise Tariff Standard for Time-work," are fair and reasonable, for the purposes of the *Excise Tariff* 1906; and that the conditions appearing in the said list Ex. A, submitted to me by the applicant, are not fair and reasonable in so far as they fall below the said standard. And the applicant, or any one or more of his employees (not being less than one-twentieth of the total number of the employees), or any union or other association of workers in any of the trades or occupations referred to in the said standard, may apply for any alteration of, or addition to, the standard as occasion may require.

SCHEDULE HEREINBEFORE REFERRED TO.

The Excise Tariff Standard for Time-work.

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The following conditions as to the remuneration of labour are declared to be fair and reasonable for the purposes of the *Excise Tariff* 1906, for persons employed on time-work in the manufactures referred to in the Act, if (except as provided in Part IX. with regard to lorry-drivers and carters), their hours of work do not exceed eight hours per day, or $8\frac{1}{2}$ hours on five days in the week, and $4\frac{1}{2}$ hours on the sixth day, or if (except as aforesaid) there be some other similar distribution of hours adopted for the purpose of securing a weekly half-holiday on the basis of an eight hours day.

The standard remains until altered.

Part I.	Rate
	s. d.
Labourers, unskilled (including furnacemen's labourers, and lorry-drivers and carters) ...	7 0
Labourers, skilled (including pullers-out) ...	7 6
Part II.—Ironworkers (Journeyman)—	
Strikers	7 6
Dressers	7 6
Drillers	7 6
Ironbenders	8 0
Malleable iron annealers	8 0
Belt cutters	8 0
Furnacemen	9 0
Sheet ironworkers	9 0
Machinists, iron (other than fitters and turners and including grinders)	9 0
Fitters	10 0
Turners	10 0
Moulders (including coremakers)	10 0
Blacksmiths	10 0
Part III.—Woodworkers and Painters (Journeyman).—	
Machinists, wood (excepting those working shaping machine, or Boulton's carver or boring or mortising machine, or cross-cut saw) ...	9 6
Men working shaping machine or Boulton's carver	10 8
Men working boring or mortising machine or cross-cut saw	8 0
Carpenters (including timber marker) ...	10 0
Wheelwrights	10 0
Pattern makers	11 0
Painters—writers and liners	10 0
Painters—brush hands	9 0

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Part IV.—Sundry (Journeymen).—

	s.	d.
Timber yardsmen	8	0
Engine-drivers driving first-class engines ...	9	2
Engine-drivers driving second-class engines ...	8	0
Engine-drivers (with other work)	10	0

Part V.—Apprentices—

	Rate per week	
1st year	8	0
2nd year	12	0
3rd year	16	0
4th year	20	0
5th year	24	0
6th year (if any)	30	0
7th year (if any)	36	0

Part VI.—Boys (not apprenticed)—

	per day	
Under 15	2	0
15 to 16... ..	2	6
16 to 17... ..	3	0
17 to 18... ..	3	6
18 to 19... ..	4	0
19 to 20... ..	5	0
20 to 21... ..	6	0

Part VII.—Young Journeymen—

Class A.—Rate: Not less than two-thirds of the minimum prescribed for journeymen.

Class B.—Rate: Not less for the first year than five-eighths, and for the second than three-fourths of the minimum prescribed for journeymen.

Part VIII.—Exception to Parts I to VII.—

Any old, slow, or infirm worker licensed to work at a lower rate (a) by the Registrar of the Commonwealth Court of Conciliation and Arbitration, or (b) under section 99 of the *Factories and Shops Act 1905* (No. 2) of Victoria (or any substitution thereof), if the licence be approved by the said Registrar.

Part IX.—Overtime—

At the rate of time and a quarter for two hours, time and a half for the next two hours, and double time afterwards. Double time on Sundays and Christmas Day, New Year's Day, Good Friday, and Eight Hours Day.

Overtime to be reckoned separately for each day from the usual time for beginning or ceasing work, and without regard to any time off on other days. The time expended by lorry drivers and carters before or after the usual time for beginning or ceasing work in feeding and attending to their horses is not to be regarded as overtime.

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Part X.—Definitions—

“Journeyman” means any person doing any of the work of an artisan as an employee, not being an apprentice or young journeyman.

“Apprentice” means—

(a) Any person under 21 years bound by indenture for a term of years (not less than five or more than seven) to learn the trade of an artisan.

(b) Any person who on the 1st November, 1907, was bound as an apprentice by indenture for a term and who has attained, or will attain, the age of 21 years before the expiry of his term.

