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LABOUR ORGANIZATION

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LABOUR ORGANIZATION

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PREFACE

BUT for the friendly importunity of the Editor, these pages would not have been written. Their aim is not to offer the results of original research, but to present, in convenient form, a discussion of some of the issues involved in the organization of labour, and in its choice of objects and of methods. The vital problem for labour and capital is no longer one of maintaining a merely negative peace, but of making joint constructive contributions to industrial prosperity, and in their endeavours they will not escape the criticism of the wider public, a criticism more or less helpful according as it is more or less informed. If these pages succeed in indicating something of the complexity and the seriousness of the matters with which organized labour has to deal, they will serve their purpose.

My thanks are due to those who have read any or all of this book in manuscript or in proof and from whose valued criticism it has benefited

J. C.

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LABOUR ORGANIZATION

CHAPTER I

INTRODUCTORY

LABOUR organization has developed as a consequence of the appearance of certain industrial features, which, if they do not also determine its actual form and policy, at least establish the conditions under which the problems of form and policy have to be solved.

Of such features the most significant, from this point of view, is the relation between employer and employed. The service, labour, is sold by the latter and bought by the former; and the relation is therefore, from one point of view, that of buyer to seller. But it is not the ordinary "buyer-seller" relation. Peculiar conditions are introduced by the fact that wealth production (at any stage in its development) involves the co-operation of capital (including land) on the one hand, and labour on the other; and that at the present stage of industrial development, although the ownership of capital is probably more widespread than hitherto, the greater part of capital is in the hands of those who are employers of labour, while those who give their labour possess, as individuals, little capital. The employers, therefore, possess that without which labour could not be sold, and could not, under present conditions of industry, even function. Employers furnish the instruments and the materials on which labour must act if it is to contribute to the production of wealth. Further, the question what is to be produced, and how it is to be produced, is decided by the employers; the employed have no ultimate determining voice in the direction of industry, but

give their labour as directed in return for a fixed payment in the form of wages.

Such a description implies that there is a clear distinction between the class of employers and that of the employed; that the former possess the capital and land, and perform no labour, while the latter perform labour and possess no capital and land. Closer observation blurs but does not obliterate the distinction. Employers perform labour in the sense of contributing personal service, mental and manual, to the work of wealth production; but in the main it is not under detailed direction and control as the labour of the employed is under direction and control. Similarly, many of the employed possess capital. But the fact that they own their house and garden, or hold a Savings Bank account or even invest directly in business, still leaves them dependent for a living on the sale of their labour. To pass from one class to the other, while possible, is comparatively unusual; and the assumption of distinct classes is, for practical purposes, valid.

Since employers and employed both depend for their material welfare on the product of their co-operation, they have certain interests in common. It is to the interest of both that the greatest possible amount of wealth should result from their co-operation; that the work of production, therefore, should continue as smoothly and uninterruptedly as possible; that the technique of industry should develop and its methods improve, so far as such progress does not render the one side less necessary to the other; and that neither of the co-operating factors should receive such a low reward for its contribution as would render it scarce and lower its productivity.

Common Interests of Employed.

On the other hand, as separate classes, they have also separate interests peculiar to themselves, and these, at least on a short period view, may be antagonistic. It is of

special interest to the employed that the conditions under which their labour is given should be good; these include conditions as to sanitation, safety, health, and hours of labour. It is to their special interest that the remuneration for their labour should be satisfactory, and that they should have security of tenure in their employment. And it is to their special interest that they should have some voice in determining all these conditions. Possibility of conflict between employers and employed arises in connection with the distribution of the product; and the demand for an increased share in the direction of industry and control of its conditions on the part of labour involves some interference with the freedom and power of the employer, which has, in general, been strongly resisted at every stage.

Community of interest among the employed is strengthened by the inferiority in economic power in which they stand in relation to the employers. As sellers of labour, they share the inferiority of all sellers to buyers; an inferiority which is due to their lack of alternative means of disposing of that which they have to sell, while the buyer has many alternative uses for his commodity, money. But in addition to this general seller weakness, the seller of labour suffers in other ways. What he has for sale is highly perishable; a day's labour unsold remains unsold. Since he has no capital the sale of his labour is his only means of livelihood; he must, therefore, sell it at whatever price it will fetch. He has few resources, and his power to stand out for a good price is slight as compared with that of the employer. He is but one individual among many with the same commodity for sale, and his labour is by no means indispensable. And his restricted knowledge of the labour market, combined with his very imperfect mobility, condemns him to accept conditions which greater knowledge and power of movement would enable him to refuse.

To these weaknesses of the individual as a seller of labour, is to be added his inferiority, as the owner of labour,

arising from the employer-employed relation, namely, that under present conditions of industry he cannot get his labour turned to productive use unless the employer will provide him with the necessary conditions in the shape of capital and materials. " The employers constitute the market for labour, but when workmen sell their labour to the employers, the transaction is not one in which goods have been solely produced on the one side and solely acquired on the other; employers are essentially a party to the production of effective work and co-operate in the production."[1] The workers, therefore, stand to the employers in a relation of double dependence, depending on them for the sale of their labour, and also for the requisite conditions of its production. It is this double dependence that gives importance to the interests which are common to workers.

But the group of workers concerned may be large or small. Some interests are common to the whole body of wage-earners in a country; and these tend to increase in number as it comes to be believed that the conditions of labour in one industry influence those in others. Thus, in 1926, it was not only genuine sympathy with the miners but the conviction that in the miners' struggle issues of common concern were at stake, that made so many workers in other industries willing to take part in a general strike. Such general as opposed to sectional interests become predominant. At the same time sectional interests remain. The problems of miners are necessarily different from those of shipbuilders or printers or engineers, being largely determined, in each case, by the nature of the industry or the processes in which the respective groups are engaged. Further, some such sectional interests involve antagonisms within labour. In particular some opposition of interest persists in a greater or less degree between skilled and unskilled labour; between clerical and supervisory grades

[1] Macgregor: *Industrial Combination*, p. 183.

on the one hand, and manual workers on the other, and between male and female labour; and problems of demarcation, particularly in progressive industries, where conditions frequently change, are a common cause of internal friction.

Economic Groups.

Thus the individual worker may identify himself for particular purposes, constructive, offensive, or defensive, with certain wider or narrower groups, which may be classified in descending order of size. Within any country there is first of all the widest group, the nation as a whole, to which the paramount economic interest is the maintenance and increase of its prosperity. Next comes the whole body of wage-earners in the country, with whom the individual worker may consider himself to be identified as against the united body of employers; next, the whole group of people, employers and employed, connected with the industry to which he belongs; and below that the whole group of wage-earners in that industry. Smaller groups are composed of the workers in the same occupation or group of occupations or grade of labour, the workers living in the same neighbourhood and the people connected with the same workplace. Wherever the members of any such group recognise the community of their interests, believe them to be vital, and identify themselves with them, they tend to form organizations or associations to promote their common interests, except where they are prevented from so doing by external hindrances, such as legal prohibition. But the community of interest must be clearly recognized and felt to be vital, and there must be a fair amount of agreement as to the means of securing the ends desired; otherwise, such organizations may fail to materialize. It is for this reason that among the groups mentioned organizations, economic in nature, have appeared in some but not in others. To take them in order, there is no single organization, representative of the nation as a whole, and working

by means of agreed methods towards economic objects accepted as desirable. The absence of a voluntary organization fof the pursuit of common economic objects, in the all-important sphere of the nation, is to be explained partly by the fact that here the interests are never purely economic; at the least they are also political. And while all members of the group may be assumed to desire the abstract end, prosperity, the idea of economic prosperity is so differently interpreted, and the means of its achievement are so varied as to split the group, for purposes of organization, into opposed sections, such as Free Traders and Protectionists, Collectivists, Syndicalists, and Individualists. Nor, secondly, does there exist any voluntary organization representative of all the wage-earners in the nation. As an ideal, such a widely representative association has been in the minds of reformers from time to time. Something of the kind lay behind the formation of the Grand National Consolidated Trades' Union of 1834; and in recent years it has given vitality to the conception of the "One Big Union." In actual fact, the nearest approach to such an organization is the Trade Union Congress, now recognized by the British Government as the body capable of expressing the views of labour; but even the Trade Union Congress represents, in the membership of its affiliated organizations, only some 3½ millions out of a total working-class population of 16 millions. Nor in other countries has the idea of working-class solidarity succeeded any better in getting itself realized.

For single industries the Whitley Committee of 1917 suggested a scheme of organization which would give to every person connected with an industry a direct and active interest in its purposes. The scheme, which included a Joint Industrial Council representative of both employers and employed for the industry as a whole, with District Councils below it, and below them again Works Committees, has nowhere been completely realized; although Joint

Industrial Councils, used partly for constructive purposes and partly for purposes of negotiation between employers and employed, have been set up in several industries. Nor again, does there yet exist any voluntary organization completely representative of all the employed in any single industry. The nearest approach to such a wide association has been the Miners' Federation of Great Britain, with a membership, at its point of maximum prosperity, equal to some 80 per cent of those employed in the industry. The National Union of Railwaymen made a good second. But in both of these industries there are other organizations of wage-earners distinct from the large unions; and in no other industry is there any organization which pretends to be at all representative of all the workers in it.

It would appear, then, that in these very wide economic groups (whether we include in them both employers and employed or employed only), community of interest is still too rarified, or opinions as to means too diversified, to permit of the creation of organizations which are fully representative. But as we descend to the narrower groupings, common purposes become more definite and vital, and organizations for their realization appear in greater numbers. Thus, those who do the same or similar kinds of skilled work, or who perform similar kinds of service, or who belong to the same grade of labour, have their appropriate associations; examples of the first being the Typographical Association, the Coppersmiths, and the Amalgamated Engineering Union, of the second, the Union of Distributive Workers, and of the third the General Workers' Union. This type of voluntary association—the Trade Union—is the main expression of the common purposes of labour, and it is of some significance that so far it has emerged only within these somewhat restricted labour groupings and in others still more restricted. Indeed, the trade union unit with which the individual worker finds himself most closely connected, and in which he has the

most active interest is the Local Branch, which consists of those members of his group who live in the same small locality. 'Shops Committees and Works Committees, again, are organizations of workers in the same workplace, and may serve, within these narrow limits, to unite workers of different kinds. In a similar narrow sphere Works Councils sometimes exist to serve certain common purposes of labour and management in the same workplace. Finally, for purposes partly economic and partly political, Trades Councils bring together workers who are employed in different industries and who reside in the same neighbourhood.

But industrial problems overstep national boundaries; and Labour, becoming increasingly class-conscious, has more and more approved the idea that labour organization, to be effective, must be international. As early as 1864 British trade unionists sent representatives to the International Association of Working Men held in London; and since then they have continued their active participation in international labour movements and organizations. Further, apart from the general international labour movement, separate industries have had their own "Trade Internationals" in which British labour has taken part. But it is since the war that the main developments in this wider sphere have taken place. The International Federation of Trade Unions, formed before the war, was re-established after it, and with this body the British Trade Union Congress is associated. And under the Labour Clauses of the Treaty of Versailles, the Trade Union Congress nominates a delegate to the International Labour Organization. Similar developments have taken place in other countries.

Thus the individual wage-earner is connected, through the local branch of his trade union, with his national union, and through it with the Trade Union Congress, which, so far as it may be taken to be representative of British Labour, brings him into association with all the wage-earners in the country. Through it he is also put in touch with

the International Federation of Trade Unions and the International Labour Organization, and so with the whole body of organized labour in other countries.

The Trade Union.

The trade union is by far the most important of the organizations enumerated. Of the existing voluntary organizations of labour it was the earliest to appear, and its appearance and development constitute one of the most significant phenomena in the economic history of the modern world. In the course of its progress it has come to hold an increasingly important place in the lives of a large section of the working-classes of this and other countries. Frowned on in its early days, and still suspect in many ways, it has yet come to be recognized as an essential factor in the administration of modern industry. "It would be impossible," said Mr. Stanley Baldwin, "in our highly organized and highly developed industrial system to carry on without organizations which can speak for and bind parties on both sides." It is perhaps of special significance that this was said at a time when the trade unions had, by a general strike, inflicted severe damage on industry, and even threatened the stability of the State itself. Hence, in any discussion of modern labour organization the structure, aims, and methods of trade unions must occupy a prominent place.

It is necessary in the first place to distinguish the trade union from other associations which in one or more respects resemble it. In the *History of Trade Unionism*, Mr. and Mrs. Webb define the trade union as a "continuous association of wage-earners for the purpose of maintaining or improving the conditions of their working lives." The objects of the trade union, that is, are economic; and as an economic association it belongs to a class which has grown in recent years, and which includes Trusts, Selling Syndicates, Co-operative Societies, Employers' Associations, and associations

of professional workers like accountants and surveyors. From the professional associations it is to be distinguished by the fact that the main object of these is to improve the training and education of their members. For while some trade unions insist on the apprenticeship of those who wish to enter their trade, their interest in apprenticeship is not primarily for the sake of training, but has some reference to its reactions on wages and working conditions. Professional associations, that is, are primarily interested in the performance of service, the trade unions primarily in the conditions under which that service is given. Again, within the class of associations concerned with the conditions under which service is given, which includes also Trusts, Selling Associations, Employers' Associations, and Co-operative Societies, there is an important line of cleavage between those whose main interest is in purchase and those whose main interest is in sale. To the former class belong Employers' Associations and Co-operative Societies. These are concerned, the former with the purchase of labour, the latter of goods. Between the Trade Union and the Co-operative Society there is, on an economic analysis, little in common. Between the Trade Union and the Employers' Association there is a contrast which illustrates the central complexity of the industrial problem, based on the dual nature of labour as at once a means and an end. The policy of the " economic man " of buying in the cheapest market and selling in the dearest, has its economic justification: it is the only means by which human effort may be so distributed as to secure its maximum returns. Thus only can waste be avoided. And if labour stood in the same category as capital and land, there could be little objection to the general policy. But one of the factors of production is labour, and labour is embodied in human beings to whom the conditions of its use and sale are of vital importance. On the other hand, the improved conditions which the trade unions demand involve costs to

the employer; and while benefits to labour do not necessarily mean increased costs of production under all circumstances, temporarily they may, and beyond certain limits they must.

While, therefore, both Trade Unions and Employers' Associations are concerned with labour, their standpoints are different, and, at least in the short period, often opposed.

The trade union thus differs in object and in nature from the Co-operative Society, the Professional Association, and the Employers' Association. On the other hand, it falls into one class with Trusts, Selling Associations, and other associations of producers and manufacturers, which are concerned with problems of sale. They all aim at gaining and holding a monopoly over that which they have to sell, and a control over its price. But between the Trust and the Trade Union these are the main resemblances. In structure and in ultimate purpose they differ fundamentally. The Trust absorbs the constituent firms, who thereby lose their identity and become merely servants of the Trust, taking their orders as to the type of product in which they are to specialize. The trade union imposes no such restrictions on its members. The Trust again is a company with a unified body of capital, and the object of the Trust is, by monopolistic action, to maximize the profit on this capital.[1] The trade union is not a company; and the interests of its members are not merged. They remain individuals with their independent interests; and the aim of the trade union is not to maximize a unified wages bill, but to secure for its members, as individual units, the greatest amount of regular employment at standard rates of wages and under good conditions of work. And while the Trust controls not only the selling but the manufacturing side of the business, the trade union restricts itself, with few exceptions, to the marketing of the labour of its members.

It is, therefore, to the Selling Associations that Trade

[1] On the relation of the Trade Union to other economic associations, see MacGregor, *op. cit.*, Pt. II, Ch. III.

Unions bear the strongest resemblance. Yet the analogy must not be pressed too far. Both, it is true, are monopolistic combinations. The trade union links together, in the ideal case, all the wage-earners in one industry; the Selling Association links together all the firms in the same industry. The association, in both cases, cuts across the divisions between firms, and the two types of association stand parallel within the industry. Both, again, aim at producing conditions which will give them considerable power in dictating the price of that which they sell, the Selling Association the products of the industry, the trade union the labour of its members. In both cases, the members of the association, apart from subjecting themselves to certain restrictions as to sale, retain their independence and initiative. But beyond that the parallelism breaks down. For in the first place, while the trade union is a combination *vis-à-vis* the employers in the industry, the Selling Association is a combination *vis-à-vis* the consuming public. The latter relation, as already indicated, is one of pure externality; the former is not. In the second place the relation of firm to firm within a Selling Association is totally different from that between the individual members of a trade union. The firms are by nature competitive.[1] Each is, ideally, capable of expansion until it in itself can satisfy the whole market. It has no need of the others, and is the more prosperous the more completely it can oust the others. The monopoly of the Selling Association, therefore, is simply the limiting form assumed by keen competition between strong rivals. The members of a trade union, on the other hand, are by nature not competitive but co-operative. No one of them could indefinitely increase his productive power at the expense of the others; on the contrary the absence of the others would make it impossible for him to continue in work. As a final result, therefore, it may be said that the special features of the trade union

[1] MacGregor, *loc. cit.*

are that it is a monopolistic association of wage-earners who as individual producers are complementary to one another, but who stand to the employers in a relation of dependence for the sale of their labour, and even for its production; and that the general purpose of the association is, in view of that dependence, to strengthen their power to bargain with the employers.

Trade Union Purposes.

But this general purpose requires more exact definition. The worker sells his labour in the industrial market; and the aims of trade unions are connected with the three terms in this relation, namely, the worker, his labour, and the market for his labour. From the fact that labour is but the economic functioning of the human being, and requires his presence wherever the labour is being performed, it follows that these conditions are vitally important. But the isolated worker who sells his labour has not the power to insist that these conditions should be satisfactory; and the trade union was formed to enable the workers to bargain collectively for good conditions. In the second place, from the fact that the worker has nothing to sell but his labour, and that as an isolated worker there is nothing to guarantee that he will secure a price that will even enable him to retain his working powers, follows the need for some means of strengthening his power to bargain for his price. The trade union meets this need. The weaknesses of the isolated employed person have already been indicated. The trade union strengthens his resources by building up unemployment funds; it relieves him of his isolation; it unites him with others into a body whose services, if not indispensable, are still important; for a united group of workers counts, as an isolated worker does not. And, finally, the trade union places at the disposal of the individual a knowledge of market conditions which increases his mobility and consequently his power

of resisting underpayment. In these two ways trade unions substitute collective for individual bargaining.

In the third place the industrial market for labour is one in which the demand is uncertain and irregular. The worker who depends for his livelihood on his success in the labour market undergoes serious risks. Some of these, of course, are personal; there is the risk of sickness, which wipes out his income, and, therefore, encroaches seriously on his standard of consumption. But some of the risks are definitely industrial, and arise out of the nature and conditions of his employment. In particular the risk of loss of work is always more or less present, and in a society where dismissal depends not on character and ability alone, but on the state of trade and the technicalities of workshop organization, it threatens in varying degree every worker. Moreover, the relation of the worker to these risks is one which is wholly negative or passive. He has to bear the losses which come through unemployment, and he has no chance, as the employer has, of the compensatory gains which might accrue from fortunate risk-taking. Hence the trade unions have an insurance side to their activities which is important on its own account. At the same time, insurance is never the main business of the trade union. It is undertaken, not as an end in itself, but as a means towards the chief purpose of the trade union, which is the maintenance and improvement of the economic status of the worker. It is because unemployment and sickness weaken the worker as a bargainer that the trade unions enter on the work of insurance.

Thus the three main functions of the trade union derive from the nature of the three terms involved in industrial employment: the worker, his labour, and the market for his labour. From the nature of the unorganized worker comes the necessity for wage regulation; from the nature of his labour the necessity for the regulation of the general conditions of his employment; and from the nature of

industry the necessity for insurance against risk. Whether these functions could be performed as efficiently by some agency other than organizations of workers themselves is a question which did not arise at the time they were first established. There was then no alternative agency. The industrial legislation which has since developed through Parliamentary action had not commenced. Insurance against risks of unemployment, undertaken by the State for industry as a whole, and partly financed by contributions other than those of the workers themselves, still lay in the remote future. The fixing of wages by public authority was a thing of the past, and the legislative requirement of a minimum rate of wages had not yet been thought of. In the circumstances, therefore, the trade union was an inevitable development.

Origin and Growth of Trade Unions.

It is not intended in this book to trace the historical development of these unions. That ground has already been more than sufficiently covered. So much, however, must be put down as is necessary to an understanding of the analysis which is to follow. Trade unions as we know them emerged as an important feature of industrial life only in the second half of the eighteenth century. The time was one which saw the beginning of an era of material progress, the earliest manifestations of which were in the sphere of industry. Here the changes which took place were so significant that the term " Industrial Revolution," once suggested, was accepted as their fitting description. The developments also were sufficiently rapid to round off the period of the Industrial Revolution by about 1820. Nevertheless, later progress, if sometimes less spectacular, was no less important; and scientific research and the application of its results to industry and to the improvement of man's material environment, have continued with increasing rapidity up till the present time.

Such material progress, if social life is to remain harmonious, involving as it does changes in human relations, necessitates a corresponding development in the institutions, social, political, educational, and industrial, which express these relations. But these reactions to a modified material environment are not necessarily immediate. Social forms lag behind the facts which call for them. In the eighteenth and nineteenth centuries there were few spheres of life in which the adaptation to the new facts was at all complete, and in the industrial sphere the inadequacy of the human response to the changed conditions was particularly noticeable. It was not that the events of the Industrial Revolution had resulted in any general degradation of the lives of the mass of the people. The work of recent historians in this field has helped to dissipate this prevalent misconception. What is true, however, is that industry was passing from the simple to the complex, and that, for a time, the implications of this development were grasped neither by statesmen, employers, nor workmen.

Of the social effects of this material development, the most significant for our present purpose was the re-stratification of society. Before the Industrial Revolution, the economically important were the wealthy, whose wealth lay in the soil or had been acquired in commerce and finance; and these were also the politically important. With the coming of the Industrial Revolution there emerged the industrial capitalists, who, though disunited among themselves, and incapable, therefore, of wresting political power from the existing aristocracy, were too powerful to be ignored, and who, on their side, were unable to ignore the Government. Thus economic was separated from political power. But further, within industry, those who gave their labour in return for wages became fused, in virtue of their lack of property, into a permanent class, from which the costliness of the instruments of production made escape next to impossible. The members of this class, brought

together in their hundreds in the factories and workshops, discovered their common interests and their common dependence, and the stage was set for the new developments.

But, if economic circumstances had thus prepared the ground for the growth of new social forms, the political and legal atmosphere gave them no kindly encouragement. It was not only that men naturally failed to take immediate control of a new situation. Added to that was the influence of a crude *laissez-faire* philosophy, the outcome of a belief in the harmonious co-operation of nature and man, of the individual and society, which, without conscious human interference, would work out to the most desirable results. The system of natural liberty, thus urged, though with some considerable qualifications, by Adam Smith, was subscribed to without qualifications by many of his followers, both academic and political, and put in its most extravagant form by Bastiat in his *Harmonies Economiques*, where he states his belief that " all that is necessary to the gradual and peaceful development of humanity is that its tendencies should not be disturbed nor have the freedom of their movements destroyed." It was an anticipation, in the economic sphere, of the theory of the survival of the fittest, in which " fittest " was taken as synonymous with " most desirable." Under the sway of this belief there was obviously no need to undertake to direct the new forces to the preconceived end of the good of the whole community; any attempt of that kind, indeed, because of the limitations of the human intelligence, would do more harm than good. The best policy was to leave it to economic forces to eliminate the undesirable.

It is not necessary to argue that those who were actively engaged in industry and commerce consciously moulded their actions on any philosophical theory. That is unlikely. But what did happen was that the facts of the case combined to give support to the accepted theory, and to prevent any conscious attempt on the part of the community to

work out a new set of human institutions adequate to the altered conditions. For on the one side, the owners of capital and the heads of business, immersed in concerns enjoying an unprecedented success, were too much preoccupied with technical details and the problems of manufacture and marketing, to give time or thought to the wider questions of the effects of the new industry on the general community. And on the other hand, the mass of the workers had not yet the power, even if they had the knowledge or the will, to demand an investigation into the trend of industrial development and an attempt to grapple with the new problems. Hence belief in competition as the force which automatically yielded the best results, survived, and to that force many of the successes as well as of the failures of industry in the nineteenth century are to be attributed.

Under these circumstances it was natural that the State should fail (or refuse) to secure any control of the new industrial forces, or even to attempt to foresee their possible line of development and their social reactions, and to prepare for these; and further that even the formerly existing safeguards for the workmen, in the form of regulation of wages, should be allowed to fall into disuse.

But in the absence of any concerted national effort, it is not surprising that labour, which considered its share in the increasing prosperity inadequate, should use a means directed rather to the limited purposes of its own class than to the discovery of industrial forms which would yield the best results on the whole. The instrument which labour employed in pushing its demands for the maintenance and improvement of its economic status was combination. Labour organized itself into trade unions, based on the economic service rendered by their members, aiming at industrial objects, and on the whole making use of industrial means and devices to that end. Nevertheless the combination movement was resisted as an attack on the

existing economic order, and under the Anti-Combination Laws of 1799 and 1800 trade unions were made illegal. From this time till 1824 the legal disabilities remained, and during the whole of this period, therefore, workers' societies, in so far as they aimed at changing the conditions of the workers' employment, and were not merely Friendly Societies, were a standing menace to the established order, and were generally so considered.

In 1824, through the work of Francis Place and Joseph Hume, the Combination Acts were repealed, and though in the next year restrictive legislation was re-imposed, combinations of labour were no longer criminal, although for a long period thereafter any particular use of the weapon of combination ran the risk of infringing against the law. The newly gained freedom was the signal for a great outburst of trade union enthusiasm; and between 1824 and 1834 working-class aspirations, frustrated in definitely political directions, rapidly concentrated on industrial organization, until at the end of the period, from 1832 to 1834, there occurred the most rapid development of trade unionism which has occurred in the course of its history. The aims of the movement in this concentrated period of astonishing growth, were not restricted to a mere improvement of conditions, but were what to-day would be called "political." What was aimed at was not the separate development of societies in different trades, each seeking by constitutional means an improvement in the lot of the workers, but the formation of a Grand National Consolidated Trades Union, which should include all the workers of every grade, and which by means of a general strike should attack and defeat the Capitalistic system, and replace it by a system of co-operative employment. It was an attempt by means of the trade union weapon to put into practice the visions of Owenite Socialism.

The attempt, of course, failed. The employers presented the "document" and the Government transported the

Dorchester labourers. Henceforward for some time the working-classes transferred their enthusiasm to Chartism and the modern co-operative movement.

It is probably the characteristics of the next period of trade union development, during which the "Craft" Unions dominated the situation, that have given rise to the conception of certain trade union functions as "original" and "legitimate," in contrast with the "illegitimate" political developments of recent years. The collapse of the attempt at building a national union with Socialist aims, dulled the enthusiasm for revolution for a quarter of a century. From 1850 onwards, the power of the newly established Amalgamated Society of Engineers determined the line of trade union action. The amalgamated societies were "craft" unions; that is, societies of skilled and relatively highly paid workers. Partly in reaction from the revolutionary enthusiasm of the earlier 'thirties, and partly influenced by the teaching of the classical economists, they concentrated attention on establishing their own economic position. With this object they levied high subscriptions from their members with a view both to strengthening themselves on the Friendly Society side, and also to restricting the numbers in their trades; and they left the unskilled workers to look after themselves. The latter, thus excluded from the Craft Unions, and unable through lack of means as well as lack of experience to form unions of their own, were unorganized, and remained so, on the whole, till the late 'eighties. During this intervening period, therefore, trade unionism for the most part connoted the organization of strong groups of workers, each group consisting of men highly skilled in the same industrial processes. Each union sought by centralizing power to gain stability, and their aims were restricted to the improving of their economic condition by constitutional and generally conservative means. Thus there grew up, especially in engineering, strong, respectable and respected

organizations, which wielded great influence on the whole trade union movement, and established the type. It is this type that is thought of to-day when reference is made to the original functions and aims of the trade unions.

It must be noted, however, that this type of organization is not suitable to the workers in all industries, and, indeed, is impossible in many. This is even more true now, when mass production by means of automatic and semi-automatic machinery has progressed so far, that the highly-skilled worker and craftsman is becoming something of a rarity in industry; but it has always been true in some industries. Even at the most flourishing and influential period of the A.S.E. there existed in mining and in some parts of textiles, unions with a different aim and structure and method. They were not Craft Unions, for their members were not craftsmen; they made use of the political and not merely the industrial weapon, and their aim was not restricted to a mere improving of working conditions. In the subsequent history of trade unionism this type of organization was destined to play an important rôle.

From 1871 onwards several more or less successful attempts were made at forming organizations of workers in the less skilled or general occupations; but the stimulus to this movement came only in the 'eighties. That stimulus was again of a " political " kind. It was the gradual acceptance by a growing number of working men of that part of the teaching of Karl Marx, presented to British workers by Hyndman and others, which insisted on working-class solidarity and the sinking of the differences between the skilled and the unskilled, the craft and the general worker, in face of the common " enemy " capitalism. This teaching did not meet with immediate or general acceptance among existing trade unionists, a large proportion of whom continued to look to the Craft Union, with its large subscriptions and moderate aims, as the only desirable form of organization. But that the new socialist teaching made rapid progress was seen

first in the events of the Dockers' strike of 1889, when the whole trade union movement rallied to the help of these unskilled workers; and later in the growth of many new societies of unskilled workers and general workers, with, necessarily, low rates of subscription. And while the period of rapid growth of such societies was brief, culminating in 1892, the effects of the Socialist teachings of the 'eighties were permanent and of increasing importance; so that the trade union movement which had formerly been in the main concerned with the improvement of the conditions of employment, and only occasionally entertain conceptions political or revolutionary, became from this time more definitely political. In 1893 there was formed the Independent Labour Party. Largely through its instrumentality a body which was known as the Labour Representation Committee, and after 1906 as the Labour Party, came into being, as the working-class political party; and from then till 1910 trade union thought concentrated chiefly on political developments. By 1910, however, the cumulative effects of rising prices, and the failure of wages to keep pace with the advance in the cost of living, gave rise to dissatisfaction with the efficiency of the political weapon, and a period of great industrial unrest began, accompanied by important strikes. The working classes were swept by a wave of revolutionary feeling, which would have had important consequences but for the outbreak of war in 1914. But the effects were only postponed. Dissatisfaction with existing industrial relations, and an intense and widespread class-consciousness resulted in the extraordinary increase of trade union membership to 8½ millions in 1920, and in many evidences of increased working-class solidarity. But the depression of trade which commenced in that year had its inevitable effects in weakening trade union membership and concealing the existence of unrest, although the General Strike of 1926, ill-conceived and ill-timed, nevertheless revealed a degree of

unanimity and discipline which might have been applied to better purpose.

It is, unfortunately, impossible to give any complete statistical account of the growth of trade unions and trade union membership. Although a few unions have fairly complete statistics of their own growth, from the early

TRADE UNIONS IN GREAT BRITAIN AND NORTHERN IRELAND FROM 1896 TO 1928

Year	Number at End of Year	Membership at End of Year			Percentage Increase (+) or Decrease (−) on Previous Year
		Males 000's	Females 000's	Total 000's	
1896	1,358	1,466	142	1,608	+ 7·0
1897	1,353	1,584	147	1,731	+ 7·6
1898	1,326	1,608	144	1,752	+ 1·2
1899	1,325	1,761	150	1,911	+ 9·1
1900	1,323	1,868	154	2,022	+ 5·8
1901	1,322	1,873	152	2,025	+ 0·1
1902	1,297	1,857	156	2,013	− 0·6
1903	1,285	1,838	156	1,994	− 1·0
1904	1,256	1,802	165	1,967	− 1·3
1905	1,244	1,817	180	1,997	+ 1·6
1906	1,282	1,999	211	2,210	+ 10·7
1907	1,283	2,263	250	2,513	+ 13·7
1908	1,268	2,230	255	2,485	− 1·1
1909	1,260	2,214	263	2,477	− 0·3
1910	1,269	2,287	278	2,565	+ 3·5
1911	1,290	2,804	335	3,139	+ 22·4
1912	1,252	3,026	390	3,416	+ 8·8
1913	1,269	3,702	433	4,135	+ 21·0
1914	1,260	3,708	437	4,145	+ 0·3
1915	1,229	3,868	491	4,359	+ 5·2
1916	1,225	4,018	626	4,644	+ 6·5
1917	1,241	4,621	878	5,499	+ 18·4
1918	1,264	5,324	1,209	6,533	+ 18·8
1919	1,360	6,600	1,326	7,926	+ 21·3
1920	1,364	6,994	1,340	8,334	+ 5·1
1921	1,251	5,618	1,004	6,622	− 20·5
1922	1,203	4,744	870	5,614	− 15·2
1923	1,161	4,597	813	5,410	− 3·6
1924	1,155	4,720	811	5,531	+ 2·2
1925	1,144	4,666	831	5,497	− 0·7
1926	1,129	4,401	807	5,208	− 5·2
1927	1,135	4,125	793	4,918	− 5·6
1928	1,123	4,007	792	4,799	− 2·4

MEMBERSHIP OF TRADE UNIONS, CLASSIFIED BY INDUSTRIAL GROUPS, IN GREAT BRITAIN AND NORTHERN IRELAND, AT VARIOUS DATES

(Based on Returns of Chief Registrar of Friendly Societies and Registrar of Friendly Societies for Northern Ireland.)

Group of Trade Unions	Total Membership of Trade Unions (000's omitted)				
	1897	1913	1920	1925	1928
Agriculture, etc.	2	21	210	47	36
Mining and quarrying	294	921	1,157	913	623
Pottery and glass	14	19	55	30	24
Metal, engineering and shipbuilding—					
Iron, steel, tinplate, etc., manufactures	34	83	166	88	64
Engineering, ironfounding, shipbuilding, etc.	288	463	976	595	540
Textiles—					
Cotton	191	372	457	370	361
Woollen and worsted	10	32	124	92	84
Flax and jute	16	31	56	36	30
Hosiery	5	8	34	21	18
Bleaching, dyeing, finishing, etc.	18	66	113	80	73
Other textiles	10	15	38	28	24
Clothing: Boot and shoe	41	55	99	91	88
Tailoring and other	33	52	137	77	71
Food, drink and tobacco	14	20	37	29	30
Woodworking and furnishing	38	61	121	67	63
Paper, printing, etc.	52	85	220	207	181
Building, decorating and contracting—					
Bricklayers and masons	66	47	82	66	62
Carpenters and joiners	68	96	172	115	116
Painters and decorators	19	38	84	51	47
Builders' labourers	28	27	163	59	39
Other	28	29	54	43	45
Other manufacturing industries	12	8	25	24	22
Transport—					
Railway service	103	326	618	529	412
Seamen	39	140	177	86	106
Other (Road transport, dock labour, etc.)	62	227	466	431	363
Commerce, distribution and finance—					
Shop assistants, clerks, warehouse workers, etc.	6	113	349	143	154
Banking and insurance	5	18	94	79	75
National and Local Government	63	235	460	333	354
Teaching	45	113	198	197	211
Entertainments and sport	5	18	52	33	30
Miscellaneous	18	38	79	49	46
General labour	104	358	1,261	488	407
Totals	1,731	4,135	8,334	5,497	4,799

years of their existence, no attempt was made to keep numerical trace of the general development of trade unionism till 1886. The tables on pages 23 and 24 show the increase in strength in recent years. The first table traces the increase in number of unions and in membership, male and female, since 1896, the date at which fairly complete figures became for the first time available. The second table gives the trade union membership in the main groups of industries at illustrative dates. The figures in all cases are for Great Britain and Northern Ireland. It will be seen from the first table that in 1896 membership was just over a million and a half, and that it gradually increased till 1902, having first touched the two million mark in 1900. Membership declined in the years 1902–04, but thereafter its increase was continuous till 1920, when it exceeded 8 millions, the rate of increase having been abnormal in the post-war years. Since 1920 there has been an almost continuous decline; but the figure for 1928 was still greater than that of any year prior to 1917. While trade unionism among women has always been relatively weak, female membership has increased both absolutely and relatively to male membership between 1896 and 1928.

The second table gives only absolute numbers of trade union members in the various industrial groups; and, therefore, does not reveal what percentage of the workers in each group are in trade unions. Accurate information on this point is not obtainable, as the available figures for trade unions refer to Great Britain and Northern Ireland, and those of the numbers employed in the different industries refer only to Great Britain. But taking two extreme cases, it may be estimated that in coal mining something like 75 per cent of the workers were organized in trade unions in 1926, and in agriculture the percentage was probably as low as 6 per cent.

CHAPTER II

THE RIGHT OF ASSOCIATION FOR TRADE PURPOSES

THE continuous existence and activity of economic associations with objects such as have been indicated, presupposes the recognition of the right of association. This is not a "natural right," but one which, for particular purposes and under particular safeguards, has come to be recognized in time. Nor need we consider it as a positive right, the discussion of which would raise philosophical issues. Combination for trade purposes at one time, and under certain conditions was by Common Law unlawful; and the right of association for such purposes consists in the removal of this illegality. This has been done, and the position of Trade Unions defined, by a century of enactments which it is necessary briefly to trace; and since the right of association for trade purposes is but one aspect of the right of association in general, it is further necessary to see how the latter has been modified in the case of trade associations, and to understand what limitations still apply to them.

Early Combinations of Workmen.

There are indications in the work of economic historians of the existence of combinations of workers for trade purposes and of the attitude of the State towards them at quite early times. They are not to be looked for before the emergence of something of the nature of competitive wages. Such conditions were scarcely present before the fourteenth century; but the efforts then made to stabilize wages at the levels prevailing before the Black Death led to attempts on the part of workers to raise wages, and those attempts sometimes involved combinations of workers. The attitude of the State to these combinations (and also to the combinations of producers to raise prices) was naturally one of

hostility. Thus, in 1303, according to Cunningham, it was forbidden to the " servant workmen in cordwainery to hold any meeting or make provision which may be to the prejudice of the trade and the detriment of the common people." A statute of 1425 forbade " the annual congregations and confederacies made by masons in their general chapters assembled to violate the Statute of Labourers," and in 1549 an Act of Edward VI forbade *all* combinations of workmen or labourers whose purpose was " not to make or do their work but at a certain price or rate." After the passing of the Statute of Apprentices which temporarily stabilized working conditions by putting the regulation of wages in different localities into the hands of the local Justices of the Peace, references to such combinations are not again found till the second half of the seventeenth century; but at the time of the Civil War, the existing order was rendered unstable, and from then onwards there is considerable evidence of the activity of such combinations, of the desire of employers for their suppression, and of the readiness of the authorities to accede to the demands of the employers. Thus, in 1662, the Court of Aldermen in London decided, in response to a petition of journeymen hatters against their employers, that " the journeymen may not by combination or otherwise excessively at their pleasure raise wages." With the growth of the capitalist organization of industry, such associations became more numerous. In 1721, the Master Tailors of London addressed a petition to Parliament in which they complained that " the journeymen Taylors in and about the cities of London and Westminster to the number of seven thousand and upwards, have lately entered into a combination to raise their wages and leave off working an hour sooner than they used to do," that these had set a " very evil example in all other trades, as is sufficiently seen in the Journeymen Curriers, Smiths' Farriers, Sail Makers, Coachmakers, and artificers of divers other crafts and mysteries who have actually

entered into confederacies of the like nature, and the Journeymen carpenters, bricklayers, and joiners have taken some steps for that purpose." In response to the petition an Act was passed rendering void all contracts or agreements between journeymen tailors in certain parishes of the metropolis for the purpose of advancing wages or lessening hours of work, and making persons entering into such agreements liable to imprisonment; coupling with this a provisional regulation as to hours and maximum wages, and empowering the Justices of the Peace to revise them from time to time.

Attitude of the Law.

It is not always apparent in such instances as are here quoted, whether the association is one of wage-earners only (and therefore in structure similar to the modern trade union), or one which combined both journeymen and masters in the trade; but some of them were certainly associations of journeymen, and in a sufficient number of instances it is clear that the public authority stepped in to forbid such combinations. But the facts are not easy to interpret. They may be read as indicating, on the one hand, that any combination was looked upon as threatening the public welfare and, therefore, to be suppressed; and if there were no general prohibiting Act, it might be held that such was unnecessary because of the relatively small numbers of combinations before the eighteenth century. The provisions of the Statute of Apprentices for the fixing of wages probably acted fairly satisfactorily, and made combinations of wage-earners for trade purposes unnecessary. It is not clear, however, that combinations in general were criminal at Common Law; if they had been, there would have been no need for the passing of special legislation for suppressing them. On the other hand, there was no general statute passed against combination as such; and the inference is that only combinations with particular purposes, or of a

special nature, were objected to; and the fact that it was often difficult to secure convictions against combinations of workers who demanded the revival of the ancient regulation of their wages is evidence in support of this view. Briefly, then, it may be said that by the eighteenth century the position was that combinations for trade purposes, unless they were reasonable and limited in respect of time and place, were at Common Law void and incapable of enforcement, but probably not criminal conspiracies; that no general statute had been enacted to prohibit them, but that they were in some cases forbidden by special legislation.

Combinations Made Illegal : 1799.

By the middle of the eighteenth century the regulation of wages by the J.P.'s under the Statute of Apprentices had fallen into disuse, and those changes in industry already alluded to had begun, which brought about a rapid multiplication of the combinations of workmen. It was under these circumstances that the State for the first time defined its attitude to trade combinations in general in the Combination Act of 1799. This Act declared illegal any combination for any of the purposes for which most combinations of workmen existed; and any workman entering such a combination became thereby liable to imprisonment. Among the purposes specified were included those of obtaining an advance of wages, lessening hours of work, preventing or hindering any person or persons from employing whomsoever he, she, or they thought proper to employ in his, her, or their business; and controlling any person or persons carrying on any manufacture, trade, or business in the conduct or management thereof. A further Act of 1800 slightly amended that of 1799. The two Acts together left the workman an isolated unit to make his own bargain as best he could with his employer, unassisted by the provisions of the Statute of Apprentices which was finally repealed in 1813. The legislation applied equally to combinations of

employers, but no prosecution in their case is known to have taken place.

This legislation, refusing to workers the right to associate for the improvement of their working conditions, might have been expected to bring to a sudden end the combinations or trade unions which had hitherto appeared, and to prevent the formation of new unions. That it did not, but that on the contrary, trade unions continued to grow in numbers and in membership, can be explained. For one thing, it is to be remembered that the legislation attacked only combinations for trade purposes. Combinations for other purposes, such as the provision of friendly benefits for their members, were not repressed, but were even encouraged; and it is likely that many trade unions continued to exist and to function in the character of friendly societies. In the second place, while the repression of the trade unions under the Acts was severe, it was not continuous, and the inefficiencies of the police enabled many trade organizations to escape detection. They were frequently, however, driven underground, and became secret societies admitting members only after the administration of oaths. And this, in turn, laid them open to prosecution under such acts as the Unlawful Oaths Act of 1797, the Unlawful Societies Act of 1799, and the Seditious Meetings Act of 1817.

In 1824, after the sitting of a committee of inquiry on which Francis Place and Joseph Hume were prominent members, an Act was passed repealing the Combination Acts of 1799 and 1800, making trade combinations legal, and exempting combined workmen from prosecution for criminal conspiracy. But the immediate outbreak of strikes which followed alarmed Parliament, and in the following year, 1825, a revised measure became law. Since this Act of 1825 defined the legal position of trade unions until 1871, it is worth pausing at this point to note the progress so far attained.

The Position from 1825 to 1871.

Under Common Law every combination in restraint of trade, unless reasonable and limited, is illegal. A trade union comes under this ban; and this means that it has no legal status, and that, therefore, it cannot under Common Law sue or be sued, and has no redress against any wrongs which it may suffer. Whether, in addition, such a combination was at Common Law a criminal conspiracy, is doubtful; but the effect of the Combination Acts of 1799 and 1800 had been to make it so. The importance of the Act of 1824 (followed by that of 1825) was to remove this criminal character from trade combinations whose purposes were the regulation of wages and hours of labour. The Act of 1825, however, reaffirmed the liability of combined workmen to prosecution for criminal conspiracy under Common Law where the objects of the combination were other than those specified. It further enacted that members were liable to imprisonment for a number of specified offences, including violence, threats, or intimidation, molestation or obstruction for the purpose of forcing a person to leave his work, forcing or inducing a person to belong to a trade union or observe a trade union's rules, and forcing an employer to alter his manner of conducting his business, or to limit the number of his employees. From this time onwards, therefore, while a combination for raising wages and regulating hours of labour was no longer a criminal conspiracy, any action by such a combination in pursuit of these objects laid its members open to prosecution.

Between 1825 and 1871 little change took place in the legal position of trade unions. It is true that several Acts were passed which had some bearing on the position; but they were of little practical effect. Thus, for instance, in 1855 there was passed the Friendly Societies Act, which sought to relieve trade unions of their inability to seek the aid of the law to redress wrongs done against them. The Act provided that any society established for any purpose

not illegal might deposit its rules with the Registrar of Friendly Societies, and by doing so, be able to refer disputes to the Courts. Under this clause, some trade unions had themselves registered; but in law they were held to be illegal associations, and therefore outside the provisions of the Act.

Again, the Molestation of Workmen Act, 1859 tried to define molestation and obstruction, stating that a person was not guilty of such offences merely because he had entered into an agreement about wages, or had endeavoured peaceably and without threat or intimidation to persuade others to cease work in order to obtain an alteration in hours or wages. But again, this Act had little effect, and the whole question of molestation is one which, as we shall see, has been the subject of much legislation.

With the passing of the Act of 1871, we reach the point at which legislation has a direct bearing on the present position of trade unions, for this Act remains that in which their status is defined. We may, therefore, pass briefly over the later historical development, indicating only the main stages of advance, and leaving the detail to be described when we consider the present legal standing of the unions.

