

IDEOLOGY AND SOCIAL POLICY: THE ORIGINS OF THE TRADE BOARDS ACT

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The issue of sweated labour formed one of the most intractable social problems of the nineteenth and early twentieth centuries. Numerous remedies to solve sweating, such as the restriction of female and child labour, the abolition of domestic workshops, consumers' leagues, and co-operative production were variously advanced but subsequently found to be wanting. Eventually, and bowing to the inevitable, Edwardians finally sanctioned one cautious measure which they thought would curb sweating at its root – that is the legal control of low pay in the form of the 1909 Trade Boards Act. Initially, the act applied to domestic chain-making, ready-made and wholesale bespoke tailoring, paper-box making, and the machine-made lace and finishing trade. In these four industries in which wages were deemed unduly low, boards were established consisting of equal numbers of employers' and workers' representatives, plus independent members nominated by the state. In effect, the boards were thus a form of compulsory arbitration on pay.

Although modest by today's standards, the 1909 act was the state's first attempt for virtually a century to control low pay in Britain, and marked a fundamental change in economic and social thought. The abandonment of past ideology whereby wages had been fixed by free competition alone, was viewed with the utmost caution. As Philip Snowden clearly recognized in his autobiography, the Trade Boards Act of 1909 'was such a departure from the old idea of non-interference with economic laws that nothing but the absolute necessity of dealing with the universally admitted evil of sweating secured agreement that the experiment should be tried'.¹ Similarly, R. H. Tawney could state in 1927 that the rejection 'of the doctrine, held for three generations with an almost religious intensity, that wages should be settled, as it was said by free competition alone, is one of the most remarkable changes in economic opinion which has taken place in the last hundred years....'²

Surprisingly, however, in view of the problem which sweating posed for Victorians and Edwardians, and considering the trepidation with which the Trade Boards Act was finally placed on the statute book, we still do not know why it took so long to achieve this measure and, moreover, why the legislation was not more far-reaching when it was ultimately sanctioned. This is the more

¹ P. Snowden, *An autobiography* (2 vols., 1934), I, 240.

² Paper by R. H. Tawney on minimum wage fixing in League of Nations Union, *Towards industrial peace* (London, 1927), p. 19.

intriguing since present-day reformers have blamed trade boards (renamed wages councils since 1945) for establishing a curious system of solving low pay in Britain, a system which still leaves many poor workers unprotected from low-paying employers. Instead of instituting a statutory national minimum wage to curb poverty wages (as many western European countries did following the Second World War), Britain's trade boards established only a rate which it was thought an individual trade could bear, and post-1945 policies still did not move strongly towards a national minimum wage.³ There are, in fact, several reasons for the historian's neglect of the anti-sweating movement and trade boards. In the past, historians of social policy have tended to concentrate on what have traditionally been considered the 'real' social reforms of New Liberalism: the provision of school meals, old age pensions, and unemployment and sickness insurance. Even J. R. Hay, for instance, one of the most perceptive historians of social policy, fails to assign the anti-sweating movement and the Trade Boards Act its true significance.⁴ To Bentley Gilbert, too, the Trade Boards Act is unimportant, a mere extension of nineteenth century factory legislation.⁵ Yet, after the passage of the first factory act, it took nearly seventy years of debate, private investigations, public agitation and governmental inquiry before the state was allowed the 'revolutionary' power of having even a small part in wage settlements. Indeed, in 1909, according to the *Nation*, the organ of 'New Liberalism', the Trade Boards Act marked 'the most advanced scheme of social reconstruction which the Government has as yet brought forward'.⁶

Historians of domestic sweated trades, too, have been equally reticent to describe more than the basic details of the Trade Boards Act. Duncan Bythell's book, *The sweated trades*, for instance, hardly touches upon the most important and interesting aspect of sweating – the legislative campaign to eradicate poverty wages. As Dr Bythell, himself, candidly points out of the anti-sweating movement: 'The introduction of trade boards heralded a far bolder break with the past than did many of the other Liberal reforms; and it is time some energetic young historian did fuller justice to the great campaign against "sweating" than has been possible within the confines of the present study.'⁷ More recent research on the tailoring trade board, too, gives little more than a partial account. James Schmiechen's work only briefly deals with ideology and the creation of the 1909 legislation. Even then, following the traditional school of thought, he mistakenly sees the 1880s as marking a watershed for anti-sweating reform.⁸ Nor were the boards, as Schmiechen

³ C. Pond and S. Winyard, *The case for a national minimum wage* (London, 1982), pp. 29–30, 40–5. At the present time, wages councils encompass some 2.6 million workers and twenty-six trades.

⁴ J. R. Hay, *The origins of the Liberal welfare reforms 1906–1914* (London, 1975), p. 217.

⁵ B. B. Gilbert, *The evolution of national insurance in Great Britain: the origins of the welfare state* (London, 1966), p. 9.

⁶ *Nation*, 27 March 1909.

⁷ D. Bythell, *The sweated trades* (London, 1978), p. 247.

⁸ J. A. Schmiechen, *Sweated industries and sweated labor: the London clothing trades, 1860–1914* (London, 1984), p. 134.

suggests, the salvation of the sweated. The 1909 act had serious shortcomings, but he makes little attempt to analyse either these weaknesses or the reactions of the act's creators. As Dr Schmiechen himself remarks: 'Perhaps we need to take a better look at the impact of the Trade Boards Act of 1909.'⁹ Jenny Morris in her tailoring survey, on the other hand, dismisses the boards as a product of large employers' conscious desire for social control; but the anti-sweating movement was a good deal more complex and sophisticated than this.¹⁰ Studies on the role of civil servants in the creation of social policy are also not very enlightening. Roger Davidson, for example, attributes the narrowness of the 1909 act solely to the lukewarm attitude of Board of Trade officials, and largely ignores evidence which might de-emphasize the role of professional administrators.¹¹

This paper, on the other hand, argues firstly that, in order to understand the origins of the 1909 Trade Boards Act, we have to place its inception in a broader setting than hitherto – that is, in a context which takes account of those changes in economic and social thought which occurred in the mid-1890s. Although this avenue was tentatively suggested in an important article by Professor Hennock as long ago as 1976, it has never seriously been followed up.¹² Continuing from where Professor Hennock broke off, this article demonstrates that new theories had to be developed in order to reassure policy makers that state intervention in the realm of wages would not be disastrous for the British economy. The paper also points out that a significant break with laissez-faire ideology towards wages did not occur until 1896. Even then, a minimum wage was only of interest to a small group of informed social reformers. Policy makers, more generally, were not converted to a legal minimum wage until 1906. The second focus of the paper is the restricted nature of the Trade Boards Act, and this study challenges the view that civil servants were solely to blame for its short-comings. Indeed, the article will focus on the restraining role of the powerful pressure group, the National Anti-Sweating League (N.A.S.L.), and the activities of two key anti-sweating reformers, J. J. Mallon and R. H. Tawney. The article concludes that the Trade Boards Act of 1909 was a very modest measure, that its significance lay, not so much in its practical ability to combat sweating, as in heralding a crucial break in economic and social thought. However, wages councils, the modern counterparts of trade boards, are still prisoners of their limited origins, and it is probably time that Britain experimented with a statutory national minimum wage. Let us turn, firstly, to the long campaign to achieve the 1909 legislation, and to the changes in economic and social thinking which its passage necessitated.

⁹ J. A. Schmiechen, 'State reform and the local economy: a reply', *Economic History Review*, 2nd ser., xxv (1982), 305.

¹⁰ J. Morris, *Women workers and the sweated trades* (Aldershot, 1986), pp. 211–12.

¹¹ R. Davidson, *Whitehall and the labour problem in late-Victorian and Edwardian Britain* (London, 1985), pp. 269–73.

¹² E. P. Hennock, 'Poverty and social theory in England: the experience of the eighteenthies', *Social History*, 1 (1976), 67–91.