(c) Any person under 25 years who on the 1st November, 1907, was learning any trade as an unbound apprentice, and who has not had in the whole more than five years' experience in the trade, and who becomes forthwith a bound apprentice for the balance of the five years.

“Young journeyman” means—

Class (a) Any person who has served his time as apprentice, and who has not had more than one year's subsequent experience.

Class (b) (For a period of two years only from the 1st of November, 1907). Any person under 25 and not being an apprentice, who on that date was doing any of the work of an artisan in the manufacture of any of the articles referred to in the schedule to the *Excise Tariff* 1906.

Dated the 8th day of November, 1907.

HY. B. HIGGINS, J.,

President of the said Court.

A. M. STEWART,

Industrial Registrar.

Solicitor for Applicant: G. Shaw, junr., Melbourne.

Solicitor for Ironworkers' Societies: J. Woolf, Melbourne.

FURTHER APPLICATIONS UNDER THE EXCISE TARIFF ACT.

MELBOURNE.
Oct. 30; Nov.
1, 2, 5, 7, 12,
1907.

*Excise Tariff 1906 (No. 16 of 1906)—Application for declaration
that wages are fair and reasonable—Country manufacturers—*

Ruling rate of wages.

Unless there be some clear substantial difference between manufacturers as to conditions of manufacture and livelihood, the same standard should be applied to them throughout Australia.

Observations as to country manufacturers and city manufacturers.

The ruling rate of wages is not a sufficient guide as to the fair and reasonable rate.

James Elden, Kaniva,
James Musgrave, Greendale.

These applications were granted, the wages paid being declared to be fair and reasonable.

D. Richardson & Sons, Footscray,
Mark Lake, Heathcote,
A. H. Avard, Kerang,
Loftus & Loftus, Wunghnu.

These applications were struck out, as there was not sufficient information about the employees.

Gustav Weise, Lalbert,
J. Hirst, Birchip,
G. D. Faragher, Drouin,
John Redmond, Woodend,
Wm. Farmers, Taranginni,
W. Hopkins & Sons, Warrnambool,
C. Berry (Berry & Laing), Jeparit,
August Petrass, Sheep Hills,
S. Devine, Kyabram,
Wm. Browne, Iona,
Dinner & Stebbins, Boort,
A. Frank, Tourello,
A. F. Roll, Roseberry,
F. W. Sporn, Rainbow,
H. Acland, junr., Jung Jung,
C. Pavey, Merrigan,
H. & G. Hobbs, Geelong,
J. H. Nealy, Nhill,
G. H. Brown, Neilburgh North,
L. Quinton, Colac,
D. Bucher, Cheltenham,
J. Grant & Co., Melbourne,

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EXCISE TARIFF
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D. Edwards, Melbourne,
J. Howden, Melbourne.

With regard to these applications, the President refused to declare the wages paid to be fair and reasonable.

A. Beard & Co., Natimuk,
Lang & O'Donnell, Beulah,
J. Harris, Donald,
R. Burns, Wycheproof,
A. Gordon, Elmore,
E. Lang (Lang & O'Donnell), Willaura,
C. Hyatt, Raywood,
G. Kay & Co., Stawell,
H. Schroeter, junr., Winchelsea,
R. Brydeson, Rushwood,
A. Sutherland, Dookie,
J. Jenkins, Bridgewater,
J. Monroe, Ballarat,
F. Patterson, Strathmerton,
J. Wilson, Seville,
Nicholson & Williamson, Rochester,
J. Lilburn, Birchip,
J. McDonald, Gooroke,
J. Furpley & Sons, Shepparton,
J. Acland, Lortquon,
J. McCracken, Kaniva,
J. Harris, Nullawill,
J. G. Samson, Dimbcolla,
J. F. Linke, Yellangip,
J. R. Sporn, Nhill,
Ronaldson Bros. & Tippett, Ballarat,
C. Simley, Drouin,
E. Davis, Nhill,
Gaston Bros., Nhill,
Hart & Cresswell, Rochester,
J. K. Byrne, Tongala,
R. W. Hill, South Geelong,
Kelbie & Preston, Ballarat,
A. Bennett, Warracknabeal,
E. G. Ingram, Sea Lake,
W. Bailey, South Geelong,
W. Hallinan, Geelong,
E. Coxon, Numurkah,
J. Forbes, Nagambie,