Subsequent Changes.

The Act of 1871 followed the sitting of a Royal Commission appointed to review the whole position of the trade unions, and was based mainly on the minority report signed by three members. It forms a definite land-mark in the legalizing of the unions, for it declared that no trade union was henceforth to be illegal merely because it was in restraint of trade; that a trade union could acquire the privileges of incorporation by being registered, if its purposes, as defined in its rules, were not in contravention of criminal law; but that, at the same time, it was to be free from the jurisdiction of the Courts in so far as internal and inter-union matters were concerned. Thus, while the Act of 1825

had removed the criminal character from combinations to raise wages and alter hours, the Act of 1871 determined the civil status of trade unions, giving them a definite legal standing, but leaving them free from interference in their internal concerns.

At the same time, however, there was passed the Criminal Law Amendment Act, which reaffirmed the criminality of acts of molestation, obstruction, violence, and threats with a view to coercion for trade purposes. The dissatisfaction with this Act, and some of the legal decisions based on it, led to the passing, in 1875, of the Conspiracy and Protection of Property Act, which repealed the Criminal Law Amendment Act of 1871, legalized picketing (while inflicting penalties for violence and intimidation), and determined that no act committed by a group of workers in furtherance of a trade dispute was punishable as a crime, unless the same act committed by an individual was a criminal offence. In the same year the Master and Servant Act of 1867 was replaced by the Employers and Workmen Act, by which employers and employed became equal partners in a civil contract.

These Acts, along with the Trade Union Act Amendment Act of 1876, which re-defined trade unions, determined the position of the unions in a way which gave satisfaction to their supporters. For twenty-five years they were interpreted as giving immunity to trade unions from legal proceedings against their funds. But in 1901 an action by the Taff Vale Railway Company against the Amalgamated Society of Railway Servants was successful in obtaining damages from the society; and this decision led, among other results, to the passing of the Trades Disputes Act of 1906, which gave new and increased privileges to the unions. Again, since 1876 it had been believed that trade unions, if they satisfied the definitions contained in the Acts of 1875 and 1876 were free to carry on additional activities; but this opinion was proved erroneous when, in 1908, Mr.

Osborne was granted an injunction against the Amalgamated Society of Railway Servants to restrain it from using its funds for political purposes. This decision had its sequel in the Trade Union Act of 1913, which made provision, under conditions, for the raising of funds by trade unions for political objects. The latest stage in the development of trade union legislation was reached after and in consequence of the General Strike of 1926. The Trade Disputes and Trade Unions Act of 1927 modifies the right of the trade union in relation to strikes, picketing, and the raising of funds for political purposes.

Present Legal Standing.

The present position of the trade unions under the law is in the main defined by the Trade Union Acts of 1871 and 1876, the Conspiracy and Protection of Property Act of 1875, the Trade Disputes Act of 1906, the Trade Union Act of 1913, and the Trade Disputes and Trade Unions Act of 1927.

The Trade Union Act of 1913 defines a trade union as " any combination, whether temporary or permanent, the principal objects of which are, under its constitution, the regulation of the relations between workman and masters, or between workmen and workmen, or between masters and masters, or the imposing of restrictive conditions on the conduct of any trade or business, and also the provision of benefit to members."[1] The definition does not preclude a trade union from having other objects as well, provided that these are subsidiary to the main objects laid down in the Statute, and that they are not contrary to law.

[1] This is ambiguous. Does it mean that to be a trade union an association must both regulate conditions, etc., and also provide benefits; or that it is a trade union if it does either of these things? The latter seems absurd, but the former is obviously contrary to the facts. Slesser suggests the latter: " benefits " to be understood as benefits of a trade union type.

Membership.

Apart from certain civil barriers there is no general restriction on individual membership of trade unions except that of age. Any person above the age of 16 years, male or female, may become a member unless there are special rules in the trade union to the contrary. But under the Police Act of 1919, members of a police force are forbidden under penalty of disqualification from serving in the force, to be members of any trade union except the Police Federation established under the Act, or of any association which includes among its objects the control of pay, pensions, or conditions of service of any police force. Again, under the Trade Disputes and Trade Unions Act of 1927, established Civil Servants are prohibited from being members, delegates, or representatives of any organization, whose primary object is to influence the remuneration or the conditions of service of its members, unless the organization is such that its membership is confined to persons employed by or under the Crown, and is independent of, and not affiliated to, any organization whose membership is not so confined; that its objects do not include political objects, and that it is not associated, directly or indirectly, with any political party or organization. Any established civil servant contravening these regulations may be disqualified from being a member of the Civil Service.

While any individual, apart from those mentioned, may be accepted by a trade union as a member, it is open to an employer (with certain exceptions) to make a contract with his employees that they shall or shall not be members of a trade union. The exceptions referred to are laid down in the Act of 1927, which requires that local authorities and other public authorities shall not make membership or non-membership a condition of employment. Under the same Act, such authorities are prohibited from making it a condition of a contract that the employees of a contractor shall or shall not be members of a trade union.

"Lawful Associations."

As defined above, a trade union is a "lawful association." This legal standing had already been acquired by trade unions, somewhat differently defined, by the Act of 1871, which removed the illegality under which they stood in Common Law in virtue of the fact that they were in restraint of trade. That Statute, by legalizing them, entitled them to be registered (if their rules were not in contravention of criminal law) and to have their funds protected. It did not, however, make them fully corporate bodies (so it was believed at the time) but left them voluntary associations; and, therefore, on the one hand they could not hold property in their own name, but only in the name of Trustees, nor on the other could they sue or be sued in their own name, but only through representative individuals. Further, the Act, while it legalized the union, did nothing to render legally enforceable certain specified agreements between trade unions and their members, including the following: Agreements concerning the conditions on which members shall or shall not be employed; any agreement for the payment by any person of any subscription or penalty to a trade union; any agreement for the application of the funds of a trade union to such things as the provision of benefits to members, and any agreement between one trade union and another. Such agreements are not legally binding and therefore, for instance, a trade union is not bound by law to adhere to any scale of friendly benefits or indeed to pay any such benefits at all to members, even when they have subscribed for that purpose.

Objects of Trade Unions.

But Parliament, in thus legalizing the trade union by the Act of 1871, and again by the Act of 1876, had at the same time (in Sect. 16 of the latter Act) defined the purposes the pursuit of which rendered a body a trade union, as consisting in the regulation of relations between masters

and workmen, etc., and the imposing of restrictive conditions on the conduct of any trade or business; and had recognized as a subsidiary purpose the provision of benefits for their members. This definition was not generally understood to prohibit trade unions from undertaking other work. If they had been fully corporate bodies, they could not have added to their purposes as defined in the Statute which incorporated them, without special legislation; but since, as it was believed, they had not been incorporated, there was apparently nothing to prevent them, on a decision of a majority of their members, from adding to their purposes. During the next thirty years, in fact, the scope of their activities widened; and many trade unions began, among other things, to undertake political work. Their action in doing so remained unchallenged until 1908, when Mr. Osborne, a member of the Amalgamated Society of Railway Servants, raised an action against his society. The society, like many others, under its rules, provided that each member should subscribe (in this case 1s. 1d. a year) towards the election expenses of Labour Members of Parliament. Mr. Osborne, who objected to this levy, asked the Courts to restrain the society from enforcing it. His case, on appeal to the House of Lords, was successful. The Law Lords decided that trade unions, having been given the privileges of incorporation, were in principle corporate bodies, and therefore incapable, lawfully, of performing any functions not specified in the Statute which incorporated them. That Statute, presumably, was the Act of 1876, which had specified as the purposes of trade unions only the regulation of conditions between master and man, etc., the restriction of trade, and the providing of benefits for its members. Therefore, whenever they went beyond these purposes they were acting illegally, and the raising of funds for political purposes was *ultra vires*. The results of this decision were far-reaching. It meant that whatever new activities trade unions had developed in the progressive

period since 1876, whether educational or political, were henceforth forbidden, and that the unions were liable to be sued by their members whenever they stepped beyond the narrow limits prescribed in the Act of 1876.

The consequence of this decision came four years later in the passing of the Trade Union Act of 1913. By that Act trade unions were given powers which they believed they had enjoyed prior to 1909. Their activities were no longer confined to the pursuit of their statutory objects. So long as these latter remained their principal objects, they could add any other lawful objects; but these must be embodied in their rules, and this presupposed, of course, that the sanction of the majority of their members had been secured. Further, the unions could apply their funds to the carrying out of these objects. To this general permission there was one exception. Certain political objects, namely, the payment of expenses in connection with the nomination, election, and maintenance of members of Parliament or of local government bodies, if undertaken, had to be carried out under specified conditions. They had to be submitted to the members in secret ballot,[1] in which every member had an equal right to vote, and a majority vote in their favour was required. Moreover, the fund for such special objects had to be a special fund; any member who objected to contributing was exempted without suffering any disability, and contribution could not be made a condition of membership. The result of the Act, therefore, was that a trade union might carry out political objects, and might finance them out of its funds, provided that it adhered to the conditions enumerated.

The point of these regulations was that the individual

[1] The ballot had to be taken in accordance with the rules of the union; and the union, whether registered or not, had to submit these rules to the Registrar of Friendly Societies, who might not give his approval unless he was satisfied that every member had an equal right to vote and a fair opportunity of voting, and unless he was assured that the ballot was really secret.

member of a trade union was expected to contribute towards the political fund of the union if organized under the specified conditions, unless he contracted out of the obligation. When the Trade Disputes and Trade Unions Act was passed in 1927, it reversed this principle; it denies to any trade union the right to demand from any member a contribution to the political fund unless he has first contracted in; that is, signified to the union in writing his willingness to contribute to that fund. The other conditions relative to the political fund are practically the same as in the Act of 1913, but it is emphasized that contributions to the political fund must be levied separately from the contributions to the other funds of the union; and that no other assets of the union shall be directly or indirectly carried to the political fund or applied in furtherance of any political object. It is yet too early to ascertain whether, as has been asserted in particular cases, the substitution of contracting in for contracting out has weakened the political resources of the trade unions in general.

Acts of Trade Unions: Civil Aspect.

The above stream of legislation established the position of the trade union, and defined its powers with regard to the objects or purposes for which it may stand. The next question concerns the methods it may employ and the acts it may perform in the furtherance of these objects. When, for instance, a trade union decides to use the weapon of the strike to enforce its demands, that action involves an agreement between two or more persons to withhold their labour. Further, the labour may be withdrawn during the running of a contract of service, and in the conduct of the strike the attempt may be made to persuade other workers to withhold their labour. Such acts performed in furtherance of trade union objects raise problems both of criminal and of civil law. On the side of civil law the question arises as to the circumstances under which an act done by a trade

union in the furtherance of its legitimate objects may or may not be actionable. Here we must retrace our steps to the Acts of 1871 and 1876. As already pointed out, those Acts, while legalizing the trade unions had, so it was understood, refrained from making them corporate bodies; and it was therefore assumed that they could neither sue nor be sued, and, consequently, that their corporate funds could not be touched by legal proceedings. This assumption was proved to have been unfounded by the success of the action brought by the Taff Vale Railway Company in 1901 against the Amalgamated Society of Railway Servants for damages sustained through the action of certain members of that society who had carried out a strike involving a breach of contract. The Law Lords in their findings held that the Act of 1871 in conferring on the trade unions the privileges of incorporation had also given them its responsibilities, and that the trade union could be sued in its registered name for acts committed by its officers, which, though not criminal, were unlawful, and caused damage to others; and that the damages could be recovered from the property of the union. As a result, the A.S.R.S. incurred damages and costs amounting to £42,000.

The trade union world, by this decision, received the greatest threat to its existence that it had experienced since the trade unions had been legalized. The decision meant that any illegal act or tort of a trade union which involved loss to an employer could become the occasion of a claim for damages against the union; and as strikes may be of this nature, the trade unions were restricted in their use of this weapon. The decision, however, brought about the conditions of its reversal. The trade unions had much to do with the return of thirty Labour members to the House of Commons in 1906; and the first act of the Labour Party in the new house was to demand the reversal of the Taff Vale decision, and the Trade Disputes Act was passed into law in the same year.

Trade Disputes.

The Trade Disputes Act, in its five sections, puts the trade unions into a position of considerable privilege as regards acts committed in connection with trade disputes.[1] With Sect. 2 of the Act, which legalizes " peaceful picketing " we shall deal in another connection. Sects. 1 and 3 limit the liability of *individuals* for certain specified acts done in furtherance of trade disputes. Sect. 1 states that " an act done in pursuance of an agreement or combination by two or more persons, shall, if done in contemplation or furtherance of a trade dispute, not be actionable unless the act, if done without any such agreement or combination, would be actionable." This section refers to " conspiracy," the gist of which is agreement between persons to do certain acts. The point of the section, therefore, is that an act, if not actionable when done by an individual, does not become actionable when done by agreement between two or more persons, if that agreement is in furtherance of a trade dispute.

Sect. 3 again refers to individuals, and limits their liability for inducing others to break a contract of employment or for interfering with the trade, etc., of some other person, or with his right to dispose of his capital or labour as he wills. Its words are " An act done by a person in contemplation or furtherance of a trade dispute shall not be actionable on the ground only that it induces some other person to break a contract of employment, or that it is an interference with the trade, business, or employment, of some other person, or with the right of some other person to dispose of his capital and his labour as he wills."

While these sections deal with the civil liability of individuals, Sect. 4 deals with the liability of the *trade union* as such. This section prohibits actions of tort against the unions, and so reverses the Taff Vale judgment. Further,

[1] *Cf.* Dicey, *Law and Public Opinion*, p. 476: " Security gave way to favouritism; the denial of equality, by a natural reaction, led to the concession of and promoted the demand for privilege."

not only may not the union itself be sued, but no members or officials of the union may be sued on behalf of themselves or others. This would, therefore, leave every member and official personally liable for every tort committed by him when acting for the trade union. But by Sect. 3, such individuals were already protected from personal liability for procuring breaches of contract or for interfering with others' trade, business, etc., if these acts were done in connection with a trade dispute. In matters of that kind, therefore, neither the trade union nor its members or officials in name of the others, nor any member individually, can be sued.

Sect. 5 of the Act, in view of the qualifying clause " if done in contemplation or furtherance of a trade dispute," which appears in the other sections, defines a trade dispute. The definition is, " Any dispute between employers and workmen, or between workmen and workmen, which is connected with the employment or non-employment, or the terms of employment, or with the conditions of labour of any person "; and by " workmen " it means " all persons employed in trade or industry whether or not in the employment of the employer with whom a trade dispute arises." It would appear, therefore, that exemption from civil liability covers not only a primary dispute between employers and workers, but also an extension of the dispute involving other employers and workmen. But difficult cases may arise.

The General Strike of 1926 was a case of that kind. That strike had been running only a few days when Sir John Simon stated in the House of Commons that the strike was illegal, and every striker liable personally to damages; and that the illegality of the strike lay in the fact that it involved breaches of contract. A few days later Sir H. Slesser pointed out that the Trade Disputes Act, 1906, expressly conferred immunity on anyone procuring a breach of contract in contemplation or furtherance of a

trade dispute. In reply the Attorney General, in a statement purporting to be an interpretation of Sir John Simon's declaration, said that the illegality lay, not in the breach of contract, but in the fact that the general strike was not an industrial dispute at all, and that, therefore, it did not come within the terms of the Trade Disputes Act, 1906. This view was confirmed later by Mr. Justice Astbury in the Chancery Division, in a case raised by the National Sailors' and Firemen's Union of Great Britain and Ireland. In giving his decision he stated that the " so-called general strike called by the Trade Union Congress was illegal, and contrary to law, ... No trade dispute had been alleged or shown to exist in any of the unions affected except in the miners' case, and no trade dispute did or could exist between the Trade Union Congress on the one hand and the Government and the nation on the other."[1]

Acts of Trade Unions: Criminal Aspect.

The problem of strikes raises questions of criminal as well as civil law. On the side of criminal law the position had been uncertain up till 1871; and the trade unions had found themselves convicted of the crime of conspiracy for the mere act of agreeing to strike. The Act of 1871, however, declared that a trade union is not a criminal association, and a member is not liable to criminal prosecution for conspiracy or otherwise because the purposes of the union are in restraint of trade. Nevertheless in the following year four employees of the Gas Light and Coke Co. were convicted of conspiracy for having in the course of a dispute with their employers, struck work in breach of contract. It seemed, therefore, that while mere membership of a trade union was not a crime, and while a strike was no longer a conspiracy in restraint of trade, the performance

[1] But this view has been held to be unsound on the ground that the general strike was a mere extension of the sympathetic strike, which was apparently permitted under the Trade Disputes Act.

of any act in furtherance of it might lay members open to the charge of criminal conspiracy to molest or injure an individual. This was altered in the Conspiracy and Protection of Property Act, 1875, in Sect. 3 of which it is declared that an agreement between two or more persons to do any act in contemplation or furtherance of a trade dispute is not a criminal conspiracy unless the act would be a crime if committed by a single person. But a strike is an agreement between two or more persons to withdraw their labour; and since it is not criminal for one person to withdraw his labour, it follows that a strike is not illegal. There are, however, exceptions to this general rule. Under Sect. 4 of the Act of 1875, any person employed by a municipal authority or company or contractor supplying gas or water to the public is liable to fine or imprisonment if he wilfully and maliciously breaks a contract of service knowing that the consequences of his so doing, either alone or in company with others, will be to deprive the inhabitants of their supply of gas or water; and under Sect. 5 of the same Act, such a person is similarly liable if his breach of contract is, to his knowledge, likely to endanger human life or cause serious bodily injury or expose valuable property to destruction or serious injury. To these cases the Trade Disputes and Trade Union Act, 1927, adds one other, namely, that in which the breach of contract is likely to lead to injury or danger or grave inconvenience to the community. A strike in these circumstances, therefore, is a criminal offence.

Post-war labour troubles led, in 1920, to the passing of the Emergency Powers Act, under which if it appears to the Government that any action has been taken or is immediately threatened by any person or body of persons of such a nature and on such a scale as to be calculated to deprive the community, or any substantial portion of it, of the essentials of life, the Government may proclaim a " state of emergency," and may make regulations, by Order

in Council, for securing the essentials of life to the community. But it is provided that nothing in the Act shall be construed as imposing any form of compulsory military service or industrial conscription, and that no regulations issued under the Act shall make it an offence for any person or persons to take part in a strike, or peacefully to persuade any other person or persons to take part in a strike.

Strikes.

Thus after the passing of the Act of 1875, striking, or inducing or inciting others to strike, was no crime, except in the cases mentioned above. But the Trade Disputes and Trade Union Act, 1927, alters the position. In this Act it is declared that a strike is illegal if it fulfils two conditions, namely, (1) if it has any object other than or in addition to the furtherance of a trade dispute within the trade or industry in which the strikers are engaged; and (2) if it is a strike designed or calculated to coerce the Government either directly or by inflicting hardship upon the community. The intention of this section of the Act was to make impossible the general or sympathetic strike, by declaring to be illegal both those in which no trade dispute at all was involved, and those in which, if a trade dispute was involved, it was not within the trade or industry in which the strikers were engaged. Whether the intention is fulfilled by the terms of the Act will have to be decided in the Courts. But it is at least conceivable that a sympathetic strike may occur within a given trade or industry, and, therefore, apparently be not illegal whatever its consequences; and on the other hand, that a primary strike may be illegal if it is not in furtherance of a trade dispute in the accepted meaning of the term.

While such strikes then are declared illegal, the Act makes it clear that penalties are to be inflicted only on any person who " declares, instigates others to take part in, or otherwise acts in furtherance of a strike "; and that

" no person shall be deemed to have committed an offence under this section or at Common Law by reason only of his having ceased work or refused to continue to work or to accept employment."

Picketing.

Apart, however, from the legality or illegality of strikes, questions arise as to the legality of certain acts which may accompany strikes. In particular there is the question of " picketing," which has been the subject of much legislation. To understand the position, it is necessary to refer again to the Conspiracy and Protection of Property Act, 1875. In Sect. 7 of that Act it is declared that the immunity given to acts done in furtherance of a trade dispute, did not extend to certain acts specifically prohibited. These are the use of violence or intimidation or injury to property; persistent following of a person from place to place; hiding the tools, clothes, or other property of a person; watching or besetting the house of any person, or the place where he resides or works, or carries on business or happens to be; and following any person with two or more other persons in a disorderly manner. For such acts, a penalty of £20 or three months' imprisonment may be imposed. These are the " picketing " regulations which have been the subject of so much dispute; and which have been modified, first in the Trade Disputes Act of 1906, and later in the Trade Disputes and Trade Unions Act of 1927. In the former of these two Acts (Sect. 2) it is stated that " it shall be lawful for one or more persons acting on their own behalf, or on behalf of a trade union, or of an individual employer or firm, in contemplation or furtherance of a trade dispute, to attend at or near a house or place where a person resides or works or carries on business or happens to be, if they so attend merely for the purpose of peacefully obtaining or communicating information or of peacefully persuading any person to work or abstain from working." The condition

in the last clause is the important one, and means that so long as picketing is peaceful and confined to the purposes stated, it cannot be the ground for criminal prosecution.

The effect of the Act of 1927 is to stiffen up the regulations as to picketing. Sect. 3, subsect. (1), takes the form of a definition of the existing law as contained in the Acts of 1875 and 1906. It " declares " that it is unlawful for one or more persons (whether acting on their own behalf or on behalf of a trade union or of an individual employer or firm, and notwithstanding that they may be acting in contemplation or furtherance of a trade dispute) to attend at or near a house or place where a person resides or works or carries on business or happens to be, for the purpose of obtaining or communicating information or of persuading or inducing any person to work or to abstain from working, if they so attend in such numbers or in such manner as to be calculated to intimidate any person in that house or place, or to obstruct the approach thereto or the egress therefrom, or to lead to a breach of the peace; and attending at or near any house or place in such numbers or in such manner as is thus declared unlawful, shall be deemed to be a watching or besetting of that house or place within the meaning of the Conspiracy and Protection of Property Act, 1875. But while thus apparently only declaring the existing law, the Sect. (in Subsect. 2) defines " intimidation " in a manner which makes the position less clear than formerly. It is there stated to mean " to cause in the mind of a person a reasonable apprehension of injury to him or to any member of his family or to any of his dependents or of violence or damage to any person in respect of his business, occupation, employment, or other source of income, and includes any actionable wrong." It would thus appear that intimidation is unlawful not only if it is a threat of injury but even if it takes the form of slander, etc. In Subsect. (4) of the same section it is declared that " notwithstanding anything in any Act, it shall not be lawful

for one or more persons, for the purpose of inducing any person to work or abstain from working, to watch or beset a house or place where a person resides or the approach to such a place." This is a repetition of the prohibition contained in the Act of 1875, and is apparently intended to prevent that prohibition being over-ridden by Sect. 2 (1) of the Trade Disputes Act of 1906, which permits attendance at a person's house for purposes of peaceful persuasion.

The extreme complexity of the law on trade unions makes any attempt to put the position briefly one of great difficulty. But, if we omit many qualifications and exceptional cases, the main features are fairly clear, and may be stated thus—

Since 1871 a trade union, although by definition it is in restraint of trade, is a body which is no longer illegal, and all persons in private employment (and most persons in Government employment under certain conditions) are free to combine provided they are over 16 years of age. The domestic affairs of these unions are, by the Act of 1871, free from interference by the courts. For acts done in furtherance of a trade dispute a trade union is (under the Conspiracy and Protection of Property Act, 1875, and the Trade Disputes Act of 1906) practically immune from legal action, whether under criminal or civil law; but under the Trade Disputes and Trade Unions Act of 1927, a strike which involves no trade dispute, or one in which the trade dispute does not exist in the trade or industry in which the strikers are engaged, is illegal. Peaceful picketing is permitted under the Trade Disputes Act of 1906; but intimidation, injury, and watching and besetting are declared by the Act of 1927 to be unlawful. Finally, the members of a trade union may devote part of the union's funds to political purposes, if certain conditions are observed, but no member may be required to contribute to funds for such objects unless he specially signifies his willingness to do so.

CHAPTER III

TRADE UNION STRUCTURE AND GOVERNMENT

I. Basis of Organization

Given the possibility of labour organization, we are next concerned with the basis on which the organization may be built up. Since trade unions are associations for the maintenance of the industrial status of wage-earners, the basis common to all trade unions is the common employment of a group of men who, because of their common employment, have similar problems to solve. But there are many possible interpretations of the term "common employment," any one of which would afford a possible basis of union, while there are also many lines of cleavage between groups of wage-earners, any one of which would be sufficient to differentiate one group from another. Common employment might be interpreted geographically, and the basis of union might be the fact that men are employed in the same locality and meet each other frequently. Even so, however, it is not likely that the same local union would embrace employees of such different kinds as engineers, cotton workers, and coal miners; their industrial problems are different. Hence the basis of union must be occupational, if also territorial. Within the industrial field again, the basis of union might be the fact that the workers are engaged on the same kind of process, such as the spinning of cotton, or iron-moulding; or that they are engaged in working on the same material, as are the members of the Amalgamated Society of Woodworkers; or that they are employed by the same employer or group of employers; or again that they are engaged in the same industry, and turning out the same products, even though they may be working on different

processes and on different materials. Again, the fact that workers are differentiated as "skilled" or "unskilled," though the divisions are blurred, introduces other possibilities. The skilled workers might unite into unions of their own, leaving the unskilled to form organizations for themselves or to remain unorganized; or a union might contain both skilled and unskilled workers in an industry. In the former case, it might happen that unskilled workers, irrespective of the nature of the industry in which they are employed, might unite together, as has happened in the case of the Union of General Workers. Sex, again, might be an additional line of demarcation, and women form unions of their own apart from the men, or alternatively might join in the men's union. Lastly, the industrial or occupational community of interest might override the geographical, and unions, built on the existence of some common industrial fact, might extend beyond local boundaries and become even national in extent.

Variety of Bases.

At the present time the trade union world, so far as this matter is concerned, is at sixes and sevens. Partly because the unions have materialized under a great variety of circumstances and have been formed to meet particular needs at different times, and partly because industries differ in structure, and a form of labour organization suitable for one might fail to fit another, existing trade unions present instances of almost all the types enumerated. It is to be expected that in the early days of the trade unions, their boundaries would be narrow both geographically and industrially; and that as in the course of time developments in transport and communication broke down the isolation of localities, and industrial improvements reduced the demand for highly specialized skilled manual workers, the geographical and industrial lines of demarcation would tend to be obliterated. This, indeed, occurred; but the advance was

neither regular nor general. Spasmodic bursts of enthusiasm led to premature and temporary extensions in the area of association, and national associations sprang up, only to disappear in a short time. The extension of the occupational basis of union was also irregular, and varied from industry to industry. For most purposes, the local associations of cotton weavers in Lancashire are distinct societies, each complete in itself; the National Union of Railwaymen is a national society; the United Patternmakers' Society is an example of union on the basis of skilled craftsmanship; the Amalgamated Society of Woodworkers an example of union on the basis of common material; and the Miners' Federation was, until recently, a close approximation to an example of union by industry. Again, while most societies other than the distinctive Craft Unions admit into their membership less skilled workers, there exist unions of unskilled workers of a particular kind, like the Dockers' Unions, and at the same time others, like the Workers' Union and the National Union of General and Municipal Workers, which include unskilled workers from many industries. Of distinct unions for women there are few left in industry proper, but Women Teachers and Women Clerks and Secretaries have their own associations.

The variety of basis is evidence of the fact that trade union structure was not thought out in advance, but developed in response to changing conditions, and to the variety of problems which have been prominent in different industries and in different localities. But with the growth of the "labour" movement, it was inevitable that some endeavour should be made to co-ordinate the structure of labour organizations, and to select that basis which should lend itself most easily to the furtherance of those interests which have become increasingly common to labour as a whole. To this end members of different unions have naturally tended to push for that form of organization with which they themselves are connected; and if we omit

certain rare cases (such as organization on the basis of material worked on) there remain some five possible varieties, for each of which a claim has been made. These are: organization by craft; organization by industry; organization by occupation; organization by employment; and general organization.

A craft union is a union of workers belonging to the same special trade, irrespective of the particular industry or occupation to which they may be, for the time being, attached; they possess the same kind of skill, usually of a fairly high order, and they unite in order to maintain for the members of their trade the best possible conditions. Examples of such unions are the United Patternmakers' Association, the National Society of Coppersmiths, and the Typographical Association. Akin to the pure craft union is the union which includes the workers in a number of cognate skilled trades; for instance, the well-known Amalgamated Engineering Union, which includes millwrights, fitters, turners, electricians, borers, slotters, planers, and a considerable number of other skilled workers in engineering. This is the type of union which predominated from the foundation of the A.S.E. in 1851 to the 80's of last century. British trade unions have been traditionally craft unions, and opinion is still strong in favour of this model.

Against these unions by craft has been set the ideal of union by industry. Organization on this basis would mean that the lines of division between unions would be vertical, running up and down the whole range of grade and skill; and that within each pair of boundary lines, all the workers would be organized in one union. Thus there would be an industrial union for the agricultural industry, one for the mining industry, one for transport, one for building, and so on; and in each of these, all the workers, irrespective of their degree of skill, or of their particular kind of work, or their grade or sex, would be united. As

contrasted with the craft union which organizes according to skill, or process performed, the industrial union would organize according to the nature of the product turned out or the service rendered. Occupational unionism, the third alternative, is similar to industrial, except that the lines of division would be horizontal rather than vertical.

The fourth alternative is union according to employment: that is, the inclusion in one union of all workers employed by the same employer or group of employers. Although this ideal is strongly held among members of the National Union of Railwaymen, who assert that the natural area of association in their case includes not only railway transport, but all the undertakings covered by the railway companies, it is not one which would command anything like general acceptance. The adoption of such a basis would split into sections workers who, by reason of their working at the same trade have to meet common problems which can be met only by joint action; it would, on the other hand, bring together into single unions men who, though employed by the same company, may be engaged in totally different and unrelated work; and finally, it would make for an identification of trade unions with the interests of different employers, and suggest an acquiescence in the present alignment of industry, which are alien to existing views of labour. In fact, it is doubtful whether such a mode of organization could ever be successfully established, even in the case of the railways, where craft interests have been sufficiently diverse and strong to prevent common organization over the whole field of the railway industry as at present defined, and where any attempt to widen the area would be met by further craft resistance.

The fifth possibility is to ignore craft and occupational, industrial and other differences between workers, and to include all wage-earners in general organizations. That alternative may also be left on one side for the present.

It is true that general unions do exist, cutting across all the divisions already mentioned, and recognizing no boundaries between industries, and that to such unions belong, in fact, nearly one-fifth of all the workers who are at present organized. But they are general only on the horizontal plane; and to overcome differences between vertical grades of workers, so as to unite all in one big union, which is the ultimate ideal in this direction, involves issues which, as we shall see, have proved insuperable in the more limited attempt to promote industrial unionism.

Craft *v.* Industrial Unionism.

Thus we are left with two alternatives which are not altogether impracticable—craft and industrial unionism. Nevertheless, these are not equally suitable for all industries at the present time. Differences on the technical side of industries make something of the nature of craft unions at least a possible form of organization for some but not for others. In a wide industry like engineering, a considerable number of workers belong to distinct, highly skilled trades, entrance into which is through a period of more or less definite training, which in some cases constitutes a virtual apprenticeship, and which is the only means of entrance to these trades. They remain, therefore, separate, with wide gaps between them over which there is no bridge. Each craft has its own problems, and its members have a community of interest which naturally brings them together into the same association. In contrast with this is the industry of coal-mining, in which there is nothing of the nature of apprenticeship or distinct, highly skilled crafts. Progress in employment in the industry is by promotion from lower to higher grades of work. In such an industry craft unionism is obviously out of the question, and since the interests of the workers are not separated by any natural barriers the basis of union is the industry as a whole. But conditions in all industries do not conform

solely to these two types. There is the intermediate type of industry in which there are a certain number of skilled craftsmen, and also a certain number of less skilled or general workers. At the same time, with the progressive mechanizing of industry, the older type of craftsman has become more rare, the old-fashioned apprenticeship is dying out, and industries on the whole approach more nearly to the type in which the industrial union appears a possible form of structure.

From the technical side, therefore, the industrial union would seem to be a possibility in a growing number of industries; and the problem of the future organization of labour, therefore, may be solved by the technical facts of industry. But at the present time, in industries such as engineering, either form is possible, and the choice is not so much a technical question as a question of social purpose and function. The problem is whether the manufacture of common products or the performance of common processes is the more desirable basis of association. The problem is complicated by the cross-divisions of industrial occupation. There are engineers in many different industries; in fact, in nearly all industries which make use of machinery. Ought their loyalty to be to their fellow-engineers, irrespective of their industrial classification; or to the other classes of workers in the industry in which they happen for the time to be employed? That is, should all engineers unite together in an engineering union which excludes other classes of workers; or should they be united along with cotton operatives in the textile industries, with various shipyard workers in the shipbuilding industries, and with different kinds of railway employees in the railway industry? Such questions obviously presuppose some ulterior object. They throw back to the question of the purpose of association and to the question whether that purpose is more likely to be attained by union according to process or union according to product. When, therefore,

there is a possibility of either type of organization being set up in a given industry, the preference for the one or the other will be determined by the general industrial outlook of their respective advocates. The craft union is the type favoured by the aristocracy of the working-classes, who already hold a strong place in industry and enjoy relatively good wages and an honoured status; and it is an association for the maintenance of privileges by the exclusion of new entrants in excess of certain proportions. It is formed by those who, on the whole, are not revolutionary in their ideas, but are satisfied with the existing system of industry, and who are not concerned with the ideas of the " solidarity of labour." The industrial union, on the other hand, is the type favoured by those who, through their exclusion from the skilled class, are shut out from these privileges. Such personal questions count. But at the same time the matter goes further; it is bound up with the economic conceptions of different types of labour thought, to which reference must be briefly made.

The widening of the basis of union, which began to show itself after the eighties of last century in the inclusion of less skilled workers in the unions of some of the more skilled, and the increasing number of amalgamations of cognate unions, received stimulus from the growth of new social and economic ideals in the twentieth century; particularly from the growth of Syndicalism about the years 1910–12. In this movement the conception of the " class-war " was a basal assumption, and the ideal of " labour " on the one side being in opposition to " capital " on the other, involved abstraction from the differences and antagonisms within the ranks of labour itself, and an insistence on the community of interest among all the members of the working-classes. That assumption, remote as it may be from the facts, is fundamental to Syndicalism. Its object, again, was that the control of each industry should be in the hands of all the producers in it; and it expected to secure this end

by " industrial " rather than " political " means; that is, through the agency of the existing, though reconstituted, trade unions, rather than through Parliament. For this purpose it was necessary that the existing structure and government of trade unions should be fundamentally altered so as to make common action for common purposes within each industry a possibility. This reconstitution was to take the form of removing the differences and antagonisms between the existing classes of trade unions and banding into one union all those who worked together in each industry. The means upon which Syndicalism relied to bring about the economic revolution and the passage from the present economic system to Syndicalism, was the " general strike," a means which was considered impossible of realization so long as labour was sectionally organized. The whole pressure of Syndicalism was, therefore, in the direction of industrial as against craft unionism. Although the number of workers who seriously adopted the proposed economic ideal was negligible, the underlying conceptions gained ground; and, as these ideas were in line with the actual tendency within industry to a reduction in the number of craftsmen, and an increase in the proportion of general, unskilled, and unspecialized workers, the cause of industrial unionism prospered.

The movement was further strengthened by war-time experiences and developments. In opposition to the official campaign for the dilution of labour there arose a spontaneous organization of shop stewards and unofficial " Works Committees," particularly in engineering, which took over responsibility for dealing with the new situation, and, temporarily at least, superseded the official trade unions in directing labour policy. In several districts these works committees joined to form " Workers' Committees," representative of the rank and file of labour over a whole industrial district. The spontaneous development of these three bodies as the spokesmen of labour in face of its immediate

problems, not only threatened the existence of the orthodox unions as antiquated and inadequate to the new conditions, but appeared for a time as if they were to form the nucleus of a new type of trade union, which, being built from below upwards, would give a greater voice to the rank and file of the workers in the formulation of labour policy. It is doubtful whether the active men in this movement had any clearly defined object or were deliberately aiming at the overthrow of the older trade unions. The movement was the immediate answer to what were considered threats to labour, either in the narrower form of dilution or in the wider form of conscription and militarist policy. It would be a mistake, therefore, to identify the aspirations of the shop stewards and the works committees entirely with industrial unionism. But at any rate most of the shop stewards, as individuals, were " advanced " men, working for a more democratic organization of labour than was represented by the older trade unions, and keen to see working class organizations controlling industry. Thus, if not deliberately advocating industrial unionism as a new method of organization, their actions were all in the direction of stressing the need for greater self-government in industry, for organization on a broader basis, for reducing the differences between skilled and unskilled, and for pressing labour policy on more aggressive lines. In the sequel, this revolutionary movement within trade unionism collapsed, and the orthodox trade unions gained the ascendancy; but the events left their mark in a more widespread desire for organization on a basis other than that of crafts.

It was in engineering that the conflict between the industrial and the craft unionists was most keenly waged; and here the division of opinion did not, as might have been expected, follow the lines of cleavage between the skilled and the unskilled workers. Largely on account of the Government's war-time policy, many of the ardent advocates

of the democratic control of industry by the workers in it were to be found among the engineers, skilled and unskilled alike. This advocacy involved the organization of labour on an industrial basis, and both classes of workers gave active support to this proposal. The trade union official mind, however, was in favour of retaining existing distinctions, and so far it has won the day; for the only important change in the Engineers' Society—its extension and change of title to the "Amalgamated Engineering Union" in 1919—did not involve any change of policy, but merely extended the union to include certain types of workers hitherto excluded.

Thus there were several separate influences at work making for the success of industrial as against craft unionism, at least in certain industries. But the difficulties in the way of realizing the ideal of one union for each industry are much greater than many of its advocates suspected. Even in coal mining and the railways, industries which lend themselves most easily to this type of organization, the ideal is far from having been realized; for at its best the Miners' Federation did not include all the workers in the mines. Colliery mechanics had and have their own national federation; and there are separate associations of firemen, examiners, and deputies, linked into a general federation, as well as other societies. In the case of the railways, while the National Union of Railwaymen aims at including all grades of railway workers, many of the locomotive grades are members of independent associations of Locomotive Engineers and Firemen; and the clerks and supervisory grades are organized in the Railway Clerks' Association. The difficulty lies partly in the fact that the abstract conception of the solidarity of labour has to give way before the facts. As between skilled and unskilled workers or between clerical and supervisory grades on the one hand, and manual workers on the other, there are still differences which make their inclusion in one union a matter

of practical difficulty. There are misunderstandings, jealousies, and refusals to recognize each other's point of view. Members of the superior grades feel no confidence that they will be supported in their demands for the maintenance of their status and conditions by workers who receive lower wages and possibly work a longer day. Members of the inferior grades of workers have never made definite their policy in matters of this kind; and until they do industrial unionism will fail to be achieved, and organization will continue to be sectionalized. If these difficulties exist in industries like the railways and coal mining, they are much less likely to be overcome in industries like engineering, in which the craft element is of greater numerical strength.

For the moment difficulties like those mentioned have been recognized by the trade union world as insuperable barriers to the new type of organization. At the Trade Union Congress at Hull in 1924 the General Council was instructed "to examine the problem of organization by industry, and prepare a report thereon." The completed report was presented to the Congress in 1927. The resolution on which the General Council acted was in these terms: "This Congress declares

(*a*) That the time has arrived when the number of trade unions should be reduced to an absolute minimum.

(*b*) That the aim should be, as far as possible, organization by industry, with every worker a member of the appropriate organization.

(*c*) That it is essential that a united front be formed for improving the standard of life of the workers.

And accordingly instructs the General Council to draw up—

(i) A scheme for organization by industry, and

(ii) A scheme which may secure unity of action without the definite merging of existing unions, by a scientific linking up of same to present a united front."

After an elaborate and careful investigation in which the views of the main unions were ascertained, the Council found " great ramifications of trade union organization and differences in conception as to the best form of structure." Nominally many unions (including craft unions) favoured organization by industry; but inquiry showed that frequently the reason for the preference was that " they confined the term ' industry ' to their particular craft." The conclusions of the Council were " that as it is impossible to define any fixed boundaries of industry, it is impracticable to formulate a scheme of ' organization by industry ' that can be made applicable to all industries." Similarly, it found that no general scheme of scientific linking without definite merging of unions was practicable, though it might be possible for groups of unions to prepare their own schemes. Finally, it concluded that " trade union organization will have to be gradually remoulded and its present form *adapted*, rather than *transformed*, to meet the new conditions."

In so far as the ideal of industrial unionism is based on the desire to " overpower the octopus of capitalism with its attendant evil, the wage-system, and secure the complete control of industry in the interests of the whole community," the fostering of the movement will depend on the strength of the class idea, which, for the time being, has given way before the idea of co-operation. Again, in so far as the industrial union is advocated as a means towards greater bargaining power to be gained through the greater size of the unions, and the more complete unity of purpose of which they will be an evidence, advance may be hindered by such experiences as those of the miners, who found that size does not always mean strength. On the other hand, the developments on the technical side of industry, as we have seen, tend to favour the growth of the industrial as against the trade union; and even if this process should continue, there is no real evidence that it

need be a ground for such fears as have been expressed on behalf of the general community. These fears are, first, that the organization of all workers in an industry in one union will lead to a greater use of the strike weapon, and less use of peaceful methods, in the settlement of industrial disputes. This fear is probably exaggerated. It would depend on the nature of the government of the unions. A strongly organized industrial union is more likely to prevent sectional and local strikes than to increase their number. The real danger that appears is that, if a stoppage does occur, it is likely to be proportionately more serious, and to have graver effects on the general industry of the country, than a strike in a craft union. The second danger is that the growth of industrial unionism will be accompanied or followed by a more vigorous demand for the ownership and control of industry by the workers, for, as we have seen, it was the hope of such control that was one of the main driving forces in the development of the idea. But unless there are objectionable features in industrial unionism itself, this danger need not be taken too seriously; for as institutions grow and the promoters acquire experience, original motives undergo change. The third fear is that industrial unionism would endanger the prosperity of industry by increasing the friction between employers and employed, and, enjoying a monopoly of labour in each industry, would make insistent demands for wages beyond the level that could be paid, at least in unsheltered industries. But on the other hand, it is to be remembered that the chief obstacles to the introduction of labour-saving appliances in British industry, as has been pointed out, have been imposed by the craft unions; and on the contrary it has been the industrial type of union which, in the United States, has welcomed their introduction and so assisted towards the lowering of costs. This, indeed, would seem to follow from the facts of the case; for industrial unionism stands for the welfare of all the workers in an industry;

the craft union for the interests of one group, not only as against the employers but also as against other groups of workers; and it is likely, therefore, that the former will be more ready to welcome reorganization and improvements which, while possibly detrimental to one section of workers, are beneficial to the workers as a whole. Nor is there any longer any great danger, after the experiences of 1926, that any one body of workers will be able to impose its will on the community against the general will.

Amalgamation.

While the substitution of the industrial for other bases of union raises difficulties which cannot yet be overcome, some of the advantages claimed for the industrial union can be secured by the method of amalgamation which involves fewer modifications of existing structure. When two or more unions amalgamate, each ceases to have a separate existence, and becomes completely merged in a new organization which has one common fund, and is subject to one supreme executive control. Although the amalgamation movement has proceeded with increased rapidity in recent years, it is long since the advantages of closer unity were recognized and endeavours made to link together formerly separate unions. As early as the thirties of last century, indeed, a number of lightning amalgamations took place, some of them, like the Grand National Consolidated Trades Union, being on a national scale. These, based on a vision of a completely united labour movement, were premature, and speedily dissolved into their constituent parts. But there were also more stable amalgamations, founded on the recognition of the practical advantages of size and unity. Such was the Amalgamated Society of Engineers, which, in 1851, brought under one union a large number of skilled workers in engineering who had formerly been organized in separate societies. That amalgamation endured. Akin

to it was the United Journeymen Brassfounders' Association, formed in 1866. The former was an amalgamation of societies representing closely allied classes of workmen; the latter, of societies composed of the same class of workmen. But these were isolated cases. The great majority of amalgamations came as a result of two waves of enthusiasm for closer unity, the one preceding the war, and particularly during the years 1911 to 1914, the other in the post-war years. This fact is reflected in the relative numbers of separate trade unions and of total trade union membership in the years of the present century. Thus, while the figures for 1900 show an average membership per union of 1,528, the corresponding figure for 1913 was 2,020. During these years the number of separate unions had fallen from 1,323 to 1,269. Again, between 1913 and 1920 the increase in average membership per union was from 2,020 to 6,100, while the increase in separate unions was only from 1,269 to 1,360. By 1927 the number of members and of separate unions had both declined, but the average membership of each union was still 4,353. The decline in the number of unions by 239 in these eight years is partly accounted for by the dissolution of 260 unions; but at the same time 205 new unions had been formed, and the difference is due to the completion of 233 amalgamations of formerly separate unions. Evidence of belief in the merits of size is to be found in the fact that, in 1929, about one-half of the total membership of trade unions is contained in some eight or nine principal unions, such as the Miners' Federation of Great Britain, with 600,000 members; the National Union of General and Municipal Workers, numbering 258,000; the Transport and General Workers' Union, with 278,000 members; the National Union of Railwaymen, with 311,000, and the Amalgamated Society of Weavers, Winders, etc., with 157,000.