I

The fundamental intention of the 1909 Trade Boards Act was to eradicate sweating. Although difficult to define, sweating was, according to a select committee established to research the issue, characterized by 'earnings barely sufficient to sustain existence... hours of labour... such as to make the lives of the workers periods of almost ceaseless toil... sanitary conditions... injurious to the health of the person employed and... dangerous to the public'.¹³ However, the problem rapidly became identified with only one of these factors – poverty wages. Although sweating, defined as low pay, was a centuries old tradition, it was not until the early nineteenth century that it began to emerge as a prominent public issue.¹⁴ Traditionally used in connection with employment in homes or small workshops, sweating, by the opening decade of the twentieth century, was also recognized to be prevalent amongst factory workers, too, especially in those trades where factory work competed with an outdoor sector.

In its earliest phase, the issue was generally associated with the debasement of the craft trades following the repeal of the apprenticeship and wages clauses of the Elizabethan Statute of Artificers in 1814, and with the crushing of the trade union agitations of the 1830s by the concerted action of the government and manufacturers. Unskilled men, women, and children, formerly debarred from the 'honourable' craft sections of the trade, were thus brought into direct competition with the skilled craftsmen, and a fall in wages occurred to the detriment of the entire body of workers in the trade.¹⁵ This debasement of the skilled trades was accompanied not only by reductions in standards and wages, but by overcrowded, insanitary working conditions. The ease of setting up in business within the sweated sector led to a proliferation of workshops. All that was needed to begin with was a small workroom or a room in the worker's own home and the minimum of capital. Most sweated outwork was carried out by hand, but if simple apparatus such as a sewing machine was required, it was easily obtainable on a cheap hire-purchase basis.¹⁶ Forced to accept lower and lower rates, however, the small master had no surplus to spare for decent rooms or for keeping them in a clean and healthy state.

These problems of sweated labour were not unknown to the British public, and at periodic intervals, the facts of sweating were paraded before the nation. The sweating evil first received wide publicity in 1843 with the appearance of Thomas Hood's *Song of the shirt*. Six years later a vigorous agitation to combat sweating occurred, principally inspired by Henry Mayhew's sequence of articles in the *Morning Chronicle*, these being followed by Charles Kingsley's

¹³ Select committee on the sweating system (S.C.S.S.), *Fifth report* (Parl. Papers, 1890, xvii), pp. xlii–xliii.

¹⁴ Dorothy George, for instance, refers to 'garret-masters' and 'chamber-masters' in the shoe and watch trades. See *London life in the eighteenth century* (Harmondsworth, 1966), pp. 174–5.

¹⁵ See, for instance, Mayhew's *Morning Chronicle* letters on the tailors in E. P. Thompson and E. Yeo (eds.), *The unknown Mayhew* (Harmondsworth, 1973), pp. 217–73.

¹⁶ For the role of the sewing-machine in sweated tailoring, see B. Gainer, *The alien invasion* (London, 1972), pp. 15–17.

pamphlet *Cheap clothes and nasty* (1850), and his novel *Alton Locke* (1849). Notwithstanding the wide circulation of both Mayhew's and Kingsley's views, their anti-sweating campaigns did not materialize into anything substantial. The mid-nineteenth century revelations on sweating amounted to simply a short-lived moment in the consciousness of the rich. Only with the onset of the 'Great Depression' of the 1870s and 1880s, the shattering of middle class confidence in unlimited economic progress and the rise of working class militancy, were poverty and sweating once more 'rediscovered'.¹⁷

But this era was not, as Schmiechen contends, a watershed for anti-sweating reform. The reluctance of anti-sweating reformers to accept that sweating could be contained through the legal control of low pay, in fact, was clearly revealed in the investigations carried out by John Burnett and Charles Booth in the late-1880s. Burnett, a former secretary of the Amalgamated Society of Engineers (one of the most powerful and best established unions in the country), had resigned his post in 1886 to become the first labour correspondent to the Board of Trade. He was in a better position than most working men to take a broad view of labour conditions, yet even Burnett, in his 1888 report on the nailers and small chainmakers, for instance, could only suggest remedies similar to those put forward by popular public opinion. He recommended merely the registration of all domestic workshops, and uniform hours within these shops for women and young persons. In addition, he thought the public display of price lists and the appointment of local inspectors would facilitate greater control over the trades. But, as Burnett himself clearly recognized: 'None of these proposals will of themselves touch the sources of industrial distress which belong to, and are part of, the nature of these trades ...'¹⁸

Nor were the solutions put forward by Charles Booth any more constructive. H. L. Beales, in *The making of social policy*, declared that 'Booth's investigations opened the door to Old Age Pensions, Labour Exchanges and Trade Boards'.¹⁹ Yet Booth only suggested more stringent inspection of domestic workshops to curb sweating. Even then, he had grave doubts about this solution: 'I may say at the outset that my expectations of rapid and certain remedy are not high ... I see no safe policy but 'laissez-faire'. The road is long and steep, but it is the only one that we can safely follow ...'²⁰

Witnesses before the Select Committee on the Sweating System (S.C.S.S.) proved no more enlightened. Beatrice Potter, the future Mrs Webb, was probably the most perceptive witness before the S.C.S.S., but even she only proposed an extension of the factory and workshops acts to embrace those shops outside the jurisdiction of inspection.²¹ Many of the other witnesses do

¹⁷ Thompson and Yeo, *Mayhew*, p. 102.

¹⁸ John Burnett, *Report as to the condition of nailmakers and small chainmakers in South Staffordshire and East Worcestershire* (P.P., 1888, xc1), p. 46.

¹⁹ H. L. Beales, *The making of British social policy* (Oxford, 1946), p. 20.

²⁰ A. Fried and R. Ellman (eds.), *Charles Booth's London* (Harmondsworth, 1971), p. 175.

²¹ S.C.S.S. *First report* (P.P. 1888, xx), Q. 3248. See also, B. Potter, 'The Lords and the sweating system', *Nineteenth Century*, xxvii (1890), 905. Hennock is not strictly accurate,

not appear to have come to grips with the root cause of sweating, let alone a diagnosis for its cure. Several witnesses were obsessed with the figure of the parasitic middleman, an explanation of sweating which had been bolstered and popularised by the *Punch* cartoon of the middleman as a bloated man-spider, sucking the life-blood of working men and women.²² In other instances, the old cry of overpopulation was resorted to.²³ The foreign immigrant also received much of the blame for sweating, particularly in view of Burnett's report on London's East End, which stated that Jewish immigrants, through their competition for work, reduced native labour to the verge of destitution.²⁴

The final report of the S.C.S.S. rightly dismissed these emotive explanations for sweating, and correctly described the factors which contributed to the evil: low pay, long hours, and insanitary conditions of work. Nevertheless, the committee recommended only a more efficient administration of workshop and sanitary legislation; the registration of home workshops; and co-operative shops. It also proposed that female nail and chainmakers should no longer make the larger varieties of nails and chains. Further suggestions merely included the extension of education to all classes, and the recommendation that governmental and municipal bodies should take every precaution to see that fair wages were being paid for their contracts – something which the London School Board had been practising since the 1870s.²⁵ The committee, for all its methods and theories, in fact, had left sweating precisely where it stood. In 1891 Henry Matthews, secretary of state for the home department could remark:

There are three leading factors in the workman's life – his work, his wages, and his health. Unhappily, legislation can do but little with regard to the first two. It cannot alter or improve the quantity or the quality of work, and it cannot otherwise than mischievously interfere with the question of wages.²⁶

The findings of the royal commission on labour, which reported in 1895, also reflected the dilemma of the S.C.S.S. in regard to state control of low pay. Even the minority report of the royal commission on labour, signed by such militant trade unionists as Tom Mann and written with the assistance of

however, in suggesting that no one recommended a minimum wage. One Black Country union official did suggest a minimum wage, but he was persuaded, by an adroit cross-examination, to retract his statement. See Hennock, 'Poverty and social theory', p. 87 and S. C. Blackburn, 'Working-class attitudes to social reform', *International Review of Social History*, xxxiii (1988), 50.