Rowling & Co., Warracknabeal,
 C. Hall, Trentham,
 H. J. Tootell, Horsham,
 J. Phelps, Birchip,
 F. Pettering, Murtoa,
 C. Powell, Minyip,
 R. Tucker, Dimboola,
 C. James, Colac,
 J. Smith, Ballarat,
 W. Hearne, Donald,
 G. & W. McGlasham, St. Arnaud,
 P. Falla, Donald,
 W. & H. Hanson, Kyabram,
 W. Robertson, Kyabram,
 F. Thornton, Willenabrina,
 C. Carter, Hopetoun,
 S. H. Walls, Birriwillock,
 S. May, Horsham,
 A. & A. Cockburn, Kyneton,
 J. A. Wagner, Murtoa,
 Hutchison & Walker, Kyneton,
 Dabron and Biender, Charlton,
 J. Grant, Cobram,
 C. Hillman, Doncaster,
 W. Barrow, Spotswood,
 Cooper and Sons, Melbourne,
 Robinson & Co., Spotswood,
 Mitchell & Co., Footscray,
 Nicholson & Morrow, Carlton,
 Cliff & Bunting, North Melbourne,
 Holland & Fuller, Footscray,
 C. D. Lennox, Spotswood,
 G. Gibbins, Footscray,
 Beard & Sisson, Abbotsford,
 W. G. Barger, Prahran,
 J. Buncl & Son, North Melbourne,
 Annie Sleith, Doncaster,
 H. Williams, Brunswick.

As to these applications, the conditions as to remuneration were declared to be not fair and reasonable.

Of the above named applicants,

Coldham appeared for—

Robinson & Co., Spotswood,
 Mitchell & Co., Footscray,
 Nicholson & Morrow, Carlton.

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APPLICATIONS.

C. W. Niquet, an agent for the Ocean Accident Guarantee Association, who produced written authorities from the various applicants whom he represented, appeared for—

J. H. Nealy, Nhill,
H. Acland, junr., Jung Jung,
Gaston Bros., Nhill,
E. C. Davis, Nhill,
J. R. Sporn, Nhill,
W. Hopkins & Son, Warrnambool,
W. Farmers, Tarranginnie.

Evans, who produced written authority, appeared for—

J. Harris, Nullawill,
S. H. Watts, Birriwillock.

Hall, son of the applicant, appeared for—

C. Hall, Trentham.

The President delivered the following JUDGMENT:—

November 12,
1907.

Having ascertained in McKay's application, the conditions of the industry, and the standard of remuneration which ought to be adopted as a minimum for the purpose of the Excise Tariff, I have next to consider how this standard ought to be applied in all the other applications; and, for convenience, I have taken the Victorian applications first—first, those from manufacturers of the city of Melbourne and suburbs, and then those from manufacturers of the country districts.

I have read and considered each application on its own merits. I have assumed, in each case, that the statutory declaration which supports the application is true and correct in every particular as to the facts. Every application has been called on separately; every applicant had notice of the time and place for calling on his application; and, when the application was called on, the applicant, or any person authorized by him, was allowed to say what he could, and to call evidence if he wished it. The only case in which evidence was called to supplement the declaration was the case of Messrs. T. Robinson & Co., of Spotswood. Mr. Coldham appeared for the firm, and after opening the application at some length, he called the manager. But after examining the manager for some time, Mr. Coldham announced that the firm did not wish to proceed further with the evidence, and the manager was not submitted for cross-examination by the other parties. But I treat the statutory declaration as true as to the facts.

I appointed a separate day for the hearing of the country applications, for I thought that some attempt might be made to produce evidence of facts differentiating the country cases from the city

cases, on the ground, for instance, of the freight charges on iron and other material from the seaboard. Perhaps the reason why there is no such evidence is that if the country manufacturer has to pay more for freight he has, in other respects, distinct advantages over the town manufacturer. Unless there is some clear substantial difference between manufacturers, I ought to treat them alike. In the case of rival manufacturers, it would never do to say, for instance, that 5s. is the minimum reasonable wage for strikers employed by A, and that 7s. 6d. is the minimum reasonable wage for strikers employed by B. This course would not be fair to B. If both A and B make harvesters, it would mean that A could manufacture them at lower wages; and, in addition, it might enable A to be exempted from the £6 excise, which B has to pay. So far as is possible, the rule throughout Australia should be like conditions, like wages.