The agitation for amalgamation in the years immediately preceding the war can be traced to the realization of the

weakness of sectionalism in face of the declining standard of living consequent on the general rise of prices which reached the peak about 1910–12. It had one outstanding result, the formation of the National Union of Railwaymen. The main society of railway workers had formerly been the Amalgamated Society of Railway Servants to which the Scottish Society of Railway Servants had joined itself in 1892, and the General Railway Workers' Union later. The decision of the United Signalmen and Pointsmen to unite with the larger body in 1913 established the conditions necessary to make the joint society representative of the whole industry, and under the name of the National Union of Railwaymen it aims at organizing all grades of railway workers. In this it has not yet been completely successful. Of the drivers, firemen, and cleaners in the service of the railways, the majority still belong to the separate Associated Society of Locomotive Engineers and Firemen, and while some of the members of the clerical and supervisory grades have joined the N.U.R., the majority still adhere to the separate Railway Clerks' Association.

The war put a temporary check in the way of the advance of amalgamation; but after the cessation of hostilities, the movement was taken up with renewed activity. Progress was facilitated by the amendment of the law relating to amalgamation. Prior to 1917, it was necessary, before amalgamation between two or more societies could take place, that there should be a vote in favour of amalgamation of a two-thirds majority, not merely of those voting, but of the whole membership of each society. The difficulty of securing such a majority was great; at the best it is impossible to ensure that such a proportion of the members of a trade union will record their votes at all on any question; and this not merely because of indifference but because of the practical difficulty connected with changes in workplace and residence of members. In 1917, however, there was passed the Trade Union (Amalgamation) Act, under

which a proposal for amalgamation is carried if, on a 50 per cent vote of the members, there is a 20 per cent majority in favour. Even that condition, however, is found by some unions to be too hard, and in some cases unions bent on uniting forces have got over the legal difficulty by the smaller of the two unions voting all its funds to the larger and then dissolving itself; and the larger union then receiving all the members of the smaller into its ranks on previously agreed terms.

Slight as was the amendment to the law it was nevertheless sufficient to facilitate amalgamations, and the post-war years have seen a great increase in their number. One of the most striking cases was the formation of the Amalgamated Engineering Union in 1920, which absorbed what had formerly been the main union, the Amalgamated Society of Engineers, as well as the toolmakers, the steam engine makers, brass-finishers, machine workers, smiths and strikers, and several other smaller engineering societies. The National Union of General Workers was formed to unite the National Federation of Women Workers, the Gas, Municipal and General Workers, the British Labour Amalgamation, the Engine and Crane Drivers, and others. The Transport and General Workers' Union brought under one body the Dockers' Union, the National Union of Dock Labourers, the Scottish Union of Dock Labourers, the National Union of Vehicle Workers, and several other smaller societies. The National Union of Printing, Bookbinding and Paper Workers, formed in 1922, absorbed the Bookbinders and the Printing and Paper Workers. In the same year, the National Union of Textile Workers was formed by the absorption into one society of several unions including the National Society of Dyers and the General Union of Textile Workers. Again in the same year the National Union of Foundry Workers was formed by the fusion of the Friendly Society of Iron-founders, the Scottish Iron-moulders and the Core-makers; and the National Union

of Blast-furnacemen absorbed the local societies of blast-furnacemen and their National Federation. In 1920 the two separate unions of Carpenters and Joiners amalgamated to form the Amalgamated Society of Woodworkers, and in 1921 the Amalgamated Union of Building Trade Workers was formed by the Unions of Stonemasons and Bricklayers. Outside of industry proper the same tendency has shown itself, and the Union of Post Office Workers absorbed the formerly separate Postmen's Federation, the Postal and Telegraph Clerks' Association, and the Association of Postal Sorters; while the Civil Service Clerical Association is an amalgamation of the several Civil Service Unions.

This formidable list of amalgamations, which is far from exhaustive, will nevertheless be misleading if it suggests that the aim of the amalgamationists even approaches attainment, or that the amalgamations which have taken place have proceeded on any general and prearranged plan. Over considerable sections of industry, union is still by separate crafts which refuse to entertain the idea of closer co-ordination. Such is the case in the cotton industry. Even in engineering, in which the expansion of the Amalgamated Society of Engineers into the Amalgamated Engineering Union in 1920 seemed to foreshadow a complete linking up of interests, there still remain many separate societies.

Thus, not only is there lack of agreement as to the basis on which trade unions ought to be built up, which results in practice in a great variety of types, and the absence of that unity of action which conformity would make possible; there is also lacking agreement as to the conditions under which the interests of separate unions are sufficiently harmonious to make amalgamation desirable. In fact, there are two types of circumstance in which amalgamation is attempted. In the first, we have separate societies whose membership is open to the same class of workers, and which

are, therefore, competitive. Here the case for amalgamation is strong; for the position of the workers concerned would be strengthened by the union of their societies. But on the other hand, amalgamation is desired as a means to industrial unionism, and in this case it recommends itself only to those who favour this form of union. The case for it on other grounds is more than doubtful. Yet obstacles to amalgamation exist even in the former case where its main purpose seems to be generally approved; and as these obstacles throw some light on the practical problem of labour organization, they may be briefly reviewed.

Perhaps the chief difficulty in the way of amalgamation is that of finance; and this difficulty is present in greater degree, the greater the diversity of rates of contribution and of benefit in the several societies which desire to amalgamate. Naturally the members of the stronger society, who pay the higher rates of benefit, will object to seeing others admitted on less onerous terms than themselves; and on the other hand, the members of the weaker society will be unwilling to pay higher contributions than those to which they have been accustomed. It is for this reason that the General Council of the Trade Union Congress urges that one of the most practical approaches to the problem of reducing the number of unions would be to obtain a greater degree of uniformity in contributions and benefits.[1] So long as differences remain, however, the only solution of the difficulty offered by the Trade Union Congress is that in the event of disagreement about scales, it might be possible to confine a standard scale to new entrants and to existing members who may elect to join that scale.[2]

A second obstacle consists in the difficulty of dealing with the officials of the separate unions, some of whom, through amalgamation, would be rendered supernumerary.

[1] Report of General Council of T.U.C, 1927, in *T.U.C Annual Report*, 1927, p. 111.
[2] *Ibid.*, p. 108.

As no society desires to see its officials lose their status or their security, it is generally found impossible to bring about amalgamation without guaranteeing to all officers at least temporary posts at salaries no less than they at present enjoy. But this may prove a heavy drain on the amalgamated society, and the T.U.C., therefore, recommends that provision be made for compensation where reduction of the number of officials is found necessary.

The legal obstacle in the way of amalgamation has been less onerous since the Amalgamation Act of 1917 was passed. But difficulty still exists in securing the necessary 50 per cent vote required. The General Council of the Trade Union Congress suggests that this may be due to ignorance of the case for amalgamation, and consequent indifference, and therefore recommends that the presentation of the amalgamation scheme should not be confined to the information that can be given on a ballot paper, but should be placed before meetings of members.

These obstacles to amalgamation occur even in those cases where there is little doubt about the desirability of the amalgamation. Where, on the other hand, amalgamation is suggested between unions which do not cater for the same class of workers bigger issues are frequently involved. In the simplest case separate unions fear that amalgamation will mean loss of trade identity and that " adequate representation on the new executive and other bodies, together with adequate functioning facilities, will not be afforded to their particular section or craft."[1] And when still more dissimilar unions contemplate amalgamation there emerge those difficult problems of industrial unionism which have already been considered.

Federation.

Between the complete isolation of several unions and their complete mergence in one body through amalgamation,

[1] *T.U.C. Report*, 1927, p. 107.

there is the third alternative of Federation, which may be defined as a device by which several unions, while retaining their autonomy in dealing with their own internal affairs, act as one in all matters affecting their common interests. In the case of related unions, therefore, federation may logically be taken as the second stage in the development of labour organization. It may be assumed that with the increased mobility of labour and the breaking down of barriers between trades, and with the widening of the outlook of the workers, stress comes to be laid on those interests of different classes of workers which are common, as compared with those which are diverse; and that consequently the conditions favourable to federation become more widespread. But it would be a mistake to look, in the history of trade unionism, for any such smooth and orderly development. Federations exist and increase in number. The net federated membership[1] of trade unions, which amounted to 2,945,000 in 1913, was 3,959,000 at the time of great union activity in 1922. By 1926, it had fallen to 2,624,000, being in the latter year equal to a percentage of 50 of the total trade union membership. But federation is by no means a universal development, and unions may continue to remain separate although closely related in much of their activity; or, on the other hand, this stage of development may be omitted, and separate unions proceed directly to amalgamation; or again, the development may stop short at federation. Examples of each are to be found. Again, the term federation may be applied to associations of very different type and co-operating in varying degrees. The National Printing and Kindred Trades Federation is a federation in perhaps the strictest sense of the word. It associates into common action for common purposes the unions of workers in distinct sections of the printing

[1] Many trade unions are affiliated to more than one federation. In the "net federated membership" the members of the trade unions are counted only once, irrespective of the number of federations in which they may appear.

industry. Thus the unions of compositors, pressmen, bookbinders, lithographers and others, who are affiliated to it, have each their distinct problems, with which they deal as separate unions; but, in virtue of their common inclusion in the printing industry, common problems arise with respect to which the federation takes action on behalf of all its affiliated societies. On the other hand, the Miners' Federation, in the years preceding 1926, was a federation only in name, and had approached more nearly to an amalgamation; and similarly the Iron and Steel Trades Confederation is in reality a strong single unit, many of the constituent bodies of which have dissolved since its formation. The Engineering and Shipbuilding Trades Federation was for a time at the other extreme, being a somewhat loose association, but it has gained in strength and unity in recent years, and some time ago justified its existence by its determined and broad-minded attempt, in co-operation with the Employers' Federation, to review the conditions affecting the shipbuilding industry, with a view to its improvement.

In the same way, the distinction between the functions of the federation and of its affiliated bodies, on which the effectiveness of each depends, is sometimes clear and explicit, sometimes hardly recognizable. The difference largely turns on the nature and relations of the constituent societies which the federation exists to associate. When, as in the case of the printers, the constituent societies are composed of workers in separate trades, the distinction of function between the federation and the constituent societies may be clear, and the federation may then be successful and useful. Again, where the federation is one which associates for common purposes unions of workers in the same kind of occupation, but separated geographically, there are present the conditions of success. But there are cases where the federation raises more problems than it solves. This is apt to be the case where the constituent

societies are composed of more or less unskilled and general workers, and where, therefore, they are to some extent rivals in competing for membership.

Federation and amalgamation are the two main aspects of a movement, increasingly characteristic of trade unionism in recent years, towards the elimination of the isolation of kindred societies and the substitution of large scale for small scale operation. The ultimate ideal in the minds of some sections of organized labour is the One Big Union, representative of all labour and capable of acting on occasion in the interests of labour as a whole. The attainment of that ideal, even in the view of those who hold it, lies in the remote future; but it exists as an ideal, and has from time to time practical results such as were seen in the temporary existence of the Triple Alliance formed by the Miners' Federation, the National Union of Railwaymen, and the Transport Workers' Federation. These three sections of labour are, in fact, closely related; and a stoppage of work by any one of the three involves the other two in distress. The alliance was formed on the recognition of that fact; and its object was to replace separate action on the part of any one of the three, involving generally failure on its own part and inconvenience and suffering on the other two, by joint action. The plan was that the three should draw up a joint programme and present their demands simultaneously, and it was believed that such joint action would be assured of success because of the serious results on industry which would follow from a simultaneous withdrawal of the labour in these three vital industries. But the hopes of the members of the Alliance never matured. On the contrary, it was found impossible to get harmony and completely coincident action among the three groups. On two occasions, in 1920 and in 1921, the miners asked the alliance to support them in a strike; in neither case did the strike take place. Finally on " Black Friday," after a threat on the part of the National Union of

Railwaymen and the Transport Workers' Federation to strike in support of the miners, the former withdrew their threat, and the miners were left to fight their battle alone. The break up of the Triple Alliance followed immediately.

The advantages of large scale organization have been unduly pressed, and its disadvantages insufficiently noticed. There is a limit, in the matter of mere size, to the effectiveness of any single body. Large scale production in industry, while undoubtedly bringing manufacturing economies, raises problems of administration which sooner or later become too great, and begin to outweigh the manufacturing advantages, and in many industries the movement towards large scale production has already been arrested. In the same way, it is doubtful whether anything is to be gained by the building up of single labour organizations in some of the largest industries. The organization becomes too vast for effective control, and the workers become the playthings of a machine which was meant to serve them. Thus, if the leaders of enterprise, highly trained in their business, have found the problems of large scale production almost beyond their capacity to solve, it is not to be expected that trade union leaders, for the most part lacking in definite training, and depending mainly on their natural abilities, should be capable of directing and controlling a vast organization. The recent failure of the Miners' Federation seems to emphasize the point.

If it is difficult to organize the workers within one large industry, much more difficult is it to organize a successful alliance between different industries. Effective action implies unified control; but that is exactly what is impossible to achieve where each member of the alliance is important and demands ultimate control of its own interests. Such alliances, if not inherently impossible in the nature of the case, are at least premature. They can never achieve their purposes until their interests are more really one than under the conditions of modern industry they can expect to be.

CHAPTER IV

TRADE UNION STRUCTURE AND GOVERNMENT

II. GOVERNMENT

THE government of trade unions is a matter of considerable interest to the student of political forms and institutions, for here he can see the growth of such forms in a comparatively short period, and watch their functioning on a smaller scale than that of the State. He will note the spontaneous effort made to meet definite situations, and find significance in the survival of those types which have so far proved themselves most fitted to their industrial environment. But it is a matter of interest also to the community on whose economic well-being it has its effects. For the form of government of any association, voluntary or otherwise, is the method by which the will of the association (whether or not it is the will of all the members of the association) gets itself expressed in rules and laws, and by which these rules and laws are carried into effect. Every association, large or small, public or private, must have some form of government, whether rudimentary or highly developed. But while in the smaller private associations, the form adopted may concern only the members themselves, in an association like a trade union it touches at various points on the economic life of the wider community within which the trade union exists. It will, in particular, matter profoundly to the community whether the government of the trade union is democratic or autocratic; and whether the will expressed in the government of the association is the will of the majority of its members or whether it is the will of a minority, imposed by the exercise of some kind of force on the members as a whole.

Western communities pay at least lip service to the idea of democratic government; to the conception, that is, that the will to be expressed by the government should be the will of the majority of the members of the community. This kind of government implies the existence of machinery planned to translate the general will into law, and to give effect to the law. To such a form British trade unions have also professed adherence: their policy and actions are determined by the voice of their members. The trade union is a self-governing body.

Forms of Government.

But democracy takes many shapes. In its simplest manifestation each member of the community actively shares in the responsibility of government by expressing his opinion on every subject which concerns the community as a whole. In this simple type of democracy, all the members of the community meet, as occasion requires, and decide on each matter by vote. Such was the form of government of the earliest trade unions. They were small, local bodies, and their business was transacted in general meetings, in which it was sought to settle all questions by the direct vote of all the members, expressed by a show of hands. The officers and committees appointed by the general meeting were as few as possible, and over them and their acts the general meeting maintained control by insisting on rotation and short periods of service. With the growth in the size of trade unions and the distribution of their members over wide geographical areas, this method gradually became impracticable; but there still remain many "single branch unions," with a small membership ranging from a dozen upwards, and definitely confined to a limited area, in some of which the system of primitive democracy is still maintained. In the smallest of these the whole of the work of the society is still conducted by the general meeting, aided in some cases by an executive

committee, whose members, naturally, can seldom give their full time to the business of the union, but work at their trades during the day and carry out the work of their union in the evenings and in their spare time. The society may print its rules and also an annual report and balance sheet. Most other formalities are dispensed with. Obviously in societies of this kind, the problem of democratic government is simple, and its reality and effectiveness can be assured. The members can express their will directly, and see that it is acted on; the efficient management of their business depends on themselves. But it is obvious also, that it is only because they are small and relatively unimportant that they can make use of this simple form of democracy. As soon as they increase in numbers sufficiently to make a general meeting of all the members impracticable, or as soon as their business becomes sufficiently great to demand the services of full-time committee members or of a paid secretary, the problem of securing at the same time the participation of the general members in the society's government, and efficiency in the conduct of its business, becomes difficult. This stage is reached even in the case of some single branch unions of which the outstanding example is the London Society of Compositors, with a membership, in its single branch, of almost 15,000. Its size makes it necessary that it should have a paid secretary and officials, and its strength gives it an important place in the trade union world. This type of union, therefore, forms a link between the small single branch unions confined to a single locality, and the wider national unions with many branches and scattered over many districts.

When we pass to these wider unions, we find that the exercise of primitive democracy becomes impossible. The great number of members and their geographical separation makes it impracticable for them to assemble, and even more impracticable to conduct business in a general meeting. If, then, the principle of democracy is to be adhered to,

and the control of the trade union to remain in the hands of the general members, and not to be given over to any autocratic ruler or body of rulers, some device must be framed for the purpose. The same problem exists on even a wider scale in the sphere of political government, where it has been solved (if it has been solved) by the device of the representative body, elected by the suffrages of the people, and existing under their sufferance, to express their will in legislation; and of administrative departments appointed by, and nominally under the control of, the representative body. In the case of the trade union the attempt has also been made to find a means of solving this problem. Three methods have been attempted by means of which to secure this double end. One is for each local branch of a trade union to elect a delegate to attend a meeting of delegates and act as the vehicle of the views of those who have elected him. Such a delegate will have no powers to speak or act on his own behalf; he merely carries the instructions of his electors. Therefore, if delegates attend as representing electoral divisions, which are approximately equal numerically, the findings of the delegates' meeting will reflect the findings of the body of members as a whole.

There are, however, certain objections, in view of modern conditions, to this method of getting the will of the majority expressed; and the delegate meeting in its original sense is rare in modern trade unionism. The two obvious objections are, first, the needless expense involved in sending delegates on long journeys to a central conference, and in maintaining them in attendance, if the sole object of their attendance is to record the opinion of their electors; and second, the increasing inadequacy of the method as the number of matters to be decided increases with the development of the trade union. It is simpler and cheaper to collect the views of the members by post than to send delegates to convey these views; and, therefore, in time the ballot

vote of the members by post (or the Referendum) took the place of the delegates' conference. But the referendum has also come to be used more sparingly than formerly. Clearly its suitability depends on the number of questions to be submitted to the vote of the members, and on the nature of these questions. In a large and living society, in which questions are constantly arising for solution, in which new policy has frequently to be devised, new agreements made and old agreements interpreted, in which numerous officials have to be appointed and questions of strike or no strike to be determined, the use of the ballot vote on all such questions becomes impossible. The very multitude of questions will make members apathetic, and the vote will tend to become the vote of a minority. Besides, if all questions are to be so decided, the distinction between important questions of policy, on which the voice of all the members is really desired, and unimportant questions of detail, will be lost sight of. While, therefore, the use of the ballot vote has not been discontinued, and while some societies still continue to make an extensive use of this method of collecting the opinion of their members, most of the trade unions have come to confine its use within strict limits. In particular, a distinction has been made between two types of questions, for one of which it is considered suitable, for the other unsuitable. Generally speaking, its use is confined to wide issues affecting the membership of the trade union as a whole; while less important issues, or questions affecting only sections of the trade union, are dealt with in other ways. To specify: the election of important officials, decisions on questions of national policy, the determination whether or not to embark on a national strike in the industry, are matters in which it is considered that a ballot vote is a useful method.

The third device is the use of the representative body, much on the lines on which it is used in political government. Here it is necessary to distinguish between the

different elements involved in government; between "legislation" and the administration of the laws. The problem in democratic political government is to secure the active control of general policy by the members of the community, and at the same time the efficient administration of the laws, which would be impossible without some special expert machinery. For while the general run of voters can give their opinion on broad matters of general policy, it is beyond the competence of the average citizen or of his representative in Parliament, to decide on the technical problems involved in carrying out that general policy. In political government the solution is the election of a representative body, Parliament, which legislates, and the appointment by that representative body of administrative departments which are nominally under its control, whose actions it can criticize, and whose remuneration it decides. In some of the bigger and more important unions the system adopted follows roughly on these lines. The representative institution, or Parliament, of the trade union, is the National Conference or some such body, elected for a prescribed period by the votes of the general members (though by different methods in different cases), which legislates or decides on matters of general policy, appoints the paid officials who carry out that legislation, and has the engagement and dismissal and terms of appointment of these officials in its control. But in detail, the forms of government vary very greatly from union to union, and in recent times the demand for a more real voice in government on the part of the rank and file of the members has not been without its effect in modifying the simple structure outlined above.

The problem of trade union government is also complicated by the fact that the workers in an industry or craft owe allegiance to different organizations. They are members of their national organization; but, being widely scattered geographically, they have their local branches,

formed of members of the trade living in the same locality, and their district associations, which link up the membership of the branches in the same district. The problem, therefore, is not the relatively simple one of devising a form of government by which the will of members whose interests are at one may be made effective; it is the more complicated one of devising appropriate forms for the branch, the district association, and the national union, and co-ordinating these. The problem, of course, is not unique; it is present also in the sphere of political government; for the citizens of the State are at the same time members of the county and the municipality and the parish, and it has been necessary to reconcile the diverse interests involved in these different relations. But in the latter case local and national problems are, to a large extent, distinct; they overlap or conflict chiefly in the sphere of finance. In the case of labour organizations, on the other hand, concerned as they are with a narrower round of problems, conflict between local and national interests may be more frequent, and the problem of reconciling differences, therefore, all the more difficult.

Examples of Trade Union Government.

To this general problem trade unionism has discovered no one solution. National unions like the National Union of Railwaymen, the Amalgamated Engineering Union, and the Miners' Federation have each their own special system of internal structure and government; each has solved its peculiar problems in its own way. It is, therefore, necessary at this stage to describe in outline the internal structure and form of government of two or three of the most important unions in order to bring out the differences between them.

The Miners' Federation of Great Britain, at the zenith of its power, was probably the most thoroughly organized body of workers in this country, and included a larger

proportion of the members of the industry than did any other trade union; its members numbering in 1926 about 900,000, out of the 1,200,000 persons employed in the coal mining industry. The majority of those who remained outside the M.F.G.B. were such mine workers as mechanics, under-managers, and deputies, who are in many cases members of craft unions of their own, although most of them were eligible for membership of the M.F.G.B. The Federation consisted of about 30 distinct societies, such as the unions in Yorkshire, Durham, Scotland, and South Wales, locally formed, with power of independent action in all local matters, and with their own finances; while the Federation acted as a unit in matters of national concern. To understand the government of the Federation we must first note the form of government of the constituent societies.

The associations which constitute the M.F.G.B. are each made up of Lodges, which are the local societies for single pits or groups of pits. Next to the Lodge, in some cases, stands the District, and above that the Association, which unites the workers in a single coal area, which may be as small as a county or as large as, say, Scotland. The Association, in all matters relating to only its own area, is autonomous. It has its own Executive Committee and officials. But it is linked both downwards with the Lodges and upwards with the Federation. The link with the local Lodges is found in the fact that the Council of the Association is composed of delegates appointed by the Lodge meetings and nominally instructed by the Lodges how they are to vote at the Council meetings. Apparently, therefore, on all important matters of local concern, the Association acts on the authority of the smallest unit in the miners' trade union, namely, the Lodge. In the upward direction the Association is linked to the M.F.G.B. through the National Conference, which consists of delegates from the various Associations, and which is one of the governing bodies of the M.F.G.B.

The other is the National Executive Committee. Of the two, the Conference is by far the more important. It meets annually as a matter of course, and also whenever it is summoned, which it is whenever any important special question crops up for decision. Thus, theoretically, the Lodges instruct the Council of the Association, and the Associations instruct their delegates to the Conference, so that the voice of the workers in the pits is the deciding voice in the Federation in all important matters. But, in fact, the delegates to the Conference have rather the position and powers of representatives; that is, they are not mere vehicles of the opinion of the Associations, but are themselves free to determine the policy of the Federation. The General Secretary is the only full-time official of the Federation, for its President is a full-time officer of one of the affiliated Associations, and the other officers of the Federation are also officers of associations from whom they draw their salaries. These officers, as well as the Executive Committee, are appointed by the Conference; it is the business of the officers to carry out the decisions of the Conference, and the function of the Executive is, as a permanent body, to give effect to the decisions of the Conference, and to summon the Conference whenever any difficulty or important matter of general policy has to be decided.

Thus the M.F.G.B. has a form of government which, on paper, approaches very nearly to the democratic government of the country. The Conference is the miners' Parliament; the Executive Committee is the Cabinet. The voice of the members is made real in the Conference; the efficiency of organization is guaranteed by the permanent executive and officers, the control of the latter being assured by the fact that their appointment and dismissal lie in the hands of the Conference. But personality has always to be reckoned with in forms of government, and it is possible for a powerful secretary to exercise for a considerable period authority which amounts to that of a dictator.

The constitution of the Amalgamated Engineering Union is somewhat more complicated. There are four stages in the engineering organization: the Branch, the District, the Organizing Division, and the whole union. The District has its district committee, which consists of delegates sent from the branches in the district; it has its district secretaries, who are elected by the members in the district, and who are generally part-time officials working at their own trade, although a few are full-time and are paid out of national funds; and in some cases it has its district organizers, paid by a levy on the members in the district. The district committee enjoys considerable autonomy on local industrial questions, but not on questions of benefit, which are dealt with either by the branches or by the National Organization. The next stage is the Organizing Division, with its divisional committee, representative of all the districts in the division. The business of this committee is mainly that of organizing, though it may also include the shaping of district policy. But the most important feature of these divisions is that they elect from their own numbers the members of the National Committee of the union as a whole.

The National Organization of the A.E.U., like that of the miners, consists of two bodies, the Executive Council and the National Committee, but these have not the same features as the Executive Committee and the Conference of the Miners' Federation. For one thing the Executive Council of the engineers consists of full-time officers. It has a Chairman, a General Secretary, two Assistant General Secretaries, and three National Organizers, all of whom are elected by the vote of the whole membership of the union. The council itself, on the other hand, is elected by specially constituted electoral areas of the union. It is the administrative body of the union, and deals both with industrial matters which are the concern of the District Committees, and with matters of benefit, with which the branches are

concerned. While the Executive Council is the administrative body of the union, the National Committee is the legislative body, and is appointed, as we have seen, by the Divisional Committees from among their own numbers, and has regular annual meetings and special meetings when required. The National Committee is superior to the Executive Council, which works to the instruction of the former in matters of general national policy. It has also power to alter the rules of the union.

As a final example, the form of government of the Transport and General Workers' Union is worth consideration; it is a type of association totally different from either of those already considered. The latter are unions of workers between whom there is at least the connection that they are all producing the same product, or performing the same service, or engaged in similar work. But the Transport and General Workers' Union consists of workers connected with many different industries, and in a great variety of kinds of work, and who belong to many different grades of labour, from the lowest unskilled to technical and supervisory workers. Moreover, the union embraces workers in all parts of the country. Its form of government, as set out in its constitution, is determined by these facts. Because of the widespread nature of its membership, the country is divided into thirteen territorial areas, and every member finds himself in one of these areas and belonging, therefore, to the group within the union corresponding to that area. Each such area group has its committee and its officers. Next, because of the wide industrial ramifications of the union, it is divided into six national trade groups, which consist respectively of members connected with (1) docks; (2) waterways; (3) professional, clerical, and supervisory work; (4) road transport (passenger); (5) road transport (commercial), and (6) general work. Each of these national trade groups again is divided into area trade groups corresponding to the territorial areas already mentioned,

and every national and area trade group has its committee and officers. The territorial and trade divisions have been made for the purpose of local and occupational administration; but they are all responsible to the General Executive Council, which sees that they administer the business of the union properly, receives periodical reports from them, and adjusts differences and decides all issues between them. This Executive Council is composed of one representative from each territorial area and one from each national trade group committee. It is the body responsible for the general administration of the union's business, which includes the negotiation and conclusion of agreements, the sanctioning of payments for general and particular purposes and the preparation of programmes of action. No sectional strike can take place without its approval, and it alone has the power to sanction payments of benefit in respect of any strike or lock-out, a necessary precaution in such a widespread and diversified union if the funds are not to be eaten away by sectional strikes and disputes. On the other hand, in the case of important strikes, involving all the members of the union, or two or more national groups, even the Executive Council has not the final power of sanction; but must first get the approval of a special Delegate Conference. The Delegate Conference, finally, is the supreme governing body of the union. It consists of delegates elected for two years, and meets in July and at special times as occasion demands. It has the sole power to make, amend, and revoke the rules of the union and its constitution.

In these three national unions, in spite of a fair amount of resemblance in their formal constitution, there exist great differences in fact; in the power and position of their National Executive in relation to local branches and district councils and associations and groups; and in the relations between elected representatives and appointed officials. For some of these differences the technical nature of the

industries is responsible. The coal mining industry, for instance, affords a natural local unit of organization in the pit, while no such natural unit exists in the case of engineering; and the network of cross representatives in the case of the Transport and General Workers' Union is necessitated by the diversified nature of its membership.

Finance.

But the form of trade union government is influenced by trade union finance. The income of trade unions is derived mainly from contributions levied on their members. Thus in 1927, the registered trade unions of Great Britain had a total income of £10,197,000, of which £7,465,000 came from their own members, £2,096,000 from the Ministry of Labour in respect of unemployment insurance and administrative expenses, and £636,000 from other sources. In the case of the 100 principal unions, the average income per head in 1925, was 50s. per annum, but contributions per member averaged 37s. 3d., or about 8½d. per week. This represented an increase of about 20 per cent on the contribution of 1913, but the average is the result of different actual contributions in the different unions, and of the application of scales to different types of members. In general, the contributions in the skilled unions are relatively high, being about 1s. 6d. a week, with occasional supplementary levies for special purposes, while in the General Workers' Unions they are restricted to a much smaller weekly sum. Contributions in most unions vary with the wage of the members, and in some women's unions or mixed unions women pay as little as a penny a week.

This income is used for a diversity of purposes; and except for one purpose, the funds of the union may be undifferentiated and the members pay one contribution for all purposes. The exception is the fund for political purposes, which since 1913 has had to be kept separate from the other moneys of the union. Apart from that,

the one fund may be used for all purposes on which the unions have to spend money; for friendly benefits, contributions to other societies, expenses of administration, and other expenses. There are obvious disadvantages in this arrangement. In particular the use of the same fund for expenditure both on friendly benefits and on combative purposes may, in times of industrial strife and unrest, make it impossible for a union to pay to its members those benefits, in respect of sickness and other disabilities for which they have contributed. This question will be alluded to in a later chapter. Meantime it may be relevant to indicate the union point of view that the insurance of members is not an end in itself, but rather a means to strengthening the collective bargaining powers of the union.

The proportion of trade union funds spent on different objects differs from union to union and even in the same union from year to year. As between unions, the percentage of total expenditure due to management and administration is greater in the less wealthy unions of unskilled and general workers; smaller in the skilled unions of higher paid men. But the absolute amounts spent in these ways by the different types of unions vary in the opposite way; they are highest among the skilled and powerful unions which employ many paid officials and conduct expensive negotiations; and least among the poorest unions. Again, the proportion spent in the several ways varies in different years. The table shown on page 88 analyses the expenditure of registered unions in certain pre-war and post-war years, and brings out the facts mentioned.

The greatest fluctuations are observable, naturally, in expenditure on unemployment and dispute benefit, while that on the several friendly benefits shows greater regularity. In the case of unemployment benefit, the amounts spent by the 100 principal unions varied from a minimum of £151,432 in 1916 to a maximum of £14,925,017 in 1921, an exceptionally high figure largely accounted for by the

ANALYSIS OF EXPENDITURE OF REGISTERED TRADE UNIONS IN GREAT BRITAIN

Year	Dispute Benefit		Unemployment, Emigration and Travelling Benefit		Other Benefits		Political Fund		Management Expenses, etc.	
	£000	%	£000	%	£000	%	£000	%	£000	%
Average 1904–13	376	14·4	632	24·2	1,052	40·3	—	—	550	21·1
1913	447	12·5	405	11·3	1,386	38·4	7	0·2	1,343	37·6
1920	3,219	24·9	1,718	13·2	3,455	26·7	185	1·5	4,363	33·7
1924	1,188	11·2	3,139	29·4	2,797	26·2	216	2·1	3,327	31·1
1925	313	2·9	4,527	42·0	2,530	23·5	114	1·1	3,292	30·5
1926	5,617	31·2	6,377	35·3	2,723	15·1	108	0·6	3,216	17·8

three months' coal strike of that year; while dispute benefit accounted for a minimum expenditure of £90,519 in 1915 and a maximum of £5,103,636 in 1926, the year of the General Strike.

The problem of financial autonomy complicates the whole question of trade union government. Contributions are paid by members into their local branches. The particular arrangements for the disposal of the whole or part of these funds—whether they are to be expended at the discretion of the branches themselves, whether a portion of them is to be contributed to central funds, and whether any or all of them are under central control—vary in different unions; these details, however, do not concern us. But the general question is important. Financial control involves industrial autonomy. Holding its own funds, the local branch can make its own decisions in industrial policy. It can, for instance, decide to strike or not to strike, with reference to the immediate interests of its own members and irrespective of the will of the main body of workers in the same union in other localities. But such independence of action prevents the growth of that collective action which it was the main purpose of trade unionism to achieve. This principle was early recognized by organized labour, and from the thirties of last century onwards, it came gradually to be

recognized throughout trade unionism that the funds of a branch belonged not to the branch but to the union as a whole. The acceptance of this principle necessarily reacted on trade union government. The fund had to be put in the control of the Central Executive as representing the whole body of members of the union; and this meant the weakening of local autonomy and the centralization of trade union power. It is true that it did not necessitate the withdrawal of the freedom of local branches in every type of expenditure and every kind of union activity. A distinction can be and was drawn between more or less routine activities, the expenditure on which could be foreseen and estimated accurately in advance; and, on the other hand, those activities which involved decisions on trade union policy and on which expenditure necessarily fluctuated. The former could still be left under the control of the local branches, and thus it is still the case that the friendly benefits are in many cases administered locally. The case is entirely different as regards the militant acts of the trade unions. For financial stability central control over combative policy is essential; otherwise the union might constantly be embroiled in strikes fostered locally against the desires of the union as a whole, and the funds of the union thus frittered away in unco-ordinated action.

That the principle so easily stated and so widely agreed on is not so easily interpreted, is seen in the fact that it has been only slowly and imperfectly applied in practice. For while sick benefit clearly belongs to the first class of expenditure, which might without danger be locally administered, and while strike pay clearly belongs to the second class, which should be under central control, what is to be said about out-of-work benefit? Unemployment, in respect of which such benefit is payable, may be due to bad trade or other circumstances external to the union's activity; but, on the other hand, it may be due to a strike. A local branch with control of out-of-work pay is in a position to finance a

strike of its members, and can ignore the orders of the Central Executive.

Is Trade Union Government Democratic?

Thus there is much to suggest that the democratic government enjoyed by trade unions is formal rather than substantive. Primitive direct democracy being impossible, and the referendum having been found unsuitable for many trade union purposes, their government is in form representative; but there is a question how far their institutions are representative, in fact, of the majority of the members. Criticism of the inadequacy of the unions in this respect, it is interesting to note, comes from two opposite sides. On the one hand, certain sections of the general public, inconvenienced a few years ago by recurring strikes, increasingly gave their weight to the suggestion that unrest is fostered by powerful "extremist" leaders who do not represent the majority of the members of the unions; and they, therefore, emphasized the desirability of making strikes illegal, unless preceded by a ballot of the members concerned in which a majority of votes are recorded in favour of the strike. And while the chief emphasis was laid on the control of strike policy by extremists, the suggestion was that all trade union activities were coming more and more under the domination of those who, though not representing the views of the majority, had succeeded, through the apathy of the ordinary members, in capturing the strategical points in the trade union structure and in determining its policy.

The other criticism of trade union government as undemocratic came from within the movement itself; not, be it noted, from the general body of members, but from that section of them whom the other critics of trade unionism would call "extremists." Extremists meet; and for once the opponents of organized labour found themselves in the same camp as the Syndicalists. But the latter were

more thorough both in their criticism and in the remedies they proposed. They condemned the whole of the present trade union system as being a system of government from above, in which the voice of the members in the determination of policy is insufficiently heard; they held that the national executives fall between the two stools of democracy and efficiency; being democratic but inefficient where they are part-time members still at work in their trades; and being efficient but undemocratic where they are full-time members who have given up their manual labour to carry out their official duties. In most trade unions it is the former defect that appears and the personality of the permanent officials—particularly the General Secretary—therefore goes far to determine the strength and the policy of the union. The District Councils, again, are in the main bodies of little importance, existing only to organize the trade union in their district and to carry on propaganda work. There are exceptions, as in the case of the A.E.U., whose District Councils have some real power, enjoying the right to carry on negotiations, to make agreements, and to decide the policy of the trade union in the district (subject always to the sanction of the National Executive); but the exceptions are few. At the lowest stage is the branch, with its own meetings and sometimes its own funds, the body which, in the view of the internal critics of trade unionism, should be the main source of inspiration of trade union action and policy. The trade union is the organization of the members who are to be found in the branches, and it is in their daily work in the shops and factories that the problems arise which call for solution by collective effort. But, in fact, the local branch is not adapted to the needs of the case. It is composed of members who happen to live in the same neighbourhood; they do not necessarily work in the same works or under the same employers; they may not be interested in the same practical problems. Consequently, there is not in the

branch sufficient community of interest to give them an effective voice in the determination and control of the policy of the union; and the vital element in democratic government is, therefore, lacking in most trade unions.

It was on some such view as this that during the war years certain speakers and writers within the labour movement based their criticism of existing trade unionism, and their suggestions for the remodelling of labour organization on more democratic lines; and it was some such dissatisfaction, felt rather than understood or explicitly stated, that lay behind the war-time development of the Shop Stewards and Works Committees. That development seemed, for a time, particularly within the engineering industries, to threaten the existence of the orthodox trade unions. But it proved in the end to be merely a war-time phenomenon, and with the termination of the peculiar war-time conditions, the new movement weakened and the older trade unionism again gained the ascendancy.

Criticized from without and from within, the trade unions have nevertheless emerged with forms of Government little affected in principle by these criticisms. These forms were not thought out in advance: they do not conform to any one plan. They have grown to suit the practical conditions of each union, conditions determined by the nature of each industry, the geographical distribution of its members, and the various aspects of the union's work; and modified bit by bit to meet changing circumstances. The result is not ideal. Whether judged in the light of the main purposes of the unions, or from the point of view of the general community, unwilling to be incommoded by interruptions to the supply of its wants, the internal government of the trade unions can easily be shown to be defective. But no one scheme could be devised to meet the great variety of existing needs; and where there must be individual development, the ideal form can emerge only as the result of slow and painful adjustment.

The Trade Union Congress.

So far we have considered only the internal government of individual trade unions. But there are so many aims common to trade unionism as a whole that one might expect to find some organization set up to link together its constituent elements, to formulate its general policy, and express its purposes, and some form of Central Government with powers of control in matters of common moment over the separate unions. Yet there is not in the strict sense any such body or any such centralized government; a fact which is further evidence, if such is any longer required, of the pre-occupation of the trade unions with immediate practical problems, and their hand-to-mouth existence. Of the two bodies for which any claim can be made to speak for trade unionism as a whole, the General Federation of Trade Unions represents only a very small proportion of trade union members; and the Trade Union Congress, while now representative, through affiliated trade unions, of the great majority of trade unionists, has until lately concerned itself more with political discussion than with the direct problems of trade unions considered as industrial organizations. The Trade Union Congress, it has been said[1] was at first a " debating society " rather than a body conscious of itself as the only one capable of co-ordinating trade union activity and defining its purpose. In recent years there has been a significant change in this respect, and the T.U.C. would seem at last to have become aware of its responsibilities.

The position of the T.U.C. was at the start anomalous. It was first called into existence, not by trade unions, but by Trades Councils—local bodies aiming at the co-ordination of separate working-class organizations, of which more will be said at a later stage. The extension of the franchise in 1867 to include the urban worker, and the consequent demand by trade unionists for the full legalization of the

[1] Milne-Bailey: *Trade Union Documents*, p. 25.

trade unions, gave the new T.U.C. its opportunity. It agitated successfully for improved legislation, and thus, at its commencement, its work was political. It was concerned, not with the internal problems of trade unionism, nor with the merely industrial work of the unions, but with the introduction of legislation for improving the status of the trade unions in the State; and though the co-ordination of the industrial activities of the trade unions was a problem urgently calling for attention, the T.U.C. chose rather to establish a body, called the General Federation of Trade Unions, for this purpose, than to take these important duties upon itself. The G.F.T.U., however, failed to rise to the occasion, and has since been of little significance in the development of trade unionism, having become mainly a mutual insurance society, and being representative of a small section of trade union membership. But while the activities of the Trade Union Congress were thus definitely political, they were up till this time directed to ends strictly relevant to the existence of the trade unions; and the Congress did not, as yet, go beyond this into the wider fields of general politics, except in the discussions at its annual meetings. Nor was this wider venture made for a considerable time, nor, directly, by the Trade Union Congress at all. In 1871 the Congress had appointed a Parliamentary Committee for the purpose, mainly, of lobbying in the House of Commons in favour of industrial legislation, but the Committee had met with little success in its efforts, except where it supported the proposals of the Liberal Party. Apart from this it was of little importance to trade unionism; it was never in any sense an executive body for the whole movement; and though it continued to exist till 1919, it was superseded in its political functions when the T.U.C. decided in 1899 to form the Labour Representation Committee. In 1906 this latter Committee became the Labour Party, which aimed at becoming a separate, working-class political party. While,

however, the Labour Party has always drawn most of its members and its chief financial support from the large trade unions, most of which are affiliated to it, yet the unions and the Labour Party have remained entirely separate and independent organizations. Meanwhile, the T.U.C., having thus handed over its political activities and having failed to define its own purposes, did little important work for the trade unions till after the war. But during the post-war period of intense working-class activity when trade union membership rose to over eight millions, the Trade Union Congress began to realize its opportunities. After 1920 it drew up a new constitution and rebuilt its organization. The Parliamentary Committee, the need for which had passed with the coming of post-war conditions, was replaced by the General Council, elected on a system of industrial groups and possessing wide powers; and under this new constitution the T.U.C. has become in a more real sense the spokesman of trade unionism.

The T.U.C. at present consists of trade union organizations which have been accepted for affiliation after furnishing copies of their rules and regulations to the General Council, and after having been approved by the Annual Meeting of the Congress. The fees payable by affiliated societies include an affiliation fee of 3d. per member per annum, an annual contribution of £1 per thousand members towards the expenses of maintaining the International Federation of Trade Unions, and a fee of 10s. for each delegate attending the Annual Meeting of the Congress.

The Congress is a deliberative body; it meets (normally) only once a year; and its annual deliberations last only a week. Consequently, the T.U.C. " cannot execute its own decisions. Nor can it leave to its constituent unions the responsibility of carrying out individually decisions which involve them collectively."[1] Hence, in order to continue

[1] See *The General Council of the T.U.C.; its Powers, Functions and Work.* Published by the T.U.C., 1925.

its co-ordinating work in the intervals between annual meetings, as well as to carry out its decisions, it has required an executive council. That body is now the General Council of the T.U.C. The Council consists of 32 members representing 18 trade groups, the groups of General Workers having four representatives on the Council; the Mining, Railway, and Engineering groups three each; the Transport, Iron and Steel, Building and Cotton groups and the group of Women Workers, two each, and other groups one each. The Council is elected by ballot at the Annual Meeting of the Congress, and members hold office for one year, but are eligible for re-election. The Council itself appoints six Group Committees, each responsible for keeping in close contact with bodies representing the interests of its group. The powers and duties of the Council are much wider than those of its predecessor, the Parliamentary Committee. Its general industrial duty (as defined in the Standing Orders of the T.U.C., 1928) is to transact the business of the T.U.C. in the periods between the meetings of the Congress; which means that, through the Council, the T.U.C. functions continuously. It has to keep watch on industrial movements, and where possible to co-ordinate industrial action; to watch all legislation affecting labour; to promote common action by the trade union movement on general questions, such as hours and wages; to carry on propaganda and assist trade unions in the work of organization; to enter into relations with trade union and Labour movements abroad; to test legal cases in the House of Lords in the interests of trade unionism (and to levy affiliated societies for the purpose); and to call a Special Congress in the event of a threat of war or any other contingency. On the other hand, affiliated societies must keep the General Council informed of questions arising between one union and another or between unions and employers, where such questions involve large bodies of workers; where questions serious to trade unionism are at stake, it may take the

initiative by calling representatives of the unions into consultation; and where this has been done and the policy of the employers enforces a stoppage of work by strike or lock-out " the Council shall forthwith take steps to organize on behalf of the union or unions concerned, all such moral and material support as the circumstances of the dispute appear to justify."

Wide as are these powers which have been vested in the General Council, it has on occasion assumed even greater powers; and through its agency the T.U.C. has become more really a central organizing, governing, and co-ordinating body for trade unionism as a whole. On two important occasions at least, it has assumed without question the reins of government. In 1920 it formed, along with the Labour Party, a Council of Action, which threatened to call a general strike in the event of this country being involved in a Russo-Polish war; and its successful call for a levy in support of the Council of Action established its power, if not its right, to take the action it had done. The culminating case occurred when, in 1926, the Miners' Federation handed over the negotiations in connection with the coal dispute to an Industrial Committee of the General Council of the T.U.C., and when the Congress succeeded in calling a general strike which met with an unexpected response. But the subsequent calling off of the strike caused dissatisfaction among certain sections of the trade unions, and at the meeting of the Congress in September of the same year, a proposal to increase the powers of the General Council of the T.U.C. to direct industrial disputes failed to be carried, and the position was left unchanged. The Trade Union Congress, therefore, remains unable constitutionally to take action in the name of trade unionism as a whole; but it is increasingly performing the functions which the G.F.T.U. when established was intended to perform. It is acting as the central co-ordinating body for the trade unions, its moral authority is on the increase, and with

its growing power the T.U.C. appears to gain in width of outlook and statesmanship. It is conscious of the responsibilities, as well as of the rights of trade unionism; and is aware that in the development of our rapidly changing industrial society, the part that organized labour must play must be not merely defensive but constructive.