²² S.C.S.S., *Third report* (P.P. 1889, xiii) QQ, 18208–34. For the impact of the *Punch* cartoon, see B. Webb, *My apprenticeship* (Harmondsworth, 1971), p. 334.

²³ See, for example, the evidence of William Adamson, vicar of Old Ford, S.C.S.S., *First report* (P.P. 1888, xx) QQ, 2568.

²⁴ J. Burnett, *Report to the Board of Trade on the sweating system at the East End of London* (P.P., 1887, LXXXIX). See also Burnett's insistent remarks that his report was correct. S.C.S.S., *Second report* (P.P. 1888, XXI), QQ, 17284–7, 17290–4.

²⁵ S.C.S.S., *Fifth report* (P.P., 1890, xvii), p. cxxxv–cxxxvii. Fair wages resolutions were subsequently passed in 1891, 1909 and 1946. The proposals with regard to female chain and nailmakers never became law.

²⁶ *Hansard* (Commons), 3rd ser. cccl, 1711, 26 Feb. 1891.

Sidney Webb, did not point to the need for the government to regulate sweated wages. More concerned with securing a legal eight-hour day, the signatories of the minority report merely acquiesced in the popular accepted opinion that the regulation of domestic workshops should be made more stringent.²⁷ Sidney Webb's caution, moreover, was bolstered by Fabian party literature on sweating. According to a Fabian tract published in 1894, sweating could be solved by harrying work out of the home into the factory.²⁸

The reasons for Victorians' extreme reluctance to intervene in the wages contract, in fact, lay deep in political economy and economic individualism. Since the abandonment of the paternalistic wage-fixing machinery by the turn of the nineteenth century, economists had steadfastly predicted that state interference in the wages contract would be ruinous for Britain. The free settlement of incomes, it was argued, was absolutely essential for economic strength. Even John Stuart Mill, referred to by Ernest Barker as having one of the 'most generous natures of the nineteenth century', examined the viability of a fixed minimum wage to cure low pay, but eventually discarded it on Malthusian principles.²⁹ Despite the fact that the wages fund theory was largely invalidated by the 1870s, it was only superseded by the equally cautious philosophy of marginal utility economists. The latter held that the worker's remuneration was established by the marginal productivity of the group to which he or she belonged. It was thus assumed that workers would seek trades where their skills would obtain the highest rewards and, as such, differences in wages reflected a person's economic worth with regards to skill, efficiency and motivation. Those who received low pay, therefore, either performed work of little economic value, or manufactured products commanding only a poor market price. It was contended, furthermore, that if wages were artificially raised above their natural economic level, then this finely tuned balance would be plunged into disequilibrium, and unemployment would result. The only remedy for poverty wages, these economists maintained, was to boost the efficiency and thereby the wages of low-paid workers. This was to be attained by encouraging higher moral standards, an improved environment and increased education.³⁰

II

A substantial break in this laissez-faire attitude towards state intervention in the wages contract only occurred in the mid-1890s. The initial challenge came in 1896 with the publication of J. A. Hobson's article, 'A Living Wage'.³¹ In

²⁷ Minority report by W. Abraham, M. Austin, J. Mawdsley and T. Mann, *Royal commission on labour* (P.P., 1894, xxxv), pp. 130-46.

²⁸ H. W. Macrosty, *Sweating: its cause and remedy* (Fabian tract 50, 1894), p. 10.

²⁹ J. S. Mill, *Principles of political economy* (London, 1878 edn), pp. 218-21. See also, E. Barker, *Political thought in England from Herbert Spencer to the present day* (London, 1915), p. 9.

³⁰ See, for instance, H. V. Emy, *Liberals, radicals and social politics, 1892-1914* (Cambridge, 1973), pp. 112-13.

³¹ J. A. Hobson, 'A living wage', *Commonwealth*, 1 (1896), 128-9, 165-7.

1891, Hobson had largely accepted the conventional solutions to sweating but, inspired by the 1893 miners' strike for a living wage, Hobson now suggested that the enforcement of a living wage for all workers was a practical possibility, even for those engaged in the sweated sectors of industry.³² He argued that, if an industry could not afford to pay its workforce a decent wage, then such a trade was not a suitable industry to exist in a civilized society.³³ The maintenance of a 'degraded industry', paying starvation wages and carried on without regard to sanitary and other social conditions, was a plague spot, and it was better that such an unsound trade should disappear:

The policy of an enlightened community towards low and degraded types of industry should be similar to that which is adopted in the case of insanitary towns: it is to the public interest to stamp them out, making all necessary provision at the public expense for those who are injured by the disturbance of an existing order of things.³⁴

A year later, in 1897, the Webbs in their *Industrial democracy* advocated a national minimum wage as the solution to the 'parasitic' or sweated trades. A legally enforced minimum wage, they contended, was a logical progression of the factory acts governing hours of work and sanitary requirements.³⁵ They stated that the need to raise wages would, in some industries, increase costs of production, and that some trades would cease to exist. But by virtue of the fact that such trades were not even self-supporting, they were parasitic on the community. Not only did the sweated sectors undermine the industrial vigour of Britain, they were also instrumental in spawning further generations of unfit workers, with no prospects but to augment the growing ranks of the low-paid. The sweated, the Webbs thus maintained, were 'subtly draining away the vital energy of the community'.³⁶ Additionally, they remarked, since the income of many sweated workers was supplemented through poor relief or charity, their employers were receiving a special bounty or subsidy which gave them an economic advantage over those who employed fairly paid labour. This caused the sweated trades to expand, to the detriment of self-supporting industries.³⁷

The Webbs also laid great stress on the fact that the sweated sectors of industry were characterized by the lack of a responsible or 'good' employer. Sweating masters, they remarked, tended to be the owners of small domestic workshops concerned only for present profits, whilst the 'good' employer directed the business of great establishments with their hierarchy of 'highly trained organisers, managers, buyers, travellers, agents, chemists, engineers, metallurgists, electricians, designers, and inventors'.³⁸ Additionally, the Webbs pointed to the dangers, for Britain's national efficiency, of allowing the parasitic or 'bad' employer to sap the capital stock of the nation. As they noted:

³² Ibid. Hobson, however, doubted that the S.C.S.S.'s proposal of producer co-operatives was a viable one. See Hobson, *Problems of poverty: an inquiry into the industrial conditions of the poor* (London, 1891), ch. vi.

³³ Hobson, 'A living wage', p. 167.

³⁴ Ibid.

³⁵ S. and B. Webb, *Industrial democracy* (2 vols., London, 1897 edn), II, 766-74.

³⁶ Ibid. pp. 750-3, 799.

³⁷ Ibid. p. 749.

³⁸ Ibid. p. 748.

Unfortunately the harm that the sweater does lives after him. Men and women who have, for any length of time, been reduced, to quote the House of Lord's Committee to 'earnings barely sufficient to sustain existence; hours of labour such as to make the lives of the workers periods of almost ceaseless toil, hard and unlovely to the last degree; sanitary conditions injurious to the health of the persons employed and dangerous to the public,' become incapable of profitable labour. What they can do is to compete fitfully for the places which they cannot permanently fill, and thus not only drag down the wages of all other unregulated labour, but also contribute, by their irregularity of conduct and incapacity for persistent effort, to the dislocation of the machinery of production. But this is not all. No one who has not himself lived among the poor in London or Glasgow, Liverpool or Manchester, can form any adequate idea of the unseen and unmeasured injury to national character wrought by the social contamination to which this misery inevitably leads. One degraded or ill-conducted worker will demoralise a family; one disorderly family inexplicably lowers the conduct of a whole street; the low-caste life of a single street spreads its evil influence over the entire quarter; and the slum quarter, connected with the others by a thousand unnoticed threads of human intercourse, subtly deteriorates the standard of health, morality, and public spirit of the whole city.³⁹

The Webbs believed that a minimum wage would end the evils of industrial parasitism, and argued that it was a highly feasible measure. Unlike Hobson, however, they viewed their minimum wage, not as an optimum one, but as a subsistence one. For Hobson, the concept of the living wage was not simply a matter of keeping the workers efficient, but of encouraging the workers to produce their best. In a living wage envisaged by Hobson, there was to be an element for leisure and for material comforts to allow for the development of new physical, intellectual and moral requirements.⁴⁰ The Webbs, on the other hand, considered that a legal minimum wage above a subsistence point would be as disastrous to the economy as one left to the 'higgling of the market'. Hence, according to the Webbs, their minimum wages was to be 'determined by practical inquiry as to the costs of the food, clothing, and shelter physiologically necessary, according to national habit and custom, to prevent bodily deterioration.'⁴¹

Powerful though the arguments of Hobson and the Webbs were, their ideas, nevertheless, apart from attracting a small band of informed converts, made little progress in the subsequent years. Most social reformers, mindful of the lack of support for legally regulated wages, were doubtful that the theory could be translated into practice. As Gertrude Williams observed, 'there were many who accepted the national minimum wage as theoretically justified, but who still believed its enforcement too drastic a step to be contemplated with equanimity'.⁴² Some, like Sir Charles Dilke, despairing of ending low pay in

³⁹ Ibid. pp. 765-60.