I have been pleasantly surprised to find how many manufacturers already, without the guidance of the Excise Standard, pay wages up to that standard, or even greater wages. It is true that I am compelled, in most cases, to make an adverse declaration, because, under the Act, *all* the conditions of remuneration must be fair and reasonable, in order to entitle the manufacturers to exemption; and, in nearly every instance there is one rate, if not more, which falls below the standard. Wherever I find a rate distinctly below the standard, I make a declaration, as in McKay's case, that the rates are not fair and reasonable. Wherever the evidence does not give me sufficient information as to the facts which may justify a low wage, I refuse to declare that the rates are fair and reasonable. For instance, I have no scale for improvers. I have found it impossible to fix a proper scale. The applicant has to satisfy me in each case that the improver is paid enough wages. But, in most cases, the declaration fails to state the age, the experience, the qualifications, of the improver. Such information is obviously necessary to enable me to decide whether the improver is paid a fair and reasonable wage. But in all these cases, both classes, I append the Excise Tariff Standard as a schedule to the Order.

Most of the applicants rely mainly on the fact that what they pay is the ruling rate in the district, or in the industry. But this fact is by no means conclusive. What I have to ascertain is, not the ruling rate, but the fair and reasonable rate; and I have explained in McKay's case what the Act means by "fair and reasonable." The "ruling rate" is the rate which most employers give—the rate which they must give to purchase labour, treating labour as a mere chattel, commodity; and the rate which employees must accept rather than be out of employment. The ruling rate is the rate obtained by individual bargaining, where the employer is uncon-

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The President.

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 APPLICATIONS.
 The Presidents

trolled, and where the employee must simply take the best terms that he can get. If, as in America, the railways were in private hands, and the railway companies were put under no conditions, the ruling scale of fares would be that which the companies demand of a helpless public. But the State generally steps in and fixes a fair and reasonable rate. It is this rate that I have to ascertain. In most cases, the manufacturing is very slight indeed—one or two implements a year. The ordinary work is that of repairs, shoeing horses, &c., but the blacksmith devotes some of his slack time to making some agricultural implement. The Excise Tariff does not interfere as to the wages paid for the ordinary operations. But so far as these smiths do engage in manufactures, it is necessary for them to comply with substantially the same conditions as others. In the cases where I declare the wages are fair and reasonable, I have not insisted on a literal compliance with the terms of the standard, but I insist on seeing that the remuneration is substantially the same, as between rival manufacturers.

Solicitors for Robinson & Co.,
 Mitchell & Co.,
 Nicholson & Morrow, } *Pavcy, Cohen; & Wilson.*

MELBOURNE,
 Nov. 21, 1907.

FURTHER APPLICATIONS UNDER THE EXCISE TARIFF 1906.

Thomas E. Denton, Mintaro,
 J. & R. Forgan, Port Pirie.

These applicants complied with the conditions fixed by agreement made in Adelaide between employers and employed, and sanctioned by Mr. Justice O'Connor, the previous President of the Court, on the 6th of May, 1907. These applications were, therefore, all granted. In drawing up the order, the words referred to at page 26 hereof were inserted.

FURTHER APPLICATIONS UNDER THE EXCISE TARIFF 1906.

Charles Townsend, Carlton,
Thomas Howie, Footscray,
John Dawson, Brunswick.

MELBOURNE,
Nov. 27, 1907.

These applications were refused, the remuneration being found to be not fair and reasonable. There was no evidence adduced to show that these applicants should have a lower standard applied to the wages paid by them than was applied to H. V. McKay, and the standard was applied.

Henderson Bros., Corowa.

MELBOURNE,
Nov. 27, 1907.

Henderson appeared in person.

This application was refused, the wages paid being declared to be not fair and reasonable. The President pointed out to the applicant that the information supplied in his application form was not nearly complete enough, and said that it was very material to set forth the ages of improvers and helpers in every case, and in addition, the extent of their experience. In this case the applicants worked their men 51 hours, and yet did not pay such high wages as were held to be fair and reasonable for 48 hours' work. No evidence had been given to show that the conditions of labour were so different from those of other applicants as to warrant the granting of the application when the wages paid were far below the standard; and the standard was applied.

EX PARTE G. POKE, BRIDGEWATER, TASMANIA.

Excise Tariff, 1906 (No. 16 of 1906)—Application for declaration that wages are fair and reasonable—Onus of proof.

HOBART,
Dec. 5.
MELBOURNE,
Dec. 10, 1907.

The burden lies on the applicant to satisfy the Court that the standard of wages which has been applied to other manufacturers should not be applied to him. Where there is substantial uniformity of conditions, there must be uniformity of treatment.