CHAPTER V

TRADE UNION FUNCTION

I. NEGOTIATION

Collective Bargaining.

As a means of meeting the difficulties involved in the employment relation, labour organization essentially means the substitution of collective for individual bargaining. Where individual bargaining is in operation, the conditions of employment are determined by agreement between the employer and the individual worker, and the decision of the latter to accept or refuse the offered conditions is made with reference to his own strength or weakness as a bargainer. Where collective bargaining obtains, the members of a group of workers, acting either all together or through their representatives, make with the employer a common agreement which determines the general conditions under which all the members of the group shall be employed.

Collective bargaining as a method is to be clearly distinguished from the content of the agreement which results from it. The agreement in its widest form may determine the whole of the conditions of employment, and its terms may be such as to cause the poor worker and the good worker to be rewarded equally; or, on the other hand, to recognize the claim of the superior worker to exceptional reward. But whatever the particular content of the agreement, the distinctive feature of the collective bargain is that it represents the will of the whole body of workers who are a party to it. The effect is that there is less danger of the lowering of the conditions of employment of the workers as a whole through the special strength or weakness of particular workers. Under individual bargaining there

is danger from both sides. The man in straits for employment may be tempted to accept undesirable conditions rather than lose all chance of work, and he may thus be the means of pulling down the general level of remuneration. On the other hand, the specially skilful or speedy worker may be willing to accept a lower rate of payment which, while it would yield him reasonable earnings, would, if made general, yield unduly low earnings to the great majority of his fellows. The result of collective bargaining is thus to strengthen the position of the general body of workers, even if, incidentally, it may injure particular individuals. Whether it will do so or not, will depend on the content of the agreement resulting from the collective bargaining.

Collective Agreements.

A collective agreement is a formulation of the conditions of employment for a given trade and district and period, jointly accepted by the employers and employed concerned, or by the organizations representing them. The matters covered by the agreement may include every kind of employment condition—the method of payment of wages (whether piece, time or other system), rates of wages, hours and overtime, special overtime payment, apprenticeship, demarcation of work between separate groups of tradesmen, and so on; or, on the other hand, it may be confined to special points. The parties to the agreement, as already said, are the employers and the employed concerned, or their representatives; but the actual form of wording of the agreement may have been the work of arbitrators whose decisions have proved acceptable to both sides.

Such agreements are entirely voluntary, and are not in any sense legally binding. They state the conditions which the parties to the agreement have found it desirable to accept for the time being; but there is no legal sanction

behind them, and no individual employer or worker can be legally compelled to work under their terms. As such, therefore, they are to be distinguished from the contract of service which is implied in every labour engagement. Such a contract is between the individual employer and the individual worker; it is legally binding and cannot be broken by either party without the risk of legal penalty. Being an individual contract it may specify as conditions under which the servant agrees to work and the employer agrees to pay wages, terms which are opposed to those stated in a collective agreement between employer and employed in the trade concerned. But on the other hand, apart from specific statement, where a collective agreement covers the greater part of the trade, the terms of the contract would be assumed to be in accordance with those of the agreement; and, of course, it is only thus that the collective agreement has practical validity and usefulness.

Nevertheless, though not legally binding, such collective agreements are in general faithfully kept. Instances to the contrary are the exception, and are disproportionately magnified because of the publicity they receive. That agreements are occasionally broken is not astonishing. They are not, as are business agreements and contracts, between the principals. The principal parties to an industrial agreement are too numerous (at least on the workers' side) to play a direct part in drawing up the agreement; that is done by the workers' and the employers' representatives, and it can be easily conceived that circumstances may arise in which representatives are indifferently informed of their constituents' wishes, or misinterpret them, or fail to translate them into terms sufficiently precise. All of these causes may easily lead to discontent with the agreement when it is put into operation in the daily routine of the work places. It is, in fact, as we might deduce from the circumstances, mainly in the less well organized trades that breaches of agreement most frequently occur. As was recorded in the

Report of the Industrial Council on Industrial Agreements in 1913 " where agreements are the outcome of properly organized machinery for dealing with disputes, they are with very few exceptions loyally observed by both sides."

Since, however, occasions do occur when agreements are broken, it has been suggested from time to time that some legal penalty should be introduced. Whatever form such penalty might take, however, there is the danger that, while it might prevent breaches in particular cases, it would make both sides less willing to enter voluntary agreements; and this, in view of the nature of modern industry, and the large part which such agreements have successfully played in stabilizing conditions over wide fields of industry, would be a disaster of the first magnitude. It is, therefore, easy to understand why the report of the Industrial Council already quoted refused to countenance such suggestions, and preferred to leave it to the organizations of employers and employed themselves to take disciplinary action where any breach of agreement occurred.

The area of collective bargaining and the collective agreement may be small or large. It may be as small as a single workshop in which the employed collectively bargain with the foreman, manager, or employer about the wages, hours, and other conditions, which are to hold good in that workshop. It may again include all the workers in the same trade and the same locality; and if so a new element enters into the results of the bargain. In the first case the effect is simply to make uniform the conditions under which all workers, strong or weak, are employed by the same employer. In the second case, the effect is, in addition, to make uniform the conditions which all employers in the same trade and locality, whether they are efficient or inefficient producers, or on the verge of bankruptcy, must guarantee to their workers; and, therefore, it has the advantage of preventing any one employer from being

injured in competition by rival firms giving their workers less desirable conditions. Beyond this, again, the group may be so large as to coincide with the whole of the industry in the country, and conditions of employment may be determined by national agreements.

National Agreements.

It may be that the nature of a particular industry will determine quite simply and inevitably whether the bargain for conditions and the resulting agreement are to be on the scale of the workshop or the locality or the nation. In an unorganized trade the workshop is the natural unit; it is only there that the workers concerned come into contact with one another. Again, where an industry is by nature a local industry, with a local market and influenced entirely by local conditions, the locality is the natural area for collective bargaining. But where industries are national in scope, their products being sold in common markets, and their workers being organized into national unions, the question whether agreements should be district or national agreements, may become acute. Bargaining on a national scale presupposes the existence of machinery, both on the employers' and on the employees' side, for arranging a national agreement; there must be a body which has been given authority by the workers or their associations in the several districts to conduct negotiations on their behalf, and a similar body representative of the employers in the industry. Such national representative bodies exist, and collective bargaining on a national scale, resulting in national agreements which determine the conditions of work in all districts, is operative in most of our important industries. But the nature of the resulting agreement differs according to the nature of the industry to which it applies. Where the conditions of an industry are uniform in all districts, where the material on which the workers are engaged, the machinery with which they

work, and the processes employed vary little from place to place, the national agreement determining working conditions can be full and detailed. Where, however, such conditions vary considerably from district to district, the terms of the national agreement must be watered down till they may become little more than a statement of the general principles to be kept in mind when district conditions of work are being determined. This is the point which differentiates such an industry as coal mining from most other industries. In coal mining, conditions of work, and the cost of producing coal, vary from district to district, from pit to pit, and even from seam to seam in the same pit. Some pits are old, some relatively new; seams of coal vary in thickness and ease of working; the coal extracted varies in calorific value and suitability for different purposes. Hence national agreements in this industry must be in terms which permit of considerable variation in details. Such an agreement was the Wages Agreement of 1921. That agreement did not establish a national uniformity, either of rates of wages, or of actual earnings, or of a minimum wage to be paid to each coal-worker of like kind in each district throughout the country. In view of the nature of the industry, such uniformity would have been impracticable. What it did determine nationally was first, that there should be in each district a minimum wage, and that that minimum should stand in a certain relation to the wage actually paid in each separate district in July, 1914; and second, that there should be in all districts a uniform *method* of ascertaining the wages payable to the coal miners. But these uniform principles resulted in very different actual wages throughout the country. Nevertheless, the idea of a national agreement on wages, so interpreted, proved one of the main causes of conflict in the dispute of 1926. For, general as it was in its terms, its existence was conceived to be sufficiently vital to be strenuously fought for by the men, and as strenuously opposed (in the

later stages of the dispute) by the owners. Speaking before the Royal Commission, Mr. Evan Williams, representing the Mining Association, said "It is necessary to return to negotiating wages in individual districts," while Mr. R. H. Tawney, who appeared for the Miners' Federation, expressed the view that it was "absolutely vital, or at any rate of the highest importance, that the settlement of wages principles, should be done by a national authority." Subsequently to the issue of the Commission's Report, and particularly after the passing of the Eight Hours' Act, the opposition of the owners to the principle of national negotiation hardened; and the efforts of the Government at a later stage, to suggest the possibility of effecting a compromise by combining district agreements with national approval of them, were unsuccessful in removing that opposition. But by that time the opposition between miners and owners on this point had ceased to be determined by the mere question of industrial expediency or practicability. District agreements meant the breakdown of the power of the Miners' Federation; national agreements involved its continuance or its substitution by a similar body capable of negotiating for the miners as a whole. On neither side was pure concern for industrial practicability the sole motive.

Strikes and Lock-outs.

Whatever its scale it frequently happens that the drawing up of an industrial agreement by the process of collective bargaining fails to be successfully accomplished, and that an industrial dispute arises; or again that differences appear in the interpretation of clauses in an existing agreement. In such an emergency the natural consequence, apart from the operation of agreements especially designed to meet the situation, is a cessation of work which, if initiated by the employer, is called a lock-out, if by the workers, a strike. So far the strike and the lock-out are the only ultimate

sanctions for collective bargaining; and on the part of the trade unions any threat to the right to strike has always been strongly resented. " This Congress " says the T.U.C. in its annual report of 1924, " again declares that under no circumstances will it permit any interference with the right to strike." Under existing industrial conditions this attitude is justifiable. The employer has the right to lock-out; the worker who rejects the employers' terms may be refused employment, and the exclusion may extend to the whole of the workers in the firm's employment. It is true that the individual worker has an equal right to refuse to work on the employers' terms, but such individual refusals are unimportant, and it is only the concerted withdrawal of labour by a group of workers, made possible by trade union action, that helps to put the employees on an equality with employers in bargaining. All trade unions, therefore, hold to the abstract right to strike, but not all of them make actual use of it to the same degree. Most important unions of manual workers are prepared to withdraw their labour if necessary, and they, therefore, build up strike funds and arrange for the payment of strike pay to their members. But among non-manual workers the policy differs. There have been few strikes among clerical and supervisory workers such as the members of the Railway Clerks' Association, and among civil servants. Yet in the General Strike of 1926 the Railway Clerks withdrew their members in considerable numbers; and some branches of the Postal Workers' Union declared in favour of supporting the miners by striking, though the declaration in fact never took effect. Apart from the civil servants, whose position is unique in that its members are Government employees, with important superannuation arrangements at stake, the strike weapon is almost universally held in reserve.

But while it is held in reserve the use of the strike is in most cases a last resort. If it seems, on the contrary, that

strikes are frequent, and the trade unions, therefore, blameworthy, two points are to be remembered. The disputes which issue in strikes are those which get public notice in the Press; the many disputes which are quietly settled in more peaceful ways are seldom reported, and the public hears nothing of them. And again, the fact that the control of working conditions in industry lies with the employer forces the role of aggressor on the trade union. Yet a strike is not lightly entered upon. In the strong unions especially, the procedure preliminary to a strike is elaborate. Thus in the case of the Amalgamated Association of Operative Cotton Spinners and Twiners (Rules, 1921) before a general cessation of work can be resorted to, the Executive Council must call a representative meeting in which the decision to refer the matter to a ballot of the members must be carried by a two-thirds majority, otherwise the matter is dropped. In the ballot the decision to cease work is carried only if a majority of four-fifths of the voters is in favour of a stoppage; if the majority is less, the men remain at work. Again, the National Joint Council for the Building Industry, 1921, built up an elaborate procedure in the case of trade disputes, and declared that " pending the completion of the procedure set out in the foregoing rules, no stoppage of work shall take place on any pretext whatever." And, when a stoppage of work by one group is likely to involve others the Council of the T.U.C may take action in accordance with the Standing Orders of the T U.C., which says that in the event of a " deadlock being of such a character as to involve directly or indirectly other bodies of workpeople affiliated to the T.U.C. in a stoppage of work . . . the Council may take the initiative by calling representatives of the unions into consultation and use its influence to effect a just settlement of the difference." But, on the other hand, where the unions concerned accept such advice and assistance by the Council, " and where, despite the efforts of the Council, the policy of the employers enforces a

stoppage of work by strike or lock-out, the Council shall forthwith take steps to organize on behalf of the union or unions concerned all such moral and material support as the circumstances of the dispute may appear to justify."

In point of fact, the loss of time due to strikes over the years 1893 to 1927 averages just over one working day per man per annum. Nevertheless, in absolute quantities, the effects of strikes measured in losses to industry, are serious. From 1893 to 1927 the total number of working days lost per annum on the average amounted to 12,900,000, and even that gives no adequate notion of the indirect loss to production through the resulting dislocation of industry; nor does it reveal the retarding effect on productive output of the embittered relations between employer and employed. From the economic point of view the strike is a clumsy weapon, harmful to the material welfare of the country in which it occurs, as war is economically harmful to the nations which engage in it; nor can it, any more than war, effect any final solution of the problems which give rise to it. Whether, indeed, it can benefit even those who resort to it, is more than doubtful, though it is impossible to give any definite answer to the question. Periodically, official statements of the " results " of disputes are published; from 1919 to 1927, for instance, 24 per cent of the disputes resulted in favour of the workpeople, 32 per cent in favour of the employers, and 44 per cent were compromised, and the percentages of the workpeople directly involved were respectively 11, 25, and 64 in the three cases. The term " compromised," however, covers those disputes in which the employers or workpeople were partly but not wholly successful; and it covers, as is seen, the greater part of the strikes. Even where from the workers' point of view strikes can be classified as successful, the loss of wages during the period of the strike must be put against the gain in wages or other conditions which results. And even if on

balance, a clear gain accrues, the question still remains whether the same result might not have been achieved in other and less costly ways. Indeed, the fact that in general the employers have greater staying power than the men, shows that in the last resort, even the power to strike does not balance the power of the employer to lock-out; does not, in fact, indicate an equality of force on the two sides. It is, therefore, natural to find that as labour organization becomes more completely representative of the workers in a whole industry and more strongly organized internally, resort to this weapon becomes rarer and disputes are settled more and more by other means.

The type of strike referred to here is the ordinary withdrawal of labour as an industrial means for the improvement of conditions or the prevention of their degradation. But " strikes " of a more subtle type and with objects political rather than industrial, have on occasion been employed. Resort has been had, for instance, to the " stay-in " strike, in which workers present themselves for work, but perform the minimum of production; or the irritation strike, in which harm may be deliberately done to the property of the employer by the worker with a grievance. Such methods have been used only in times of intense revolutionary feeling, and in general they do not approve themselves to the British worker; and except that they were advocated in the *Miners' Next Step*, a pamphlet published by South Wales miners in 1912 under the influence of a temporary Syndicalist excitement, the advocacy of such methods is subterranean. The General Strike, again, is a Syndicalist conception, held by the Syndicalist philosophers as a " myth " potent merely to develop the enthusiasm of the proletariat for revolution, but formerly advocated with no such reservation by the actual workers in the Syndicalist movement, as an event to take place on some day as the herald of the revolution. The actual experience of a general strike, in 1926, tended to emphasize the inevitable political

nature of such an occurrence. For while on this occasion the strike may have been in the minds of the rank and file of the strikers who engaged in it purely industrial in purpose, it did, in fact, inevitably acquire more and more of a political significance the longer it continued. Sincere as may be the attempt to restrict its effects to the employers, it cannot, when it becomes general, avoid injurious results to the community, and its very existence is a challenge at once to the existing Government, and to the existing system of industry.

In British trade unionism, then, the strike is a weapon employed, in general, only with reluctance and for legitimate objects. " It is a travesty of industrial history," said Mr. W. Citrine, General Secretary of the T.U.C., " to represent the unions as carrying on an incessant conflict with employers with the object of making the present system unworkable. It is almost entirely due to the action of the unions that machinery for the settlement of industrial disputes through joint consultation and negotiation has been set up practically in all trades and industries."[1]

The strike being at best a weapon of doubtful efficiency, it is natural that attempts should have been made to devise more efficient ways of dealing with matters at issue between employers and employed. And there has, in fact, developed in this country a large body of machinery of different kinds for giving effect to the principle of collective bargaining.

The Machinery of Negotiation.

Industrial disputes may exist on any scale, and may arise at almost any stage in industry. Failure to agree about the terms of an industrial agreement affecting large bodies of workers may precipitate a widespread crisis. But, on the other hand, a dispute may arise through the offer by a foreman of a piece rate which the workers deem inadequate, or from the decision of a firm to engage or not to

[1] *Manchester Guardian Supplement*, 30th Nov., 1927.

engage a particular man, or from the use of a new machine. The matter may be adjusted on the spot by some form of collective bargaining. On the other hand, satisfactory methods of immediate adjustment may be lacking, and the affair develop into a dispute between the firm and the workers, threatening a strike of the men concerned and possibly of the men in other firms in the locality or even over the whole of the industry; and it may only be when the matter has reached this more serious stage that the machinery of collective bargaining is set in motion. Finally, the dispute may actually issue in a stoppage, and joint deliberations start only at this late hour. But at whatever stage, it is clear that sooner or later, employer and employed or their representatives must come together to attempt to reach a settlement. If there is in the minds of the workers the discrediting of the existing industrial order, it may be sound tactics to refuse all means of affecting an agreement, and to allow disputes to take their course; but even the revolutionary cannot live from day to day in the realm of ultimate issues, and where the problem is the efficient conduct of industry under existing conditions, in the best interests of employers and employed, the earlier the stage at which the machinery of negotiation begins to operate the better. The proper function of this machinery is not the ending of a strike or lock-out, nor the settlement of disputes that have already become serious, but the provision of means for solving the problems of industrial relations as they occur in the daily course of industry.

Such machinery is of recent development, and that it is far from perfect and still fails to function smoothly and promptly is only to be expected. Industrial disputes were at first settled by force; employers could starve men into submission, or a strong body of workers could impose their will on industry. But the idea of negotiating after a strike gained ground, and from that it was not a far step to the idea of negotiating to prevent a stoppage, and finally to the

building up of machinery ready at all times to deal with the problems of labour in industry as they arose.

Arbitration.

Machinery for preventing and settling disputes is of two kinds. It may involve the direct participation of the parties to the dispute or their representatives, in which case it is built up within the industry itself. It may, on the other hand, involve the suggestion or the imposition of a decision by some external authority such as the State or some specially appointed person or body of persons. The one is the method of direct negotiation or conciliation, the other of arbitration. Arbitration again may be voluntary, which in this connection may mean two things. It may mean that the parties in dispute, of their own free will, call in an arbitrator to settle their dispute for them, or it may mean that the arbitrator's decision is not binding, but is free to be rejected by the disputants if they consider it unsatisfactory. Arbitration is compulsory in the full sense of the word where the parties are compelled to lay their dispute before an arbitrator and to accept his decision. Short of complete compulsion an element of obligation may be introduced. It may be required of parties in dispute, as in the case of public utility services under the Canadian Industrial Disputes Investigation Act of 1907, that if they are unable to settle their own differences, and a stoppage of work threatens, they should refer the matter to a Government Department which appoints a Board to consider the question and issue a decision. Pending this deliberation, no stoppage of work may take place, but the parties are then free to reject the decision if they think it undesirable. The object of such an arrangement (which is provided for in this country not by Government, but under some existing agreements between employers and employed) is to ensure a certain lapse of time between the outbreak of the dispute and a possible stoppage of work.

Completely compulsory arbitration, which is rare and seldom successful, possessing as it does no practical legal sanction, does not commend itself to the British mind. The Trade Union Congress in 1924 reaffirmed " its determined opposition to compulsory arbitration." The Conference on Industrial Reorganization and Industrial Relations, held in 1928, considered that " the application of the element of compulsion in negotiating machinery would be unacceptable and undesirable," and urged that " nothing should be done to interfere with the beneficial work which is being carried out by existing joint machinery." The same considered opinion was stated by the Industrial Council in its report issued in 1913; and no attempt has been made in this country, outside of war-time, to introduce compulsion into the settlement of ordinary industrial disputes. Nor was the war-time experience such as to recommend the method; for the first Munitions Act of 1915, which made compulsory arbitration legally binding and, therefore, strikes illegal, was followed by a wide stoppage of work on the part of the South Wales miners, against whose action the Government found itself powerless.

The voluntary reference of a disputed question by the parties concerned to an independent arbitrator, or the voluntary acceptance of the services of an arbitrator offered by an external authority, is another matter. Even so, however, the method has its disadvantages. A decision by an arbitrator contains no germ of finality, doing nothing to foster the give-and-take necessary to the smooth running of industry and, therefore, effecting little lasting improvement in the relations between employers and employed. Nor does an arbitrator possess any secret for the solution of industrial conundrums. He cannot even make reference, as is done in civil disputes, to legal statute or to precedent or to accepted principles—for there are none to guide him. What, in any particular case, is a fair day's wage or a fair day's work or the proper demarcation of work between

trade A and trade B is not a matter of established principle but of economic expediency. In consequence, the arbitrator's decision is in general a compromise between the demands of the workers and the demands of the employers; and the method of arbitration leads to exaggerated claims being made on either side.

This difficulty is most pronounced in the case of one of the two main classes of industrial dispute. Changes in the nature of an industry and its processes involve the drawing up of new agreements as to the conditions which shall obtain on the new work; and the dispute may arise at this stage. These agreements, again, may be hastily drawn up and prepared by men unversed in the use of precise language, and they may, therefore, contain clauses or terms the meaning of which, while apparently unambiguous at the moment, may give rise to alternative interpretations at a later stage. The interpretation of existing agreements is the second fruitful source of dispute in industry. Of these two causes of dispute the latter alone is suitable for being referred to an arbitrator for decision. In this case an external authority with no special knowledge of the technicalities of the trade may be able to give a judicial decision all the more acceptable just because of his lack of industrial knowledge; although the fact that such interpretations often form the basis of new agreements may exclude the arbitrator from participation in the solution even of this kind of difficulty. But in the drawing up of a new agreement, the arbitrator, if he is " unbiased," can hardly be satisfactory, for he is unlikely to possess the knowledge necessary to enable him to make an informed decision.

In spite of these drawbacks there are occasions on which the reference of a dispute to arbitration may be useful and successful; and, as we shall see, in many cases, strongly organized industries sometimes make provision, in their conciliation machinery, for final reference to arbitration. Moreover, since 1896 the State has offered to industrial

disputants the services of an arbitrator to help them to solve their difficulties. But, while the Government has thus assisted, most of the machinery of negotiation in British industry has developed spontaneously. Long before the Government had given any important lead by establishing conciliation machinery or encouraging parties in dispute to refer their differences to an impartial tribunal, and long before any thought of compulsory arbitration had been entertained, industry itself had realized the need for some such machinery, and had made experiments towards its establishment. This machinery, be it again noted, was based on, and grew out of the existing organizations of employers and employed, and the more thoroughly the respective parties were organized, the more likely was such peace promoting machinery to appear. The increase in the strength of trade unionism on the one hand, and of employers' associations on the other, far from leading to the outbreak of war conditions in industry, showed itself to be the indispensable condition of its smooth working. Petty warfare and frequent stoppages were the mark of industries in which organization was loose and unevenly spread. A strongly governed, widespread trade union organization was able to keep its branches in control, and by means of its negotiating machinery to secure agreed conditions without frequent resort to the strike. Here and there such conciliation machinery has grown independently of trade unionism, as in the railways, in which the pre-war negotiating boards were based on the vote of the whole of the workers in the railway service, whether they were members of the railway unions or not. But these were exceptional cases, due to exceptional circumstances. For instance, in the case mentioned, the exceptional circumstance was that the railway companies refused recognition to the trade union. That recognition has been gained since the war, and the pre-war machinery of conciliation no longer exists. In general, therefore, conciliation machinery

grew out of the existing organizations of employers and employed.

Pre-War Negotiation Arrangements.

Prior to the war negotiating machinery on this basis had been established in most of the principal industries throughout the country. Usually the machinery stood for a single industry, but there were certain general boards acting for more than one, which, however, have since ceased to function. The machinery, whether under the name of Conciliation Boards, Wages Boards, Joint Committees, or Conferences, consisted in nearly every case of equal numbers of representatives from the employers' associations and the trade unions which had set up the Board. Since, in consequence, there was always the risk of a deadlock and the possibility of a stoppage in cases where agreement could not be reached, provision was sometimes made for the reference of the disputed point to some external arbitrator or conciliator; and in any case a number of the Boards had rules to the effect that no stoppage, whether strike or lock-out, could occur pending the consideration of the differences which had been referred to them. The subjects with which these Boards dealt differed in different cases. Some of them limited themselves definitely to fixing the general level of wages; others to demarcation questions, or other special problems, but most of the Boards were ready to consider any problem of the relation of employer and employed which was referred to them. A few of these bodies were permanent, having more or less regular meetings; most of them, while permanently constituted, only met when a question or dispute was referred to them, and in still other cases, there was no permanent body at all, but simply a provision that in the event of a dispute a conference of representatives should be called. The Boards were generally representative of districts, with provision in an increasing number of cases for reference to a national body.

Examples of these different types were to be found in the main industries. In coal mining, there was provision for the functioning of different kinds of machinery according to the kind of question in dispute. Thus, disputes arising out of the Mimimum Wage Act of 1912 were referred to a statutory district body called the Joint District Minimum Wage Board, which consisted of equal numbers of employers and employed, with an independent chairman. Disputes concerning conditions in an individual colliery after being dealt with by the men and the management in the pit, were referred, if no settlement had been reached, to the District Conciliation Board, which again consisted of equal numbers on each side. In some cases, if agreement was still wanting, there was provision for further reference to an independent authority. In the dyeing trade, under an agreement of 1913, it was provided that for the purpose of determining any dispute between the employers' associations and the unions, " with regard to wages or conditions of employment or any other matter dealt with by this agreement . . . a Reference Board shall be formed." The Board consisted of 18 members, half of whom were appointed by the Association and half by the unions. In the event of its failure to reach a decision on any matter referred to it " each side shall appoint an arbitrator to whom the matter in dispute shall be referred," and all decisions of the Reference Board and of the arbitrators so appointed were binding on all parties. But perhaps the most thoroughgoing pre-war attempt at inducing a settlement without resort to a strike is to be found in the Memorandum of the special conference between the Engineering Employers' Federation and the Amalgamated Society of Engineers held in York in 1914 (known as the York Memorandum), which provided that when a dispute arose, the management and the workers directly concerned should, in the first instance, endeavour to reach a settlement in the works or at the place where the question originated. Failing

settlement there, deputations of workmen accompanied by the Organizing District Delegate if so desired (in which case an employers' representative was also present), should be received by employers by appointment for the mutual discussion of the question. Failing settlement here again, either party could bring the question before a local conference held between the local employers' association and the local representatives of the men's union. If there was still failure to reach a settlement, it was next permissible for either party to refer the matter to a Central Conference, which could make a joint recommendation to the respective bodies. While any or all of this procedure was in motion no stoppage of work, either of a partial or a general character, was permitted. In iron and steel there is a good example of the permanent board, the Iron and Steel Board, whose function is " to discuss and if necessary arbitrate on wages or any other matters affecting the respective interests of the employers or operatives, and by conciliatory means, to interpose its influence to prevent disputes and put an end to any that may arise." The Board, which consists of one worker from each of the works concerned, with a chairman from the employers' side, a vice-chairman from the operatives' side, and a neutral President not connected with the trade, works through a Standing Committee, and the general procedure is that a dispute arising in a particular works is discussed first in the works, then referred to the Standing Committee, and then to the President, whose decision is final and binding. The peculiarity of this particular case is that the machinery is based, not on the organizations in the industry (Trade Unions and Employers' Association), but on works.

Government Intervention.

With the development of such voluntary arrangements the Government took care not to interfere. Such action as the Government has taken, indeed, has had as its main

object the fostering of voluntary negotiating machinery. The Conciliation Act of 1896 was intended not to provide machinery to take the place of that which had been already set up, but rather to encourage the erecting of such machinery in other industries, and to give advice and assistance in particular cases where it was asked for. Under this Act, where a difference existed or was apprehended between employers and workmen, or between different classes of workmen, the Board of Trade might, if it thought fit, exercise all or any of the following powers—

(*a*) Inquire into the causes and circumstances of the dispute.

(*b*) Take steps to enable the parties to the difference to meet together, under the presidency of a chairman mutually agreed upon or nominated by the Board of Trade, or by some other person or body, with a view to an amicable settlement of the difference.

(*c*) On the application of the employers or workmen interested appoint a person or persons to act as conciliator or as a board of conciliation.

(*d*) On the application of both parties to the difference, appoint an arbitrator.

Moderate use was made of this Act, and between 1896 and 1907, twenty-one cases each year on the average were dealt with.

In some industries, however, especially those in which the employers refused to recognize the trade unions, such machinery was slow to appear. Unfortunately, among industries which defaulted in this way were the important transport industries employing seamen, dockers, and railwaymen, industries whose regular working is of vital moment to the community; and in 1911 serious strikes of these workers had occurred. This led to the view that the Government machinery required strengthening, and in 1911 the Industrial Council was established for this purpose. Its advance on the provisions under the Conciliation Act

of 1896 consisted mainly in the fact that it was a permanent body. It was composed of 13 representatives of employers and 13 of workers, with Sir George Askwith as President, and it continued to function till the special conditions of war-time made it no longer suitable. These special conditions meant that the normal machinery for industrial negotiation was for the time being suspended, and in its place compulsory arbitration was introduced in all work for Government purposes. The first Arbitration Tribunal was the Committee on Production under the chairmanship of Sir George Askwith. Again, the Munitions Acts, 1915–16, provided that where a dispute arose in munitions work, and was reported to the Board of Trade and could not be settled, it must be referred to arbitration. Similar provisions were made under the Munitions Act of 1917.

The compulsory arbitration of the war period, however, was merely an episode, and with the end of the war the Government decided to revert to the policy of non-compulsion in industrial disputes. But that did not mean a policy of *laissez-faire* on the part of the State. The problem of industrial relations had become during war-time one of even more urgency than hitherto, and the recognition of the fact is found in the passing of the Industrial Courts Act of 1919, in which two important advances were made. In the first place, while it is held most desirable that disputes should be settled by the parties concerned utilizing machinery of negotiation built up within the industry, it is recognized that such machinery may from time to time fail in its object. Hence the first part of the Act provides that a trade dispute may be referred to the Ministry of Labour which must then take the matter into consideration, and endeavour to promote a settlement. Voluntary action is safeguarded by the provision contained in Sect. 2 (4), that where there exists machinery for settlement by conciliation or arbitration, made in pursuance of an agreement between organizations representative of substantial proportions of

the employers and the employed in the industry, "the Minister shall not, unless with the consent of both parties to the dispute, and unless and until there has been a failure to obtain a settlement by means of these arrangements, refer the matter for settlement or advice." But when these conditions have been fulfilled, it is then open to the Minister of Labour to refer the differences to arbitration either by the Industrial Court, a single arbitrator, or a Board of Arbitration, composed of employers and employed with an independent chairman.

In the second place, the Act provides, in Part II, for the appointment of Courts of Inquiry (consisting of one or more persons) whose function is to investigate any existing or apprehended dispute, and give to the public an impartial report on its merits. Such a court is to be called in only where, in the opinion of the Minister of Labour, the interests of the public are involved. The Court may call for documents and demand the attendance of witnesses, and may make recommendations in the case; or it may confine itself merely to issuing a report for the information of the public. The latter is the feature of special interest in this new development. For one thing it is evidence of the recent recognition that industrial disputes are not merely of domestic concern, important only to the disputants, but that they matter to the community. It is evidence, in the second place, of a belief in the rightness of an appeal to the force of public opinion; a belief, that is to say, that moral judgment has its place in the decision of what seem to be purely economic questions. The line of development, therefore, in the matter of dealing with trade disputes has been from the appeal to the individual arbitrator who was required to give a personal decision on economic grounds, to the appeal to the public to exercise the force of its opinion based not merely on economic considerations, but on the sense of justice. And at least it may be said, that where attempts at compulsory arbitration

are likely to fail because of the impossibility of imposing legal penalties on a recalcitrant industry, the sanction of public opinion has a fair chance of success. It is all the more important, therefore, that public opinion should be carefully guided.

This formal conciliation machinery which has been considered was meant, it is obvious, to deal with disputes which had attained some magnitude and importance. The Conciliation Boards were in most cases district boards, and as already indicated, there was further provision, in some industries, for reference of matters in dispute to bodies nationally representative of the industry. But very often the significant stage in a dispute is the stage prior to that in which it is deemed wise to call in the help of the Conciliation Board. Apart from wide questions of changes in general rates of wages or of hours or other working conditions, friction often arises over small readjustments that are proposed or put in operation in a particular works or shop. Such friction is a dispute, perhaps a stoppage, in embryo; and the vital thing is to have some method either of removing it on the spot or of getting a speedy appeal to and decision from a local tribunal, or, if necessary, a national court. In particular the question of the fixing of piece-rates for new work is apt to give rise to such friction; and before the war there was little adequate provision, in any industry, for the settlement of such questions by collective bargaining.[1] Rate fixing was in most cases a matter in which the employer assumed authority, and the rates were decided by a rate-fixer appointed by him and responsible to him. It is true that if the men objected to the rate fixed, and their objections were sufficiently strong to give rise

[1] Some industries, however, had made such provision. In the dyeing trade, for instance, it was established in an agreement signed in 1914, that the "fixing of rates, and the arrangement of sets shall be mutually agreed upon in writing by representatives of the Association and of the Unions," and that "no rate shall be altered without the assent in writing of the Association and of the Unions to which the employees affected belong."

to a serious conflict, then the wider negotiating machinery would come into operation. But an efficient system of rate fixing by collective bargaining would have prevented the trouble going so far.

During the war several notable advances in this direction took place. The war-time Committee of Production made several suggestions and experiments of value for peace-time industry. In particular, in connection with one of its awards which concerned certain Midland workers, it appointed a Price Adjustment Committee consisting of three representatives of the employers and three of the workers, with powers to adjust piecework rates so as to make the resultant earnings equal to the increase given under the award of the committee. That is, direct collective bargaining as the instrument of rate fixing took the place of individual rate fixing by the employer's representative. In other post-war agreements, provision is made for collective bargaining at the next stage; piece rates, that is, are fixed, in the first instance, by the employer's rate-fixer, but the workers have the immediate right of appeal to a body on which men and employers are represented.

These experiments have, for the most part, been confined to the question of wage fixing; but in other conditions of work there is the same need for the operation of collective bargaining on the spot, if later trouble is to be avoided; and it is in this connection that the importance of the existence of the Works Committee as a vital and integral part of the machinery of negotiation makes itself felt. The recognition of that fact is one of the important points in the post-war development of ideas on the promotion of industrial peace, to which we now proceed.

Post War Developments.

The review of pre-war conciliation machinery as it existed in many industries may have suggested the directions in which it was useful and the points in which it was weak.

Its strength and value lay in its voluntary and spontaneous nature; that was evidence of the fact that the need for peaceful negotiation had been recognized, and that employers and men alike preferred to reach agreement by friendly conference to having agreement thrust upon them by external authority. But at the same time, while the will to peace was present, the means of promoting it were in many respects defective. For one thing, in few cases did the Conciliation Boards meet regularly; they were called together only when a dispute was in the air. For another, the only questions they discussed were matters in which the interests of the men and the employers were, for the time being at any rate, at variance. The two sides, therefore, tended to come together in an atmosphere of hostility and suspicion, which was not productive of harmonious relationships. Again, the machinery was often slow and cumbersome, and it began to function too late.

The Whitley Committee.

Some such criticisms as these were embodied in the first report of the Whitley Committee (properly, the Committee on Relations between Employers and Employed) appointed in 1916, " to make and consider suggestions for securing a permanent improvement in industrial relations, and in the second place to recommend means for securing that industrial conditions affecting the relations between employers and workmen should be systematically reviewed by those concerned with a view to improving conditions in the future." In the recommendations which this Committee put forth in its final reports, it laid special emphasis on the means of avoiding the worst defects of the pre-war machinery. In particular, it recommended the establishment in each well-organized industry of an organization to be called a Joint Standing Industrial Council, representative of employers and employed, which should have regular and frequent meetings, and which should consider not only

matters of divergent, but those of common interest to both employers and workmen, including the " better utilization of the practical knowledge and experience of the workpeople; means for securing to the workpeople a greater share in and responsibility for the determination and observance of the conditions under which their work is carried on; technical education and training; industrial research and the full utilization of its results; the provision of facilities for the full consideration and utilization of inventions and improvements designed by workpeople, and for the adequate safeguarding of the rights of the designers of such improvements; improvements of processes, machinery, and organization, and appropriate questions relating to management and the examination of industrial experiments, with special reference to co-operation in carrying new ideas into effect and full consideration of the workpeople's point of view in relation to them; and proposed legislation affecting the industry." The insistence on frequent and regular meetings was made for the purpose of bringing employers and workpeople together in frequent conferences with the hope of promoting mutual knowledge and confidence; and the wide range of subjects suggested for the purview of the Councils had in view the promotion of peaceful relations through the discussion of points in which the interests of employers and employed were deemed to be common. Lastly, the Whitley Committee hoped to reach the rank and file of the workers, and to provide a means for the speedy operation of collective bargaining in the works and shops. Therefore, their suggestions did not stop short at the Joint Industrial Councils. Their proposed organization for each industry was tripartite: the Joint Council representing the whole industry; District Councils below them, and Works Committees representative of the workshops in each district.

Although circumstances conspired to render these suggestions of the Whitley Committee less widely adopted than the Committee hoped, the idea of Works Committees

was a useful one. Works Committees had existed in many industries before the war, but they were not of the kind envisaged by the Whitley Committee. They represented only the employees; in very rare instances did they contain any representatives of the management; and they existed merely to carry the grievances of the men working in the shops up to the management. They did not form a definite part of the machinery of negotiation, for such negotiation was a trade union matter, and the unit of trade union government and structure was the trade union branch which consisted not of men working in the same shop, but of men living in the same district. The suggestion of the Whitley Committee was that a new type of Works Committee, composed, like the Joint Industrial Council, of representatives of employers and workers, should be developed more widely, and should become a vital part of the scheme of machinery for the promotion of good relations within each industry.

The scheme thus outlined, the Committee hoped to see adapted to all well-organized industries. They hoped it would not only form the means of more satisfactory negotiations, but would also go far to satisfy the demand for workers' control in industry. Neither of these hopes has been realized. Between January, 1918, and December, 1921, 73 Joint Industrial Councils were established. Others have been added since that date, but, on the other hand, 25 of the Councils formed have ceased to function. At June, 1925, the total number of Joint Industrial Councils in existence was 50; but none of them were in the most important industries. The most important case was that of the Building Industries, whose Council, however, ceased to function through the secession of the employers. The Councils which do exist seldom attempt to carry out the wide aspirations of the Whitley Committee; and they have become little more than negotiating bodies. Nevertheless certain definite advances have resulted. The area of

collective bargaining has been widened; negotiating machinery on a national scale has taken the place of local negotiating machinery, and provision exists for the regular and systematic review of working conditions.

For the less well-organized industries (to which the above complete scheme of organization was not intended to apply) the Whitley Committee worked out another system of recommendations, in which the Joint Industrial Councils were to be replaced by Trade Boards, pending the development of such a degree of organization as would justify the establishment of Joint Industrial Councils. The recommendation was that Trade Boards should henceforth be established in any industry in which efficient and widespread organization for the maintenance of wages did not already exist; and, further, that such Trade Boards should have power to deal not only with the fixing of wages, but also with " hours of labour and questions cognate to wages and hours." While the recommendations were not carried out in full by the legislation of 1918, the number of Trade Boards was greatly increased in 1919 and 1920, and the nucleus of a negotiating body was thus formed in many trades in which nothing of the kind had previously existed. The importance of the development is increased by the fact that in the Trade Board a significant place is held by the nominated members, unconnected with the industry, who often wield decisive influence on the Trade Board's deliberations. The work of the Whitley Committee, therefore, though falling far short of its expectations, has not been entirely in vain. Negotiating machinery has been strengthened in the organized industries, and created in those which were formerly unorganized. Moreover, the effect of the establishment of Trade Boards has been to stimulate the recognition of the need for organization[1]; and

[1] On the other hand, some trade unionists object that Trade Boards usurp trade union functions and weaken the loyalty of workers to their unions.

trade unions have come into being where none before existed. Lastly, the tendency, already noticed, to bring in the general public to exert the force of its opinion in the settlement of disputes, is strengthened by the Trade Board constitution. The problems of the relations of employers to employed has come to be a matter not for these alone but for the community.

The existence of these many provisions for the settlement of disputes has not, of course, prevented the occurrence of strikes and lock-outs. Periods of acute industrial strife, indeed, alternate with periods during which some approach to co-operation by employers and employed is made. At the present time a period of the latter kind is in progress. A series of conferences has been held between representative employers, with Lord Melchett at their head, and representatives of the Trade Union Congress, to explore the possibilities of greater co-operation. It is yet too early to prophesy the success of this attempt, but at least it contains the promise of more established relations within industry. The attitude of the trade union movement was seen in the discussion held at the T.U.C. in September, 1928. The General Council of the Congress indicated three possible lines of policy: first for the unions to say frankly that they would do everything possible to bring the industrial machine to a standstill; second, to tell the employers "to get on with their own job," while the unions pursue their policy of fighting sectionally for improvements; third, to say that the unions are not only concerned with the prosperity of industry, but that they will have a voice as to the way industry is carried on. The Council took the view that the third course was the only one possible if the trade union was to endure as a living constructive force, and this view of the Council was the one which commended itself to the Trade Union Congress.

CHAPTER VI

TRADE UNION FUNCTION

II. Wages Policy

It might be expected that trade unions, whose main concern is with the economic advancement of their members, would, in the course of their history, have worked out a careful wages policy consistent with their views on the position of labour in industry, and calculated to yield to labour the highest practicable share of the product of industry. Such a policy would involve the general question of the principles on which wages should be based—whether on the " needs " of labour or on the economic capacity of industry to pay wages—and, in either case, what measure should be applied to determine the amount or rate of wages under the principle adopted. If the principle of payment according to needs were advocated, it would be necessary to show how the principle should be interpreted, and how needs should be measured. If economic capacity were to be the test, it would be necessary to decide whether wages should be left to be determined by the free play of economic forces, or whether some factor should be selected as indicating the capacity of industry to pay wages, and wages made to vary automatically with changes in that factor. In the second place a complete wages policy would involve more detailed decisions—on the methods of remuneration applicable under different circumstances, on the relations of wages of men of different degrees of skill, and on the best methods of ensuring the speedy and smooth determination of wages under varying conditions.

That no such all-round wages policy has been thought out and adopted by trade unionism as a whole, to apply more or less uniformly to all industries, is not surprising.

For wages policy is not independent of the technical nature of different industries, or of other aspects of industrial policy. In one case payment of the worker must be according to the time worked; in another it must be based on output. In one industry the wages bill forms a larger part of the total production costs than in another, and wages advances in it may, therefore, have greater effects on prices. The elasticity of demand for the products of one industry may be great, of another small; and these differences will have their effect in preventing or making possible advances in wages at the expense of prices. Nor is the wages policy of any trade union to be understood apart from other elements in its general policy, such as its views on the relations of skilled and unskilled, the restriction of output, or the problem of hours. An inquiry into the trade union policy in the matter of wages must have these limitations in view. We shall not look for an ideal policy, but for the means adopted to meet existing conditions; and the policy must be interpreted in relation to other facts in the situation.

But even within single industries it is seldom that a well-devised wages policy has been thought out, and attempts on the part of labour to increase wages, or on the part of employers to reduce wages, are made with reference to principles which vary with the conditions of the moment, sometimes to cost of living, sometimes to the state of trade, sometimes to prices of products; and always under the influence of the momentary strength or weakness of labour. In the few cases in which a satisfactory wages system has been mutually agreed upon by the two sides, the cause has been the exceptional enlightenment of organized labour or employer, or the exceptionally favourable conditions of the industry. In the main, the trade unions, emerging in response to particular causes, and immersed in the practical problems meeting them from day to day, have been too pre-occupied to give their minds to working out a comprehensive scheme. And it must be added that organized

labour has not, in the past, been encouraged to give thought to questions of high policy, and has consequently in the matter of wages confined itself to the narrower problem of working for the best conditions under existing circumstances. Short period views have predominated. That the need for something more is clear to some of the leaders of trade unionism themselves appears in the pronouncement of the President of the T.U.C. at the Congress in 1926. " In my view," he said, " a scientific wage policy for the unions requires to be thought out in relation to some generally acceptable set of principles for determining the division of the product of industry among those who have a rightful claim upon it."