⁴⁰ Hobson also believed that his living wage should vary according to different types of workers and different regions of the country for 'No principle of absolute or mechanical equity can be maintained'. See Hobson, 'A living wage', pp. 128-9.

⁴¹ Webbs, *Industrial democracy*, II, 774-5.

⁴² G. Williams, *The state and the standard of living* (London, 1936), p. 105.

Britain at a single stroke with a full-blown national minimum wage, thought that the wages boards of Victoria, Australia, with their industry-based minima for a few, selected sweated trades, might offer a possible compromise.⁴³ Wages boards, in fact, were not unknown in Britain. On the eve of the disappearance of handloom weaving, for instance, and in response to the disastrous fall in wages after 1815, calls were made for boards of trade to establish a minimum wage. Furthermore, in 1848, J. S. Mill had referred to trade boards as a possible solution to low wages.⁴⁴ Now, half a century later Dilke, one of Mill's disciples, gave the concept of wages boards a new impetus and a definite form.⁴⁵ In 1900, with the aid of the Women's Trade Union League (W.T.U.L.), he introduced a bill in the commons, but he met with little success.⁴⁶ Even wages boards, although they fell far short of the Webbs' national minimum or Hobson's living income, remained totally unacceptable. Helen Bosanquet, for instance, predicted that employers, to recoup the pay increases which the board system entailed, would either increasingly mechanize their works, or raise the cost of their products.⁴⁷ Margaret MacDonald, on the other hand, took the view that Dilke's wages boards were palliatives which detracted from the real fight for socialism. She argued that, if wages boards were ever introduced in Britain, then more work would be driven into the home – so defeating the purpose of the initiative. As she remarked in the *Labour Leader*:

I do not think that any legal regulation could be efficiently put in force amongst the

⁴³ Despite the comparative newness of Australia and New Zealand, their abundance of land and relative scarcity of labour, investigations carried out in the 1880s and 1890s revealed that, underneath the surface prosperity, there was a morass of sweating. Unlike Britain, however, the two colonies had been prepared to countenance state intervention in the wages contract. In New Zealand, the evils of sweating were combatted through the courts of arbitration. Originally established by an Act of 1894 to prevent strikes and lock-outs, local courts of arbitration (conciliation boards) also had power to fix a legal minimum wage for low-paid workers. In Victoria, by contrast, wage regulation was embodied in the Factory Act of 1896, following a campaign carried out by the Victorian anti-sweating league. The 1896 Act empowered the governor to appoint special boards to fix legal minimum wages for persons employed in or outside a factory in certain specified trades. These boards consisted of between four and ten members and representation on them was divided equally between employers and employees. The boards held office for two years and were under the direction of a chairman. Dilke favoured wages boards (as opposed to the state arbitration of New Zealand), since they did not interfere with the more powerful trade unions which possessed adequate collective bargaining machinery. See W. Pember Reeves, 'The minimum wage law in Victoria and South Australia', *Economic Journal*, x1 (1901), 335–8. See also, Dilke's evidence before the *Select committee on homework* (S.C.H.), (P.P., 1908, viii), QQ. 3926, 4028.

⁴⁴ Mill, however, eventually rejected wages boards on Malthusian grounds. See Mill, *Principles*, p. 219.

⁴⁵ Dilke attributed his inspiration for wages boards, before the S.C.H., to Mill. See S.C.H. (P.P., 1908, viii), Q. 3920. There is little doubt, however, that Charles Deakin, Chief Secretary of Victoria, persuaded Dilke that wages boards were actually workable. See J. Rickard, 'The anti-sweating movement in Britain and Victoria: the politics of empire and social reform', *Historical Studies*, xviii (1979), 585.

⁴⁶ Several historians, including Tawney, wrongly suppose that Dilke's Bill was first introduced in 1898. See Tawney, *Towards industrial peace* pp. 22–3.

⁴⁷ H. Bosanquet, *The strength of the people* (London, 1902), pp. 267–312.

worst paid workers under our present industrial system. Indeed, I believe that it would really increase the number of sweated homeworkers, for the minimum wage could be enforced more easily in the factories and workshops than in the homes, and the unscrupulous employer would put more work out in order to evade the law.⁴⁸

Margaret and her husband Ramsay MacDonald campaigned, instead, through the Women's Industrial Council (W.I.C.), for the licensing of homeworkers.⁴⁹

The incapacity of social reformers to attain any collective agreement on the desired remedy, linked with the decline of public concern with social ills as a consequence of the Boer War, resulted in a downturn of interest in sweated workers. Even Rowntree's revelations concerning abject poverty in the midst of plenty, although they caused unease, failed to stimulate support for the legal control of low pay.⁵⁰ The sweated, as C. F. G. Masterman pointed out, momentarily exposed to the harsh glare of publicity, returned again to the obscurity of their twilight world.⁵¹ Not surprisingly, in 1902, Hutchins and Harrison could state in *A history of factory legislation* that 'Opinion is not yet converted to the legal regulation of wages, nor likely to be for a considerable time yet.'⁵²

III

The pressure for a renewed assault on sweating, and the final acceptance of a statutory minimum wage came only in 1906, virtually a decade after the initial presentation of this solution. As the historian and Christian socialist G. P. Gooch remarked: 'After the long neglect and indifference of preceding years 1906 is indeed an *Annus Mirabilis*.'⁵³ This shift in popular opinion owed a great deal to several factors coming together for the first time. In that year, as the result of an inquiry by the earnings and hours committee, authoritative information on wages data, including low pay, became available.⁵⁴ The year 1906, additionally, saw the election to office of a Liberal government and the arrival in parliament of several key figures such as Percy Alden, Charles Masterman and Leo Chiozza Money, all of whom were sympathetic to the

⁴⁸ *Labour Leader*, 17 May 1907.

⁴⁹ The W.I.C. had carried out several valuable enquiries into the problems of homework, and had also sent investigators to gather further information on the subject in other English-speaking nations overseas. In America, the W.I.C. became aware of the licensing system. In New York and Massachusetts, and in several other states, outwork was forbidden unless the place where the work was going to be completed had been inspected and licensed. The workers, themselves, had to apply for this licence, and were to produce it when applying for work. The MacDonalds made a visit to the U.S.A., and were personally converted to the scheme. See R. MacDonald, *Margaret Ethel MacDonald* (London, 1924), pp. 137-46.

⁵⁰ B. S. Rowntree, *Poverty: a study of town life* (London, 1901).

⁵¹ C. F. G. Masterman, *The condition of England* (London, 1909), p. 172.

⁵² B. L. Hutchins and A. Harrison, *A history of factory legislation* (London, 1966 edn), p. 216.

⁵³ G. P. Gooch, 'Sweating and the minimum wage', *Commonwealth*, xii (1907), 65.

