

for full time work, however, again decreased. In 1926 the effective wage, allowing for unemployment, was 4.5 per cent., and working full time 7.2 per cent. higher than in 1911. During 1927 nominal wages rose, whilst prices fell, and as the percentage of unemployed showed a slight decline, the result was a rise in the effective wage index-number for full work and in the index-number allowing for unemployment. There was a further rise in the effective wage index-number for full work during the year 1928. Unemployment, however, increased, and the effective wage index-number, after allowing for unemployment, showed a decline as compared with the previous year. Comparison with 1911 shows that the effective wage for full time work was 11.5 per cent., and allowing for unemployment, 4.4 per cent. higher during 1928.

§ 3. International Comparison of Real Wages.

1. *General.*—In July, 1923, the British Ministry of Labour published index-numbers of real wages in London and in the capital cities of certain other countries. The method of computation adopted is described in the *Ministry of Labour Gazette*, and may be briefly stated as “the ascertaining of the quantities of each kind of food of working class consumption that could be purchased in each city at the retail prices there current with the wages payable for a given amount of labour measured in hours.”

In consequence of a resolution passed at the International Conference of Labour Statisticians in November, 1923, these comparisons, with certain modifications, are being continued by the International Labour Office, and are published in the *International Labour Review*. A computation for the month of October, 1928, was published in the *Review* for January, 1929.

2. *Real or Effective Wages in Various Capital Cities.*—The method of computation may be briefly explained as follows :—A regimen consisting of a certain number of food items commonly in use in all the countries has been selected, and the prices of these commodities have been multiplied by a quantity representing the weekly consumption of such commodities in the various countries. The result gives what may be described as the cost of a weekly family basket of commodities in the various cities specified, according to usage in that city and according to usage in other countries. A common working week of 48 hours is then assumed for all the cities included in the tabulation, and a weekly wage determined by taking the average hourly earnings of a number of occupations. The cost of the regimen is then divided into the wage thus ascertained, and index-numbers are computed on the basis of the numbers of times the food regimen can be purchased by the average wage in each city. The result in the case of London is taken as base and made equal to 100, the index-numbers for the other cities being then ascertained by proportion. The resultant index-numbers represent approximately the relative effectiveness of wages in the various cities.

Attention is drawn in the *International Labour Review*, however, to the unsatisfactory nature of the wage statistics in some cities, and the results, therefore, must be taken as an approximation only of the relation between the cities specified. Notwithstanding the qualifications with which the figures must be taken, the table is of interest to investigators of international wages.

§ 4. The Basic Wage and Child Endowment in Australia.

1. *The Basic Wage.*—(i) *General.* The “basic wage” in Australia is understood to mean the lowest wage which can be paid to an unskilled labourer on the basis of “the normal needs of an average employee regarded as a human being living in a civilized community.”* This wage is fixed by various industrial tribunals in Australia operating under Federal and State Arbitration Acts, and is varied from time to time according to changes in cost of living, constitution of the family unit, etc. In addition to the “basic” wage, these tribunals also determine what is known as the “secondary” wage—“the extra payment to be made for trained skill or other exceptional qualities necessary for an employee exercising the functions required.”†

* Mr. Justice Higgins—*A New Province for Law and Order*.

† *Ibid*.