It is natural, in view of the absence of any defined wages policy of its own, to find that trade unionism has seldom escaped the influence of contemporary economic theories of wages; and has had its outlook and its practice affected by them. It is true that the very existence of trade unions, whose object is the improvement of the economic condition of the worker (including his wages) is a standing challenge to the early " Iron Law " of wages. But the corollary of that law, that only a restriction in the number of the working population can enable wages to rise permanently above the bare subsistence level, had considerable influence on trade union practice. The later Wages Fund theory, again, which held the field even after its rejection by Mill, led to a similar conclusion. For it postulated a fixed wage fund, out of which all wages are paid, and from this necessarily followed the conception that the average wage of labour, determined by the ratio of this fixed fund to the number of workers amongst whom it had to be divided, could rise only if the number of the labourers were reduced. These theories, if they were not an important factor in determining the development of trade unions along exclusive lines, at least provided a reasoned basis for that line of development. If according to the best economic teaching the source of wages

was at any time a fixed predetermined fund, clearly the members of skilled crafts were justified in forming their craft unions with a view to restricting the number of entrants to their trade. It would have been interesting to see what the effects on trade union organization would have been if the trade unionists had grasped the sense of the wage fund theory in which it is true; that is, if they had seen that the real as opposed to the nominal wage of labour is derived from a capital fund, predetermined, indeed, but only in so far as the spending or saving habits of the whole community have affected capital accumulations. But few people did grasp that conception; and in framing their policy trade unions accepted the same superficial view as was accepted by statesmen as the basis of their practical policy of social amelioration through emigration.

In time, the Wages Fund theory, based on a static conception of industry, proved inadequate to a system which was showing itself to be more and more dynamic, and the theory gave place to the doctrine that wages measure the net marginal productivity of labour. It would be absurd to suggest that henceforward labour based its organized policy on an explanation of the relation of wages to value of product which is none too easily grasped. But the theory supported what had always been the trade union contention, that under favourable conditions wages can advance. Where labour differed from the theorists was in pressing, in practice, for a less abstract conception of the value of the product of labour. According to the theory (omitting its refinements) wages, under competition, are the measure of labour's contribution to production. Against this it could be and was urged that, in fact, we have no system of pure competition, and that, in particular, in the relations between capital and unorganized labour, freedom of competition is a myth; for on the workers' side there is lacking the power of re-contract, the existence and use of which is necessary to perfect competition. Hence, wages

can be said to be equal to the value of labour's product only in an abstract sense. But in fact there is nothing to compel industry to pay to labour the full equivalent of the value of its contribution; for whenever labour as a bargainer is weak relatively to capital, capital can purchase its labour at an advantageous price. It could further be urged that the productivity theory fell back into the same error as the Wages Fund theory in regarding industry as static, and failing to recognize that within limits an advance in wages may be an instrument for increasing the productivity of labour. It may bring that result in two ways. In the lower paid occupations enhanced wages may make for greater productive efficiency by improving the health and brightening the outlook of the workers. It can come about secondly through forcing improvements in plant and in the organization of the industry. With defective tools the worker cannot give his best output; with inefficient organization the value of labour's product is kept at less than it need be. When the productivity theory is interpreted thus widely, trade unionism may be said to have accepted its spirit. But in this sense there is still reason for the trade union to work for wage advances by refusing to permit industry to look upon wages as the line of least resistance in the lowering of costs, and thus force the introduction of improvements in organization by which the value of the product of labour may be increased.

Belief in the possibility of progressive improvement in the reward of labour is, therefore, fundamental to trade unionism. On the question of the best means to that end, the unions have not yet formulated any one policy. Their action is defensive rather than constructive; it aims at preventing reduction in wages rather than at bringing about their improvement, and the means to that end which they have adopted is the instrument of the Standard Rate. At the present time that instrument is employed wherever trade unionism has acquired strength and recognition. It

is true that at a time now past, reliance was placed on a restriction of the numbers in a trade, as the sole means of improving the workers' condition. But that meant the adoption of an exclusive policy which is now contrary to trade union ideas. It was also based on a view of wages which is no longer generally accepted; and although the method of restricted entrance is still employed, it cannot still be said to hold the principal place, which is now held by the instrument of the standard rate.

The Standard Rate.

The trade union standard rate is meant to be neither a fixed nor a maximum but a minimum wage. For union purposes there is no special merit in making wages invariable, but only in ensuring that they do not fall below a certain figure, and trade unions do not generally object to a higher rate than the minimum being paid to more able workers. In actual practice there is a tendency for the minimum to become the maximum, largely through the psychological effect of the imposition of the standard rate on the employer, who comes to accept the rate automatically, and to cease to trouble about exceptions. But all that the principle is meant to involve is that each worker in a given class or on a given job, whether paid by time or piece, shall receive in wages not less than the rate laid down for his particular work. In the next place it is a standard *rate* of wages, not a standard amount of earnings. On piecework, therefore, it does not result in equal but in unequal earnings.

This principle is the natural one where industry has come to be carried on on such a scale that hundreds or thousands of workers are employed by one firm. In small scale industry it may be possible and even desirable for the employer to deal with each of his workers individually, and to settle his wages by reference partly to economic and partly to personal considerations. But in the large factory or works individual treatment becomes impossible, and the employer,

in fact, generally prefers to treat the question of wages impersonally and by reference only to general principles. That is, variations in individual rates of wages among workers on the same job or in the same grade become naturally infrequent. And if it is asked why the trade union should make a show of insisting on the observance of a principle which the employer himself finds it to his interest to observe, the answer given is that the very fact that uniformity of payment becomes the practice makes it more than ever necessary for the trade union to keep its eye on the minimum; it is the minimum rather than the uniformity which the trade union emphasizes. While the union does not object to a better worker being paid more than the minimum rate for the job or the time, it will stake its existence on preventing any worker from being paid less.

The application of the principle of the standard rate has its disadvantages; but these must be considered in relation to the advantages which it is held to secure and not merely as independent facts. From the standpoint of the trade union and its objects, there are two main reasons why the standard rate is insisted on. In the first place it is vital to the existence of the trade union itself. Once permit individual bargaining for payment at a rate less than the agreed rate of wages, and the whole principle of collective bargaining goes by the board; and with the passing of collective bargaining, the whole existence of trade unionism is endangered. This is the answer to the *laissez-faire* view that each individual should be permitted to make the best bargain he can for his services. It may be granted that one disadvantage of the standard rate is that it may prevent certain subnormal workers, who might be employed at less than the standard, from being employed at all. This is an undesirable (though with certain precautions not an inevitable) result of the principle of the standard rate. But the alternative is individual bargaining, involving the disappearance of the trade union. In the second place, the

standard is a bulwark against the general lowering of rates. A low rate paid to any worker becomes an argument for reducing the remuneration of the other workers in the same class or on the same job; and it is in the interests of the whole group that a trade union is ready to withdraw its members rather than permit one worker to receive less than the standard. From the point of view of organized labour, the case for the standard rate is strong.

The economic significance of the standard rate is not quite so clear. It might be asked on what grounds labour should claim a minimum remuneration at all. The claim it is to be noted, is not merely for a " living wage," the case for which might in these days be held to be powerful. The claim is for a minimum which may be fixed without reference to the subsistence or the efficiency level. As such it seems anomalous. Neither capital nor enterprise can effectively make any such demand; for the return to capital in a given use varies from company to company, and the head of a business is dependent on economic conditions for his mere livelihood. But in fact these cases present no parallel to the case of labour. In view of their sole responsibility for meeting their contracts, capital and enterprise in modern industry claim and enjoy the sole control of industry; and they, therefore, carry the risks of loss and enjoy the corresponding chances of gain. Labour, in modern industry, is outside this sphere. It has no risks of this special kind; and it has compounded for immunity from the risks of loss, by giving up the chance of special gain. Its risk is of another kind, namely, that at the price which it asks for its services there will be no demand for them and that it will be out of employment, and this is a risk which capital and enterprise would also share if their remuneration were similarly stabilized. The claim to a minimum rate of payment, therefore, has its economic justification, and at the same time carries its penalty in the form of possible unemployment.

But since, in the limiting case, the standard rate is the exercise of a monopoly power the device requires to be critically judged with reference to its economic effects. Two points are relevant to such a judgment. First, the standard is a minimum rate of wages, agreed on for a limited period by the representatives of employers and organized labour in the industry concerned, and applicable generally. Second, there is no compulsion on any employer in the industry to employ any particular worker. The only compulsion exercised by the union is that whatever worker is employed must receive the rate appropriate to his occupation.

From the first of these points it follows that the wages bill will be less burdensome on the more efficient than on the less efficient firms; and in a competitive system, the standard rate will, therefore, have one of two effects. Either it will tend to eliminate the marginal or least efficient producers, or it will act as a stimulus to increase their efficiency. In either case it will be likely to lead to a higher general level of efficiency on the employing side throughout the industry. Further, to the " better " firms in the industry, the principle will be likely to be not unwelcome. In so far as the trade union wage conditions are general, the better firms are freed from the fear of losing their relative advantage by the lowering of labour costs on the part of their rivals: they are, therefore, free to avail themselves of their advantageous position to experiment in new methods and in new lines of products, all of which makes for industrial progress. Again, the wages element in production costs is stabilized during the period of the wage-agreement, and longer contracts at fixed prices for the sale of products become possible. Thus, the principle makes for efficiency, stability, and progress in industry, results which under a competitive system are advantageous also to the consumer.

From the second point, similar conclusions have been drawn as to the effects of the standard rate on the workers;

and, indeed, the absence of any compulsion on the employer to engage any particular man might be expected to result in an automatic selection of workers, those only who are worth the standard rate being retained. Mr. and Mrs. Sidney Webb, in *Industrial Democracy*, hold that it is to be counted to the credit of the device of the common rule (as to wages, hours, etc.), " that it compels the employer, in the choice of men to fill vacancies, to be always striving, since he cannot get a 'cheap' hand, to exact, for the price that he has to pay, greater strength and skill, a higher standard of sobriety and regular attendance, and a superior capacity for responsibility and initiative "; further, that this reacts on the workers, and " acts as a positive stimulus to the whole class to become ever more efficient." As against this view there is the widely spread opinion that the standard rate makes for inefficiency. There is ground for thinking, however, that this view is based on a misconception of the standard rate, interpreted as a fixed, and not a minimum, rate; from which it is deduced that all incentive to good output is lacking. So far, however, as the standard rate is really only a minimum, and so far as it is still possible for men to be rewarded by better remuneration, there generally is no reason to suspect that the standard rate as such should have any restrictive effects. In normal times the employer may be relied upon to refuse to engage workers worth less than the standard. Exceptional circumstances may exist, however, in times of booming trade, when labour is scarce and employers are limited in their choice of workers. Then they may be forced to engage at the standard rates sub-normal workers who in times of less stress are not value for the standard; and there is a tendency for general output to fall to a level within the capacity of the less efficient workers. This, in fact, is one of the important causes of the prevalence, where it does prevail, of the policy of " ca' canny." Sympathy with the slower workers, who may thus be protected from dismissal, is a more powerful factor

with the ordinary worker than economic arguments as to the effect of restricted output on demand, or employment or wages.

What has been said up to this point assumes that the standard is in fact, as in theory and intention, only a minimum, and never a fixed wage or a maximum. But the psychological influence of the standard rate on the employer cannot be neglected. The rate comes to be accepted by him as that which he has to pay. Less attention is given to individual cases, and as he cannot pay less, the tendency is for him to refrain from paying more. And this result is the more likely to occur since at times the subnormal worker has to be engaged at a wage which seems to be more than he is worth. In so far as this occurs, industry loses the stimulating effect of higher earnings for greater skill and ability, and a lower level of efficiency may result. In fact, the principle of the standard rate may be said to be free from injurious effects on the productivity of the workers only if the employer accepts it in a spirit of co-operation, and remains as alert in distinguishing and rewarding special ability as he would be apart from the imposition of the standard.

The conclusion suggested by the above line of reasoning is that the use of the standard rate in collective bargaining by organized workers tends to raise the level of efficiency in an industry by reactions partly on the workers and partly on the employer, the former being tuned up to increased effort in order to hold his place, the latter being stimulated to improve his organization and his methods and to introduce better appliances and machinery. The history of the industries in which collective bargaining was strongest gave support to this view in the early years of the present century. But in more recent years the state of such industries as coal-mining, cotton, and shipbuilding throws doubt on the continued validity of the argument, although the disorganized state of industry since the war makes any general

conclusion on the matter impossible. In any case, however, in so far as increased efficiency comes through the introduction of labour-saving appliances and other methods of economizing in labour, it may be secured at the expense of a curtailed volume of employment. This possibility becomes greater as the sphere of wage-regulation, by trade unions or otherwise, extends. So long as wages are in most industries determined by the free play of competition (and this was the case when Mr. and Mrs. Webb made their analysis of collective bargaining), workers, driven out of a unionized industry as a result of wages policy, stood a chance of being absorbed elsewhere at a wage that they could earn; and their unemployment in that case was only temporary. But when wages come to be regulated by trade unions, or otherwise, over the greater part of the field of industry, dismissed workers fail to be re-absorbed and go to swell the numbers of the unemployed. The prevalence of wage-regulation over industry has changed the problem. What could be done by an industry here and there when trade unions were few, without causing permanent unemployment to their members, can no longer be done with impunity now that wage regulation is general.[1]

Methods of Remuneration.

The Standard Rate may be either a time-rate or a piece-rate, and the principle may be applied to any of the more complicated methods of remuneration which have been introduced. But the more complicated the method, the more difficult does it become to ensure standard payment, and, therefore, belief in the standard rate goes far to determine the attitude of the trade unions towards different

[1] In an article appearing in the *Economic Journal* (September, 1929) in which Prof. Clay works out some of the effects of widespread wage regulation, and indicates the need of "co-ordinating wage settlements in different industries and of securing in each the consideration of such apparently remote factors as the productivity and rate of expansion of industry as a whole."

methods of remuneration. In primitive society, in which there is neither employer nor employed nor private property in capital or land, a man's payment for his effort consists in the satisfaction derived from the product of that effort; he is paid by results. In modern industry it becomes possible to calculate what is due to the worker by one of two main methods, he may be paid either according to what he has produced, or according to the time he has spent in production. Were it not for personal inequalities in efficiency or willingness on the one hand, and the industrial complications which follow on the use of the respective methods on the other, it would be a matter of indifference which was employed. But since in fact one man will produce more than another in a given time, the two methods affect different individuals differently, and since they have different psychological effects, payment by piece stimulating to greater exertion than payment by time, they have different effects on output. The latter fact is recognized in industry generally by the custom of equating the standard remuneration of a piece-worker to something like one-third more than the standard remuneration of a time-worker.

Employment under a time-wage means payment according to the length of the period worked, whether the unit be the hour, the day, or the week. In its usual form it is not complicated by any reference to quality or quantity of output, though undue inferiority in either respect would probably mean the dismissal of the worker. But since wages cannot be dissociated from the value of the workers' output, the time-wage is an average which discounts differences of ability on the part of different time-workers. Contrasted with this simple time-rate is the straight piece-rate, a payment of so much per unit of output. Where this method is employed it has been introduced generally on the ground that it is believed to act as a greater inducement than time-payment to effort on the part of the worker, who receives extra remuneration for extra effort on his part.

For the same reason employers have devised more complex systems of payment by results which are designed to exercise even greater influence on the worker.

Time and Piece Rates.

There is, of course, a connection between time and piece payment; for the value of the worker's contribution to the product, on which wages depend, is a function of time spent and amount produced, and the calculation of wages must take both elements into account. It is implicitly understood that a time-worker should produce at least a minimum in the time for which he is paid; and that a piece-worker should produce his unit in at least a certain maximum time. But the cross reference is seldom made explicit; and since the two methods lay emphasis on the respective bases of remuneration a fundamental difference of principle is involved. Payment by piece in its usual form rewards each worker for what he as an individual has done; and, therefore, apart from deliberate restriction of output, an equal rate of pay results in unequal earnings in a given time. Time wages ignore the individual differences of output, and result in equal earnings in a given time. Piece payment is, therefore, individualistic, and it is to be expected that as trade unionism tends to subordinate individual to group interests, and personal to class ends, the trade unions should favour time as opposed to output as the basis of remuneration. There is a general impression that the fact conforms to the expectation. The only attempt at a complete survey of the facts was made by Mr. and Mrs. Sidney Webb, and its results were included in *Industrial Democracy*; but this survey refers to 1897. It shows that at that time, 49 trade unions, with a membership of 593,000 insisted on piecework; that 38 trade unions, with a membership of 290,000 insisted on time-work, and that 24 trade unions, with a membership of 140,000 willingly recognized in various departments both piecework and time-work.

This survey omitted general labourers and transport workers (among whom time-work is the rule), but with that exception it covered nine-tenths of the trade union world. If these results are to be accepted as at all closely representing the facts, it would seem that in 1897 the objection to piece payment among trade unionists was not so strong as it has since been represented to be. No complete statistical evidence on the question has been collected since that time, and the rules of the various trade unions do not always disclose the attitude of the unions. But many do, and they are sufficiently numerous to give support to the general impression of the opposition to payment by results. For example, the following extracts may be quoted from the rules of certain trade unions in the metal trades—Electrical Trades Union: "Members are not to consider that . . . the union looks upon the system (of piecework) with the slightest degree of favour; but on the contrary, the union considers it one of the greatest evils it has to contend with." National Societies of Coppersmiths, Braziers, and Metalworkers: "In all cases where employers seek to introduce conditions other than day work, members must at once report same, with conditions imposed, to the Executive Council." Associated Ironmoulders of Scotland: "No member or members shall be allowed, either directly or indirectly to encourage the establishment of piecework; but where it has already been established they shall, by every legitimate means, endeavour to have it abolished." Associated Blacksmith's and Ironworkers' Society: "The members of the Society shall not encourage the working of . . . piecework." National Union of Operative Heating and Domestic Engineers: "No member shall be allowed to enter into any contract with his employer or any person, to carry on work by the piece, nor shall he be a party to carry on the system in any shop where the same has never existed." National Society of Brass and Metal Mechanics: "No member to introduce the piecework system into a

time-work shop." Similar clauses are to be found in the rules of other unions, particularly in the building trades. In other cases, even if the principle of piece payment is conceded, and the impossibility of abolishing it recognized, the rules show that it is accepted under protest, and they instruct their members to resist its introduction in shops where it does not already exist, and to accept it only under certain conditions. Such conditions include, in different instances, the guarantee of a day-rate, the maintenance of a previous standard of earnings, and the fixing of piece-rates by collective and not by individual bargaining. At the same time, a change of policy is now becoming apparent, and a recent resolution adopted by the National Committee Meeting of the Amalgamated Engineering Union in 1928 shows the changed view in the case of a society which has always strenuously resisted piece payments. The resolution says: " Recognizing that 75 per cent of our membership are working on some system of payment by results, should recognize same, and negotiate for a National Agreement of Control."

But remuneration according to output is possible only in certain kinds of occupation. The demand made by members of the general public in the years immediately following the war, for the application universally of a system of payment by results as a panacea for most of our industrial troubles, failed to recognize the industrial facts. There are many occupations in which payment by results is either a physical impossibility, or is undesirable on grounds quite unconnected with the feelings or the prejudices of the trade unions. To begin with, the great majority of unskilled workers, of assistants to skilled workers, and of maintenance men as contrasted with process workers, can be paid only by time. The nature of their work is such that their product, even where a physical product results, cannot be measured; and the only possible basis of remuneration is the time they work. Again, there is no physical unit of output in the

whole transport group of industries, in most agricultural work, in the distribution trades and in most of the local services in the production and provision of gas, water, and electricity. In a third group of occupations, time payment is desirable because quality of work is more important than quantity of output; that is the case, for instance, in scientific instrument manufacture. The adoption of this method of remunerating the workers who fall into these groups is not due to any preference for it displayed by organized labour, but simply to the natural facts of the case. There is no other conceivable method of payment.

Such occupations cover a large part of the industrial field. The inquiry conducted by the Board of Trade in 1906 into earnings and hours of labour in the United Kingdom collected statistics showing the prevalence of the different methods of wage payment. That inquiry revealed the fact that of the workpeople covered by the returns received, approximately three-fourths were paid at time-rates of wages, and one-fourth at piecework rates, or on other systems of payment by results. Certain industries like building and woodwork, railways, manufacture of food, drink, and tobacco, public utility services, and agriculture, were almost wholly time-work industries; in others, such as textiles, mining, pottery, brick and glass, clothing, engineering, shipbuilding, and other metal trades, there was a considerable proportion of payment by results. In the following industries over 80 per cent of the workers were time-workers: agriculture, building, construction of works, mill-sawing, cabinet making, jewellery, farriery, scientific instrument making, textile bleaching, dressmaking, and millinery (retail), furriery, dyeing and cleaning, railways, tramway and omnibus services, other road transport, gas, electricity and water supply, local authority services, printing and bookbinding, wallpaper manufacture, chemical manufacture, grain milling, baking, brewing, mineral water manufacture, sugar refining, spirit distilling,

coach, carriage and cart building, oilseed crushing, harbour and dock service, linoleum manufacture, china clay and china stone works.

It is twenty years since this survey was made, and in the interval considerable changes in industrial technique have taken place. In particular, during the war, there was a great increase in the employment of the method of payment by results; but at the end of the war many industries reverted to their pre-war practices in the spirit of the Pre-war Practices Act. Yet, " it seems not improbable that the proportion of workpeople paid by results is now higher in some industries than in 1906."[1]

The trade union attitude, therefore, only becomes important in those industries or processes in which an alternative method of payment is possible. But such have increased considerably in the past twenty years; and it is for that reason largely that the question of payment by time or by results has acquired an increasing importance.

Assuming that the trade union has succeeded in getting the principle of the Standard Rate recognized there is much to be said in favour of the piece method of remuneration. Psychologically the case for it is strong. It makes its appeal to the individual's acquisitive instinct, and it would appear that at least the superior workers in any grade would be unwilling to give up this method of remuneration. Since it makes this psychological appeal, the economic arguments for it are also strong. For while it benefits the worker by yielding him larger earnings the more he turns out, it benefits industry by acting as an inducement to increased output. Indeed, the advantage to industry is even greater than to the worker, for the greater the output which the worker is induced to give, the lower are the overhead costs per unit of output. The slow worker's output is associated with relatively high oncosts; his unit of output requires space, machinery, power, lighting, etc., for a longer period

[1] *Survey of Industrial Relations*, 1926, p. 107.

than the unit of output of the fast worker. So far, therefore, as piece payment induces the worker to increase his output in the unit of time, it results in a saving of oncosts which is not passed on to the worker but retained by the industry, and the total costs of production are lowered. Pigou, indeed, suggests that abstractly a perfectly just system of remuneration would be such as to yield not a proportionately but a progressively increasing remuneration as output increases, but that would be difficult to arrange, and in practice the greater security of tenure of the fast as compared with the slow worker, may be said roughly to correct any inequality." Thus, in addition to the psychological and the economic arguments for the piece wage there is the moral argument on the ground of justice.

If these are the characteristics of the system of payment by results, it is not a simple matter at first sight to account for the opposition to it on the part of the trade unions. The subnormal worker it is true, might prefer to be paid on a time basis in which his deficiencies might be overlooked, being balanced by the superior output of the abnormally fast worker. But even he would be aware that under a time wage his chances of employment at the standard rate would be fewer than they are under a piece wage. The superior worker might be expected to go all out for piece payment; and to the general run of workers who form the majority, it ought, if wages are connected with output, to be a matter of indifference which method is applied.

Trade Unions and Piece Rates.

The trade union attitude on this question is not independent of past experience. The objection is not merely the abstract one that piece payment violates the principle of collective bargaining; it is the practical one that in the experience of individual workmen the acceptance of the

[1] *Economics of Welfare*, p. 448.

principle has led to results to which they object. The chief argument for piecework, to which attention has already been directed, is that it guarantees to the worker extra remuneration for extra output and therefore for extra exertion, and doing so, leads to results which are beneficial both to the worker and to industry. But these desirable effects have in the past been prevented by the cutting of rates until they yielded to good workers no more than was formerly earned, with less effort, under time-rates; the less able workers, consequently, received less than before, and on the whole the remuneration in relation to effort was reduced. This "nibbling at the rates" may result from different causes. Conservative employers may have been honestly alarmed when they found workers, just turned over to piecework, earning abnormally high sums; and may have adjusted the rates of pay so as to yield more customary weekly earnings. It is coming to be more widely recognized, however, that where a piece-rate has been well devised in the first instance, the higher the workers' earnings, the better for the employer, since he is getting product for his money and saving in oncosts in addition; and we may, therefore, expect to find less rate-cutting on this ground in the future. But these beneficial results accrue only where the rate has been wisely set in the first instance. The absence of that condition is the second reason for the cutting of rates. The fixing of a piece-rate for a new job, or the change-over from a time to a piece method of remuneration, is not a simple matter. Some method of securing an equivalence between time and piece-rates has to be devised; and too often a slip-shod test has been applied. Undue haste or an unscientific method of testing the worker's capacity may have resulted in a bad decision as to rates, and after the experience of a few days or weeks, the rate has had to be adjusted to the newly discovered facts. But whatever the explanation of the practice of rate-cutting, the effect is disastrous. For, in the first place,

the whole method becomes suspect; and secondly, as an act of self-defence, the policy of " ca' canny " is deliberately adopted particularly when the rates are being fixed. Hence a method, the merit of which is that it offers an inducement to increased output, ends through short-sighted action in restricted output. The consequent suspicion of the piece method is now so ingrained, that it will take better guarantees than have yet been devised to remove the workers' opposition and reconcile them to the willing acceptance of payment by results.

A second objection stands on less secure grounds. This is the objection that, since the method results in increased output, it must have the effect of causing unemployment, on the ground that if one man does more, there will be less left for others to do. It is easy to prove that in this matter the worker is the victim of the " work-fund fallacy "; that this objection to piece payment is on a par with the objection to the introduction of machinery; that the amount of work available, far from being fixed, as both objections assume, is capable of indefinite expansion with the increase in the amount of wealth produced, and that the surest way to increase employment is to produce as much as possible, since the ultimate source of the demand for labour is the national income. But it is idle to argue on such general grounds, and to point to the lowering of costs, the extension of markets, and the consequent ultimate increase in the numbers who may be employed. For the worker knows from experience that, in fact, he and his fellows have lost their jobs through the introduction of machinery and changes in methods of production, and it is in individual cases that he is interested. Increased output is good in general and in the long run; it may be bad in the transition stage and in individual cases. Hence, until some satisfactory method has been devised of overcoming the transitional difficulties, we may expect opposition to any system which has such immediate effects.

A third objection to piecework is one which has until recently met with scanty consideration in British industry, but which is yet probably one of the most serious. This is the objection that where piecework leads to undue speeding-up, it results in a mental and physical exhaustion which, if its immediate presence and effects are hidden, shows itself in the long run in a lower total output consequent on the more rapid using up of the workers' energy and the shortening of his working-life. Definite evidence on this point is still largely to seek. But one may point to the well considered opinion that some of the more complex systems of payment by results used in connection with Scientific Management in America are largely responsible for the less desirable features of American life, to the results of the special inquiries into conditions of work in this country during the war, and lastly to the growing body of evidence forthcoming from the investigations of the Industrial Fatigue Research Board in this country.

Other objections on the part of trade unions to piece payment may be summarized. There is the point that it leads to individual dissensions rather than to co-operation, and that it destroys the sense of craftsmanship in the worker. These objections appeal to different types of men; but the one argument that appeals to all trade unionists is that the system endangers the principle of collective bargaining.

If this were sound, it would, from the trade unionists' point of view, be an unanswerable argument. Yet the experience in certain industries, particularly cotton, suggests that where trade unionism is strong, where it does not set out with a prejudice against piecework, but seeks to devise some method which would not threaten vital trade union principles, the danger is not great. The fact seems to be, not that payment by results endangers collective bargaining where labour is already well-organized, but that collective bargaining is a necessary accompaniment of

payment by results if the latter is not to undermine the standard of living of the wage-earners.

The two methods of remuneration already discussed, plain time-rates and straight piece-rates, cover the greater part of British industry. But there are many variations on these themes, particularly on the second, and several combinations of the two, which would demand discussion in a general treatment of the wages question. Since the present object is the narrower one of pointing out and accounting for the trade union attitude to different methods of remuneration a brief indication of the chief classes of these modifications will suffice.

Modifications of the time wage are few and unimportant. Their characteristic is that they make explicit the reference to output, as regards either quality or quantity, which is implicit in all time systems. Thus a specified time-rate may be paid conditionally on the worker's reaching a certain standard of output, any deficiency resulting in a deduction from the standard rate. Where this method also rewards the worker who exceeds the standard output, by giving him a higher time-rate, the method may yield a rough approximation to that progressive piece-rate already desiderated. Again, workers in the same shop and on similar work, may be graded according to their excellence in qualitative rather than quantitative output, and paid different time-rates accordingly.

Other Forms of Payment by Results.

There are many modifications of the straight piece-rate, but they fall into two main classes. In some cases a collective is substituted for an individual basis of calculation, and the worker is rewarded, not according to his output, but to the output of the whole shop or group in which he finds himself. This modification is made sometimes with the object of securing greater output through an appeal to the *esprit de corps* of the workers; but its success in this

respect depends partly on the particular method employed for settling the division of the piece price among the workers concerned. The total sum due for the work may be divided equally among the workers in the group; or it may be divided in prearranged proportions; or thirdly, the sum may be paid to the head-worker of the group who then pays his subordinates by a time-wage, he himself retaining the balance. This is the method usually employed in sub-contracting, as among angle-smiths and platers in the ship-building industry, and among cotton spinners and weavers.

Sometimes, on the other hand, the collective method is employed of necessity because of the impossibility of measuring each worker's physical output. It may, indeed, be impossible to measure even the physical output of the group as a whole; and resort may then be had to calculating the collective payment on the basis of invoice values, in which case there is a departure from the strict principle of piece payment, which is payment according to quantity of product, and an approach towards the method of remuneration according to the price of the product. Methods of collective piece payment or collective bonus on output were used in war-time with varied success.

The other class of modified piece systems consists of the substitution of differential for straightforward piece-rates. They were originally used in connection with the system of Scientific Management designed and worked out by Taylor, Gantt, and Emerson, and have been more widely applied as an element in rationalized industry. Of many of them it may be said that they employ systems of calculating earnings so complicated as to make them unadaptable to the method of collective bargaining; that they are correspondingly opposed by trade unionists; and that the use of the term Rationalized in place of Scientific Management has hardly modified the opposition.

The typical case of the method which combines time and piece payment is the Premium Bonus system, the use of

which was fairly widespread, particularly in engineering, during the war. The features of the system are these. A standard time-rate of payment is fixed, and a certain time is allowed for the completion of the job. If the worker performs the job in less than the time allowed for it, he receives a bonus in the form of an addition to his standard time-rate, the addition depending on the amount of time saved. The actual relation between bonus and the standard payment varies in the different varieties of the system. Under the Halsey method, the bonus addition is a constant percentage of time saved, and, therefore, the total piece rate of payment is capable of great increase if the worker works fast; under the Rowan method, on the other hand, the bonus addition is determined by the ratio of time saved to time allowed, so that the total piece-rate can never increase by 100 per cent, no matter how fast the employee works. From the worker's point of view, therefore, either form of the premium bonus system is inferior to the straight piece-rate; for the more quickly the employee works the less becomes his payment per unit of effort.

The methods of payment hitherto dealt with, whether based primarily on time or output, have this in common, that the rates are determined by agreement between employers and employed, and remain unaltered during the term of the agreement. In contradistinction to these, there exist a number of systems, in various occupations, in which arrangement is made for the rate of wage or, at any rate, for the total periodic earnings of the workers to vary according to some previously agreed index. This index may be some selected factor taken to show the varying prosperity of the industry in which the workers are employed, or on the other hand, it may be the index showing the changes occurring in the cost of living of the normal working-class family. Such variable wages, therefore, are based on a prosperity index or a cost of living index.

Wages and an Index of Prosperity.

The two main examples of the former are profit-sharing and the sliding scale system. Profit-sharing, indeed, is not in the proper sense a method of wages payment; it is a method of making the total earnings of the worker vary with the prosperity of the firm in which he works as measured by its profits. The main part of the worker's remuneration, as of the reward of capital, is still determined in the ordinary way. The worker receives the standard rate of wages, and capital takes a normal profit. The variable element consists of the surplus after ordinary wages and ordinary profits have been paid, this surplus being divisible between capital and labour in an agreed proportion. The essential features of profit-sharing are, therefore, these: the share of profits received by the workers is an addition to standard rates of wages, it is fixed in advance, and it is paid out of the profits of the concern. Its result is to make the worker's earnings vary with the prosperity not of industry as a whole, but of the concern in which he is employed. Such schemes have been evolved in a large number of industries. According to the Abstract of Labour Statistics, 1928, the total number in operation at the end of 1927 was 297, of which 173 had been introduced since the war. On the other hand, 280 had been discontinued.

Distrust of profit-sharing schemes is fairly general in the ranks of organized labour. Such distrust could easily have been explained in earlier days when profit-sharing was sometimes used by employers in their effort to weaken trade unions, and the benefits of profit-sharing were granted only to workers who agreed to abstain from trade union membership. But there are few employers to-day who would be so foolish as to attack the trade unions with this weapon; and indeed most profit-sharing schemes are now perfectly honest and praiseworthy, being adopted either with the avowed object of inducing the worker to increase his output, or in the conviction that by this means the worker will be

enabled to get a fairer share in the proceeds of industry. The prevailing distrust is in some cases on practical grounds, that so many schemes fail, that they are lacking in continuity, or that the addition to wages under the schemes is negligible. Sometimes it is on the ground that though profit-sharing schemes may not deliberately aim at weakening trade unions, they nevertheless are likely to have that effect, since they weaken the spirit of collective bargaining, and make the worker in the profit-sharing firm, satisfied with his own conditions, less likely to remain a member of a trade union aiming at a general improvement of conditions. Again, there is the general objection that by accepting profit-sharing, the worker is making his income depend on conditions over which he has little control, since profits depend not only on the activity of the worker, but on the ability of the management and on other conditions equally beyond his sphere; and the feeling that improvements in ordinary wages and working conditions are preferable to shares in profits. There is also the special objection which has gained ground with the increasing atmosphere of suspicion as between labour and capital, that until there is absolute publicity regarding the financial aspects of modern business, no profit-sharing scheme can be satisfactory, as accounts can be "cooked" and reserves manipulated to the disadvantage of the profit-sharing worker. At the same time some of the most serious objections of the trade unions to profit-sharing might be overcome if the schemes were arranged on a collectivist basis with the unions acting as steward or trustee.[1]

The Sliding Scale system seeks the same end by different means. The prosperity index adopted for this system, which has been used with success in the iron and steel industries, and which met with acceptance for a limited

[1] See "The Next Step in Industrial Relations," by W. H. Citrine, Gen. Sec. of the T.U.C., in *Manchester Guardian Supplement*, 30th Nov., 1927.

period in the coal industry, is the selling price of some important product of the industry. In the case of iron and steel the product first adopted was "marked bars"; a given wage was equated to a basal price of the product, with the provision that for every upward or downward movement in the price of the product there should be a corresponding change in wages. The advantage of this system is that it makes for peace in industry. If workers and employers agree as to the basis of wages, the question of principle is settled once for all, and the adjustment of wages becomes a mere matter of arithmetic. But as a matter of practice the system is suitable only for a few industries, namely, those in which there is one important product the price of which may fairly be taken as indicating the prosperity of the industry. And on the question of principle, there are strong objections, in any industry, to the assumption that price of product ever indicates, for more than brief periods, the prosperity of the industry. In short periods during which the costs of production may be taken as fixed, price may be taken as sufficiently indicative of profits; but in the long period in which economic circumstances change, costs of production have time to vary, and a long period fall in price may be consistent with a rise in profits and an increase in the prosperity of the industry. Hence, a sliding scale system, which is to make allowance for such alterations, must make provision for frequent readjustments of the relation of price and wage. But if so, the system loses its special advantage of eliminating the causes of disputes within the industry.

The ordinary profit-sharing and sliding scale systems, already mentioned, are both attempts to link wages to a particular index of industrial prosperity; the former to profits, the latter to the price of a main product. These two differ in essentials. The former applies the regulative principle only to the surplus earnings of the industry, that, namely, which remains after ordinary wages and profits

have been paid. The latter applies the regulative principle to the determination of wages as a whole. It has the further advantage that it links wages to a factor indicating the prosperity of the whole industry, whereas profit-sharing links the fortunes of the workers only to the prosperity of the particular firm with which they are employed. From the trade union point of view the sliding scale system would probably be counted superior on both grounds. But on the other hand, the price factor is not so universally applicable as the profits factor; nor where it is applicable, is it so satisfactory an index of prosperity. Something in the nature of a combination of the advantages of both was embodied in the Coal Mining Wages agreement of 1921, under which the value of the proceeds of the industry for a whole district, and not merely for individual coal mines, was taken, and after deductions for costs, was divided in an agreed proportion between profits and wages. The failure of this scheme to prevent unrest within the industry was probably due not so much to any defect in the general idea of the scheme as to the difficult nature of the industry, and of the period during which the scheme was in operation. With these economic indices, among which choice might be made in any industry, there might be combined as a further indication of industrial prosperity an index of national production, the possibilities of which have been discussed by Sir Josiah Stamp and others.

Wages and Cost of Living Index.

As contrasted with these factors which relate wages to the ability of industry to pay wages, emphasis has sometimes been laid on the social aspect of wages, and the necessity of maintaining a certain level of wages irrespective of economic conditions. The idea of a "living wage" expresses this conception; but the "living wage" offers no regulative principle for wages in general, being, even where it is given definite content, or actually put into

operation, nothing more than a means of preventing the lowest wages from falling below a certain level; it provides no means of regulating wages in general. But such a factor is to be found in the Cost of Living Index Number, which has been used since the war in a number of occupations, as the basis on which wages should be determined, and according to which they should vary from time to time. The device consists in taking the cost of living at a chosen date, say, July, 1914, and equating to it a certain wage-rate for each occupation; and causing wage-rates to vary in subsequent years in proportion to changes recorded in the cost of living. Its object is, therefore, to guarantee to labour, for a given amount of service, the exact equivalent in real wages of what it enjoyed at the basal date, no more and no less. Whatever might be the merits of such a principle as applied to some particular occupation, it is clear that it could not be universalized so as to apply to all industries at all times unless the rate of wages chosen were very low. Moreover, the principle is open to the fundamental objection that it stereotypes the standard of living of labour, guaranteeing to labour a certain level of economic well-being no matter how low the national production might fall at any time, and on the other hand, refusing to recognize any claim on the part of labour to an increased share should the nation's real income increase.

As was pointed out at the beginning of this chapter, trade unions have never made definite and open choice between the "economic" and the "social" wage. The implication of trade unionism is, of course, the "social" or "living" wage as the necessary minimum to be paid to every worker; but the unions have never worked out its possibility or investigated the means by which it may best be put in operation. Their attitude, therefore, to the experiments in wage determination by reference to the Cost of Living Index is of some interest. This attitude can be seen in *Industrial Negotiations and Agreements*,

published by the Trade Union Congress and Labour Party in 1922. There it is pointed out that the cost of living sliding scale is merely a piece of machinery for maintaining the purchasing power of money wages, leaving the workers' organizations free to concentrate on the improvement of real wages. But a strong argument in its favour is that it sweeps away once and for all the confusion that arises between real and money wages. " There is an end to all the fighting to keep money wages rising as prices rise, and all the efforts of Labour can be concentrated on raising real wages, and so improving the standard of life of the workers." But a condition of its acceptance would be that it should be clearly understood at the outset " that any sliding scale adopted is agreed to without prejudice to claims for higher real wages."

Can Trade Unions Raise Wages ?

To answer the question whether trade unions have succeeded in bringing about a higher standard of living for the workers, it is necessary in the first place to put aside irrelevant arguments. Reference to statistical facts does not prove or disprove the unions' contention that they have been successful. Such statistical comparisons take two forms: that of a comparison of wages before and after the organization of labour; and that of a comparison of wages in union and in non-union trades. Such arguments are simply *post hoc* arguments, and by themselves prove nothing. Wages have risen since unions began; but to prove that is due to trade unionism would involve the elimination of all other possible causes of higher wages. Wages are as high in some non-union trades as in those in which organization is strong; but apart from differences in the economic circumstances of different trades, it may be argued that the rise in the former is in sympathy with the rise in the latter. Inter-occupational mobility, though slow-acting, does operate, and widely different wages in

trades calling for similar skill, etc., cannot be a permanent feature. Again, wages are lower in some non-union trades than in organized trades. But apart from all other modifying circumstances, the low wages and the non-unionism may be either of them the cause, and either of them the effect of the other. Low wages make it impossible for workers to subscribe regularly to a union; and absence of a union may be the cause of the low wages. There is, in fact, no approach to a solution of the question along these lines.

It is, therefore, necessary to fall back on general principles; and in the analysis the distinction must always be kept in mind between real and money wages, and between rates and total earnings. It must first be conceded that in ordinary circumstances there is nothing to compel industry to pay to unorganized labour the highest money rates of wages which it can pay without injurious economic reactions. Such a maximum must be forthcoming only where the mobility of labour is perfect, and where labour is scarce. In other circumstances employers of labour may be in a position to obtain labour for less than this maximum, the limit of " underpayment " being fixed by the cost to labour of moving elsewhere. Trade unions, therefore, have this margin to deal with, and it is obviously in their power, if their organization is strong, to raise money wages by the amount of this margin without bringing about unemployment or causing an increase in prices. That is, real wages are capable of being increased through effective organization by this amount.

If industry were already perfectly organized, this would be the maximum amount by which the trade unions could improve the position of the workers, without bringing compensatory injurious effects in the way of unemployment and higher prices. But industry is not already perfectly organized; and a further encroachment may, therefore, in some cases be possible. A demand for even higher wages may, that is, cause in imperfectly organized concerns, an

improvement in technique, a tightening up of administration and a reduction in other costs, which will permit of the higher wages being paid without injury to the industry. Beyond that point, however, higher money wages must so increase costs as to reflect themselves in higher prices, and, so far as such movements are general, in an advance in the cost of living. Where the industry concerned is competitive with similar industries operating in countries where costs are lower, the effect will be unemployment. In either case the increased money rates of wages do not mean increased real earnings.

Where exactly the maximum legitimate point lies in any industry, and what is the best method by which the trade unions may be able to secure this margin for the workers, have yet to be determined. But the trade unions are awake to the need of defining their position.

CHAPTER VII

TRADE UNION FUNCTION

III. The Control of Working Conditions

It has been necessary to deal at considerable length with the views and practices of organized labour on the question of wages, not only because it is one of outstanding importance but because it is a matter on which the trade unions have been left to fight their own battle and on which, perhaps in consequence, they have shown some degree of unanimity and progressive policy. But wages conditions influence, and are influenced by, other working conditions; and the policy of the unions in the matter of these other conditions, as well as its economic implications, has now to be considered.

The attitude of the unions on such important questions as hours of labour, overtime, apprenticeship, the relation of skilled to unskilled labour, and women in industry, is not always easy to discover; for though sometimes expressed in the written rules of the unions, and sometimes embodied in agreements drawn up between employers and employed, often it gets no written expression, and is only understood by the members concerned. When discovered it is not always found to be common to all unions. Different unions have their own points of view on many industrial questions on which one might expect working-class unanimity; and these points of view not infrequently conflict. But on the most serious and significant questions, some common policy has generally emerged, and sometimes this is found to be expressed in the reports of the Trade Union Congress where it may be taken to be the view of the majority of the societies affiliated to the Congress.

Such trade union regulations, expressed or implied, have in the past been the subject of fairly general condemnation, sometimes an uninquiring and uncritical condemnation. They have all been classed together as restrictive and obstructive regulations. In some cases the condemnation is merited; and if we look only at these, and consider them only as they stand, without regard to the circumstances which gave rise to them, they may seem to be unjustifiable. On the other hand, even in the case of those regulations most obviously obstructive, inquiry into their origin may serve to show that they are not deliberately obstructive, but have emerged as the only obvious defence of the trade unions against definite evils which have threatened their members in the past; and if this does not always justify their continuance, at least it presents them in the light of a problem to be solved rather than as a mere source of annoyance and conflict. Of such regulations, the Minister of Munitions spoke in 1916 as " the weapon slowly forged during long years of struggle "; and referring to the request of the Government of the time that labour should put all these regulations on one side during the war, he said " It was a great deal to ask. I doubt if any community has ever asked for greater sacrifices; but with a loyalty and statesmanship which cannot be overestimated, the request was readily granted. The trade unions required, and they were right to require, a scrupulous record and recognition of what they were conceding. It was promised them as a right."

If one would understand and not merely condemn the policy of the trade unions it is necessary to consider what lies behind many of the rules and customs in which that policy is embodied, and no better general explanation can be found than that given in a joint publication of the Trade Union Congress and the Labour Party in 1926.[1] " There is a good deal of confusion," it is there stated," in

[1] *The Waste of Capitalism.*

the use of the term restriction of output by trade union rule and custom. When employers use the phrase they generally mean that certain trade union requirements do, in fact, lead to lower production than would otherwise be possible. This will be readily admitted, but the point is that these rules and customs have not been devised for the express purpose of restricting production; they are merely necessary safeguards against the various methods by which the workers' standard of life and working conditions may be lowered, and they have been proved by much bitter experience to be absolutely essential . . . The rules and customs of these organizations only restrict production in the same sense that the laws of the land were thought to restrict it by hygienic standards, maximum hours, etc. We now know that such standards tend, in the long run, to increase production (though we should still consider them necessary if they did not), and the same is, we claim, true of trade union standards."

This statement presupposes a conflict between the general interest of the whole community and the sectional interest of the employed or of the employing class. The conflict is really often due to the difference between long and short periods results; for what may be of immediate disadvantage to a class may be found to be to its ultimate benefit. But the appeal of long run advantages is weak, and present disadvantage is certain. Such regulations, therefore, are likely to remain in force until sufficient security is provided against the dangers that are feared.