⁵⁴ A wage census inquiry had been attempted in 1886, but its results were inadequate. See J. J. Mallon, 'Women's wages in the wage census of 1906', in B. L. Hutchins, *Women in modern industry* (London, 1915), pp. 213-38.

plight of the low-waged.⁵⁵ At the same time, George Cadbury, proprietor of the *Daily News* was not only persuaded to utilize his newspaper to expose sweating, but also to finance a sensational sweated industries exhibition.⁵⁶

Opened by Princess Henry of Battenburg and staged in the heart of London's West End, the show became an event in the London season.⁵⁷ Confined to homework, the exhibition lasted one month and was visited by over 30,000 people.⁵⁸ Even the home secretary, Herbert Gladstone, and his wife attended the display.⁵⁹ At intervals, lectures on the problems of sweating and possible remedies were delivered by prominent authorities on the subject. Before the eyes of the public, forty-five workers, mainly women, made products daily at twenty-five stalls, and answered questions put to them by the visitors. The family budgets of these workers were also displayed, as were the goods made and the weekly amounts earned. When averaged, their wages were found not to exceed one penny per hour. The seriousness of the problem was also revealed, for the exhibition showed that sweating was not confined to specific trades like domestic chainmaking. Low rates and bad conditions were to be found in branches of virtually all trades. Prior to the exhibition, it had been assumed that sweating was limited to the 'cheap and nasty' sectors of manufacturing, a factor which had added to the despondency of those seeking a remedy for the problem. Visitors to the exhibition, however, were filled with consternation when they found that many expensively priced goods had, at some point, been handled by sweated labour. A dress could have been made up by well paid workers, yet the buttons and trimmings may have been carded in sweating dens; chocolates produced under hygienic conditions were highly likely to have been packed in attractive boxes made up in the squalid room of a homemaker.⁶⁰

The results of the exhibition were profound, and the impact was sustained when it was subsequently staged in the major provincial towns.⁶¹ The introduction to the Ilford sweated exhibition catalogue clearly illustrated the visual impact of the exhibition:

The facts of sweating are well known... Yet, still, the facts and figures that are given to us... do not deeply impress us... When we read that a woman shirt worker earns one penny an hour we have to be assisted to understand a thing so monstrous. We have to see before us a veritable woman... hear from her own lips that thus she works each day

⁵⁵ Rickard, 'The anti-sweating movement', pp. 585-6.

⁵⁶ *Daily News*, 25 April 1906, 13 June 1906. Cadbury also compensated those who were, as a result of appearing in the exhibition, victimized. See *Daily News*, 8 May 1906.

⁵⁷ *Justice*, the organ of the Social Democratic Federation, however, sarcastically remarked that princesses and sweated workers went well together. See *Justice*, 5 May 1906.

⁵⁸ *Daily News*, 13 June 1906.

⁵⁹ Gladstone, in fact, bought a shawl for one old lady at work in the exhibition who was sitting in a draught. Ibid. 18 May 1906.

⁶⁰ R. Mudie-Smith (ed.), *Sweated industries being a handbook of the 'Daily News' exhibition* (London, 1906). See also, Williams, *The state*, pp. 105-6.

⁶¹ Some of the exhibitions were still being run as late as 1914, although they appear to have lost their initial impact. See the *Daily Herald*, 14 Nov. 1914.

and each week of her life, learn that she is sober and industrious, perceive for ourselves the pallor of her face and the weariness of her body.⁶²

Indeed, the overall effect of the exhibition was not dissimilar to that surrounding the street processions of the stunted mill children of the North, which had helped the passage of the factory acts almost sixty years earlier.⁶³ Looking back on the year 1906, G. P. Gooch recollected: 'I well remember the interest excited by... the Anti-Sweating Exhibition... such challenges to complacency... reminded us that we were only just beginning to build Jerusalem in England's green and pleasant land.'⁶⁴

The problem of sweating, previously the concern of a few interested bodies, emerged as the centre of public conversation. Nationally the question was posed, 'What can I do?'⁶⁵ The awareness aroused by the exhibition led directly to the establishment of a powerful all-party pressure group, the N.A.S.L. (whose members included R. H. Tawney), dedicated to ending low pay. In his study of the sweated trades, Duncan Bythell has cast doubt on the importance of the N.A.S.L. for the minimum wage movement in Britain. He comments that 'it is unclear just how much credit ought to go to the League, in view of the widespread acceptance of the need for something on these lines'.⁶⁶ Yet the N.A.S.L., as contemporaries clearly recognized, was essential in converting the public to a minimum wage.⁶⁷ Realizing the importance of gaining the united support of the labour movement for its policy of a minimum wage, the N.A.S.L. decided to submit the principle to a national conference of trade unionists, to which several experts on industrial questions would deliver lectures.

The conference took place in October 1906 at the Guildhall, London, and was opened by the lord mayor. Originally intended to last only two days, the announcement of the conference provoked such public attention that the N.A.S.L. extended its sitting to a third day. Three hundred and forty-one delegates, representing two million organized workers, listened to addresses from, amongst others, Chiozza Money, George Askwith, Sidney Webb and J. A. Hobson.⁶⁸ At the conference, Hobson demonstrated how he had refined his earlier thesis on a living wage to encompass, now, his theory of under consumption. He argued that cheap labour did not lead to cheap production,

⁶² *Handbook to the sweated industries exhibition, Ilford, October 28-31, 1908*, p. 7.

⁶³ G. Tuckwell, 'The story of the Trade Boards Act', *Contemporary Review*, cxx (1921), 601.

⁶⁴ G. P. Gooch, 'The Edwardian decade' in F. J. C. Hearnshaw (ed.), *Edwardian England* (London, 1933), p. 23.

⁶⁵ See, for example, Margaret MacDonald's comments, *Labour Leader*, 11 May 1906.

⁶⁶ Bythell, *The sweated trades*, p. 236.

⁶⁷ See, for example, G. Lansbury, *Looking backwards and forwards* (London, 1935), pp. 217-20. See also, T. Wright, 'Operation and co-operation', in T. Wright (ed.), *Sweated labour and the Trade Boards Act* (London, 1911), p. 57. George Cadbury became the president of the N.A.S.L., and paid the rent on the N.A.S.L.'s headquarters. See S. Koss, *Fleet street radical: A. G. Gardiner and the Daily News* (London, 1973), p. 77.

⁶⁸ N.A.S.L., *Report of conference on a minimum wage, held at the Guildhall, London* (London, 1907), p. 6.

and that higher wages and shorter hours improved the quality of products, for 'better nourished, more energetic and more cheerful workers give out a larger amount and a better quality of labour power'. An enforced rise of wages, he predicted, would be a spur to progress, for a trade dependent for its economy upon an abundance of cheap low grade labour was an unprogressive trade. He stressed that increased wages would also encourage industry in that those formerly sweated would come to have an enlarged share of the national income, and would use their increased purchasing power to buy more and better goods. As a result of this improved standard of consumption, the demand for labour for production would increase. This would also lead to increased regularity and stability of employment, because the luxurious expenditure of the wealthy would be replaced by the workers' demand for necessities or conveniences.⁶⁹ The *Women's Trade Union Review* declared that Hobson's paper dealt with 'every possible economic objection' to the proposal of a minimum wage, whilst Sidney Webb's contribution was a 'brilliant and exhaustive study' which showed, conclusively that many arguments against a minimum wage were based on economic misconceptions.⁷⁰ The effect of the conference, as the first annual report of the N.A.S.L. noted, was to give a minimum wage the large support necessary to transform it into practical politics.⁷¹

The growing pressure for reform resulted in a commissioner, Ernest Aves, being sent in January 1907 to investigate the wages boards of Australia.⁷² In June 1907, furthermore, a select committee on homework was appointed.⁷³ The committee concluded, in 1908, that only legislation could curb the problem of low pay.⁷⁴ The committee's report, in fact, by accepting the validity of the Webbs' arguments that minimum wages were not more burdensome to employers than the factory acts, demonstrated the dramatic change which had occurred in public opinion since the mid-1890s.⁷⁵ Yet the S.C.H. did not recommend a universal statutory minimum wage, as suggested by the Webbs, but the establishment of wages boards on the grounds that the boards, composed equally of employers and employed, would ensure 'that

⁶⁹ *Ibid.* pp. 54-8. Later in life, though, Hobson campaigned for a *voluntary* living wage since this did not impinge on free collective bargaining. See H. N. Brailsford, J. A. Hobson, A. Creech Jones and E. F. Wise, *The living wage* (London, 1926), pp. 33-5.