This was an application by G. Poke, of Bridgewater, Tasmania, for a declaration by the President that the conditions as to the remuneration of labour in the applicant's factory were fair and reasonable.

1907.
Ex parte
 G. FOKK.

The applicant appeared in person.

No appearance to oppose.

The President delivered the following JUDGMENT:—

December 10,
 1907.

In this case the applicant is a blacksmith, carrying on business at Bridgewater Junction, Tasmania. The circumstances are very similar to the circumstances of many—I might say, most—of the applications already dealt with by me. He says that he makes double and single furrow ploughs, harrows, and cultivators. His employees are usually a striker and a boy; but, as he admitted to me in his verbal evidence, he sometimes obtains the help of a blacksmith in the making of implements of the character referred to in the *Excise Tariff* 1906. The striker is paid 23s. per week, but he gets also his board and lodging, estimated by the applicant to be worth 17s. or 18s. a week. The boy gets 11s. a week, with board, not lodging. The board is estimated by the applicant at 9s. The blacksmith gets 1s. per hour, or 8s. a day. According to the scale fixed by me after an exhaustive inquiry held in Melbourne, the standard wage of a blacksmith of average competency is 10s. per day; and this is also the minimum settled by my predecessor, Mr. Justice O'Connor, as the result of an arrangement made between masters and workmen in Sydney. In Adelaide, the masters and workmen agreed on 9s.; and this was also sanctioned by my predecessor. As for strikers, the minimum fixed in Adelaide, and by me, is 7s. 6d., and for boys between 17 and 18 my minimum is 21s. a week. In the case of each of his employees, therefore, the applicant falls below the standard already fixed. The burden lies on the applicant of satisfying me that an exception should be made in his case—of showing that he is entitled to have wages declared fair and reasonable which I have declared to be not fair and reasonable in the case of other blacksmiths, and that he ought to get an exemption from Excise duty, although other employers paying the same wages have to pay the duty. Where there is substantial uniformity of conditions, there ought to be uniformity of treatment. Of course, if he can prove that the cost of living is less at Bridgewater Junction than at Kapunda, or at Corowa, or at Donald, or at other places within the Commonwealth to which the standards have been applied, he would have a strong argument in favour of a lower standard of wages, and it is also open to the applicant to show that the men whom he employs are not of average competency, and are, therefore, not entitled to the standard wages. But in this case the applicant has not satisfied me that there is any material difference in the cost of living. Indeed, if his evidence be accepted absolutely, the cost of living is somewhat higher at Bridgewater Junction than in the other places with which I have dealt; for in the other places the cost of board and lodgings is put at 15s., and,

according to the applicant, at Bridgewater Junction it is 17s. or 18s. The applicant also puts rent and meat at a high rate at Bridgewater. There is nothing to show me that any of the employees of the applicant are below the average capacity, or that the blacksmiths and strikers of Tasmania are inferior to the blacksmiths and strikers elsewhere within the Commonwealth. Under these circumstances, I have no other course open to me under the Act but to declare that the conditions as to remuneration are not fair and reasonable. If they are not *all* fair and reasonable. I cannot declare in favour of an applicant.

1907.
Ex parte
G. FORB.
The President.

EX PARTE THE COMMONWEALTH OF AUSTRALIA.

Excise Tariff 1906 (No. 16 of 1906)—Difference in rates of wages fixed by successive Presidents—Application by Commonwealth Government to review rates.

MELBOURNE,
Dec. 10, 1907.

This was an application by the Commonwealth of Australia for an Order directing Messrs. Bagshaw and Sons, of Adelaide, to show cause why the Order of the Previous President, Mr. Justice O'Connor, as to the rates of wages to be paid to employees, made in this case should not be reviewed, and for a further Order declaring that the wages fixed by the previous President were not fair and reasonable, and to declare what are fair and reasonable wages.

McArthur appeared to support the application.

The President, in delivering judgment, said:—I must decline to make the Order asked for. The only ground set out in the affidavit is that the rates are not uniform in the order made by Mr. Justice O'Connor, and in the Order made by me; but there is no evidence whatever put forward that the rates ought to be uniform. It is quite consistent that Mr. Justice O'Connor's Order is based on facts and evidence as to the cost of living, the agreement between the parties and other relevant circumstances entirely different to the facts which were before me. There is not the slightest evidence that one of the parties to the agreement is discontented with the Order. There is no evidence that the Order was made by mistake, or that the conditions of life on which the two Orders were based are the same. It would be grossly unfair to Bagshaw and Sons to have conditions made stiffer for them, if the conditions are not at the same time made stiffer for others who compete against them, and are concerned in the same agreement.