Hours of Labour.

Let us consider as one example, the question of hours of labour Throughout the nineteenth century the insistence of organized labour, first on a maximum number of hours as constituting the normal day, and second on a progressive shortening of the working day, was almost as strenuous as the insistence on the standard rate of wages. In the case

of women, young persons, and children, the public conscience had recognized the evils of extreme hours of work; and successive Acts of Parliament gradually reduced the working day over the greater part of the industrial field in which these classes of workers predominated. That legislation had often the effect of reducing the men's working time also; for where men and women worked into each other's hands in the same factory, or depended on the operation of the same machinery, the cessation of the women's work meant that the men's also had to cease. But in all trades occupied by men only, as well as in others in which the same coincidence of hours was not essential, the men had to define and defend their own position. The fact that they thought it worth fighting indicates the importance of the subject in their minds; the fact that they were successful, and that their success did not, as was prophesied, ruin industry, but on the contrary was accompanied during the nineteenth century by increasing economic prosperity, indicates that their claim was not unreasonable. But it is only since the war that the most dramatic success of the men is to be recorded. When the Board of Trade inquiry into Earnings and Hours of Labour was held in 1906, it appeared that three-quarters of the workpeople in this country had a working week of 50 to 57 hours, and that the general average was 54 hours. Up till 1914 few further changes occurred except the important change that the miners' working day was limited to eight hours by Act of Parliament in 1908. After the war, the subject assumed importance of the first rank. The International Labour Conference at Washington succeeded in passing a Convention under which the member States accepted the 48-hour week as a maximum. While Great Britain, like some others of the signatory States has so far failed to ratify the Convention, yet, during the years 1919 and 1920, by a succession of voluntary agreements covering all the important industries of the country, the average working week was

reduced to 48 hours. Generally speaking, industries in which hours had formerly been abnormally long, secured the greatest proportionate reductions. Industries formerly working two shifts of 12 hours, for example, were reduced to three shifts of 8 hours each. In some cases the post-war working week was less than 48 hours. The engineering trades, for example, secured a 47-hour week, and the building trades a 44-hour week in summer with shorter hours in winter. The Standing Orders of the Trade Union Congress, 1928, include among the objects of the Congress the securing of a legal maximum working week of 44 hours.

At the same time it must be remembered that such regulations do not make longer work impossible. The regulations merely settle what is to be considered the normal working day. In nearly all industries to which such regulations apply, provision is made, generally under conditions, but sometimes unconditionally, for overtime work at extra rates of pay. These overtime rates of pay are higher than ordinary rates; they vary from " time and a quarter," which is the rule in the great majority of industries, to " time and a third " in coal mining, and " time and a half " in engineering and certain other trades. Sometimes again, e.g. in the building industries, the first hour or two of overtime are paid for at one rate and later hours at a higher rate. Sunday work is usually paid for at " double time," except in continuous seven-day trades. The amount of overtime is sometimes limited, each worker being permitted only a certain amount of overtime work in a period. Thus the National Rules of the Building Industry (1926) state that overtime shall not be worked except in cases of urgency, and shall not continue for more than four days consecutively unless by consent of an overtime committee. In engineering, an agreement between the trade unions and the employers deprecates it as a method of production, and declares that when it is necessary, no union worker shall be required to work more than 30 hours' overtime in

any four weeks after full shop hours have been worked; but these restrictions are lifted in the case of breakdowns, repairs, replacements, and alterations, and in certain other emergencies. The employers decide when it is " necessary." Similar conditions apply in other industries. The nature of industry demands a certain elasticity in the matter of hours, but the grounds for it differ. There is always a liability to accident and breakdown; and " maintenance " men, therefore, may be reasonably and legitimately required to work beyond their normal period. On the other hand, there is the irregularity due to changes in demand, periods of few orders alternating with periods of pressure of orders. Where products are perishable this variation in demand is again a just ground for requiring " process " workers to work overtime to meet the pressure; but in other cases better organization and greater foresight could eliminate a great deal of overtime. It is more often possible to work for stock than is conceded, and recognition of the fact would result in fairly regular work in place of the present alternation of excess and insufficiency. That is a main ground for the trade union regulations by which overtime work has been paid for at extra rates; but that device in itself has not in the past had the desired effect; and apart from definite regulations overtime developed into something like a permanent extension of the ordinary working day or week, the objections to which, from the trade union point of view, were the same as the objections to the long normal working day.

To the ordinary independent worker, whether professional or business man, the insistence of organized labour on a maximum working day and its constant pressing for a reduction of that maximum, appear inexplicable. He himself may often find his chief, perhaps his sole, interest in his work, and the appeal of unlucrative leisure is difficult to understand. It would be easy to point to obvious differences in the accompanying conditions which the non-wage-earner

is prone to overlook; the difference of the appeal of stimulating mental work or original planning or organizing and of menial drudgery; the difference between giving orders and acting constantly in obedience to order; the difference between responsible effort and output of mere physical energy. These differences, if taken into account, would to some extent help him to see the matter from the other side. But there is more than that in the attitude of organized labour.

It was the coming of the factory system as the normal system under which industry was carried on that pushed the question of the normal working day to the front. That system brought with it certain important changes. Since it brought within the same walls large groups of people, engaged on similar or complementary work, it meant that they had to work into each other's hands, and, therefore, had to remain in occupation during the same hours. The hours of work, therefore, were no longer a matter of individual choice; there had to be a normal working day to which all workers had to adhere. This meant the necessity of punctuality and regularity; and, therefore, necessitated discipline and obedience to orders. Hence, even if in some cases the total working day may have been actually shorter than before, there was, on the other hand, no longer any freedom of choice for the individual, or liberty to break off for a pause or a change. Again, factory industry means working to time set by machinery, and the worker must begin when the engines start and leave off when they stop. These conditions, which necessitate a uniform working day for large groups of workers, at the same time make the question of the length of that day a matter of prime importance, and it is this condition that differentiates the case of the factory worker from that of the independent professional man as well as from that of the ordinary worker in pre-factory days. The first tendency, when the uniform day became the rule, was for the employer to make the day as

long as possible. His machinery and plant were costly, and he was losing money every hour that they lay idle; and the conception that possibly output might not be proportionate to the number of hours worked had not yet occurred to him. Therefore, as a mere matter of self-defence, organized labour was forced, in the early days of modern industry, to resist the pressure towards longer hours by demanding a shortening of the hours already worked.

It is to be noticed, however, that the question was not, and is not, of the same urgency in some occupations as in others. Clearly, the more rigidly the men's working day was determined by machine conditions, the more important was it that they should control its length. The question of hours, consequently, stood in the forefront of the objects of trade unions in those occupations where the members where chiefly machine workers; where they were hand workers, the matter was not deemed of such importance. To factory operatives like cotton workers, the control of the normal day was vital; it was less vital, the less closely the workers' hours were linked to the working of machinery. Again, to day and to weekly workers, hours were an essential term of the wages contract; to piece and hour workers the matter was not, apparently, of such great import, though the more far-seeing trade unionists were aware of the close connection of rates and hours even in these cases. Again, wherever there existed some other means of maintaining the standard rate, the matter of hours was not pushed so much to the front as where the limitation of the day was the sole bulwark against rate reductions. The existence, for example, of an efficient method of limiting the numbers in the trade, by means of an apprenticeship test, or its equivalent, was deemed sufficient to prevent the reduction of rates, and in these cases the matter of hours was not so greatly emphasized. But in spite of these differences, the matter was of wide interest, and the grounds for insistence on control were the maintenance of the standard

rate and the preservation of the principle of collective bargaining.

The desire for the progressive shortening of the working day, on the other hand, followed from the workers' belief that with the limitation of the hours of labour was bound up the maintenance of the standard rate of wages; and, by analogy, that the collective control of the working day was essential in order to avoid the evils of individual bargaining.

On the matter of wages, the trade union belief has already been dealt with. It was believed that the length of the working day had an insidious influence on the rate of wages. However much the more inexperienced members of a union might be disposed to work a longer day in order to get proportionately increased earnings, the more experienced workers were always ready to point out that in fact wages are not proportionately increased; that on the contrary, a lengthening of the day was invariably met, sooner or later, by a cutting of rates, with the final result that the worker gives a greater service for the same total earnings as before. The freedom of the employer, therefore, to demand such hours as he thinks fit, destroys the whole conception of the standard rate of wages, and it is just as much an infringement of such rate for the worker to give an extra hour's labour, as for a worker to accept a lower rate of pay.

This belief of the trade unions is not without its justification. The influence of custom on wages has in the past been very considerable; and it is still greater than is generally supposed. For both employer and employed there is an amount of earnings which is customary in each occupation; the worker tends to be content when he has earned this amount, and to be dissatisfied when his weekly earnings fall below it; and on the other hand, the employer has a similar sum in his mind as the appropriate pay for a certain class of workers. To this amount weekly earnings tend to return whatever changes are made in the working

hours. Again, output is not proportionate to hours worked. Beyond a certain length of working day, unascertained it is true, output tends to fall off, and an increase in the working hours results in a smaller output. To that extent there is some justification for the cutting of time-rates as the working day increases. But justified or not, the facts are sufficiently apparent, and it is largely in support of the standard rate of wages that the limitation of the working day has been insisted on.

To these arguments is added that expressed by the General Council of the Trade Union Congress in 1923, that in view of the great increase in industrial output in the past 150 years, in consequence of the introduction of labour-saving machinery and devices, reduction of hours should follow as a natural consequence, if the introduction of machinery is not to be at the expense of those who labour. The introduction of such means of production, the Council further contends, has at the same time limited the opportunity for the mental development of the worker in his industrial occupation, and made it necessary for him to have leisure for such development outside of his working hours.

But, however much the reasonable aspirations of the worker for increased leisure may gain public sympathy, they may be suspected, from time to time, of having outrun economic possibilities; and the immediate need is still for a scientific exploration of the whole question of the relation of hours of work (and their accompanying conditions) to output. This work is even now not being neglected. The activities of such bodies as the Industrial Fatigue Research Board and the National Institute of Industrial Psychology, which in their first years met with little support either from employers or from organized labour, are beginning to receive recognition. Such recognition and co-operation are essential conditions of the success of their work. With co-operation the investigation of the effects of various changes in factory conditions, particularly the length of

the working shift, can be pursued with hope of success; and it is possible to look for the successful determination of that length of working period which, for each industry, will prove to be the most economically desirable. So far the results reached are tentative; the investigations are necessarily complicated and lengthy. But what appears provisionally is that the length of day which is of the greatest benefit to industry, as being productive of the greatest output relatively to cost, is shorter than has generally been supposed—and that in its demand for an eight hours' day organized labour has not erred by making unreasonable demands.

It might be supposed, on the evolutionary argument, that the normal working of competition would have resulted automatically in the elimination of the unsuitable working periods, and the survival of that length of working day which was best from the point of view of industry. But that does not necessarily follow. The strength of prejudice is considerable, and few firms have been sufficiently alert or scientifically observant to make careful comparisons on the question of output and costs, or the results of different lengths of working day. Nor has the success achieved by the few efficient firms, by bringing the normal day below the average, been widely followed, apart from external pressure; the success being attributed to other causes than the shortening of the day. Moreover, even where it was recognized by individual employers that excessive hours meant a gradual reduction in the productive efficiency of their workers, the fact was unimportant to them individually on account of the large percentage of "labour turn-over" in their works. The working population is largely migratory.

Apprenticeship.

The rules and practices of the trade unions, concerning hours of labour and methods of wage payments, have as

their object the safeguarding of the economic conditions of the workers who are already engaged in the occupation thus organized. But many unions are no less watchful of the conditions under which new workers are admitted into their particular field. It is true, as Mr. and Mrs. Webb pointed out, that the old conception of the trade union as the guardian of vested interests has in large measure broken down, and that, in consequence, the policy of restricting entrance to a trade has largely given way to the policy of the open door combined with the principle of the standard rate. But it would be a mistake to imagine that this substitution has been universal, or that even where the principle of the standard rate has been whole-heartedly adopted, conditions of entrance have been altogether waived. Devices of many kinds are employed by the craft unions to check an over-supply of entrants to their trade; and there are even unions of unskilled workers which successfully demand the payment of a heavy money premium from those who desire to participate in the privilege of being allowed to practise their occupation.

That the institution of apprenticeship had been taken over and used by the trade unions for the purpose of securing an economic monopoly is an opinion which gained ground as a result of the analysis made nearly thirty years ago by Mr. and Mrs. Webb in their *Industrial Democracy*. The view now widely adopted is that at an earlier stage in the development of industry, apprenticeship was a useful and almost indispensable institution for training in industry; but that with the changes introduced by the Industrial Revolution—the increasing mechanizing of industry and specializing of labour—its usefulness declined, and that in the majority of occupations it became a needlessly costly way of recruiting labour for industry, and quite unnecessary for training. Hence, the repeal of the Statute of Apprentices in 1814 did not so much abolish apprenticeship, as recognize the fact that apprenticeship was naturally

dying out. The refusal of trade unionism in some trades to permit apprenticeship to die out, and their assumption of its control, was therefore looked upon generally as an instance of the tyrannical employment by the trade unions of a system, no longer of industrial benefit, but useful only for their own purposes of limiting numbers and keeping wages at a monopoly level. This view was modified only to the extent of suggesting that the trade union policy was mistaken rather than deliberately anti-social; and that in any case it was largely ineffective.

It is true in fact that the old form of apprenticeship in which the employer agreed to teach the boy his trade, and the boy agreed to serve the employer over a fixed number of years, has largely disappeared, and that the few cases in which it continues are the exception which prove the rule. Apart from the few exceptions what goes by the name of apprenticeship covers many degrees of training and no-training; but in most cases it is the journeymen who take the boys in hand and give them whatever teaching they receive. It therefore follows that one condition of adequate training is that the number of apprentices in relation to journeymen should be limited, and such limitation has been part of apprenticeship since the system was introduced. But the limitation of apprentices has another side to it, which has a special interest for the trade unions; it is the means by which the numbers in the trade can be kept down, and it is to this side of apprenticeship that the trade unions have paid special attention. It is here also that the main conflict between employers and trade unions in the matter of apprenticeship occurs. In the main, the employers, desiring a plentiful labour supply, fix the proportion of apprentices to journeymen high; the trade unions, partly to prevent excessive entrants to their trade, and partly to prevent the use of apprentices as cheap labour, fix it low. The practical result is arrived at by the conflict between the two sides, and depends on the relative strength of the

employers and the workers. This fact is unfortunate; for there are many aspects of the problem on which the interests of the workers and the employers are common; and it is of vital importance to industry that an agreed solution should be arrived at.

There must, of course, be some limitation in the number of apprentices taken on in any industry. At any time, there is a maximum number of new recruits which an industry can absorb; from the workers' point of view, therefore, the number must not be excessive. But this is also important from the point of view of the apprentice and of the industry; for adequate training requires that each boy should receive a certain amount of teaching, and that cannot be given where the boys are too numerous in relation to the journeymen. Where there is an excess of apprentices, again, there is the danger that they will be used simply as cheap labour. On the other hand, there is a minimum number of recruits, fewer than which would leave the industry starved of skilled labour, and would, moreover, be as likely to lead to unemployment as an excess of labour. For the starvation of an industry prevents its progress, and therefore reduces the employment available in trades dependent on it; and the ranks of the unskilled are swollen by the influx of those who have been unable to enter apprenticeship, while the demand for such unskilled labour is reduced by the shortage of skilled men.

The question is, therefore, whether there is any prospect of determining, on agreed grounds, the most desirable proportion of apprentices to journeymen. The proportion, of course, must vary with every industry and even within the same industry from time to time, but the following points are relevant to a decision.[1]

The desirable proportion must, in the first place, have reference to the period of apprenticeship. Apart from modifying circumstances, where the apprenticeship term is

[1] Cf. *Industrial Peace*, Vol. X, No. V, p. 147.

five years, four relays of apprentices can be trained in twenty years, so that a proportion of one apprentice to four journeymen would permit the existing skilled workers to be replaced in that period. Generally speaking, therefore, the longer the apprenticeship, the greater should be the allowed proportion of apprentices to journeymen. But on the other hand, the period within which provision must be made for replacing the existing skilled men varies with industries, for the normal working life is generally longer in light work and healthy occupations than in the heavy and dangerous ones, except in so far as the latter tend to attract men of stronger physique.

But in the next place, the maximum proportions allowed must be determined in view of the fact that over the whole industry the actual proportion will be less than the allowed maximum. No firm can take more than the maximum; but some firms will take fewer and some none at all. For while in general the interest of the employers is in having plenty of labour, there are cases (for instance among employers in the building trade) where the employers will not trouble to take on apprentices, relying on a plentiful supply of labour being forthcoming from small country shops. Again, an influential factor is that of wastage. Some of the boys who commence apprenticeship do not complete it. Some die; others change over to other occupations. The gravity of such wastage varies from trade to trade, and is greatest where the form of apprenticeship is not strictly binding or where the trade is unhealthy or unpleasant.

Such considerations would, perhaps, be sufficient were trade static; but in fact some trades progress, others decline. The former will have not merely to replace existing workers, but to add to their numbers, and will, therefore, require a larger proportion than a static industry; the latter on the other hand, will need fewer apprentices or none at all. Trade as a whole again experiences periods of decline and of progress; and at one time a larger proportion of

apprentices will be required than at another. Moreover, the development of machinery and the use of improved processes of production will cause changes in the need for skilled men.

Some of the considerations enumerated—and they are only a few of the relevant considerations—involve much insight, wide knowledge, and balanced judgment. But the whole problem is made more difficult by the misunderstanding which has grown up with it from the past; and it is apt to be considered less seriously than it should be on account of the widespread idea, already alluded to, that apprenticeship is appropriate to industrial conditions that now lie in the past and that every step in the progress of industry makes it less necessary. That conception is to some extent based on a misreading of the facts. It is true that the increasing specialization and mechanizing of industry has created a demand for a large number of semi-skilled workers and machine minders, whose life-work demands nothing in the way of an extended apprenticeship, and little more than general intelligence combined with a few weeks' special training. With the aid of automatic machines, men and women with little training can perform the work which formerly demanded the skill and experience of the apprenticed engineer. But it is forgotten that while this process goes on, the skilled man is still required at another stage. The introduction of the automatic machine, for instance, demands the highly-skilled tool maker and tool setter and tool room mechanic. Moreover, the type of training called for by modern conditions is higher than the mere training of manual skill—combined with a good deal of hard physical work—which was typical of former days. Technical training has become no less necessary than workshop training. What has to be realized, therefore, is that an efficient system of apprenticeship continues to be essential to-day as in the past, and that the training itself, and the regulation of its conditions, and the number of apprentices, are matters of common interest to employers

and to trade unions. They will involve careful investigation in each trade, of the best conditions under which it should be established; a matter which should be carried out by Joint Industrial Councils where they exist, and by a joint committee of employers and employed in other cases.

If trade unions thus continue to exercise control over the entrance to a trade by regulating the number of apprentices and insisting on a minimum period of training, the attitude of the skilled unions to unskilled labour and of men's unions to female labour is similarly conservative. In regard to the former it has already been pointed out that from the eighties of last century onwards there were marked evidences of increasing sympathy between the skilled and the unskilled workers in industry; among which were the growth of unions of unskilled workers and the willingness of unions of skilled labour to facilitate that growth. But on the other hand, except in the unusual circumstances of war-time, the opening of the ranks of skilled unions to unskilled workers has come only slowly and with evident reluctance. Where industrial methods are constantly changing and improving, the problem of the relation of the skilled to the unskilled worker concerns the community no less than the trade union. For while such improvements are a condition of the general advance of economic and social welfare, they do at the same time cause a loss of employment to individual skilled workers. The substitution of the power loom for the hand loom is the classical instance, and it is a matter of common knowledge that the substitution, while it greatly increased the economic prosperity of the community, ruined a particular section of workers, and reduced large numbers to misery; and equally striking modern instances emphasize the fact, that at least temporarily the interests of the general community and of particular sections of workers may be opposed. During the war the need for economizing in the highest engineering skill led to dilution of skilled engineering labour with unskilled; a substitution

made possible by sectionalizing the work of the skilled engineer. But the need to economize in skill is not confined to war-time; and when the method of doing it is discovered, dilution spreads. Thus a somewhat similar change has occurred within the past few years in the case of the sheet metal workers whose work in the production of tins, travelling trunks, and other products has been taken over, partly through the introduction of power presses and partly through the sectionalizing of processes, by women and girls. Again, the newer building methods necessitated by the post-war housing shortage made it possible to erect houses with a minimum of skilled labour. Those changes have necessitated a less exclusive policy on the part of the skilled unions; a movement illustrated by the relaxation of the conditions of entrance even in such a strict union as the A.E.U. [1]

The problem of the relation of the skilled to the unskilled is, from the trade union point of view, similar to that of the relation of male to female labour and to the demarcation problem. In the first case the problem is of moment to trade unions of skilled workers, who fear encroachments by unskilled and untrained workers on their customary sphere and the consequent lowering of wages. In the second case the problem may confront all unions of male workers. The third problem raises the general question of encroachment, but is frequently entangled with questions of wage-rates. All these problems have arisen from the fact that industrial progress and the introduction of more perfect machinery have had the result of reducing the skill and training required for the performance of certain processes in production. In the case of female labour the question has been one of special seriousness.

[1] Membership of the A.E.U. (at one time severely restricted) is now open to "all male workers engaged in the engineering, shipbuilding and kindred trades, together with such trades as may be represented by trade unions hereafter amalgamated to the society. Sections shall be established covering grades of membership in accordance with the contributions and benefits relating thereto." (Rule 1, 1926.)

Women Workers.

The most arresting feature of the industrial employment of women in the past has been the low rate of pay they received, as compared with that of men, in occupations which were capable of comparison with those of men. It is true that up to the war period there were few instances of men and women doing exactly the same class of work; and no doubt the higher rates paid to men were partly a payment for their more all-round usefulness. But such differences between the abilities of the average man and the average woman in industry were not sufficient to account for the fact that on the whole the men's rates were 100 per cent above those of women for similar work. That difference was due mainly to the small number of alternative occupations open to women and to the consequent over-crowding of those which were available (backed by the fact that many women were in a position to accept the lower rate of pay offered). As the openings for women gradually increased in number, the wages offered were determined not by what men would earn in similar jobs, but by what women could earn in alternative occupations, and the slow progress made in the industrial emancipation of women prevented any rapid improvement in their relative remuneration. Hence appeared a vicious circle; for the men, alarmed by the possible effect on their wage-rates of the competition of women raised obstacles to their entrance whenever possible; and thus helped to perpetuate a situation in which lack of alternative employment meant the economic weakness of women. Nor, apart from a few exceptions, were the women before the war able, as the men had been, to improve their position by organization. Women's trade unions were few; and even where the men's unions were open to women the number of female members was small relatively to the numbers employed and their influence in the unions was slight. Many different causes combined to produce this result. For one thing, the average age of women in industry was

much lower than that of men (about 50 per cent were under 25 years of age). This meant that they had less experience and organizing ability than the men; but it also suggests that having a shorter industrial career to look forward to, women would not trouble to organize for better conditions. Again, the fact of low wages itself, while partly a result of lack of organization, was also in part a cause of it, for the women were seldom able to give to an organization that financial support without which it cannot be successful. Add to this that under the conditions of much women's pre-war work, the women were scattered, and had few opportunities for meeting, and we have a sufficient explanation of the absence of organization among women.

The war temporarily changed the situation. Women were drafted into industrial work who had never engaged in it before; and between 1914 and 1918, the number of industrially employed women increased by considerably over a million. The greater part of the increase, it is true, was in the non-industrial occupations such as transport and finance and commerce; but in industry proper there was a great influx of women into metal and chemical works. Not only so, but the variety of occupations in which they engaged was much increased.

Under these circumstances the action of the men's unions is instructive. Seeing the inevitable influx of women, and alarmed at its probable effects if the women remained unorganized, they urged the women to join such unions as were open to them. Many men's unions threw their own ranks open to women for the first time; others, such as the Amalgamated Society of Engineers, while still excluding women from their own membership, encouraged their entrance into the National Federation of Women Workers —an unspecialized general women workers' union, whose membership increased with remarkable rapidity during the war period. At the same time, the growth of the organization of women was not entirely due to the change in

the men's attitude. Partly it followed from the increased seriousness with which women came to regard their industrial careers; partly from their desire to do nothing to lower the conditions of labour of the men who had left for the war and whom they were temporarily replacing; partly from their increased wages and their ability to contribute regularly towards the expenses of organization. By the end of the war the number of women members of trade unions had increased to about 1¼ millions, as compared with less than half a million before the war. Nor did the stimulus to organization cease with the coming of peace; for in spite of the female retreat from industrial work, the number of women in trade unions continued to increase up till 1920, when it reached the maximum figure of a million and a third. Since then, female membership has declined, the figure for 1928 being 792,000; but this is still considerably above the pre-war figure.

Between the pre-war years and the present time, then, two important changes have taken place in relation to the organization of women. First, the number of organized women has increased both absolutely and in proportion to the number employed. Secondly, their status within mixed unions has improved, and the whole attitude of the trade union movement towards the entrance of women has become more liberal. As regards the first change, female membership, though increased, is still mainly concentrated in certain groups. As before the war, the cotton group of industries is the field in which organization is strongest; and there has been no outstanding change within this group whose membership is now 217,000 as compared with 214,000 in 1913. The next largest group is teaching, with 140,000 female members in 1927 as compared with 65,000 in 1913. Considerably behind these come the other textile occupations, clothing manufacture, printing and paper work, distribution trades and general labour. The last mentioned increased its membership from 33,000

in 1913 to 162,000 in 1920; but since then it has fallen to 43,000.

The status of women in trade unions has been permanently improved. The old exclusiveness having broken down there is no longer the same need for separate women's organizations; in the majority of cases the women are members of the same unions as the men, and the few exclusively women's unions which still exist are nearly all outside of industry proper. The largest women's union during the war—The National Federation of Women Workers—became after the war the women's section of the National Union of General Workers; and similar merging of the two sexes has taken place in other cases. Within these mixed unions, provision is now made for the better representation of women and the voicing of their interests. Thus in some unions there are special women's sections; in others women have their own special women organizers, and in still others there are special women's Advisory Committees or Councils. In the General Council of the T.U.C. representatives of women trade unionists are included, and there is a special women's committee of the General Council.

Demarcation.

Dissension between unions has not been confined to those composed of members of different sexes. Inter-union conflicts arise through many causes, prominent among which is the question of demarcation which arises when the border line between kindred trades and occupations is blurred, and when there is a difficulty of deciding by which of two trades a particular piece of work should be done. It occurs with some frequency in engineering and shipbuilding, where indeed it appeared as the most obstinate difficulty to be overcome in the recent joint inquiry into the shipbuilding industry conducted by employers and workers' organizations. In long-established stable and unprogressive industries, the respective spheres of the several

trades have long been settled, and have become matters of custom, so that, there, demarcation questions seldom arise. But in a progressive industry in which new processes frequently emerge, new kinds of work have to be performed or new products turned out, disputes over the allocation of these between existing trades are frequent, and trouble arises between union and union, and between the unions and the employers. To anyone not closely connected with the industry, many of the disputes seem to arise from the most trifling and ridiculous circumstances, but small points often involve what are held to be matters of principle. In the case of demarcation problems, questions of employment and standard rates may be involved. Men who consider themselves entitled to the performance of a certain type of work, or to be employed on a given type of machine, and who see the work given to the members of another trade, fear unemployment; and so long as unions are built on craft lines and so long as unemployment remains a menace, this difficulty is likely to arise. But it is emphasized by the differences of rates of pay in different trades, and by the suspicion that where possible the debatable work may be given to the lower paid workers. This particular aspect of the problem has recently acquired a certain amount of publicity in connection with the building of steel houses, in which the proposal to employ engineering labour at its lower rate of pay caused trouble with the builders. A suggested line of solution in cases of this kind for the union to agree to either trade being employed on the work on condition that the higher rate of pay were given.

Where such problems arise with some frequence, arrangements may be made for dealing with them. Thus in engineering and shipbuilding, the question may be referred to the Engineering and Shipbuilding Trades Federation, which then appoints a Board to consider the question and issue a decision. But though this is better than leaving the unions

concerned to fight it out, the machinery is not perfect. For one thing it is difficult to find a quite impartial Board; and again there is no way of enforcing its decision. Nor is there any machinery for dealing with such disputes on general principles, but each has to be considered on its merits and dealt with separately.

The Control of Industry.

These many trade union regulations, considered from the point of view of the worker in industry, are more or less justifiable according to the soundness of the conceptions on which they are based. But considered from the point of view of the employer, they are all more or less "restrictive"; for when a trade union demands a standard rate of wages for its members, or fixes the hours of labour, or limits the number of apprentices in a trade, it is laying down conditions which the employer is required to observe in the conduct of his business. One part of the trade union's reply to this accusation has already been given; that the regulations if restrictive in effect are not so in intention, but are the only safeguards of the workers against the deterioration of their conditions. The second part of their reply is that the trade union regulations must inevitably have that character in an industrial society in which the positive control and direction of industry lie wholly in the hands of the employers. In a society in which the workers were consulted on industrial policy and given a voice in shaping it, their organizations might be in a position to make positive contributions, and their actions would not necessarily be of a restrictive character.

The demand for such control is a feature of trade union thought in the twentieth century. In its developed form it appeared as Syndicalism or Guild Socialism, which envisaged an economic order in which the workers in any industry would have the management and direction of the industry in their hands. But though a minority of organized

workers embraced the full programme of Syndicalism even when it was a living issue, this aspect of it became an integral portion of trade union aspiration; and in the rules of many unions it is explicitly, though not always unambiguously, stated that among their objects is " the power to control the industries in which the workers are engaged,"[1] " finding a policy which will bring about uniform conditions for all workers, and ultimately control of all industries for the benefit of the workers,"[2] or " to develop an entirely new system of industrial control by members of the industry itself."[3] The Trade Union Congress, more modestly, aims at the " adequate participation of the workers in the control and management of public services and industries."

With the aspiration towards a control by the workers over the conditions of their working lives there is a widespread and instinctive sympathy. But on a full analysis it is seen that the working lives of the operatives in industry are affected not only by wages and hours of labour, but by all that is involved in the carrying on of industry, including the intricacies of financial and commercial organization. The control of these various conditions involves problems which differ in kind.

The simplest problem is that of the conditions which directly affect the worker in his daily life, and include the hours he works, the wages he receives, the method by which the wages are calculated, the conditions as to health and immunity from accident, the conditions of entrance to his trade, the relation of the worker to machinery and to the introduction of new processes of manufacture, and so on. Already in matters of this kind, organized labour has succeeded in gaining a control the extent and degree of which is only realized by a close examination of the facts. There is no large industry in which the workers have not

[1] Transport and General Workers' Union.
[2] Federation of Engineering and Shipbuilding Trades.
[3] Amalgamated Engineering Union.

established their claim to a voice in determining such important matters as hours and wages; and there is hardly any matter of vital import in relation to working conditions which is not thus determined in some industries.[1] In such cases the workers' claim has often become so established that it is only under the urge of necessity, and accompanied by a reasoned case, that the employing interests will venture on any policy of lowering the existing conditions. Such matters, of course, shade off into others, as to which the issue is more doubtful. It must be noticed, however, that even in the former, what has been gained is not the right on the part of the workers to dictate conditions irrespective of the economic ability of the industry. No such right has been or can be anywhere conceded; nor is it involved in the conception of democratic control. What it does involve is the granting of the claim to the determination of such conditions on the basis of arguments stated freely by the various interests involved, and in the light of a full knowledge of the relevant facts.

But beyond this relatively simple case, there are others in relation to which the demand for democratic control requires much more justification and, indeed, even explanation. These occur when we pass from the internal conditions of an industry to the external. An industry can live and prosper only because it can supply a commodity or a service to the world on terms which are acceptable. These terms include price, quantity and quality of product, and a time of delivery. In the matter of price, the search for a source of control, under competitive conditions, is vain. Price is determined, not by a firm, but by the whole of the economic factors which determine the conditions of the market at any time; the firm, far from determining price, has to accept it, and in view of it, to try to adjust the other conditions so that it can continue to work at a profit. To speak, therefore, in this case, of transferring control from

[1] See Goodrich, *The Frontier of Control.*

the employer or the capitalist to the workers is meaningless. There is no control to transfer.

As regards the other external conditions of industrial organization, any consideration of the merits of the case must take into account the fact that they involve contracts. The firm contracts to supply a given quantity of the commodity, of a specified quality, within a stated time. Failure to implement the contract means loss. The person or group, therefore, which enters into the contract incurs the heavy responsibility of seeing it fulfilled; and the control of the conditions making its fulfilment possible must, therefore, lie with the same person or group. These include such conditions as the kind of material to be used, the rate of output, and the quality of work; and therefore, under the limits imposed by existing joint agreements, the contractor must be free to arrange the detail, to organize production, and to that end, to give orders. Under present circumstances the person so responsible is in general the head of the firm; and this is the main justification for his claim to the control of the conditions of production. Democratic control of such conditions would imply that the responsibility for the fulfilment of contracts should pass over to the organized workers; which would involve organized labour in the responsibility of taking upon its own shoulders the risks of industry.

Whether organized labour will ever undertake this responsibility is not a matter of immediate interest, since at the present time there exist definite obstacles to its doing so. Trade unionism as at present organized is not in a position to undertake the task. As we have already seen, there is no case of a trade union representative of all the workers in an industry; and the structure of most unions is such that the organizations cut across industrial divisions. A complete reorganization of trade unions on a new basis would be necessary before the organized workers could assume the new responsibility. Moreover, trade unionism

has still to reckon with the fact that it fails to include the majority of workers in industry. The non-unionist still exists in large numbers. He may be so out of necessity, because of his inability to earn the union's standard rate, or because of his failure to keep up his subscriptions. Again, he may remain outside of the trade union on conscientious grounds, because he objects to the politics of the union, or because he chooses loyalty to his firm rather than loyalty to his fellow workers, or because he is a strong believer in the principle of individual freedom. Or lastly he may be simply a shirker, willing to accept the results of trade unionism in improved conditions, but unwilling to accept any of the risks or inconveniences which attend trade union membership. Even from the point of view of general industry and of the employer, the existence of a body of non-unionists is a doubtful advantage. It makes for instability. By enabling the unscrupulous employer to cut prices, it is a menace to the general run of employers who desire to maintain good conditions of employment. The non-unionist is a cause of indignation to organized workers, and a source of unrest which reflects itself in reduced output. But from the point of view of the trade union the non-unionist, whatever the cause of his non-unionism, is a source of weakness.

Realization of the impracticability under present conditions of the more crude conception of self-government in industry is one of the many causes which have led the unions, in recent years, to explore new avenues of approach towards the participation of the workers in the direction of industrial policy, of which the most promising instance is the series of conferences between trade union representatives and the heads of important industries.

CHAPTER VIII

TRADE UNION FUNCTION

IV. INSURANCE

As has been already indicated, trade unions have two main functions—they pursue "economic" objects, and they provide "insurance" benefits. Their insurance activities consist of provision against a large variety of risks due to occurrences over which neither the trade union nor its members have control. These are of two kinds: those of a more personal nature, like sickness, accident, and disablement, old age and death; and those which might be called "trade" risks, such as unemployment. The benefits paid to members in respect of such risks are different in kind from those paid as a result of actions deliberately taken by the trade union, such as strike pay and victim pay. Marginal cases occur, as when the members of the union are thrown out of employment in consequence of a strike on the part of another union; but in the main the line of division is clear. In the earlier days of the unions, the provision of friendly benefits was the more important side of their work; but with the coming of the "New Unionism" in the '80's greater emphasis came to be laid on their more definitely economic activities, although there still remain unions which are mainly Friendly Societies. At the present time provision of benefits occupies a place of different importance in different unions. Some make provision against almost all the risks, personal and occupational, of their members. Such a union as the A.E.U., for instance, enumerates among its benefits "assistance to members when out of employment, or in distressed circumstances, assistance in cases of sickness, accident, and disablement, superannuation, assistance for funeral expenses and for compensation

for loss of tools, and such other assistance as may from time to time be decided by the society." Similarly, the London Society of Compositors states that one of its objects is " to provide funds for the assistance of its unemployed and superannuated members, insurance of members' clothes and tools against fire, assistance to members desirous of removing or emigrating, payment of sums of money upon the death of members or members' wives, ..." But in the main it is only the strongest and wealthiest which make this all-round provision. The risks of sickness and unemployment vary from industry to industry, and from occupation to occupation. It follows that the burden of insurance provisions is much heavier in some cases than in others. Where a high sickness average coincides with a high unemployment average, the burden is, of course, greatly increased, and, consequently, if the trade union attempts to meet all such contingencies, the weekly subscriptions must be high or the funds of the society will be rapidly depleted. Hence with the increase, since the 80's of last century, in the organizations of unskilled and general workers, the tendency has been to emphasize the industrial as against the friendly society side of trade union functions. The fact that societies do exist in which no immediate material benefits in provision against sickness and similar contingencies are given, is evidence of the great change that has taken place in the outlook of the lower grade workers, and of a subordination of individual to class interests which did not exist fifty years ago.

Friendly Benefits.

Of the friendly benefits the most generally provided is the funeral benefit. Its amount is in some societies fixed (£12, for instance, is paid by the Distributive and Allied Workers on the death of a Scale I member); but in other unions it varies with the period of membership of the society, and in others again it is determined by the proceeds

of a certain levy on the existing members, and depends, therefore, on their numbers. It covers at least funeral expenses, but it may cover also a grant to the widow of the deceased member, and possibly a grant in respect of the young children of a married man and the parents of a single man. Sick benefit and accident benefit are in some cases combined; sometimes only the one or the other is given. Generally sick benefit means payment of a certain sum for so many weeks, and a smaller sum for an additional period which may be a definite number of weeks or may extend till the recovery of the member. In addition to a payment of money there may also be provided medicines and medical attendance. Accident benefit may be in the form of a lump sum, or may consist of weekly payments during incapacity. Usually no such benefit is payable where the accident has been due to intoxication, or where the patient does not obey the rules of his medical attendant. Safeguards are taken against the possibility of malingering; the patient, for instance, may be required to present periodical reports from his doctor. Not many unions pay superannuation benefit except the oldest and strongest. Where it is provided, it is granted to members over a certain age with a minimum period of membership of the union. It is paid usually in the form of a weekly allowance; and the condition is attached that the recipient must not work at his own trade, though he may be permitted to earn what he can in other ways. In addition to these, some unions pay other smaller or more occasional benefits for such things as loss of tools or loss of clothes.

Trade Benefits.

Of the "trade" benefits, unemployment benefit may consist of one or more of three allowances: the "out-of-work" allowance, the old tramp benefit, and emigration benefit. These are specially characteristic of the unions of the "metal" type. The first is paid in the form of a weekly

allowance, the amount being reduced after a fixed period. Tramp benefit is a daily or weekly allowance to members travelling in search of work. Formerly, unemployed members received from the secretary their travelling card on which was stated the sum they might draw from any branch at which they called. Sometimes the route was laid down; sometimes they might not call twice at the same branch in a given period. Nowadays the benefit is usually given in the form of railway fares, provided for members who have found work at a distance or who may remove to a district where there is known to be a demand for their labour. Emigration benefit is given by only a few societies, and by some of these only to victimized members.

All these benefits are paid by some unions, some of them by others, and there are few unions of a permanent kind which make no such provision. They are financed by contributions payable by members, and since the benefits vary, the subscriptions of the members vary likewise. Naturally it is in unions like the craft unions, which provide the greatest number of benefits, that the rates of contribution are highest; while in the general workers' unions, which do little on the friendly benefit side, the contributions are low. In some unions there is a scale of rates of contribution, payments on the higher scale entitling the member to a greater range of friendly benefits. But usually one contribution, on whatever scale, covers all benefits, not only those of a " friendly " kind, but " trade " benefits as well; and is used for all purposes, except the maintenance of the Political Fund. Hence it is not possible to disentangle trade union " insurance " finance from its " constructive " or " aggressive " finance. And it is worth noting that in consequence of the mixed nature of the claims on trade union funds, and the various influences to which the funds are subject, trade unions, while insuring their members, do not guarantee to retain unchanged any particular scale of benefits. Thus in 1926 the United Society of Boilermakers

and Iron and Steel Shipbuilders announced that, in consequence of the serious condition into which the finances of the society had fallen as a result of the continued depression of trade and the mining dispute, they had no recourse but to ask for the approval of their members to the proposals of the Executive Committee that benefits and salaries be cut down, temporarily, by 15 per cent. Such may happen in any union. By a decision of a majority of the members, the scale of benefits may be altered, and the member find himself deprived of benefits to which he may have contributed over a lengthy period. Against this the individual member has no redress. When such a proposal is made, the freedom of choice of the members is distinctly limited, the alternative to acceptance of the proposed alteration being the dissolution of the society. Nor can the law enforce payment; for the internal concerns of the trade unions, as we have seen, are immune from interference by the Courts; and agreements between the union and its members cannot be enforced at law. To that general statement, the only exception is that introduced in the Trade Disputes and Trade Unions Act, 1927, under which deprivation of benefit must not be resorted to by a union to penalize a member for refusing to take part in a strike. The mixture of "friendly" and "fighting" funds in the unions is without doubt actuarially unsound, and the question naturally arises why the trade unions should undertake this work, some of which is already undertaken by Friendly Societies proper, and other parts by Industrial Insurance Companies.

The Risks of the Wage Earner.

One of the main purposes of the trade union, we have seen, is the maintenance of the wages and working conditions of its members. But even the best wages policy cannot render the income of the worker invariable or his consumption power constant. No less important than wages, from this point of view, is provision against the risks

of unemployment, of sickness and accident, and of old age, all of which mean to him loss of income and a decrease in the consumption power of himself and his family, which at best means lack of comforts, and at the worst an injurious reduction in their standard of subsistence. The worker does not, like the employer, deliberately take and even make risks. He cannot even be said to select the conditions under which risks may arise, except in so far as he deliberately and with open eyes chooses his occupation; and that is seldom the case, for his choice is generally from a very limited number of possibles, and is often quite haphazard. Nevertheless risks are present in his industrial life. The risk of accident meets him directly, but the economic risks, arising from the uncertainty of demand and supply, which hit the entrepreneur directly, meet the wage-earner only indirectly and not with their full force. Part of such risks is removed from his shoulders by the fact that he is paid a wage determined in advance of the sale of the products of his labour in the market. But there still remains the possibility that changes in economic conditions may be so great as to cause him to lose employment unless he will agree to a reduction in the wage which he formerly received. The workers' income is insecure.

The method open to the isolated wage-earner to secure himself and his family against such risks is the method of individual saving. He may estimate his probable loss of income through such contingencies, and endeavour to lay aside out of his normal wage sums sufficient to ensure him a constant consumption on the whole, or at least sufficient to render his consumption less inconstant. But this method, difficult enough in the case of a man in any economic class, has special disadvantages in the case of the wage-earners, few of whom could provide out of their normal earnings sufficient to provide against the greatest contingencies, without reducing their normal consumption below the amount necessary to health and efficiency. That being

so, it further follows that the necessary foresight will often be lacking; for foresight, for its development, must be stimulated by the possibility of attaining its object.

Hence there has been devised an alternative to the method of individual saving for personal contingencies. This is the method of insurance, which is collective saving by a group against the possible losses that may fall on the members of the group. The average risk of loss to the members of a group is necessarily less than the risk of loss to each member taken separately, and, therefore, the worst contingencies which may befall the members can be completely provided for by a smaller amount of savings per head than if each provided against the maximum risk to himself. This is the basis of collective or mutual insurance, which trade unions, as well as other societies and groups of people, have employed to the advantage of their members and which, indeed, in the older kind of trade union, which was representative up till the eighties of last century, was the more important line of activity. Nevertheless, the trade union is not primarily an insurance society; its main function is economic, and insurance is undertaken mainly if not wholly as a means to economic ends.

The contingencies which affect the regularity of the worker's income fall, as we have seen, into two classes. There are first the risks of a personal character, such as sickness, accident, and death. In cases like these the liability to loss is dependent on the physique, alertness, or other physical or mental characteristics of the individual, and even if conditions external to him are in part responsible, it is personal qualities that finally determine the incidence of the contingency. Sickness, for example, may be due to personal physical defect, or it may be due to the performance of physically injurious work, which nevertheless harms mainly those susceptible to its effects. Such risks, therefore, are in the main personal or subjective.

On the other hand, the risk of unemployment through trade depression, or through industrial disputes, is in the main a trade risk, and is due to conditions external to the individual. Here again, there may be cases on the border line; for where unemployment occurs as a result of trade depression, it may be the policy of the management of a business to dismiss first those workers who are least capable or efficient, or who are personally disliked for some other reason. Personal qualities, therefore, may here again determine the incidence of the contingency. But the incidence may be determined in other ways. Men may be dismissed by groups or departments, not on account of personal defect, but because of the technical necessities of the case, or on account of the particular organization of the business. In the main, therefore, unemployment is a trade risk; and the same is true where the unemployment is due to a trade dispute with which the individual may have nothing to do.

From the actuarial point of view these two classes of risk are distinct and, to a considerable extent, of opposite nature. A scheme of insurance, to be actuarially sound, assumes as its basis three conditions. The burden of the risk as it affects the whole group, must be capable of fairly accurate estimation in advance; and, on the other hand, the incidence of the risk on any individual member of the group, should be quite uncertain. Failing the latter condition, only " bad risks " would apply for insurance; failing the former, the relation of premiums to benefits could not be calculated in advance. Finally, it must be impossible or difficult to simulate or induce the evil insured against, otherwise the insuring agency lays itself open to severe loss through fraud.