⁷⁰ *Women's Trade Union Review*, Jan. 1907, p. 14. However, the *Women's Industrial News*, the organ of the W.I.C., pronounced Webb's paper 'lacking in freshness', and a disappointment to his admirers. See *Women's Industrial News*, Dec. 1906, p. 586.

⁷¹ N.A.S.L., *First annual report* (Manchester, 1907), p. 4.

⁷² Herbert Samuel, under-secretary at the Home Office, and a Webb convert, was responsible for appointing Aves. See Viscount Samuel, *Memoirs* (London, 1945), p. 63.

⁷³ *S.C.H. Report* (P.P. 1907, vi). By the time the committee had been established, two bills concerning wages boards had been placed before parliament. The first bill was introduced by the Liberal, Ernest Lamb. See *Hansard* (Commons), 4th ser. CLXIX, 419, 15 Feb. 1907. The second bill, the Sweated Industries Bill, was introduced by Henderson on behalf of the Labour Party. See *Hansard* (Commons), 4th ser. CLXXII, 559-600, 15 Apr. 1907. The Sweated Industries Bill was re-introduced in February 1908 and, on passing its second reading unopposed, was referred to the S.C.H. by the home secretary. See N.A.S.L., *Second annual report* (Manchester, 1908), p. 5.

⁷⁴ S.C.H., *Report* (P.P. 1908, viii), pp. vii, xi.

⁷⁵ *Ibid.* p. xiv.

nothing be done that would really curtail the trade ...⁷⁶ Victoria's wages boards with their selective minima thus became the model for Britain's trade boards established in 1909. When the act was passed, only a few irreconcilable extremists, most notably Sir Frederick Banbury (Unionist), resisted the inevitable.⁷⁷ Even Ramsay MacDonald, although still opposed to trade boards, took care not to speak against the measure in the Commons.⁷⁸ The only real opposition outside parliament came from the *Saturday Review*, the *Spectator*, and the W.I.C.⁷⁹ The Webbs, for their part, although they were disappointed that trade boards fell far short of their national minimum, nevertheless praised Churchill for his 'courage and persistency', and welcomed the new legislation.⁸⁰ The Trade Boards Act, as the *Labour year book* for 1916 could state with no exaggeration, was virtually 'blessed by everyone'.⁸¹

IV

As we have seen, sweating persisted in Britain throughout the nineteenth century due to fears that increasing the wages of poor workers would not only be self-defeating, but would also be ruinous for the British economy. In practice, however, the 1909 Trade Boards Act proved to be a timid and hesitant measure with many flaws. It was limited to four trades, covered only some 200,000 workers, and did but little to correct the imbalance of incomes between the rich and the poor in Edwardian England. Even in those industries where trade boards applied, furthermore, the legal rates were not obligatory on all workers. The old and the infirm, for instance, could be issued with certificates allowing the employer to pay them less than the minimum. A further modification occurred when lower rates were set for juveniles and learners. The boards also accepted traditional collective bargaining techniques by paying women less than men for the same work. Additional industries,

⁷⁶ Ibid. p. xii. The committee also acknowledged its great debt to the government arbitrator, George Askwith, who had shown that 'Wages Boards are workable... and ought to be tried.' Ibid. p. xiv.

⁷⁷ *Hansard* (Commons), 5th ser. II, 1792-3, 24 March 1909.

⁷⁸ See speech by Gooch, *Hansard* (Commons), 5th ser. IV, 400, 28 Ap. 1909. Henderson, in fact, clashed with MacDonald at the 1908 Labour Party conference over the issue of trade boards. Henderson was also instrumental in gaining union support for the boards. See M. Cole, *Makers of the labour movement* (London, 1948), p. 253, and M. A. Hamilton, *Arthur Henderson* (London, 1938), pp. 55-7.

⁷⁹ P. Boyaval, 'La lutte contre le sweating system: le minimum légal de salaire l'exemple de l'Australiasie et de l'Angleterre' (unpublished Ph.D. dissertation, University of Paris, 1911), p. 422.

⁸⁰ S. Webb, introduction to Hutchins and Harrison, *A history of factory legislation*, p. xiv. See also, A. B. McBriar, *Fabian socialism and English politics, 1884-1918* (Cambridge, 1966), p. 261. It is sometimes suggested that, because Herbert Gladstone lacked courage, Churchill took over trade boards. See J. A. C. Caldwell, 'The genesis of the Ministry of Labour', *Public Administration*, xxxvii (1959), 371-82. It is more probable, however, that the Board of Trade was better equipped than the Home Office to handle labour problems. See R. Davidson, 'Llewellyn Smith, the labour department and government growth, 1886-1909', in G. Sutherland (ed.), *Studies in the growth of nineteenth century government* (London, 1972), pp. 227-62.

⁸¹ *Labour year book* (London, 1916), p. 214.

moreover, could only achieve trade board status via the cumbersome procedure of a provisional order requiring a special act of parliament. From the outset, too, the trade board inspectorate was woefully under-resourced to carry out the duties placed upon it, and trade board establishments, it was estimated, could expect to be visited roughly once in every 12 years. Not surprisingly, complaints that employers were evading the trade board rates were legion.⁸²

So, if, as we have argued, the 1909 act was very limited, why was it not, given the general level of support, a more advanced piece of legislation? Roger Davidson, for instance, attributes the narrowness of Britain's low pay machinery to the hostility of Board of Trade officials, in particular, its permanent secretary, H. Llewellyn Smith. Davidson alleges that Llewellyn Smith personally disliked the Webbs, whilst he considered their national minimum wage as essentially bureaucratic.⁸³ Llewellyn Smith, Davidson also argues, remained deeply sceptical of Dilke's wages boards. But, once the pressure for reform had built up, Llewellyn Smith bowed to the inevitable, and acknowledged that some corrective measure was necessary. Yet he approached his task with a marked lack of enthusiasm, and ensured that the boards, in their final form, would only operate in a cautious manner. The appointed members of the boards, for instance, were strongly advised to cold-shoulder any attempts to equate trade board rates with a national minimum or a living wage. This was due to Llewellyn Smith's concern that, if the wages of poor workers were raised too dramatically, then British goods would be priced out of overseas markets.⁸⁴ As Davidson remarks:

It is... apparent that, in so far as the Liberal welfare reforms incorporated minimum wage legislation, it was very much in spite of, rather than because of the welfare intelligence generated within Whitehall. Its function was essentially to contain the process of reform and to render it compatible with the existing norms of British industrial relations; to identify for policy-makers the most contentious areas of public disquiet without radically altering the conventional relationship of the State to the process of labour valuation within market capitalism.⁸⁵

There is no doubt that civil servants at the Board of Trade were antipathetic towards the board system. Indeed, prior to Churchill's arrival at the Board of Trade in 1908, civil servants, with the notable exception of George Askwith (a senior Board of Trade arbitrator), had been totally unreceptive to the boards. Ernest Aves, furthermore, when despatched to Australia to study the system

⁸² G. D. H. Cole, *Living wages* (London, 1938), p. 7. For further details of inadequate inspection, see S. Blackburn, 'Sweated labour and the minimum wage' (unpublished Ph.D. dissertation, University of London, 1983), pp. 164-9.

⁸³ R. Davidson, 'Llewellyn Smith', pp. 242-3. See also, Davidson, 'The myth of the servile state', *Bulletin of the Society for the Study of Labour History*, xxix (1974), 64.

⁸⁴ R. Davidson, 'Sir Hubert Llewellyn Smith and labour policy, 1886-1916' (unpublished Ph.D. dissertation, University of Cambridge, 1971), pp. 204-5, 223. See also, R. Davidson, 'Government administration' in C. J. Wrigley (ed.), *A history of British industrial relations 1875-1914* (Brighton, 1982), p. 169. The same point is also made in R. Davidson, *Whitehall and the labour problem*, pp. 115-16, 269-73.