1907.
Ex parte
 THE COMMON-
 WEALTH OF
 AUSTRALIA.
 The President.

I think counsel will see that I ought to be very chary about altering these Orders, and there ought to be some very strong grounds indeed for altering the Order made by my predecessor before it has had a fair trial. Moreover, there is no evidence whatever that justifies an application by the Commonwealth Government for an alteration; and although I would not say that the Government, in certain cases, ought not to be allowed to make such an application, because it is interested in the Excise duty, I would like to point out that this is not the attitude assumed by the Government hitherto. It has stood out, and has not come forward to protect the Excise duty in the matters before me. If there is a genuine desire on the part of the parties to the agreement to have the agreement altered, they ought to make affidavits, and show that there are circumstances which would justify me in altering what my predecessor has settled. I never knew of an order made upon an agreement between certain parties being set aside, except with the consent of the parties. I should not feel justified in putting Messrs. Bagshaw and Sons—and the unions, if they would appear—to the expense of coming before me in the present circumstances.

EXCISE TARIFF APPLICATIONS.

MELBOURNE,
 Dec. 12, 1907.

Lecky, Messenger, and Brice, Port Augusta, South Australia.

This application was refused, and the wages paid were declared to be not fair and reasonable, as, according to the declaration, they do not adhere either to the standard set up by Mr. Justice O'Connor, under an agreement sanctioned by him, or to the standard fixed on the application of H. V. McKay.

MELBOURNE,
 Dec. 12, 1907.

S. Shillito and Sons, Ipswich, Queensland,
 Cohoe and Penfold, Toowoomba, Queensland.

These applications were refused, and the wages paid were declared to be not fair and reasonable.

MELBOURNE,
 Dec. 12, 1907.

Barbat and Sons, Ipswich, Queensland.

This application was struck out, as there was no declaration.

Sinclair, M.H.R., who produced written authority from the applicants, appeared to support these applications.

Addicoat and Clifton, Northam, Western Australia,
 Samuel Bray, Brookton, Western Australia,
 John Squiers, Katanning, Western Australia,
 Elliot and Raymond, Cuballing, Western Australia,
 Morris and Parkes, Wagin, Western Australia,
 E. B. Lockyer, Goomalling, Western Australia.

MELBOURNE,
 Dec. 12, 1907.

With regard to these applications from Western Australia, there was no appearance for any of the applicants, and no objections had been lodged by any of the unions, although the President had adjourned the applications on a former date so as to give the unions a further opportunity to object if they so wished. There was no evidence tendered to show that the cost of living was substantially greater in any of these places than in places such as Corowa and Donald. The wages were higher than the wages fixed in McKay's case.

In giving judgment, the President said:—As the union of the employees has not attacked the applications, and has not brought any evidence, I do not see why I should not make the Order so as to let the employers who adhere to my standard feel that they are free from the Excise. If the unions find hereafter that they can bring evidence, they may bring an application to me. I think, in justice to the applicants, as they have been a long time standing over, I ought to make the Order in their favour, so far as they are up to the standard.

These applications were, therefore, all granted, and the wages paid were declared to be fair and reasonable.

W. A. Hearn, Donald.

MELBOURNE,
 Dec. 12, 1907.

This application was refused, and the remuneration was declared to be not fair and reasonable.

Peter Young, Melbourne.

MELBOURNE,
 Dec. 12, 1907.

This application was granted, and the wages paid were declared to be fair and reasonable.

FURTHER EXCISE TARIFF APPLICATIONS.

Tregurtha & Hughes, Pingelly, Western Australia,
 Howard Bros., Papanging, Western Australia,
 M. A. Dalton, Fremantle, Western Australia,
 C. R. Hamdorf, Mickering, Western Australia.

MELBOURNE,
 Feb. 20, 1908.

1908.
EXCISE TARIFF
APPLICATIONS.

These applications had been postponed from the 12th of December, 1907, so as to enable the applicants to produce further evidence. As the scale of wages paid was up to the standard declared in the application of H. V. McKay, and there was no appearance to oppose, the President declared that the wages paid were fair and reasonable, and granted the applications.

E. T. Henley, Northam, Western Australia.

MELBOURNE.
Feb. 20, 1908.

In this case the President refused to declare that the wages paid were fair and reasonable.