Such risks as those of sickness satisfy the first two conditions on the whole; and though certain individuals are known to be more liable to the contingency than others, it is possible, by means of preliminary safeguards, such as a

medical examination, to classify the nature of the " life " insured, and vary the premiums accordingly. Risks like those of unemployment, on the other hand, are not yet capable of approximate estimate. Neither the exact period of the recurrence of trade depression, nor its incidence on particular industries, nor its severity when it does come, can yet be foretold with any assurance. On the other hand, the incidence of unemployment when it does take place, is, as noted, to some extent predictable; and it is not possible, as it is in the case of sickness, to make special preliminary provision for that fact.

As to the third condition, there is always some danger, except in cases like death and permanent disablement, of simulation or deliberate causing of the contingency insured against. Sickness may be simulated; the insured person may malinger. In the case of unemployment, if proper safeguards are not taken to prevent it, a person may pretend to be out of work when he is not, or he may deliberately remain unemployed when work of a kind suitable for him is available. The former deceit is not perhaps difficult to detect, and fairly simple devices may be employed to counteract it; but the latter cannot be detected without elaborate machinery for discovering vacant situations and testing the genuineness of unemployment by the offer of a job. In either case, any ordinary company undertaking the work of insuring against such risks would find that the possibility of dishonest action would necessitate considerable expenditure on supervision and inspection and the institution of tests to prevent fraud—expenditure which would reduce the proportion of the funds available for the actual payment of benefits—and to this extent the advantage of collective over individual saving would be reduced.

It is clear, however, that the two risks mentioned—the personal risk, like sickness, and the industrial risk, like unemployment—are distinct in kind, and that the former lends itself more readily to insurance than the latter.

Sickness insurance can be, and is, carried on as an ordinary commercial proposition; unemployment insurance can scarcely be carried on as such at all. For the uncertainty of the occurrence of unemployment and of its amount demands some elasticity in the relation of premiums to benefits; the fact that the poorer workers are more liable to unemployment than the better workers lays the insurance agency open to being swamped by bad risks, and the possibility of avoiding available employment necessitates large expenditure on machinery for detecting fraud.

The Trade Union as Insurance Society.

But as a mutual society, the trade union has advantages not possessed by the ordinary commercial company. Its members, in their branches, are in close contact with one another, and know each other's character and condition; and this effects an unofficial and unpaid supervision, and prevents much malingering and simulation. That is a safeguard both in the case of personal and of industrial risks. In the case of the latter, indeed, no agency existed until the present century willing to insure the wage-earners against the risk of unemployment; the trade union was their only hope; and it had for the purpose the advantages mentioned, and in addition, the machinery for testing the genuineness of unemployment in the form of "Vacant Books" and travelling benefit. And as additional preventives of deliberate unemployment, it purposely kept the out-of-work benefits considerably less than the estimated amount of loss of income to the insured through unemployment; it limited the duration of the payments either absolutely, to so many weeks, or relatively, in proportion to the contributions paid by the member; and the payment of benefit did not commence immediately but only after a certain minimum period of days after its occurrence.

On the other hand, as an insurance society, the trade union suffers under serious disabilities. Many trade unions

have a small membership, and this in itself is a disadvantage, as in small groups the law of averages, on which the insuring agency must rely, does not work smoothly. Many, again, have a superfluity of bad risks, because of the dangerous nature of the industry, or because of its liability to periods of great depression. Besides, to undertake the business adds greatly to the work of the union's officials and increases its management expenses. Nor is it clear why the trade union member should wish to insure with his union. He has, for some risks, alternatives: he can insure with a Friendly Society or an Industrial Insurance Society; and, as we have seen, his union does not offer him any great security, for he has no absolute claim to the benefits for which he has paid his subscriptions. Again, a time of industrial depression, when the member is least able to afford it, is just the time when he may be called upon to increase his contributions in order to finance out-of-work benefits. And finally, in the matter of unemployment insurance particularly, it may be puzzling to understand why the good worker who is seldom, in normal times, thrown out of work, should be willing to insure along with the irregularly employed man on equal terms, paying the same premiums, and swelling the fund from which he himself draws proportionately little.

The answer to these questions lies in what has been seen to be the chief purpose of the trade union, and the purpose for which the wage-earners support the union. Its main business is its industrial work; it exists to maintain the economic status of its members as wage-earners. The institution of friendly benefit schemes assists this purpose in several ways. In the past, as Mr. and Mrs Webb pointed out, they were an attraction to the younger members who had not yet developed sufficient social responsibility to contribute weekly to somewhat remote economic objects, but who, once inside the union for the sake of their more immediate material interests, came into contact

with the older members who educated them in the wider purposes of the union. In the second place, the insurance contributions add to the size of the general funds of the union, and this has a psychological effect, strengthening the trade union as a negotiating body when it has to face the employers. In the third place, the device is important because it helps to hold together the members and the branches of the union, who, having contributed to the funds for friendly purposes, have henceforth a financial stake in the concern, and will be less likely to break away except on the gravest issues. Lastly, the out-of-work benefit in particular is chiefly an industrial weapon, whose main purpose is to prevent the defeat of the union's object whenever a trade depression threatens the men with the alternative of lower wages or unemployment.

From the point of view of the individual member again, insurance in his union against sickness, accident, and such like contingencies, is convenient, even although, as has been shown, the trade union is not an ideal insurance society. It is less irksome for the individual to pay the whole of such subscriptions as he does pay, to one society than to several, especially if that society is the trade union in which he has other interests. Moreover, in spite of certain technical disadvantages the trade union does have the advantage of centralized management of a variety of funds, and saves in management expenses accordingly. Similar considerations account for the willingness of the " good life " to insure along with the " bad."

It is of the essence of insurance that it includes good and bad risks; and it is because the good risk is included along with the bad, that the method is an advance on ordinary individual saving. And in the case of such things as sickness, the good risk is willing to join with the bad risk, because of the uncertainty of the facts. But risks of the nature of unemployment are in a different category. The good workers are willing to join with the poor workers in

contributing to a common out-of-work fund, because it is essential that the position of the members of the union should not be weakened by any possibility of under-cutting on the part of others, and it is, therefore, to the interest of the good worker to prevent that possibility, by including the poorer workers along with themselves in the benefits of the society. And after all, the sacrifice of the good worker is more apparent than real. Though the incidence of unemployment may be partly a personal matter, the fact of unemployment itself is not; it is an economic phenomenon, recurring at intervals on account of conditions external to the personal character or ability of the individual worker. At present, men being unequal, its weight falls on the less able worker; but if all workers were equal in character and ability, it would still have to fall somewhere, and the men to be dismissed would have to be selected by some other means. It is, therefore, in a sense true to say that but for the inferior workers, the others would suffer from unemployment more than they do The existence of the inferior workers removes a certain amount of risk from the shoulders of the superior, who are, therefore, not really injured by having to bear part of the burden of the former.

The industrial purpose of the friendly benefit side of the unions' work must be kept in mind, in view of the criticisms which used to be levelled against the way in which this work was conducted, and which at intervals are raised afresh. Strong opposition was expressed in the evidence before the Royal Commission of 1867 by employer witnesses, and attempts were made by them to get this part of trade union activity condemned; and much was made of the lack of security of the worker in the claim to benefits from the subscriptions he had paid in. But the existing position was defended, not only by the trade union representatives, but by the Chief Registrar of Friendly Societies, who held that the trade union members knew that the chief function of

the trade union was industrial, and were aware of the fact that their subscriptions, for whatever immediate purpose contributed, might in the last resort be used for fighting purposes. To refuse to permit the trade unions to divert the funds to trade purposes when occasion required was to render them incapable of carrying out the main work for which they existed, and in view of which wage-earners support their union. The existing practice was, therefore, upheld, and opposition thereafter died down, largely because it came to be recognized on the employers' side that the trade union with strong friendly society benefits is more likely to act in a spirit of conciliation, and less likely to call out its members on strike on petty occasions. The existence of, and the desire to safeguard, the insurance funds acts as a fairly effective argument against precipitate strike action.

State Insurance.

It is desirable that wage-earners should be insured against the risks of unemployment. But the ordinary individual is slow to recognize the advantages of insurance, and to take the trouble to provide against unemployment himself or to join with those in the same trade to organize a system of out-of-work insurance. Hence arose the question whether it was not desirable that the State should in some practical way emphasize the need and attempt to bring about an extension of the practice of insurance against unemployment. Two methods of doing this were open. The State could either encourage voluntary insurance by bodies of workers such as trade unions; or it could make insurance in a State scheme compulsory on the industrial worker. In 1911, both methods were introduced, and this action on the part of the State raised certain new trade union problems, and affected trade union insurance against unemployment.

The method of encouraging voluntary insurance against unemployment on the part of the trade unions was carried

out in terms of a clause of the Act of 1911 under which any association "not trading for profit" whether its members belonged to a compulsorily insured trade or not, might claim a repayment of one-sixth of the out-of-work benefits which it paid to its members. This refund was to be paid only in respect of benefits up to 12s. a week (raised in the amending Bill of 1914 to 17s. a week). This scheme was modelled on the Ghent plan, which was already in operation in various continental centres. Its object was to stimulate voluntary unemployment insurance. It continued till 1920, when the inclusion of practically all organized workpeople in the compulsory insurance scheme left no place for it. In practice, it meant that any trade union which already had, or which cared to institute, a system of out-of-work benefits for its members, could reclaim one-sixth of the cost of such benefits from the State. This clause had some effect in increasing the number of trade unions providing such benefits; and in other cases the trade unions raised their rate of benefit without raising contributions. But the weakness of any such system of voluntary insurance is that, since the aid given by the State is slight, and must remain slight if the insurance is to be voluntary, the incentive is not sufficiently strong to reach the lower grades of workers. It only aids those who were already in a position to aid themselves; and the British experience, no less than that of continental countries, which have tried the same experiment, bears out this supposition. The majority of those claiming the Government subvention were drawn from highly skilled and organized trades—such as printing, cigar-making, and diamond working. The unskilled and semi-skilled occupations, in which the bulk of distress through unemployment is found in the United Kingdom, did not appear to be touched by the voluntary plan. Moreover, from the point of view of encouraging thrift, the Government plan was defective, as it left untouched all those who were not organized into trade unions at all

—at that time the greater part of the wage-earning community. For these and other reasons, this experiment in State voluntary insurance was carried no further.

The method of compulsion, at first applied under the Act of 1911 to certain trades, but extended under the Act of 1920 to practically all trades, makes insurance against unemployment compulsory on nearly all workpeople. In general the insured workers receive their unemployment benefit through the Employment Exchanges; but under the original Acts, as well as under the Unemployment Insurance Act, 1920, it was provided that the Minister of Labour might, on the application of a certain type of society (like a trade union) make an arrangement with it, under which the aggregate amount of benefit payable to its members should be paid, not to them individually through the Exchange, but to the society; the society, moreover, becoming thus entitled to receive a contribution from the State towards its administrative expenses in connection with this arrangement. Such an arrangement is made with a society only if certain conditions are fulfilled. These, as amended by the Unemployment Insurance Act, 1927, are: (1) that the society's unemployment benefits exceed the State unemployment benefits by certain sums varying with the sex and age of the members; (2) that the annual amount of this excess reaches a certain minimum; (3) that the excess is payable in at least ten weeks of the year; and (4) that the excess is payable on each occasion on which a member of the society would, apart from the arrangement, have been entitled to draw benefit. The general effect of these conditions is to ensure that the society will make a small payment of benefit from its own funds on each occasion on which it makes a payment of State unemployment benefit.

The effects of the introduction of compulsory State unemployment insurance on the strength and resources of the unions depend on the way the unions and their members

react to the State scheme. When compulsory insurance was first introduced, it was argued that the unions would be weakened, since, it was held, there would be less incentive for the men to be loyal to their unions when they could get unemployment benefit from the State, and when, indeed, they were compelled to contribute for the purpose. The prediction has been falsified by the event, and there are different explanations of this result. For one thing, it follows from the fact, of which it is itself a proof, that men are members of trade unions, not mere or mainly for the sake of its friendly benefits, but because of their sympathy with its industrial objects. And in the second place, it is explained by the fact that State benefits are low, and that wage-earners wish to supplement them by the trade union out-of-work pay. The trade unions themselves had to face the question whether to continue their unemployment provisions or to bring them to an end in view of the compulsory insurance of their members by the State. The great majority of the trade unions chose the former alternative, and many co-operate with the State in the work of insurance by making use of the arrangement provided under the Act of 1920. Thus not only have the hands of trade unions not been weakened by State insurance, but their general purpose of strengthening the wage-earner, as a bargainer in the labour market, has been supported by the resources supplied by the State to the unemployed person.

CHAPTER IX

OTHER VARIETIES OF LABOUR ORGANIZATION AND FUNCTION

So far attention has been paid mainly to that form of labour organization which is known as a trade union; and to those of its activities which are industrial or economic, and which aim at an improvement in the status of the worker, without prejudice to the particular economic system in existence. But trade unions have developed other important lines of activity not unconnected with these direct objects; and again, labour has organized itself, for purposes similar to those of trade unions, in distinct organizations. These developments have to be discussed in the present chapter.

In the first place, the activities of trade unions have been widened under the influence of the growing belief that the main object of trade unionism—the improvement of the workers' status—can never be fully attained within the existing industrial order, but will necessitate the introduction of a new "system." The growth of this belief within the ranks of trade unionism has increased in rapidity in the present century; it has been continuous ever since the Socialism of Marx began to be expounded by Hyndman in the eighties of last century. But that was not its first appearance; for a type of Socialism had been popular among the enthusiastic leaders of trade unionism just after the repeal of the Anti-Combination Laws in 1824. With the failure of many trade unions in the 'thirties, however, the Socialist doctrine ceased to attract much attention in trade union circles; and between then and the appearance of Marxism, the more orthodox trade unions, typified by the A.S.E., developed. It may, therefore, be said that belief in the necessity of a change in the economic system, and the new activities of the trade unions based on that belief, have

been a development, roughly, of the past 40 years; and that the spread of socialism came with special rapidity in the present century. It is true that even in its earlier days, trade unionism did not always confine itself to purely industrial purposes and activities. It frequently pursued political objects and used political methods. But this later development is different. Formerly its political activities were spasmodic and intermittent; now they are sustained. Formerly it sought, from time to time, some object which was political, such as a widened franchise; now it has a definite political creed and an elaborate political organization. Thus, the Trade Union Congress, representing in its affiliated societies about 80 per cent of trade union members, places first among the conditions which it seeks to establish, the public ownership and control of natural resources and services. Many separate trade unions declare similar purposes, and nearly all large trade unions now include among their activities "the furtherance of political objects." Indeed, this development is so prominent in the present century that it has led to the passing of legislation designed for its control.

In the second place, while in some quarters trade unions have become suspect, on account of their increased political activities, they have at the same time made a secure place for themselves in the community; they have come to be recognized as organizations necessary to the smooth running of industry on its present scale, and they are utilized by the State, either directly or in joint bodies composed of representatives of trade unions and other organizations, in the administration of legislation bearing on industry. The various types of organization connected with such activities must be briefly examined.

Political Organizations—(1) The Labour Party.

When the Trade Union Congress in 1899 decided to form a Labour Representation Committee, it brought into being the conditions necessary for the direct representation of

trade unions in Parliament, and for that trade union participation in politics which has been the object of much criticism. But the Trade Union Congress was responsible neither for the desire to take part in politics nor for the demand for direct trade union representation in Parliament. Separate political representation of trade unions was first urged, indeed. by the Socialists of the 'eighties of last century. It is true that even earlier there had been a demand for the representation of working men in Parliament, and that two, MacDonald and Burt, had been elected; but these sat not as independent members but as Liberals. The whole trade union opinion of the time, in fact, was against the idea of trade union political representation; for the conception of the trade union was still that of a body of skilled workers able by their own organization and their collective action to bring about desired reforms by industrial means. Even as late as 1887 when Keir Hardie, who was then a member of a small union of Ayrshire miners, spoke in the Trade Union Congress in favour of forming an independent Labour Party, his words had little effect on the Congress, and it was left to a number of Scottish workers to form the Scottish Labour Party in 1889; and even when the Independent Labour Party was formed in Bradford in 1893, it was composed mainly of individual members, and the trade unions, as such, had no representation in the party. But the new idea was gaining ground; and in 1899 the Trade Union Congress passed a resolution to convene a special Congress representing Co-operative Societies, Trade Unions, and Socialist bodies for the purpose of considering means to increase the direct representation of Labour in Parliament. The outcome of this Congress was the formation of the Labour Representation Committee, which in its first year, 1900–1901, included 41 trade unions with a membership of 353,000, seven Trade Councils, and three Socialist societies with a membership of 23,000. In those early years, therefore, the

new party contained an overwhelming proportion of trade unionists.

The progress of the new party was at first slow; and it was the Taff Vale decision of 1901 which more than anything else served to stimulate its growth. In the years when the interest in that decision was at its height, the number of trade unions affiliated to the Labour Representation Committee increased from 41 (in 1900) to 158 in 1905, and the membership of these trade unions from 353,000 to 904,000; and whereas in the General Election of 1900, the Labour vote amounted only to 63,000 and resulted in returning only two members to Parliament, the Labour vote in the 1906 election amounted to 323,000, and resulted in the election of 29 members. The result of this election was the founding of a separate party in the House of Commons, and the name of the Labour Representation Committee was changed to the National Labour Party. In the ensuing years the Party was again strengthened as the result of the Osborne Judgment, and by the accession in 1909 of the miners who had formerly given their allegiance to the Liberal Party. The result was again seen in 1910 when the increased membership of the Party resulted in an increased Labour vote at the General Election of that year, and in the return, at the December election, of 42 Labour members to the House of Commons. It is no part of our purpose to follow the fortunes of the Labour Party, but only to indicate the participation of trade unions in politics; and, therefore, it is sufficient to point out that when, in 1918, the Labour Party became the official opposition, it was made up of trade unions with a membership of 2,960,000 and of four Socialist societies with a membership of 52,720; and that in 1927, it consisted of 97 trade unions with a membership of 3,239,000 and six Socialist societies with a membership of 54,676.[1] At the election

[1] According to the Report of the 29th Annual Conference of the Labour Party, 1929, the total membership of the Labour Party in 1928 was 2,077,199, made up of 2,025,139 members of 91 Trade Unions, and 52,060 members of 7 Socialist Societies.

of 1929, when the Labour Party became His Majesty's Government for the second time, 287 Labour members were returned to Parliament.

During the war, and in the post-war years, the strength of the Labour Party was increased by the admission to membership of " workers by brain " as well as by hand. Nevertheless the Labour Party remains emphatically a trade union party; for not only are the majority of its members trade unionists, but considerably more than 50 per cent of trade union members are members of the Labour Party, and they belong to the biggest and most powerful unions. It is clear that trade unionism is definitely committed to political action, and is identified, moreover, with a particular political party.

The connection, indeed, is closer than is indicated by the facts already enumerated. For between the Trade Union Congress, with which are affiliated trade unions containing the great majority of all trade union members, and the National Labour Party, there have developed since the war certain arrangements for joint action. For general purposes such as publicity and research, joint departments have been formed by the Congress and the Labour Party; and for other purposes of common interest to both there was established in 1921 a National Joint Council consisting of equal numbers of representatives from the General Council of the Trade Union Congress, the Executive of the Labour Party, and the Labour Members of Parliament. The chairman of the General Council is Chairman of this National Joint Council, and the Secretary of the Labour Party is its Secretary.

(2) Local Labour Parties.

Parallel with the national organization for the political representation of the trade unions there are the Local Labour Parties, to which are affiliated the local branches of trade unions. These Local Labour Parties have increased

greatly in number since 1918, when the Party Constitution was reorganized; and such local bodies exist in the majority of local areas throughout the country. They interest themselves not only in the promotion of political representation, but also in increasing the labour element in the local governing bodies.

(3) Trades Councils.

Akin to the Local Labour Parties are the Trades Councils which, at their inception, held a somewhat anomalous position, and whose status and functions are not yet easily defined in spite of recent developments which seem at first to make for definiteness. They would appear to have been thrown up by the local needs of labour, which failed to get expression in the separate local trade unions or trade union branches. These needs were sometimes legal or political, sometimes industrial. Thus the threat to re-enact the Anti-Combination Laws in 1825 brought into being for defensive purposes temporary bodies, jointly representative of separate trade unions in different localities. But at that early date, those bodies existed for special purposes, and ceased to exist when the need passed. It was not until the 'fifties that they began to take permanent form. By 1870 they had appeared in London, Glasgow, Edinburgh, Liverpool, Sheffield, Birmingham, Preston, and several other cities. After that, their number increased with fair regularity till 1921, when there were 563 Trades Councils in Great Britain and Northern Ireland on which some 3¼ millions of trade union members were represented. Since 1921 the numbers of Councils and of trade union members represented on them have both declined.

The Trades Council thus resembled a local federation of trade unions or trade union branches; but unlike federation proper it had no power to act in any administrative capacity for the societies whose members were represented on it. Since those of its members who came from trade unions

represented the local branches only, and not the national bodies, its powers were restricted; it could not go beyond the limits within which the local trade union branches could vest powers in their representatives; it contributed nothing to the development of trade union function and government. Indeed, for a considerable period, the Trades Councils were regarded with jealousy by the central executives of the trade unions, which did not encourage their local members to join the councils. But recognition of the work done by them became more general in the present century with the growing emphasis of trade unions on political action.

Standing thus outside of the trade unions proper, but composed of members of separate societies, the Trades Councils in their several localities pursued objects of a general nature which could be considered as more or less of common interest to constituent societies. But such objects vary from time to time, and the character and activities of Trade Councils have varied in consequence. Thus the emphasis laid by Geoffrey Drage in his *Trade Unions* early in the present century on certain functions of the Trades Councils, was reasonable at the time when he wrote, but it is no longer adequate. He emphasized as their important functions the issuing or endorsement of appeals for financial assistance on behalf of any union engaged in a trade dispute of which they approve; the promotion of settlement by conciliation and arbitration, and the settlement of demarcation disputes between trade unions. Such functions they still perform; but the growing importance, in the view of trade unions, of political work has given greater prominence to that aspect of Trades Council activity which he mentions last, although, it is true, he describes it as " the most characteristic," namely, the election of Labour representatives upon local education committees and other municipal bodies.

At the same time the development of the political work of Trades Councils has in many districts been rendered

unnecessary by the rise of the Local Labour Parties already mentioned, which consist of representatives of local trade unions and Socialist societies, and which exist for the express purpose of carrying on political work whether municipal or national. Where both a Trades Council and a Local Labour Party have been formed, the functions of the former are restricted to the promotion of inter-union industrial objects. But the lines are often blurred. In some centres there is only a Local Labour Party or a Trades Council which performs both political and industrial functions; and in some cases the two bodies have joined and formed a Local Trades and Labour Council.

The Trades Councils have thus tended to fall between two stools. On the one side the trade unions have their definite industrial functions, and are linked up in national bodies, being represented ultimately in the Trade Union Congress. On the other side, the Local Labour Parties have definite political functions, and are linked up in the National Labour Party. The functions of the Trades Councils are not anywhere accurately defined; and in spite of attempts to acquire a national standing they have not yet succeeded. They have formed several district federations; but their attempts to form a national federation were unsuccessful. In 1895 they were excluded from the Trades Union Congress (which they had been largely instrumental in originating); and they have never been re-included on any definite basis. Their strength lies in the influence which they exert, on the one hand, on the Trades Councils Consultative Committee, which represents the General Council of the Trades Union Congress and the Trades Councils; and, on the other, as constituents of the National Labour Party.

Educational Organizations.

The extension of trade union objects and activities beyond the industrial sphere proper has not been confined

to politics. Trade unions have all along been interested in education. They have consistently urged a raising of the school age, and an increase in the facilities for extended general education, and for higher education. Trade union members have taken part in the work of local education authorities, and the Trades Union Congress includes among its objects the provision by the State of full educational facilities from the elementary school to the Universities. The trade unions have recognized the value to the community of an educated people. But of more particular interest are the activities and the ideals of the unions in the matter of the education of their own members. It is being increasingly, if somewhat tardily, recognized, at least among trade union leaders, that unionism is handicapped in its aims by lack of developed faculty, mental alertness and width of knowledge among its members, and especially among those of them on whom rests the guidance of the affairs of the branch, the district committee, or the national union.[1] The need for an educated membership is of much greater moment to-day than it was forty years ago. For one thing, even the conduct of the routine business of a local union, connected as it may be through amalgamation and federation with many other unions, and responsible for the administration of friendly benefits and insurance, involves a knowledge of complex rules and regulations, and an understanding of a variety of Acts of Parliament bearing on such work. The increase in the work of conciliation and in the discussion of labour and industrial problems with well-organized employers' associations, necessitates alertness and width of outlook on the part of the trade union negotiator, if the union is to hold its own. But mainly, with the widened purposes of trade unions and their advocacy of fundamental changes in the economic and political life of the community, they have realized that, if they are not to commit serious errors of judgment, their responsible

[1] See Report of the Trade Union Education Committee, 1921.

members must have a wide knowledge of economic and political facts, and attempt to acquire that scientific grasp of their subjects which will enable them to trace the probable effects of causes, and to see in advance the probable results of their activities.

That is the problem of education as the trade unionist sees it. His interest is not so much on the cultural side, or in knowledge for its own sake, as in the acquiring of that instrument by means of which he may the more surely attain the objects of working-class advancement for which trade unionism stands. At the same time, the demand for educational facilities has been increasingly voiced by the rank and file of the members of the trade unions, and it is worth noting that while, immediately after the war, main stress was laid on such subjects as trade union history and problems, economics, and problems of Local Government, the demand has now widened and embraces subjects of art, music, and literature.

To meet these ever-widening needs, various educational organizations have come into existence. The provision has in few cases been made by individual trade unions; it has come partly from the trade union movement as a whole, but mainly from independent bodies to which the trade unions have affiliated, and with whom they co-operate in the provision of facilities. The facilities vary from long period tuition in residential colleges to the provision of single lectures, courses of lectures, and study circles.

(1) Ruskin College.

Ruskin College, Oxford, was inaugurated in 1899. For some years it had little direct connection with the trade unions; but since 1910 it has been carried on under the joint direction of the trade union and the co-operative movements, and the Trade Union Congress is one of its controlling bodies. The College is residential, and the students are members of working class organizations, trade

unions and others, which grant scholarships to enable their promising men to take advantage of its facilities. But in addition the College carries on tuition by correspondence, and is responsible for certain extra-mural courses conducted in other parts of the country.

(2) The W.E.A.

The next oldest agency for the education of working-class adult students is the Workers' Educational Association. It was formed in 1903, and after some years of uphill work at the start, it spread with great rapidity over the whole of Great Britain (though its success in Scotland has been less marked than in England) and has even extended its work to the Dominions. In Great Britain the W.E.A. has a widespread and efficient district and branch organization. Its object is to provide for working-class students efficient tuition, by tutors acceptable to the students, in any subject which a group expresses a desire to study; and for the purpose it is linked on the one side with the Universities, with each of which it forms a Joint Committee, and on the other side with working-class organizations, such as trade unions and Trades Councils, many of which, including the T.U.C. and Ruskin College, are affiliated to it. It has so commended itself, by its non-propagandist methods, that its classes receive grants from the Board of Education and the Local Education Authorities. Of the students in its various classes in 1928, the majority were trade unionists. The facilities offered are of different kinds. Of its outside work, the highest form is the three-years' tutorial course, the object of which is to give to the students tuition on a University standard in the subject selected, and to provide, by the system of two-hour meetings (one hour for lecture and one for discussion), for the training of the students in self-expression and rapid and accurate thinking. Preparatory to these three-year courses there are one-year classes; and short courses of lectures, single

lectures and study circles are also organized. In addition the W.E.A. offers certain facilities for residential study, and holds summer schools and week-end schools throughout the country.

Originally the W.E.A. was founded to provide higher education for any working-class group; but recently, while retaining this general character, it has developed a special line of activity in co-operation with other organizations in the education of trade union members. This has been done by the formation of the Workers' Educational Trade Union Committee, a body on which are represented the W.E.A., the Iron and Steel Trades Confederation (the originators of the scheme), and certain other important trade unions including the Railway Clerks, and the Union of Post Office Workers. There are divisional committees throughout England, Scotland, and Wales, each responsible for organizing educational work in its district.

(3) Labour Colleges.

Contrasted with the W.E.A., with its non-party and non-propagandist methods, is the system of Labour Colleges which are definitely Marxian, and provide education on "class" lines. The first of these was the Central Labour College, London. The Plebs League, originated by certain students who seceded from Ruskin College in 1909, later started to organize classes, on lines similar to those of the London Labour College, in various parts of the country, and these it called Labour Colleges. This whole group (Labour Colleges and Plebs League) constituted the National Council of Labour Colleges, and the whole organization stood definitely for education on "militant" lines. In the immediate post-war years these colleges attracted large numbers of trade union members, and for a time there was animosity and acrimonious argument between the National Council of Labour Colleges and the W.E.A. on the general question whether education is above class or whether it is

necessarily " biased " and, therefore, if provided by working-class organizations, to be given with a working-class rather than a " capitalist " bias. In recent years the Labour College movement has suffered increasingly from lack of support.

Mention has been made of the increased recognition of trade unions by the State and its utilization of their services in many administrative capacities. The point has not yet been reached at which the State always openly acknowledges the part played by the trade unions in this way; but in actual practice the work is considerable. Before the war there were few evidences of such status having been attained by the unions; perhaps the only facts of any significance were these. First, under the Port of London Act, 1908, it was enacted that one of the two members of the Port of London Authority appointed by the Board of Trade and one of the two appointed by the London County Council, should be appointed after consultation with such organizations representative of labour, as the Board and the Council in the respective cases thought best qualified to advise on the matter. And secondly, under the Trade Boards Act, 1909, the workers had equal representation with the employers on the Trade Boards so established. During the war, consultation by the Government and its Departments with the trade unions became a matter of course, and in many important ways the advice and help of the unions was sought and given, in the matter of organization for war production and other questions. Under the War Pensions Act, 1915, there was set up a Statutory Committee of the Royal Patriotic Fund Corporation consisting of 27 members, twelve of whom were appointed by His Majesty, and of these twelve two at least were to be representatives of labour; and similarly on the local committees appointed to assist the Statutory Committee, representatives of labour were included. A circular of the

Statutory Committee suggested that the representatives of labour should form a fifth of the members of these local committees, that they should be drawn from trade unions and Trades Councils where such existed; and where there was any doubt about working-class organizations the Secretary of the Parliamentary Committee of the T.U.C. should be consulted. Women's organizations were represented on the scheme and the Women's Trade Union League, the Railway Women's Guild, the Women's Labour League, and the Women's Co-operative Guild were specially mentioned.

Since the war, similar assistance has been given in several directions. Under the Mining Industry Act of 1920, the Advisory Committee appointed by the Board of Trade included representatives of workers in or about coal mines and of workers in other industries; and on the committee of five members, for administering the Miners' Welfare Fund, one was to be appointed by the Board of Trade after consultation with the Miners' Federation. Again, under the Railway Act, 1921, it was provided that on the General Panel to assist the Railway Rates Tribunal there should be 12 members nominated by the Minister of Labour after consultation with the bodies most representative of the interests of labour and of passengers upon railways. Under the Trade Boards Act, 1918, the arrangement introduced in 1909 was continued; and similar representation was granted to the workers on the Agricultural Wages Committee and Board set up under the Agricultural Wages Regulation Act, 1924. In practice, the workers' representatives on the Trade Boards are appointed by the trade unions; and there now exists a Trade Boards Advisory Council, consisting of members appointed by the Executives of the unions affiliated to the T.U.C., and represented on Trade Boards, whose functions are to secure a common trade union policy regarding the methods adopted by the Government in establishing Trade Boards; to consult with

the General Council of the T.U.C. on all questions relating to Trade Boards which are of general interest to the unions affiliated to the Congress; and to make necessary joint representation to the Government on behalf of the unions represented on the Trade Boards.

Finally, the trade unions have had much to do with the administration of the National Health and Unemployment Insurance Schemes. Under the former, trade unions are one of the types of organization which may set up "Approved Societies" to work the scheme. Under the latter, as has already been seen, the State attempted, under the Act of 1911, to encourage trade unions to establish unemployment funds by giving a subsidy in proportion to their own expenditure on this object; and it was provided that the Ministry of Labour might, on the application of a society (such as a trade union) approved under the Act of 1911, make an arrangement with it, whereby, in place of its members receiving their unemployment benefit from the Employment Exchanges, they should receive it from their own trade union; and the Ministry of Labour should pay over to the trade union, out of the State Unemployment Fund, the equivalent of the sum which they thus paid out to their members. This privilege, however, was only granted where the trade union had an effective system of ascertaining the wages and conditions prevailing in every employment in which its members were engaged, and of obtaining from employers notification of vacancies for employment and giving notice to its members when unemployed. In addition, the Ministry of Labour could pay to such societies a grant towards the expenses of administration of the scheme. Many trade unions took advantage of these arrangements.

These numerous instances, and others which could be added, indicate the growing recognition by the State that trade unions are fit and proper organizations to assist in the administration of measures of social and economic

importance. But perhaps even more symptomatic of the recognition given to the ability and reliability of the unions is their participation in the administration of industry. This is in some cases provided for under Statute; but in other instances it has been a spontaneous development. The following are only a few illustrative cases of this tendency.

Probably the oldest existing instance of such participation is to be found in the case of the checkweigher in the coal mining industry, first required by law to be appointed in 1887. The Coal Mines Regulation Act of that year provided for the checking of the weight of the mineral by a person appointed by the miners and acting on their behalf. This provision was repeated and the provisions of the checkweigher's appointment strengthened by Acts of 1894 and 1905; and under the Checkweighing in Various Industries Act, 1919, similar provisions are applied to four other specified industries, and may be applied to others by regulations made by the Home Secretary. In the same industry, provision was made under the Coal Mines Act of 1911 for the appointment, by miners, of two persons with practical experience to act as inspectors of the mines. These were the beginnings of a co-operation of workers in the administration of industry which has since increased in other directions, and of which Works Committees are the most representative development at the present time.

Works Committees.

Before the war there had been formed in many factories committees consisting usually of representatives of the workers. These had been set up for the purpose of organizing recreation and social facilities for the workers, and they seldom went beyond this sphere, although in one or two instances they engaged in more purely industrial activities, such as piece-rate fixing. During the war the difficult problem of labour dilution and other complex problems of munitions production, involved frequent

discussion and negotiation between the management and representatives of the workers. Such negotiations one might have expected to be conducted, on the workers' side, by the trade union representative of the industry in which the workers were engaged. But for one thing, some of the unions (for instance in engineering) had fallen into disfavour with the ordinary workers for their handling of the dilution problem; and for another many of the questions to be discussed were peculiarly " works " problems, which could best be solved by the participation of the workers on the spot. Thus joint committees of the management and representatives of the works' employees came into being. The workers' representatives on these committees were, in fact, often members of the trade unions concerned; and, in engineering, were often the Shop Stewards, who before the war had been minor officials of the engineering unions; but the important point is that they were not appointed by the union but elected by the rank and file of the employees in the works. They were, therefore, independent organizations acting apart from the unions. Some of these war-time committees have continued to function up to the present time. The Whitley Committee, appointed in 1917 to inquire into the means of improving industrial relations, were aware of the existence of such committees, and thinking they saw in them a means of bringing employers and employed into closer touch, encouraged their extension; and suggested their inclusion as a fundamental part of their proposed scheme of Joint Councils. As a result Works Committees increased greatly in numbers in the years immediately following the war. Thus in the York Memorandum of 1919, drawn up between the Engineering Employers' Federation and the Engineering Unions, it was recommended that Shop Stewards Committees should be established in every engineering works. In 1920 the Mining Industry Act required the setting up of District and Pit Committees, and in 1921 the Railway Agreement

established a widespread system of committees for the railway industry. These examples were followed in many other industries. It is true that in few cases have the ideas of the Whitley Committee been completely realized; these were based on an optimistic assumption of permanently improved relations which did not fit in with the facts. But nevertheless the result remains in the strengthening within industry of the Works Committee idea. For the time being progress has been checked by the long-continued depression, but there is evidence of the vitality of the idea in the fact that in spite of the depression so few Works Committees already established have ceased to function. At the present time committees are to be found in a wide variety of industries including engineering and motor manufacture, chemicals, pottery, boot and shoe manufacture, retail stores, food production and transport, as well as in many miscellaneous trades.

These committees do not all conform to one model or have the same relation to existing trade unions. Some committees, as already mentioned, were joint committees of management and staff; and the joint idea was emphasized and encouraged in the Whitley recommendations. Not all existing committees follow this suggestion. Many of them are jointly representative ,and these ought, perhaps, to be specially designated Works Councils to distinguish them from Works Committees proper, which are composed of workers only; in other cases there are separate committees of management and of workers respectively which, however, meet together periodically for joint discussion.

The relation of the committees to the trade unions is important in view of the problem of the future organization of labour. It is to be remembered that the Whitley Report recommended that the members of their suggested Works Committees should belong to the unions represented on the Joint Industrial Council for the industry; and so far as the existing committees are strictly modelled on the

Whitley type, that condition still holds. But there are many variations from the type. In the great majority of cases, the Works Councils recognize trade unionism and provide for trade union representation in their membership. But the degree of representation varies. Where by constitution the members must be trade unionists they are in some cases appointed by the trade unions concerned; in others, elected by the trade unionists in the works; in others again, by the general body of employees in the works, whether members of trade unions or not. And in the extreme case, there are the open shops in which trade unionists are not employed and where the committee members, therefore, are non-unionists.

There are thus two distinct types of works organization; the Works Committee proper, consisting only of workers' representatives; and the Works Council, a joint body in most cases, consisting of representatives of workers and management. The functions of these two differ greatly. The Works Committee proper is a body dealing entirely with industrial questions; it is an organization for collective bargaining, supplementary to the trade union, and necessitated by the increasing complexity of labour problems which require that negotiation be carried on within the works. But if the conditions already secured by trade union action are not to be impaired, it is necessary, first, that the members of the Works Committee should be trade union representatives; and second, that there should be a clear demarcation of function between the unions and the Works Committees. In fact, that demarcation has been made and in most cases works fairly well. The trade unions deal with general questions affecting widespread conditions, and draw up their rules and regulations with respect to them. The Works Committee confines itself to the application of general rules to the special conditions within the works; and to a consideration of problems peculiar to particular works. There are obviously, however, difficult marginal

cases; and the relative functions of trade union and Works Committee can only be determined in process of time.

In the case of those committees which are jointly representative of management and staff, the problem is different. Such committees are generally suspect by the trade unions proper, on the ground that they are an attempt on the part of the employer to undermine the influence of the union; and that even where such an attempt is not deliberately made the Works Committee sets before the member an alternative loyalty—loyalty to the firm in place of loyalty to his fellow wage-earners. The claim made by some firms that the Works Councils are an experiment in joint control of industry, carries little weight with the trade unions. The Works Councils are advisory bodies. They have the right to discuss grievances of workers, conditions of work, suggestions for improvement of plant, and problems of regulation and discipline. The state of trade, the prospects of the firm, even its finances, may, in some committees, be matters of discussion; and advocates of the committees point out that in such matters a real share in the running of a concern can be given merely in the form of a right of consultation. But this scarcely satisfies the unions. They point out that the committees are consultative only, that they have no executive powers, and that the final decision on any problem rests with the management. "'Joint control,' as it is called, is simply (under present conditions) employers' control plus workers' advice—which may or may not be taken."[1] Besides, they argue, the sphere of consultation is too narrow; the worker may be given a voice in determining his working conditions, means of safety, meal-times, and so on; but never in determining the wider issues of commercial and financial policy upon which the regularity of his employment and the standard of his livelihood depend.

[1] *The Waste of Capitalism*, published by the T.U.C. and the Labour Party, 1924.

CHAPTER X

INTERNATIONAL LABOUR ORGANIZATION

WITHIN limits, the level of living conditions enjoyed by the working-classes within a country depends on internal conditions, on its resources, its inventiveness, the development of its productive powers and the industry of its people. But ultimately any further improvement beyond a point is dependent on the level of conditions in other countries with which it competes. Labour conditions are a factor in the costs of production, and unless a country is to lose its markets, its costs must not be high relatively to those of its competitors. Hence, while by national legislation and the action of national labour organizations improvements in the standard of life can be effected, further advance involves concerted action on the part of the main economic countries.

This truth has long been recognized; but its importance has increased as nations have become more closely united by trade and commerce, and as, in consequence, their economic interdependence has become greater. But in our own time weighty reasons have emerged to support the argument. Differences in standards of living and of economic welfare are recognized as a potent cause of international strife; and for the sake of peace between the nations, joint consideration of the working conditions which different countries can afford to yield to the mass of their peoples, becomes more and more vital. To the Governments of the more advanced industrial nations, increasingly urged to higher standards by strong national organizations of labour, the matter is one of special importance.

There are two streams of influence making for the international regulation of working conditions. On the one

side, the national trade unions have attempted to make their own international arrangements to force upon Governments and industries of different countries the shorter hours, higher wages, and other conditions they demand. To this end they have been urged, partly by the realization of the hopelessness of independent action in the face of the arguments of Governments and commercial interests that better standards mean higher costs and destroy competitive power; and partly by the attention they have given to the argument that class interest is stronger than national interest, and cuts across national boundaries. Hence the growth of international trade union organization. On the other side, national interests, political and commercial, have reached the same conclusion by a different route. And behind these two influences, the humanitarian has been at work, aiming, for no ulterior purpose, at a higher standard of life for the workers of the world, and conscious that it could be achieved only by international endeavour.

A report in the *International Labour Review* for September, 1927, estimated the strength of trade unions throughout the world (in 33 countries) at over 35½ millions in 1925. The estimate is necessarily rough, as the sources of information vary in reliability, and because there is no definition of "trade union" which would satisfactorily cover the multiplicity of types of labour organization that occur in different countries. In the main economic nations, however, trade unionism is organized much on the same lines as in Great Britain; local organizations being linked up in national bodies, as the British unions are linked up in the Trades Union Congress. But in some countries there are rival bodies, composed of different types of unions. In France, for instance, there are the Syndicats or revolutionary unions united nationally in the Confédération Générale du Travail, and the Christian Unions, organized for mutual aid, instruction, defensive action, and the development

of good relations with employers, which are combined in the French Confederation of Christian workers.

Trade Internationals.

International combination of labour is of two kinds. First there have existed for some time federations of workers in particular industries (or " Trade Internationals") such as the International Miners' Federation, the International Union of Food Producers, and similar organizations in textiles, transport, metals, and other industries. On many of these the corresponding British trade union is represented, and in some of them the British unions have been the most influential section—in the Miners' International, for instance, as well as in those of the textile and transport workers. The declared object of these Trade Internationals is to foster international solidarity by exchange of information, mutual aid, and financial support during stoppages of work. In fact, before the war, they were of little importance; mutual aid of any kind seldom materialized, and the holding of Conferences was the most they accomplished on the international scale. After the war, however, they were reorganized, they increased in number, and their influence extended. During the stoppage in the coal mines of Great Britain in 1926, the Miners' International and the International Transport Workers' Federation passed a unanimous resolution at a Conference at Ostend, placing an embargo on the shipment of coal to Great Britain during the continuance of the stoppage, organized financial relief in affiliated countries, and agreed to take further steps if necessary to assist the British miners. At the present time there are some 30 Trade Internationals with an affiliated membership of about 17 millions.

The other type of international organization is the federation of the several national labour bodies, each of which is representative of the trade unions within one country. Of such international federations there are three

of importance: first, the International Federation of Trade Unions, with headquarters at Amsterdam, and having a membership of over 20 million workers; second, the International Federation of Red Trade Unions, with headquarters at Moscow, and a membership of 12 millions; and third, the International Confederation of Christian Trade Unions, with a membership of 3 millions. These differ fundamentally in their political and economic outlook.

The I.F.T.U.

The I.F.T.U. was formed in 1901. Prior to that time, there had existed the International Working Men's Association, founded in 1864, and having headquarters in London from then till 1872, to which the British trade unions sent representatives. That was the only international association formed on a trade union basis in the nineteenth century, though British trade unions had been kept in touch with European developments through their connection with the Socialist movement. But the I.F.T.U. was the first real Trade Union International. Even with its formation, however, British trade unions did not at once take any very active part in international activity. Up to the war period, the Trades Union Congress was not represented on the I.F.T.U., the British representative body affiliated to it being the General Federation of Trade Unions which, as we have seen, represented only a very limited section of British trade unionists. On the other hand, the I.F.T.U. was itself unimportant as it did little to work out any united trade union policy, and existed mainly as a kind of statistical bureau for the trade union movement; and the European War which turned its several groups of constituent members into enemies proved its death-blow. But in 1919 the international aspect of trade union organization was viewed with a quickened interest, and a new I.F.T.U. was one of the international bodies brought into existence at that

time. To this body are now affiliated all the important national trade union federations in the world, except those of U.S.A. and Russia; and in Great Britain the affiliated body is the T.U.C.

The I.F.T.U. is socialist in its politics and economics. It stands for the socialization of the means of production, distribution, and exchange; but it seeks to attain that end by peaceful evolution. At its Conferences held in the immediate post-war years, it concerned itself with the problems of European economic reconstruction, as well as with the more direct problems of trade union policy; advocating the international control of the distribution of raw materials and the granting of credits to impoverished states. It is pacifist in its outlook, and seeks to avert war by propaganda in favour of arbitration and disarmament.

The Red International.