⁸⁵ *Ibid.* p. 273.

there, had produced a very unfavourable report.⁸⁶ Clara Collett, a Board of Trade investigator, had also testified against wages boards before the select committee on homework.⁸⁷ Even Askwith himself argued against drastic interference by the state in the wages bargain. As he remarked of the Trade Boards Act: 'This is a very delicate plant. It appears to offend the canons of many political economists. If it is to be allowed to live, its roots should get firm hold of the soil before many experiments are made.'⁸⁸ But Davidson is wrong to attribute the limitations of Britain's low pay machinery to the Board of Trade alone. In fact, the sources clearly indicate that, had the Home Office been charged with developing the boards, they would have followed an equally narrow path.⁸⁹ Indeed, as J. R. Hay, rightly warns, we should also guard against inflating the role of civil servants in social policy formation.⁹⁰ It can be argued, furthermore, that Davidson (like Bythell), completely overlooks the limiting role of the key pressure group, the N.A.S.L. The N.A.S.L. embraced all religious creeds and all political persuasions and, as such, was bound to be an uneasy compromise between those who supported legislation on ethical grounds, and those who supported it for economic exigency. The Labour Party and the unions, for instance, supported the boards because they believed that they would help marginal workers to organize whilst at the same time encouraging greater social justice for the under-dog.⁹¹ Some unions, however, were also concerned that a minimum wage might impinge on free collective bargaining by becoming a maximum one, and they thus sanctioned only a limited experiment.⁹² Large employers, on the other hand, supported the legislation, not simply for the purpose of social control (as Morris suggests), but also because sweating led to the production of poor quality products and, ultimately, to the loss of foreign customers.⁹³ It was hardly to be expected, too, given the composition of the league (whose vice-presidents included such die-hard racists as the Earl of Dunraven in addition to the home secretary, Herbert Gladstone), that it would support radical and reforming measures such as a drastic redistribution of income.⁹⁴

Additionally, contrary to Davidson's contentions, the evidence, including

⁸⁶ Aves' report was uncertain and inconclusive. He doubted whether the experiment of Victoria could be considered applicable for Britain. See Aves, *Report to the Home Secretary on the wages boards and industrial conciliation and arbitration acts of Australia and New Zealand* (P.P., 1908, LXXI).

⁸⁷ *S.C.H.* (P.P. 1908, vi), Q. 822.

⁸⁸ G. R. Askwith, *Industrial problems and disputes* (London, 1920), p. 293.

⁸⁹ The sweated industries bill (cabinet memo by H. Gladstone dated Feb. 1908), London, British Library, *Papers and memoranda*, 1902-9.

⁹⁰ J. R. Hay, *The development of the British welfare state, 1880-1975* (London, 1978), p. 108.

⁹¹ Blackburn, 'Sweated labour and the minimum wage', ch. iv.

⁹² See, for instance, the reaction of trade unionists to a national minimum wage, N.A.S.L., *Report of conference*, pp. 42-3, 46. See also evidence of Dilke, *S.C.H.* (P.P. 1908, VIII), Q. 3928. For further details of the ambivalent attitude of the unions towards legal control of low pay, see S. Blackburn, 'The problem of riches: from trade boards to a national minimum wage', *Industrial Relations Journal*, xix (1988), 124-38.

⁹³ The ambiguities in employers' motives are dealt with in S. Blackburn, 'Employers and social policy', *Midland History*, xii (1987), 85-102.

⁹⁴ For a breakdown of the N.A.S.L. membership, see the N.A.S.L.'s annual reports.

oral testimony, suggests that it was actually key figures in the N.A.S.L. who convinced Churchill to abandon the concept of a national minimum wage (which he had imbibed from the Webbs), for the more limited measure of trade boards. Indeed, Mallon and Henderson, at a crucial meeting in December 1908 to debate the nature of low pay legislation in Britain, were totally amazed that Churchill favoured a universal minimum wage at all, considering that according to his own estimates, it would encompass virtually one-third of the British workforce. Terrified of alienating the league's wealthy patrons and the House of Lords, Mallon and Henderson made it quite clear that they believed anything beyond the limited experiment of trade boards would be totally unacceptable.⁹⁵ No doubt, too, Mallon (a close friend of Llewellyn Smith's from his Toynbee Hall days) communicated his reservations to Churchill's permanent secretary.⁹⁶

However, by agreeing to the N.A.S.L.'s trade boards, it could be argued, the Labour Party and the unions missed a vital opportunity. Whilst some countries were prepared to experiment with a national minimum wage, trade boards became the chief mechanism for controlling low pay in modern Britain.⁹⁷ Yet, due to their industry-based composition, the boards could not hope, on their own, to eradicate low pay. Indeed, many poor workers fell outside the board system precisely because pockets of low pay exist in virtually *all* industries, including highly organized ones like engineering. Two years after the passage of the Trade Boards Act, several Labour M.P.'s, bitterly disappointed with the first four boards, and despairing of ever achieving additional boards via the lengthy procedure of a provisional order, demanded a universal minimum wage. Will Crooks, for instance, campaigned for a weekly legal minimum wage of thirty shillings for every adult worker.⁹⁸ But Board of Trade administrators could now reject such a solution as unrealistic, and pointed to the advantages of curbing low pay through the gradual extension of the board system. As one official remarked:

The Trade Boards Act provides for the establishment of boards representing employers and workpeople in the trades to which the Act applies. The whole Act rests on a trade basis, that is, each trade to which the Act applies is to be separately dealt with and is to fix its own minimum rates of wages, in order that those whose livelihood depends on the existence of a trade should fix only rates which the trade can bear. If rates were imposed from outside by Parliament, or by some other means without consulting the

⁹⁵ See M. Stewart and L. Hunter, *The needle is threaded* (London, 1964), pp. 140–2. J. J. Mallon, whilst serving on the chain trade board described the meeting to the chainmakers' union leader, Mr Albert Head. (Information from interview with A. E. Head, 13 Oct. 1976). Henderson, in fact, had not only introduced a sweated industries bill (based on wages boards), but he had also voted, as a member of the S.C.H., for wages boards. See *Women's Trade Union Review*, Oct. 1908, p. 4.

⁹⁶ For Mallon's and Llewellyn Smith's connection with Toynbee Hall, see A. Briggs and A. Macartney, *Toynbee Hall: the first hundred years* (London, 1984). Mallon later became the warden of Toynbee Hall.

⁹⁷ Belgium, France, Luxemburg, Holland, Portugal and Spain all have a general minimum wage. See G. Starr, *Minimum wage fixing* (International Labour Organization, Geneva, 1981), ch. 3.

⁹⁸ *Hansard* (Commons), 5 ser. xxiv, 1881–1924, 26 April 1911.

trades concerned, the effect might be to kill the trade rather than to improve the position of those engaged in it... We ask for about £12,000 a year to run Trade Boards in four trades. If *all* workers in the country are to be covered the number of Trade Boards would be enormous and the cost would be a great burden. Mr Crooks is not proposing to 'extend' the Trade Board Act but to tear it up and substitute a universal minimum wage Act. He suggests no difference in the rates for men and women and treats all trades alike, but the Trade Board themselves have fixed different rates for men and women and the rates are *not* the same in all the trades.⁹⁹

Some might regard these sentiments as positive proof that civil servants deliberately emasculated the movement to combat low pay in Britain. But the official view was also strongly supported by leading N.A.S.L. figures, including the League's secretary. J. J. Mallon, in fact, remained a life-long supporter of trade boards and always opposed a universal minimum wage. Indeed, he was still defending trade boards (then re-named wages councils) against a national minimum wage as late as 1950. A national minimum wage, he argued, would be inflationary since higher-paid workers would oppose any narrowing of differentials. Moreover, British industry could not sustain the cost of a national minimum wage, and its implementation would raise the thorny issue of whether it should apply only to male workers or women as well. The major effect, though, of a national minimum wage, he considered, would be to render sterile the good works and moderating effects of trade boards.¹⁰⁰

Likewise, too, Tawney (one of Mallon's closest friends and a leading figure in the N.A.S.L.) shared the latter's antipathy to a universal minimum wage. He praised the boards for reaching 'their conclusions by a process of trial and error, rather than by the logical application of sharply defined principles'.¹⁰¹ The boards he considered, reassured both economists and employers that the state was not 'thrusting an iron rod into the complicated mechanism of industry', because decisions were left largely to persons engaged in the industry – rather than being imposed from outside by a 'well-meaning but technically ignorant official...'¹⁰² As such, those who decided the rates for a trade had 'an intimate knowledge of its technicalities and the more direct interest in regulating it in such a way as not to impair its efficiency'.¹⁰³ Tawney thus viewed the boards as 'a genuine, though rudimentary organ of industrial self-government', since 'each trade virtually regulates itself, subject to cautious criticism by the chairman and appointed members'.¹⁰⁴ However, in order to deflect criticisms of the boards, Tawney, like Mallon, was often placed in the embarrassing position of having to play down those aspects which were at variance with their highly favourable account.¹⁰⁵ Unlike

⁹⁹ Public Record Office, London, Lab 11/150/L/1913. Trade boards were eventually extended to five more trades in 1913.

¹⁰⁰ J. J. Mallon, *Industry and a minimum wage* (London, 1950), p. 7.

¹⁰¹ Tawney reviewing E. M. Burns, *Wages and the state* (1926), in *Economica*, vii (1927), 104.

¹⁰² *Ibid.* p. 103. See also, R. H. Tawney, 'The minimum wage in Great Britain', *New Republic*, June 28, 1922, p. 125.

¹⁰³ *Ibid.* p. 126.

¹⁰⁴ Tawney, *Towards industrial peace*, p. 27.

¹⁰⁵ Blackburn, 'Sweated labour and the minimum wage', ch. vi.

Mallon, though, Tawney never really explained why he was so opposed, as he was, to a universal statutory minimum wage. We do know that he roundly condemned the Webbs' version of a minimum (based at a subsistence level), since the term 'subsistence' was 'so vague as to be almost worthless as a guide to action'. Some industries, he indicated, could afford to pay their workers above a subsistence, and should be encouraged to do so. On the other hand, if the application of a subsistence rate trebled wages and resulted in widespread unemployment, then it was thoroughly useless. The true advantage of trade boards vis à vis a subsistence minimum, he assumed, was their flexibility in fixing wage rates.¹⁰⁶ Possibly, too, Tawney's views also reflect the accuracy of John Saville's observation that:

The struggle for any particular reform has always in this country aroused so much opposition that when it is achieved it is at least understandable that those who have spent half a lifetime on its behalf too easily believe that with its enactment a new period in social history is beginning... when it comes, its results are usually exaggerated and its significance greatly overestimated.¹⁰⁷

V

Sweating was one of the most pressing problems of the nineteenth and early twentieth centuries. The existence of sweated workers, or 'white slaves' as they were often called, made even the most ardent advocate of Smilesian self-help feel uneasy. Despite their industriousness and their long hours of unremitting toil in harsh working conditions, sweated workers received only starvation wages and were an unpleasant reminder to Victorians and Edwardians that, whilst there had been economic progress, there was still poverty. Reformers, desperate for a solution to the evil, variously (but with little success) advocated more stringent inspection of domestic workshops, better education for all, and co-operative production. Finally, and accepting the inevitable, Edwardians reluctantly assented to an experiment, the 1909 Trade Boards Act, which they believed would check sweating at its source.

Yet, although a step in the right direction, the act was a very tentative measure indeed. It applied, initially, to only four industries, and embraced fewer than 200,000 workers. Prior to 1918, moreover, additional industries could only be granted trade board protection by means of a provisional order, a time consuming process necessitating an act of parliament. Trade board inspection, too, left much to be desired. More importantly, the boards did not establish a national minimum wage or a living wage, but only a rate which it believed an individual trade could bear. This remained the underlying

¹⁰⁶ Tawney, 'The minimum wage in Great Britain', p. 127. However, this flexibility was often illusory. Trade boards were instructed to fix rates for the least competent men and women in each grade. Tawney's criticisms of a national minimum wage had no doubt been fashioned by his reading of Hobson's works but, unlike the latter, Tawney viewed a living wage as unattainable. See M. Freedon, *Liberalism divided: a study in British political thought, 1914-1939* (Oxford, 1986), p. 313.

¹⁰⁷ J. Saville, 'The welfare state: an historical approach', *New Reasoner*, 1 (1957-8), 17.

philosophy of the boards even though, over the ensuing years, they were subsequently extended and re-titled, in 1945, wages councils. There are, thus, even at the present time, many poor workers who are still not protected from low-paying employers.

Britain's statutory machinery for fixing low pay, in fact, is still hampered by its restricted origins. It was only with the greatest apprehension that Edwardians had sanctioned the passage of the 1909 act. New theories had to be fashioned in order to dethrone orthodox economic thinking that state intervention in the wages contract would be ruinous for the British economy. But, contrary to Schmiechen's beliefs, the challenge to the old laissez-faire assumptions came, not in the 1880s, but essentially in the mid-1890s. Even then, there was a time-lag between the new theories being advocated and becoming more widely accepted. Policy makers, in fact, were not converted to state control of low pay until 1906. However, although reformers were quite content to use the rhetoric of Hobson and the Webbs, they sanctioned, not a minimum wage, nor a living wage, but the establishment of wages boards along the lines of those adopted in Victoria in 1896, and popularized in Britain by Sir Charles Dilke since 1900. The legitimacy of state interference had been acknowledged, but the suspicion of state intervention remained so powerful that the state itself was not empowered to settle the actual amount of wages. The state's role was minimized and the 1909 act, in its final form, left the settlement of rates to representatives of the trades concerned and independent members, with the state only using its authority to enforce the decisions of the boards.

It is misleading, though, to suggest that the limitations of Britain's low pay machinery can be solely ascribed to cautious Board of Trade officials, in particular, Llewellyn Smith. Nor is it correct to assume that the boards were merely the handiwork of employers craving for social control. The key pressure group, the N.A.S.L. was also largely responsible for restraining the role of minimum wage legislation in Britain. Indeed, both Mallon and Tawney vehemently rejected the Webb's concept of a minimum wage, and they praised the boards for allowing rates to be settled by those who had a strong grasp of the industry, and a personal stake in ensuring that the productivity of the industry would not be impaired. As late as 1927, in fact, Tawney viewed the Trade Boards Act as one of the most successful pieces of legislation in the first quarter of the twentieth century.¹⁰⁸

In reality, though, the Trade Boards Act was more significant in heralding a break in economic and social thought than in its practical ability to combat sweating. Trade boards were a very modest measure, and their modern counterparts, wages councils, although useful, leave a lot to be desired, and it is probably time that Britain broke with the traditions of the past and experimented with a statutory national minimum wage. However, this should not be set at a subsistence level, as advocated by the Webbs and favoured at

¹⁰⁸ Tawney, *Towards industrial peace*, p. 18.

the present by the United States of America, but at an optimum level as recommended in 1896 by J. A. Hobson.¹⁰⁹ As Hobson himself pointed out:

The 'Living Wage' must clearly contain 'a wage of economic efficiency' such as is sufficient to sustain and evoke the best working power which it pays the employer to engage. This is, of course, no more than to class a labourer with a horse and steam engine, which are fed with grain and coal so as to extract the maximum of productive energy.... But a 'living wage' will mean more than is contained in such a calculation of physical equivalent from the standpoint of profit... There must always be a margin of energy, of leisure, of material means, the needful conditions of the growth of new physical, intellectual, and moral needs.¹¹⁰

¹⁰⁹ For further details of the national minimum wage in the United States of America, see Low Pay Unit, 'American comment: prospects for a hike in the U.S. minimum wage', *Low Pay Review*, xxxi (1987), 38-9.

¹¹⁰ Hobson, 'A living wage', pp. 128-9.