Of the Internationals established after the war, the second in numerical strength (and the first in notoriety) is the Moscow Red International, to which are affiliated only the Russian trade union movement and a number of smaller trade union federations, none of which is nationally representative, but which are mainly disaffected elements either within or apart from the main national bodies. One of these is the British Minority Movement, a small Communist section which for a time caused serious dissension within British trade unionism. With the Red International, the General Council had a connection between 1924 and 1927 through a Joint Committee—the Anglo-Russian Advisory Committee—but relations were broken off in 1927 in consequence of attempts on the part of the Russians to interfere with the domestic concerns of the T.U.C. The aim of the Red International is revolution by violent methods and the establishment of a dictatorship of the proletariat during the transitional period.

The Christian International.

The Christian International, with Catholic ramifications, is concerned mainly with the moral and religious implications of industrialism. Its ideal is " class collaboration with mutual respect by each for the others' rights and duties." It believes in the right to private property while insisting on the performance of the corresponding duties. Like the Amsterdam International it has concerned itself with problems of reconstruction in Europe, and drawn up programmes on similar lines to those of the former, for the international control of the distribution of raw materials, the establishment of free trade, the cancellation of war debts, and disarmament.

With objects so fundamentally opposed as those of the I.F.T.U., the Red International, and the Christian International, it is clear that the international labour movement is powerless to draw up a common programme or to direct into common channels the energies of the several national federations with respect to the wider problems of labour. At the same time it might be expected that, fundamentally as they are opposed on ultimate issues, these bodies might realize that by co-operation they could do much to improve the immediate prospects of labour within the existing economic order by presenting a united front on such questions as wages and hours of labour. The I.F.T.U. and the Christian International have indeed co-operated with some success in this way; and the Red International has more than once declared its willingness to unite with the others on an immediate programme. But while repudiating any desire to divide trade unionism by forming rival Communist organizations, it has done worse by exhorting its sympathizers to attempt to capture trade union organization by subversive action from within; and this has made it impossible for the I.F.T.U. to accept the offer of co-operation.

But even in their limited object of safeguarding and improving industrial conditions, the international trade

union organizations labour under grave difficulties, representing as they do only one of the interests concerned; the others, namely, the employers and the governments, are not a party to their agreements, and the separate national unions have to attempt to enforce on them the policy agreed on. This is a difficult matter when it is a question of improving existing standards; and perhaps not less difficult when it is a question of maintaining in a time of industrial depression, such as that of the last eight or nine years, the standards of life already secured. For if one country lowers wages or increases hours, other countries, in the fight for markets, are forced to follow its example, and may even go further in the same direction; and the result may easily be a degradation of conditions in all countries. To increase the chances of improved standards, and to safeguard the standards already attained, it is necessary to have an international body, representing all interests and enjoying such status that its decisions may carry weight with the governments of the several countries represented, and that its recommendations may be put into operation without any necessary preliminary struggle between employer and employed.

The value of some such international body for the consideration of international labour conditions and the promotion of uniform industrial legislation in different countries had been recognized before the war; and several experiments along these lines, by unofficial bodies, had been made. Some of them had limited themselves to the consideration of one special aspect of working conditions; thus, for instance, the International Permanent Committee on "Social Insurance" which was formed in 1889, was concerned only with problems of insurance against sickness and accident and with attempts to get legislation on the subject passed in different countries. Again, in the years just before the war, there was at work the International Association against Unemployment, which considered, with

reference to Europe and America, the problem of unemployment with a view to international action. But the outstanding body of this kind was the International Association for Labour Legislation, which did not limit itself to one aspect but was concerned with the whole problem of international labour conditions.

International Association for Labour Legislation.

This body was formed in 1900. It consisted of national sections which elected representatives to a Central Committee with an International Labour Office at Basle. In the first few years of its existence it carried on research work, mainly through its national sections, into the actual conditions of labour in different countries, and explored the possibilities of uniform action through international labour legislation. It persuaded the Swiss Government to call a Conference at Berne in 1905, to which all Governments were asked to send experts to discuss the problem of industrial diseases and accident. The Conference drew up two Conventions, one prohibiting the use of white phosphorus in the manufacture of matches, and the other on the subject of the industrial employment of women at night. These Conventions were passed at the Conference and were then submitted to the Governments concerned, who sent representatives to a further Diplomatic Conference held in the following year. The Conventions were then sent by the Swiss Government to the various Governments many of whom subsequently ratified them. In 1913, a further conference was held, the subject of discussion then being the hours of employment of young persons and women. As in the former case a convention on the subject was drawn up; but further action was prevented by the outbreak of war. But for the war there is little doubt that this body would have exerted increasing influence on the standard of international working conditions. What it did was excellent pioneer work which formed a necessary

preliminary to the work of the post-war International Labour Organization. But it suffered from the defects of its voluntary character. As one result, its national sections were not all representative of the various interests concerned. Its affiliated societies consisted mainly of labour organizations and societies for social reform; and in the British section only one association of employers was represented. Secondly, because of its unofficial character there was no obligation on the part of any Government to take part in the proceedings of the Conferences or even to take any action on the basis of the Conventions which they adopted. Thirdly, the procedure necessary to transform a recommendation of this voluntary association into a convention for which the officials of the contracting Governments were responsible was necessarily slow and awkward.

Thus while this pre-war association did useful work, a great advance was made by the Peace Treaty in providing for an International Labour Organization of an official character.

The I.L.O.

The International Labour Organization was established in 1919 under Part XIII of the Peace Treaty. The whole of that part (dealing with the industrial problem) was drafted by the Commission on International Labour Legislation which had been appointed in January of that year by the Peace Conference. The draft report was mainly the work of the British representatives who, in turn, had consulted several of the British trade union leaders, including Mr. Arthur Henderson and Mr. J. H. Thomas; so that the British trade union movement had much to do with the setting up of the organization, and with its structure and functions. With the detail of the organization this is not the place to deal; but it is necessary to see what part organized labour takes in international organization, and how far it co-operates in the work; and this necessitates a brief account of the structure and functions of the organization.

The preamble to Section I of this part of the Treaty of Peace gives these reasons for the establishment of machinery for the international control of labour conditions. First, because peace can be established only if based upon social justice, and because, therefore, existing conditions of labour (involving injustice, hardship, and privation on large numbers of people) imperil the peace and harmony of the world; and second, because the failure of any nation to adopt humane conditions of labour is an obstacle in the way of other nations which desire to improve the conditions in their own country. For these reasons a permanent organization was established, membership of which was to be confined to members of the League of Nations. The organization so established consisted of two parts; a general Conference of representatives of the members; and an International Labour Office, controlled by a governing body.

The Conference so established was to meet at least once a year. It is composed of four representatives of each of the member States, of whom two are Government delegates, and the other two represent respectively the employers and the work-people of the member State. At the meetings of the Conference each delegate may be accompanied by advisers, the number of whom depends on the number of items on the agenda of the Conference—two for each item. When questions especially affecting women are under consideration, it was provided that one at least of the advisers should be a woman. The member States undertook to nominate non-government advisers and delegates, chosen in agreement with the industrial organizations, if such exist, which are most representative of employers and work-people in their respective countries. The delegates alone have the right to speak and to vote, except in special circumstances when the advisers may exercise the full rights of delegates. Each delegate votes individually and expresses, not necessarily the point of view of the State of

which he is a representative, but his own personal view. The credentials of any delegate and adviser are subject to scrutiny by the Conference which has power to refuse admission on a vote of a two-thirds majority

Against these arrangements two main objections have been raised in the years since the establishment of the Organization. The first suggests that the Government of a State having two delegates is overweighted as compared with the other interests represented each of whom has only one. This criticism came mainly from the side of organized labour, which feared that the delegates of the Governments would vote with the employers, and that the views of labour would have little chance of influencing the Conference. In fact, the fear has proved unfounded; at the successive conferences the views of the workers' delegates have found a due place in the ultimate results of the Conferences. Nor is it to be expected that the Government delegates would cast their votes with one side preponderatingly, irrespective of the merits of the case; for it must be remembered that they have to answer to their Governments at home, which may be of any political complexion. The result rather has been that the proportion 2–1 has made for smooth working at the Conferences; for it has meant that neither capital nor labour could, on the one hand, make extreme demands, or, on the other, exercise an absolute veto on the claims of the other. The second main criticism relates to the method of appointing the delegates. These, as we have seen, must be appointed by the Government of the State concerned; but in the case of the non-Government delegates, the Government must take into account the nomination of that organization in the country which is most representative of the interest concerned. All it can do is to attempt to influence the choice and in the last resort, if dissatisfied with the nominee of that organization, to exercise its power of veto and refuse to accept the nominee; but in that case, it cannot appoint a substitute,

and the delegate representing the other interest, while he can attend the Conference and speak, may not vote. Given however, that the Government has appointed the non-Government delegates, the question arises whether it has appointed them according to the principle set forth in the covenant. There may, for instance, be in a country, two national organizations representing labour, each of which claims to be the more representative. To deal with a problem of that kind, the Conference has appointed a Credentials Committee which considers protests from relevant organizations and reports to the Conference, which has the ultimate power of acceptance or rejection of delegates. Such protests are made occasionally. Thus at the eleventh Conference protests were received from the Czecho-Slovak Trade Union Federation against the Czecho-Slovak Workers' delegate. Formerly the workers' delegate had been nominated in turn by the various organizations representing labour in that country; but in 1926 the Central Organization of German Trade Unions in Czecho-Slovakia united with the Czecho-Slovak Trade Union Federation, which thus became the largest organization representing labour, and claimed the sole right to nominate the delegate. The Conference in this instance decided that the delegate's appointment was in order. Such protests are considered by the Credentials Committee irrespective of the source from which they come; and International Trade Union Federations as well as trade union organizations within a country have the right of protest.

Another type of difficulty may arise in less advanced States in which organization of labour hardly exists. At the first conference, for instance, a protest was made against the Japanese workers' representative who had been selected by the Japanese Government by a special method, the workers in every town having been asked to select a delegate to attend a provincial meeting which in turn sent delegates to a meeting of the Japanese Empire at which

three names were selected, of whom the Government chose one. The protest was to the effect that a labour organization did exist, and that though small (representing only about 1 per cent of the workers) it was still the most representative organization, and its nomination should have been accepted. The protest had behind it the important principle of the demand for trade union recognition by Governments. What is most likely to occur, however, in the case of such backward countries, is that the governments concerned send incomplete delegations to the Conference. This happened at the eleventh Conference in 1928, when eleven out of forty-six countries represented defaulted in this way. These included such countries as Bolivia, Nicaragua, Panama, Salvador, and Siam. The objection to this procedure is that Government delegates thus become disproportionately numerous; for even if workers' or employers' delegates are not forthcoming, the Government is under obligation to send its own two delegates to the Conference.

The Conference so constituted has power to draw up Conventions and Recommendations, each of which requires for its adoption a two-thirds majority of the delegates present at the Conference. A Convention, however, differs from a Recommendation in certain important respects. A Convention is drawn up in such a form that it can, without radical change, be adopted by a State as part of its law. A Recommendation, on the other hand, is merely a declaration of general principle, and a State which accepts it has still the task of putting into legal form, appropriate to its own circumstances, the principle contained in the Recommendation. Further, there is a difference as regards the obligation of States in relation to a Convention and a Recommendation. In both cases participating States must submit them to their Governments within a year (or longer period in special circumstances), but in the case of the Recommendation that is the sole obligation. A

Recommendation so submitted may be accepted in whole or in part, or may be rejected, and there the matter ends. But while a State is free to reject a Convention, if it ratifies, it thereby incurs new obligations. It has to give notice of its ratification to the Secretary General of the League of Nations, and it must take action to make the provisions of the Convention effective within the country.

In the course of the past ten years a large number of such Conventions and Recommendations have been passed at the successive Conferences, some of which have been ratified by States and have had their effect on the industrial legislation of these States. The Conventions include the Convention on Hours of Work, adopted at the first Conference at Washington in 1919; and this Conference also passed Conventions on unemployment and the conditions of employment of women and children. At later Conferences various subjects have been discussed and Conventions have been adopted dealing with workmen's compensation for accidents; the equality of treatment of foreign workers in the matter of workmen's compensation; night work in bakeries; inspection of emigrants aboard ship; sickness insurance for workers in industry and commerce and domestic service and for agricultural workers, and minimum wage-fixing machinery. These Conventions have met with different fates. In a few cases a Convention has been ratified by a considerable number of States, and the necessary legislative action has been taken to put the terms of the Convention into active operation. But in a large number of cases, no action has been taken; many Conventions have not been ratified, and these years of Conference would seem to have had little result in the improvement of international labour conditions. And, indeed, the obstacles to the success of the International Labour Organization are formidable. They fall into several classes. First there is the inadequacy of the sanctions which are intended to guarantee that Governments will carry out their obligations. It was at

first hoped that the Organization would have authority in international matters equal to that of the legislature of any nation; and that a Convention adopted would be binding on all States which are represented at the Conference even if their own representatives had dissented from it. Something far less than this had to be accepted in the end; and we have seen the limited nature of the obligations of any participating State. And even when a State has agreed to ratify a Convention, the penalties for failure to carry out the consequent obligations are in the end dangerous to apply. Complaint against a Government for non-fulfilment of its obligations can be made by any party concerned, including other Governments which have accepted the obligation, any organization of workers or employers, including trade unions, national and international, and any delegate to the Conference. The complaint is made to the International Labour Office; the Government concerned is invited to make reply to the complaints, and in the event of no reply or an unsatisfactory reply being received, a Commission of Inquiry may be appointed consisting of three members representative of Governments, employers, and employed. The Commission after inquiry makes recommendations for the removal of the complaint; and is obliged to indicate economic measures to be taken in the event of the Government remaining recalcitrant. If the Government refuses to act on the recommendations, the case may then be referred to the Permanent Court of International Justice, which reviews the whole matter, and indicates recommendations and economic actions to be taken, and whose finding is final. If the Government concerned still defaults, any other member of the Organization can take action against it on the lines indicated by the report of the Court. The weakness of such sanctions is obvious, and the ultimate economic weapon is one which may easily injure the one who wields it as much as the one against whom it is directed.

Apart from the difficulties of compelling a defaulting Government to meet its obligations, there is the difficulty of inducing Governments, even when their delegates have given their assent to a Convention, to incur any obligations with respect to it. Each fears that others will refuse to act in its spirit, and the argument of foreign competition prevents the adoption of many a measure which a Government might be quite willing to adopt if it stood alone. On the other hand, the Convention having to be a practical instrument may sometimes be so elementary that labour interests in advanced countries may fear that it will lower, instead of raise, labour standards in their country. These and other objections, for instance, lie behind the failure on the part of Great Britain and some other countries, to ratify, so far, the Hours of Work Convention adopted at Washington in 1919.[1]

The other part of the International Labour Organization is the International Labour Office, with its seat at Geneva. It is under the control of a Governing Body of twenty-four persons, of whom twelve are representatives of Governments, six are appointed by the delegates to the Conference representing employers, and six by those representing work-people, the same proportions thus being preserved as in the Conference itself. Of the twelve Government representatives eight are nominated by the Governments of the chief industrial nations, and the other four are nominated by those Governments who are selected for the purpose by the Government delegates at the Conference excluding the big eight. The two main functions of the International Labour Office as described in Article 396 of the Treaty are first the collection and distribution of information on all subjects relating to the international adjustment of conditions of industrial life and labour, and the publication of a periodical paper dealing with problems of industry

[1] The British Labour Government indicated (July, 1929) its intention to ratify this Convention.

and employment of international interest; and second, the preparation of the agenda for the meetings of the Conference, the examination of the questions to be brought before the Conference, and the execution of any other duties assigned to it by the Conference. For these purposes it has two divisions, a Scientific and a Diplomatic, each with several subdivisions. The work of the Scientific Division consists largely in study and research and statistical compilation in matters relevant to the improvement of international working conditions, and the publication of the results in a series of publications, including the official *Bulletin*, which is the main channel through which the Office supplies information about the work of the Organization; the *International Labour Review* (published monthly); a legislative series consisting of reprints of the texts of the most important laws and regulations affecting labour; a monthly record of migration; a quarterly bibliography of industrial hygiene, and an *Annual International Labour Directory*. It also publishes from time to time special monographs dealing with a variety of labour problems—e.g. industrial organization, unemployment, wages and hours. The Diplomatic Section, as its name implies, has the duty of corresponding officially with the Governments represented in the Organization.

In the Organization that has thus been set up, there is provided an instrument for the furtherance of the immediate purposes of trade unionism in the various forms in which it exists in different countries. It is true that the Organization, as we have seen, is faced with serious obstacles; for the easiest path for most of the Governments represented on it is to ignore its demands, and it has no ultimate sanction. But granting its weakness, it still remains the only means of setting up a common standard of working conditions, and as such it is at the present stage of development indispensable to labour. The authors of *Industrial Democracy* point out the grave disadvantages, from the

workers' point of view, of resorting, within any one country, to the method of legal enactment as a means of attaining trade union ends; the prolonged and uncertain struggle which each new regulation involves; the necessity of convincing the community at large of the advantages of the proposed regulation; the inquiries involved; the difficulty of persuading Members of Parliament, Ministers of the Crown, and the permanent professional experts; and the final emergence, even in cases which may be accounted relatively successful, of a measure which accedes, not what labour has asked for, but the bare minimum which it feels it can accept. Such difficulties reappear in a greatly magnified form in any attempt at an improvement of international labour conditions by international labour legislation. But if it is asked, whether in view of these difficulties it is worth while for labour to take any part in this international organization, the answer of Mr. and Mrs. Webb applies, *mutatis mutandis*, in this case as it does in the national; namely, that " once the Common Rule is embodied in an Act of Parliament, it satisfies more perfectly the trade union aspirations of permanence and universality, than any other method." If the trade unions have not yet succeeded in getting established, by the method of collective bargaining, anything like uniform conditions throughout a whole country, much less can they hope, by their direct methods alone, to achieve an international uniformity within any reasonable time. The International Labour Organization has its own difficulties; but at least it is an instrument which commits not labour alone, but industry and Governments, to the establishment of international standards by international legislation; and it has it within its power to create, in a way which no Trade Union International alone could do, an international conscience on the matter of labour conditions.

CHAPTER XI

ORGANIZED LABOUR AND THE COMMUNITY

THE existence within the State of organizations like trade unions, representative of a considerable number of its members, and acting in such ways as to affect its material interests at many points, necessarily gives rise to important questions of the interrelations of organized labour and the community. These problems fall into two main classes. On the one side, the community, through the State, must define its attitude to the organizations, and decide its policy in relation to their objects and activities. On the other side, there is the reciprocal attitude of the organizations to the State and its existing political forms and the economic structure which it protects. These problems become the more vital, the greater the size of the unions, and the more closely their special purposes are bound up with other aspects of the life of the State.

Attitude of the State to Organized Labour.

The attitude of the State to the trade unions involves the question of the extent to which it recognizes their existence, their objects, and the means they employ in furtherance of these objects. That is, it must define the legal standing of these organizations. This it must do in virtue of its function of maintaining order, and protecting general as against sectional interests within the community. That aspect of the question has already been considered in an earlier chapter, in which the development of the legal standing of the unions has been traced and their present legal position outlined.[1] But there is the question whether

[1] The attitude has not been stabilized. Thus, e.g., the King's Speech of 2nd July, 1929, foreshadowed some alteration in the Trade Disputes and Trade Unions Act of 1927.

the State should not go beyond a merely legal attitude to the trade unions. For instance, what should be its attitude in view of a prolonged strike or lock-out, or its action in view of the degradation of the conditions of a body of workers in a time of economic weakness? Assuming that the matter is not one for legal action, the State has only two alternatives; it must either refrain from interfering altogether, or it must exert its influence to bring the parties in dispute to an agreement. The former is the policy which came to be advocated in the period when, economic power having been divorced from political power through the emergence of the great industrial capitalist, the latter demanded untramelled freedom in the pursuit of his purposes. So long as economic power and political power had a common source in landed property, they continued to march hand in hand; and even the emergence of the merchant capitalist did little to disturb the prevailing harmony, for he sought to support his economic power by the political power which the purchase of land would bring him. The real divorce between politics and industry began with the capitalist manufacturers, for the power which they wielded over the lives of others in virtue of their economic position, required no political support. Moreover, they were not, like the old landowners, a united class with common purposes. Political regulations that would have suited one group would have injured another. Consequently, they sought nothing better than to be left alone to pursue their interests in their own way.

Their claim was not altogether without warrant. For with the march of progress, the old identity between political and economic power became more and more impossible. As the means of transport and communication improved, economic power and interest passed beyond the boundaries within which political power mainly manifests itself. Yet it is none the less true that the economic and the political order can never be entirely divorced. On the one hand the economic order owes the conditions of its success,

sometimes of its very existence, to the security established by the political power of the State; and it cannot, therefore, refuse to conform to the regulations which the State imposes in the general interest. Nor, on the other hand, can the State surrender the right to impose conditions in the economic field; to do so would be to abandon its supreme function of maintaining the conditions of general well-being.

But, in fact, the course of events has left the State with little option in the matter. The increasing importance of the economic side of the life of the country, and the multiplication of its points of contact with other aspects of the national life, would have compelled even an unwilling Government to give up the attitude of indifference and non-interference, and to assume new responsibilities. The necessary action has, in fact, been undertaken willingly in view of its obvious necessity; and new departments of State have sprung into existence whose main business is to take cognizance of trade and industry, to control and regulate them, and to render assistance where possible. Nor on the other side can the economic order be said to object to such political intervention where it takes the form of assistance in the shape of statistical information or in more material ways. When an economic interest says to the Government " Hands off industry," it rarely wills all the implications of its demand. It desires to be left free from such intervention as it feels to be restrictive, but it does not refuse the aid which it lies in the power of the State to give. It is demanding a passivity on the part of the State which it would strongly resent were the State to act on the logical implications of the demand. Thus the estrangement between the political and the economic order, which was never complete, and which gradually diminished in the course of the nineteenth century, has well-nigh disappeared; and a great part of the present work of political legislation and administration is concerned with economic affairs.

Now if the State stands in this regulative relation to the economic order as a whole, its attitude to particular organizations which lie within this field cannot be a matter of doubt. Such organizations, whether employers' associations or trade unions or combinations, are essentially sectional in their interests. They exist, as every economic association must necessarily exist, for the purpose of benefiting one section of the people—a purpose which may involve injuring some other section. A combination of manufacturers to control prices, if it benefits the producer, may injure the consumer. To assert this sectional purpose is not to deny the existence of economic interests common to the whole people. But the promotion of the common interest is not the *raison d'être* of the economic associations; the only organization standing for such universal interests is the State; and the purpose for which economic associations stand is the interest of a group, whether large or small. When, therefore, they act in such a way as to injure the common interest it would be a surrender of its function on the part of the State to refuse to take action.

Whether the aggressive organization is a trade union, or an employers' association, or a combination, is a matter of indifference. It may be granted that these several organizations stand on a different footing; exist for different purposes; use different methods for the attainment of their ends. The associations of capital and of labour, for instance, present a contrast rather than a parallel. The former are based on property; their foundation is economic strength. The trade union is unique in being based on the lack of property; its strength lies in the economic weakness of its individual members. The main purpose of the former is the maintenance of the *status quo*; that of the latter is to change existing conditions so as to gain for its members an increasing share in economic well-being. But these facts, while they call for sympathetic consideration of the trade unions and their purposes, are no ground for an exceptional

treatment of them when their actions threaten the general welfare. They would not be so, even if the trade unions were so unanimous in their avowed objects, and so harmonious among themselves that trade unionism could be considered a unit. For even then trade unionism, though representative of a large section of the community, would still be representative of only a section; a minority, not only of the whole community, but even of the wage-earners whom it specifically represents. And the degree to which trade unionism is democratically representative of its own members is a question on which the defects of the internal government of trade unions, which have already been discussed, throw grave doubts. But trade unionism is not an undivided unit. The aims of different unions may be mutually opposed; their interests may clash as powerfully as those of a trade union and an employers' association.

Thus where such a situation arises that the economic welfare of the community is threatened by the action of rival associations within that field, and the State can neither bring that action within the ambit of the law nor entirely ignore it, the State may be faced with a problem of considerable difficulty. As the power and self-consciousness of labour increase, such problems are likely to occur from time to time; for while strong labour organizations reduce the amount of guerilla warfare in the industrial field, and prevent sporadic outbursts on small sectional issues, they are all the more likely to take a firm stand on what they hold to be issues of vital moment; and an industrial dispute may then assume such proportions and continue for such a lengthy period as to threaten the industrial stability of the nation. In such circumstances, the State, in the person of the Government for the time being, has steered the middle course, and offered its services to help to bring the disputants to agreement, and it has increasingly relied on the influence of "public opinion" by holding inquiries and publishing the facts.

But this method, if it is to be successful in yielding just and lasting solutions of industrial disputes, presupposes two conditions. It presupposes that the disputants and the community have faith in the complete impartiality of the Government which intervenes; and it presupposes the possibility of a fully informed "public opinion" seeking only a just solution of the difficulty. But such conditions are still to seek. The State in the abstract is impartial; but at any time it speaks only with the voice of the actual Government, in whose impartiality there is no widespread belief. A Conservative Government is looked at askance by labour as being biased in favour of the employers; and just as surely is a Labour Government suspected of tilting the balance against the employers. Further, there is no such thing as an impartial "public opinion." The public is not a disinterested jury. It consists of employers, traders, small shopkeepers, employees—groups of people each with its own supreme economic interest which affects the judgment of its members even if they have all the will in the world to be unbiased.

Attitude of Organized Labour to the State.

If the attitude of the State to the trade union is important from the point of view of the maintenance of order and the protection of the general interest, the attitude of the trade union to the State, to the political order for which it stands and the economic order which it protects, is also important; and its importance increases with the numerical growth of trade unionism, with its formulation of a definite trade union point of view on matters other than its own immediate concerns, and with its increasing power of articulate expression. To this reciprocal relation we now turn.

But first, where is the formulation of their attitude to be found? There is no unanimous political faith subscribed to by all who happen at any time to be trade union members. Men become members of a trade union for a variety of

reasons. They may be actuated by the desire to see an improvement in the economic status of the workers, and a belief that the trade union is the only effective means of securing this betterment. They may be attracted by the friendly benefit side of the work of the unions. They may simply follow the crowd and join because their mates have joined; or they may be subjected to a certain amount of pressure on the part of unionist workers or of employers. The trade union is not primarily a political club or a Socialist centre; and membership is not conditional on subscription to specific political views or to certain ideas on the ultimate economic structure of society. Consequently, trade unionism contains within its ranks men of every shade of political and economic opinion; members of every political party and of none; Communists, Collectivists, Syndicalists, Co-operators, Single Taxers, and supporters of the Capitalist system of industry. When, therefore, it is stated that trade unionism has supported this or that political party, or given its adherence to this or that set of economic proposals, the statement must be interpreted to mean that the views expressed are those held by the organized bodies which claim to stand for trade unionism, and the degree to which they really express the views of the majority of trade unionists will depend on the constitution of these bodies.

It has already been shown that the Trade Union Congress and the Labour Party are the only two bodies which can make any claim to speak for trade unionism as a whole, and that their claims are supported by the fact that they are representative of a large proportion of trade union members. Nevertheless it must be emphasized that while probably the majority of members would subscribe to the views of these bodies on wide questions of economics and politics, yet trade unions are, primarily, not political societies, but societies existing to yield certain definite benefits of a limited kind to wage-earners who, for the most part,

have joined them in view of these facts. With that caution, then, we note that the trade unions have built up and now possess the means of expressing their views on political questions. This development is of great significance. Indeed, there is widely expressed, from time to time, the opinion that it constitutes a departure from the proper functions of trade unionism, and that it threatens the economic and political stability of the State. It is, therefore, necessary on the one hand to examine the nature of the political movement of trade unions and its relevance to their direct objects; and on the other hand, to understand their views on the reorganization of the economic structure of society.

Contrary to the popular conception, it is not only within recent times that the trade unions have taken part in political actions. The misconception may be due to the perversion of terms by which " political " has come to be understood in the same sense as " revolutionary," although even so the conception is at fault, since many of the early activities of trade unions were directed to ends which at the time would have been so described. But the perversion of terminology makes necessary a clear definition of the meaning of " political." The primary object of trade unionism, as we have seen, is the improvement of the economic status of the worker. To this end the trade unions have made use chiefly of two methods. On the one side they have endeavoured by means of direct negotiation with employers, and in the last resort by means of the withdrawal of the labour in a particular industry, to induce the employers to grant the improvements in wages or in other conditions of work, which they desire. That method, and the objects at which it aims, may be said to be " industrial." The persuasion of constraint is applied only to the employers within the particular industry; and, as far as is practicable in a community in which no particular economic group can be said to stand by itself or its interests to be

without effect on the general interest, the objects aimed at touch only the industry concerned. On the other side, there are two cases in which the actions of the trade unions may be said to be political. The trade unions may use a political *method*, that is, they may endeavour to attain their ends by persuading or constraining not only the particular employers concerned, but the Government or the electors. Thus they may try to persuade the Government to pass legislation imposing on the industry the improved working conditions desired; or they may, by conducting a public campaign, seek to persuade the electors to bring pressure to bear on the Government to intervene on their behalf; or they may seek to constrain the public by a widespread and simultaneous withdrawal of labour in many industries, in which case they threaten not only the profits of the employers immediately concerned, but the welfare of the great body of the people; or, lastly, they may seek to get themselves directly represented in Parliament, and even to build up their own political party. In these cases they are making use of political methods. But in the second place they may aim at political *objects*; they may seek, that is, not merely by direct means to better their own working conditions, but to alter the whole economic and political structure of the State, substituting a " Socialistic " for a " Capitalistic " order, or a Government based on an industrial for one based on a territorial franchise. In any case, the essence of " political " action is that it touches not merely particular interests, but those of the State as a whole.

If this meaning of political action is accepted, two things are clear. First, that the political activity of trade unions is not, as is generally assumed, a new development. They have used the political method since their earliest days. Their history has been the history of a demand for legal recognition. They have been engaged for over a century in attempting to persuade successive Governments so to

alter the laws of the State as to grant them a greater measure of freedom and of power. Of the degree to which that attempt has been successful up to the present time, we have already dealt. But again, over a very large part of their existence, they have been engaged in attempts, intermittent it is true, and alternating with activities which were purely industrial, to secure the betterment of conditions at which they aimed, by means of political legislation; and the long series of Industrial Laws, affecting hours of work, the sanitation and safety of work places, and the general conditions of employment, are the result of agitations in which the trade unions have taken a prominent part. A considerable part of this legislation refers directly only to the conditions of the employment of women and children; but it is not to be supposed that in demanding such legislation the trade unions were entirely actuated by altruistic motives; they clearly recognized that the improvements in the conditions of the employment of women and children would of necessity affect their own conditions, particularly where men and women were employed in the same work-places. The use of the method of Parliamentary legislation for the attainment of improved conditions has not always indeed been unanimously approved by all sections of trade unionism. In particular, during the late 'eighties and the early 'nineties, when the "Old Unionism" gradually gave place to the "New Unionism," a considerable section of trade unionists were unhopeful of the efficacy of legislation by Parliaments which were suspected of being antagonistic to the claims of labour. But the use of the method has increased, and with the growth in the direct representation of Labour in Parliament, legislation has come to be considered one of the main methods of securing desired reforms.

Industrial Legislation.

The use of the political method for the attainment of the main object of trade unionism, namely, the improvement

in the economic conditions of the workpeople, is thus long-established. Its success, in spite of long-continued but gradually declining opposition, is beyond dispute; and there now exists legislation, covering practically every kind of occupation, imposing minimum conditions for every kind of worker. The existing legislation includes Acts which affect the worker when he is employed, such as the Factory Acts and the Mines Acts, which lay down regulations concerning sanitation, safety, hours of work, overtime, employment in dangerous processes, provisions in case of accidents, and nearly every conceivable condition. It includes Acts like the Truck Acts, which affect the worker as wage-earner, securing that the worker is paid his due in full legal tender, the Particulars Clauses of the Factory Acts, which are meant to ensure that the pieceworker shall be able to calculate what is due to him; and the Minimum Wage legislation which requires, in certain occupations, that he shall receive a certain minimum amount. It includes, finally, Acts affecting those workers who suffer through employment, such as the Workmen's Compensation Acts and the Insurance Acts. With the details of this legislation it is impossible to deal; but certain developments, which have taken place chiefly in the present century have a special bearing on the position of trade unions and their members, and to these we must allude in a few words.

In the industrial legislation of the nineteenth century there were two gaps which were all the more significant because they were not accidental but deliberate. While all the general conditions of employment had been regulated, such as hours of work, conditions of sanitation, and means of safety, and while the medium in which wages were to be paid had been determined by law, there was no legislation which required the payment of any minimum rate of wages in any occupation. The omission was justified by the argument that wages stood in a special category, and should be left to be determined by the action of economic forces.

Again, while much of the nineteenth century legislation had affected the conditions of work of the male workers, this was an indirect effect of the legislation which was passed with the direct object of regulating the conditions of employment of women, young persons, and children. The contention in this instance was that the men, by means of their organizations, were in a position to look after their own conditions and did not require legislation to ensure their conditions being satisfactory. The first of these gaps began to be filled with the passing of the Trade Boards Act of 1909, which made provision for the fixing of minimum rates of wages in four specified trades which were trades mainly occupied by women, and in which the rates of wages then being paid were " exceptionally low." By Provisional Order the Act was applied to half a dozen other trades in 1913; but a new Act passed in 1918 altered the basis of application of the principle; and from then onwards any occupation could be included in which there did not exist a degree of organization capable of drawing up satisfactory wages agreements. As a result of the alteration of the basis of their application, the Trade Boards Acts were rapidly extended to include a large number of badly organized trades, and in spite of agitation on the part of employers concerned to have the Acts repealed, and its effects in retarding the application of the Acts to new industries, there is now a large group of trades which have their wages conditions determined under the operation of these Acts.

The Acts provide that in any trade which is brought under their scope, there must be established a Trade Board which consists of equal numbers of representatives of employers and of workers, with a number of " appointed members " who represent the public. The duties of the Board are confined to fixing minimum rates of wages for the workers in the trade, and once these rates have been approved by the Minister of Labour they become legally

enforceable. The work of the Boards has resulted in raising the rates of wages in the many industries to which they now apply.

The main importance of the Trade Boards Acts lies in the fact that they introduced for the first time the extension of the principle of the legal minimum to the matter of wages. In the working out of this principle they have avoided undue rigidity by their provision for the granting of a limited percentage of exemption certificates to workers on the ground of sub-normal efficiency. But these Acts have affected trade unionism in two other ways. The constitution of the Trade Boards, which provides for the representation of the workers in equal numbers with the employers, gives to the workers, and to their organizations where such exist, a share in the actual administration of an Act of Parliament, and has thereby raised their status. And in the second place, the Acts by removing the unduly low wages which were one of the main obstacles to organization, have stimulated the growth of trade unions in those trades to which they apply.

Up to the present there seems little likelihood of any immediate application of the principle of a legal minimum wage to industry in general, or of its extension beyond the narrow limits set by the Trade Boards Acts. It is true that in 1912 the Coal Mines (Minimum Wage) Act, applied the principle to a class of workers who were neither in receipt of wages which were " exceptionally low," nor who were badly organized. This was an exceptional measure passed as the result of pressure after the miners' strike of 1912, and originally intended to be limited in its application for a period of years. The only other piece of Minimum Wage Regulation is the Agricultural Wages Regulation Act, 1924.

Towards the filling up of the second gap only the smallest beginnings have been made, and it is not to be anticipated that any dramatic developments will show themselves in

the immediate future. The instances of legislation whose object is the regulation of the working conditions of men is indeed limited to the case of the exceptional coal industry, and consists in the Coal Mines (Minimum Wage) Act already mentioned, and in the Acts regulating the hours of work in coal mines.

But a third piece of legislation, if it was not passed specially in the interests of men, applies equally directly to men and to women workers. This is the insurance legislation, and it has not been without important effects on trade unionism itself. In their original form, indeed, the provisions for State insurance against unemployment, which made such insurance compulsory only in a few industries, gave a special inducement to trade unions to enter the voluntary side of the insurance provisions, and thus encouraged the formation of trade unions and their building up of insurance schemes of their own. The extension of the compulsory principle to practically all industries in 1920 made the voluntary side of it no longer of practical importance; but it cannot be said, therefore, that the Insurance Acts in their present form are indifferent to the trade unions. On the contrary, the trade unions are recognized as a natural means of administrating the Acts; on the Local Employment Committees attached to the Employment Exchanges, for instance, trade unionists must have equal representation with employers. Special provisions in the Acts also give evidence of the recognition by the State of important principles for which trade unionism stands; thus while refusal to accept suitable work disqualifies a man from receipt of benefit under the Acts, he cannot be disqualified merely on the ground that he has refused to accept an offer of work at rates of wages less than those recognized by the trade union where such exists. But the most important effect of the Insurance Acts, as far as the trade unions are concerned, lies in the fact that they do much to eliminate the danger of undermining the standard

rate by the fear of unemployment, against which the trade unions had formerly to rely solely on their own out-of-work funds.

If, then, the struggle for legal recognition on the part of the trade unions, and their demand for legislation for the improvement of working conditions may be said to constitute political action, it cannot be held that trade union participation in politics is any new phenomenon. But while they did not escape criticism on account of these former activities, the main criticism of going beyond their province, and concerning themselves with matters outside of their proper sphere, refers to their more recent participation in the wider sphere of general politics, and their attempts to gain direct representation in the House of Commons. For good or ill the decision has been taken; and in increasing numbers the members of the working classes, individually and through their organizations, have turned to the support of a political party which is in name a party working to interpret the aspirations and desires of labour. Such a development was indeed inevitable. Strong as an economic organization may become it can never become so strong that it can afford to ignore the State, or hope to secure its objects without attempting to influence the engine of the State. In the case of the trade unions the recognition of this fact has steadily increased. The demand for legal status was its first form; the demand for industrial legislation the second; the demand for political representation through a party representing labour is the latest stage of the development.

The Economic Order.

The position is that in the last quarter of a century organized labour, in rapidly growing numbers, and with an increasing intensity of conviction, has come to believe that what are generally acknowledged to be the legitimate functions of trade unionism can be attained only by action

which is widely condemned as illegitimate; in other words, that the desired improvements in the condition of labour cannot be secured except by such a complete change in the economic structure of society as can be brought about only by political means, and as in itself constitutes a political object. It is no disproof of this conclusion to argue that the conviction is not an intellectual one, or that it is so only on the part of a negligible few of the more active spirits in the trade union movement. That, as a fact, may be true; the proposals which have widely commended themselves and which have affected the detail of trade union policy and tactics, have for the most part been the proposals of certain sections of trade unionism or of individuals or of small groups influential out of all proportion to their numerical strength. But what matters is that from time to time the propaganda of such elements has attracted a wide sympathy, and has produced a definite political bias which has become more and more characteristic of trade unionism. Nor, on the other hand, is the interpretation of the recent evolution of trade unionism as political proved unjustified by the fact that at times in the present century the trade unions have lost faith in political action, and concentrated on what is called " Direct " or " Industrial " action. For such direct action aimed at objects and used methods which were intrinsically political in character.

Trade union aspiration has thus taken a political form. But it is a form without content. For when we look for guidance as to the new industrial society which is to take the place of the old, we find a variety of suggestions which have little in common except their condemnation of the " Capitalist system." A vast political fabric has been built, but its builders have not yet defined its purpose.

In spite of intermittent outbursts of revolutionary activity, the British trade unionists of the nineteenth century were not given to sustained revolutionary thought. Apart from the spasmodic outbreak of a premature Syndicalism

in the time of Robert Owen, the trade unions were content, for the most part, to work for limited purposes and with distinctly constitutional means. The fact is partly explained by the nature of the labour organizations, which were designed to meet particular exigencies; partly also by the conservative tendencies of the nineteenth century British worker. But socialistic thought began to capture British labour in the 'eighties of last century, and with the twentieth century there began a period of intensive social thinking and propaganda which has left the labour mentality of the nineteenth century far behind. In the form in which it first attracted the trade unionist, Socialism was the Socialism of the Fabian Society and the I.L.P. Its aim was the nationalization of the main industries (which should be owned and controlled by the Central Government), and the municipalization of local services. It was not suggested that any change should take place in the constitution of the Central and Local Governing bodies, but remaining as they are, representative of the people on the basis of their territorial distribution, they were to take over industry and run it for the benefit of the whole of society. There was as yet no thought of " self-government " in industry; for faith in the willingness and ability of the people's representatives to work in the general interest was strong. Up to the outbreak of war in 1914, the I.L.P. was constant to its faith and worked for the widening of the sphere of government ownership and control.

But in the meantime doubts had begun to be thrown upon the possible efficacy of a system in which the ownership and control of industry were put into the hands of the organs of a State which was coming to be regarded as " Capitalistic " in its very nature. With the spread of this critical attitude to the State itself, British labour became susceptible to the influences of French Syndicalism and American Industrial Unionism, and in 1911 an advocate of a new type of Socialism appeared in the person of

Mr. Tom Mann, who preached the application of Syndicalist principles to British industry. While Collectivism would magnify the State and make it assume all the economic functions hitherto performed by smaller groupings, Syndicalism would go to the opposite extreme and, considering the State with its territorial constitution as existing for the protection of property, would altogether deny its authority. Politically, the Syndicalists envisaged a society carried on by the industrial workers grouped under their organizations. Economically, they looked forward to seeing the ownership and control of industry put into the hands of the organizations of the workers; but these would be built up not on the present sectional lines, but on the basis of industries. As the weapon for bringing about this political and economic revolution, they looked to the general strike, which, involving a simultaneous laying-down of tools throughout the whole of industry, would paralyse productive activity, and bring about the abdication of the Capitalist. The workers' organizations would then take over the ownership and control of industry, and the revolution would be accomplished.

The revolutionary elements in this programme failed to attract the average British trade unionist; and after a short time the propaganda of pure Syndicalism ceased in this country. But even in the brief period of its activity, it had had considerable influence on trade union thought, and that influence remained after Syndicalism itself had passed away. Its influence can be detected in two directions. For one thing it gave a stimulus to the conception of organization by industries instead of by crafts, to which reference has already been made in an earlier chapter. And in the second place, it gave birth to the idea of democratic self-government in industry as a parallel to, and indeed as a condition of, political self-government. Both of these conceptions have endured and have their place in present-day trade union thought.

The second conception became the central idea in a new plan for the reorganization of society which began to be worked out by a body of reformers who called themselves Guild Socialists, and which did something to bring together the different ideals of the Collectivists and the Syndicalists. Steering a middle course between the Collectivists' apotheosis of the State and the Syndicalists' denial of it, they sought to work out a new political philosophy on the basis of their conception that rights exist only in virtue of performance of function. This fundamental conception applies to the State as well as to individuals and to other organizations; and it results, not in a denial of the State, but in its limitation. The function which the State under its present territorial constitution performs, is that of representing those interests which are common to men in virtue of their living in the same locality. Men living in the same territory make use of the same economic facilities for meeting their wants; their common interests are their interests as consumers, and the right and authority of the State, therefore, relates only to the guarding of the interests of men as consumers. But these are not men's only interests. As engineers or farmers, as musicians or antiquaries, as Roman Catholics or Protestants, they have other interests, and though united as consumers, they may be divided as producers and in other ways. The organizations which exist to represent these several interests of men have, therefore, each in its own sphere, equal authority with that of the State in its sphere. The State is not supreme, but merely one organization among others. The State has no more right to authority in the sphere of the trade union than the trade union has in the sphere of the State, or the Church in the sphere of the trade union.

On this basis the Guild Socialists worked out their programme for the political and economic rebuilding of the structure of society. The territorial State represents the consumers; therefore, like the Collectivists, the Guildsmen

would put the ownership of the means of production in the hands of the State. But the interests of men as producers are not represented by the State but by the organizations of producers; therefore, the control of industry would be vested in these organizations, which, however, for several reasons, would differ from the present trade unions. They would have to include not only workers by hand but workers by brain; and they would have to represent the wide common industrial interests, and not the narrow and sectional craft interests of the workers. They could, however, rise out of the existing trade unions, and Guild propaganda was directed towards that end. In these respects the Guildsmen resembled the Syndicalists; but again they differed from them in refusing to stress the class-war or the idea of the general strike, and in being willing to work and prepare gradually for the new type of society.

It is not suggested that any lagre section of the members of British trade unions have definitely embraced the theories of Collectivism or of Syndicalism or of Guild Socialism. But they have not, through their national bodies, rejected them as the Trade Union Congress and the Labour Party have done in the case of Communism. On the contrary, the Trade Union Congress has from time to time passed resolutions endorsing some of the main proposals of all three systems, and the Labour Party embraces groups which, whether or not they have clearly defined their faith even to themselves, seem to favour severally the three different types of ideal. The question, therefore, that remains concerns the common elements of industrial philosophy which have attracted and are attracting a growing number of the members of trade unions.

It has to be remembered that trade unionism is not all the time preoccupied with problems of the ultimate structure of society. In the main, for practical purposes, it assumes the existing order of society, and is engaged in an

endeavour to improve the conditions of employment under that order. When it turns its mind to wider political and economic issues it tends increasingly to favour various suggestions for the reorganization of society, the differences between which, however, it has not succeeded in reconciling. On the whole, it believes in the democratic principle as applied in politics and, therefore, in the State as at present constituted. At least in the main industries it looks to the supersession of the private owner, and would put the possession of the means of production in those industries into the hands of the State. It looks to the extension of the democratic principle to industry, and favours a greater degree of control by the workers over industry and over the general conditions under which it is carried on. In the main it believes in the possibility of bringing about such improvements constitutionally; the idea of violent revolution has never attracted it. And, finally, it believes in the use of direct political representation in Parliament as the chief means of realizing the desired social order.

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