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*Political Science Quarterly*, Vol. 13, No. 3, September 1898

## THE RECENT HISTORY OF THE LIVING WAGE MOVEMENT.

### I.

THE "living wage" is not an aim of labor policy which can be dealt with by itself, apart from all considerations of hours and other conditions of labor. It must be viewed as incidental to the maintenance and improvement of the standard of life — the general end towards which all organized working-class effort has been directed. High wages could not compensate for an early death in a white-lead factory or for slavery in a London sweating den. The diversity of the conditions under which wages are earned renders any universal standard impossible; the rate varies from trade to trade, from time to time and from district to district. Mr. Pickard, M.P., in presiding over the annual conference of the Miners' Federation of Great Britain, January 14, 1896, claimed that a miner ought to have eight shillings for his normal day's work, five shillings for risk and three shillings for extra home work in cleaning clothes, *etc.*, or sixteen shillings a day in all — an amount which appears wildly ideal, in view of the twenty to thirty shillings a week which the federation secures to its members, or the twenty-four shillings a week of the "moral minimum" for unskilled labor. And Mr. Mawdsley, the secretary of the Lancashire cotton spinners, could give the Industrial Remuneration Conference no more precise opinion than that "the remuneration of the workingman ought to be the utmost that orderly and peaceful means can compel capital to pay."

There could be no common standard for the regulation of the conditions of labor until trade unions became strong enough to substitute collective bargaining for individual agreements. When the industrial revolution broke down the old guild ideas of labor, the popularly accepted economic doctrine was that labor, like every other commodity, was subject to the rule,

“buy in the cheapest and sell in the dearest market.” The trade union leaders adopted this doctrine fully, and sought to form strong national societies, controlling whole industries and regulating the entrance to trades, so as to secure the largest remuneration for those in them. The success of either workmen or employers depended on the strategic position of the two parties in the labor market. The frequency of disputes led to the abandonment by both parties of the theory of supply and demand and the adoption of another economic doctrine — that wages should follow prices. This new principle secured general recognition by the trade unions, with the notable exception of the cotton operatives, who from an early date established standard lists of wages for the various classes of their work. But in the unorganized ranks of the women workers and unskilled laborers the law of supply and demand still held good.

Meanwhile, a totally different doctrine gained recognition with regard to sanitation, accidents, the employment of women and children, and the hours of labor. The maintenance of a high standard of life was treated, not as an object of concern solely to individual groups of workers, but as a matter of supreme importance to the whole community. In a long series of public health acts and factory acts rules were established, coextensive with industry, for the regulation of the conditions under which labor should be carried on. Each successive Act of Parliament carried the interference of the state into more minute details of industry, and at the present time a great part of the worker's life is independent both of the demand for labor and of the demand for commodities.

The natural result has been the application of the same doctrine to wages, and the emergence of the vague idea of the “living wage” — of the principle that wages should be a first charge on industry. This idea had always been present in the minds of workmen, though till well into the eighties the influence of the theory that wages must follow prices had been plunging the unions into ever deeper apathy. Gradually a change came over the labor world. The bad times which

prevailed between 1883 and 1886 showed the workmen on how precarious a tenure they held their existence. The writings of Henry George and the active propaganda of the socialists, especially the "unemployed" agitation in 1886-87, did much to open men's eyes. *The Bitter Cry of Outcast London* and other somewhat sentimental disclosures unveiled the horrors of life among the very poor, while the inquiries of the Royal Commission on the Housing of the Poor and the Select Committee of the House of Lords on the Sweating System, coupled with the statistical researches of Mr. Charles Booth, showed that the statements of the sentimentalists and agitators were, if anything, undercolored. Slowly the situation began to improve. With the return of better trade, the unskilled masses, encouraged by the public attention which had been devoted to their condition, began to organize. In July, 1888, the match girls of the East End of London, whom their employers had locked out to compel a written contradiction of the public statements as to their low wages, succeeded, under the leadership of Mrs. Besant and Mr. Herbert Burrows and with the aid of considerable public sympathy, in forcing from their employers improved conditions of labor. The Seamen's and Firemen's Union, which in 1888 numbered only 500 members, claimed in 1889 to have 65,000 men in its ranks, and in the latter year secured a large number of concessions of higher wages. In August, 1889, the Gasworkers' and General Laborers' Union, within four months of its establishment, achieved without a strike a reduction of their hours of labor from twelve to eight per day. Most noteworthy evidence, too, of the growing public belief in the efficiency and cheapness of high wages was the adoption in 1889 of the "fair wages" policy by the London School Board and the London County Council. Finally came the great dock strike, and the rebirth of labor was an accomplished fact.

It is not proposed to review here all the wage movements of the past nine years. The forcing up of wages to a high level and the establishment of uniformity over wide areas are the two most prominent features to be borne in mind, and only those disputes which involve the consideration of impor-

tant economic theories or the relations of wages to other main conditions of industry can be dealt with in detail.

## II.

The great dock strike marked the destruction of the theory that wages should be governed by the supply of and demand for labor. The London docks depended almost entirely on casual labor for the performance of their business of unloading ships. At the three East London docks about a thousand men were permanently employed, earning from 20s. to 25s. a week; and from 3000 to 15,000 extra hands were taken on, according to the state of employment. Work was sought at the dock gates not only by the professional dockers, but also by the unemployed and the "failures" in every other trade, forming an army estimated at from 50,000 to 100,000 men. The docker had to take his place at the dock gates day after day, hour after hour, till there was a "call" for workers, and then fight to attract the notice of the foremen after the "preferred" men (who had the first claim) had been taken on. The wood and grain porters and most of the regular hands were men of good physique, earning fairly good wages; but the bulk of the others were miserable specimens, who were often compelled by hunger to cease work as soon as they had earned a few pence for a meal. There were three classes of work: time work, paid at 5*d.* an hour and 6*d.* per hour overtime after 8 P.M.; piece work, paid at the same rates, but with an addition of a certain "plus," or premium on exertion, if the job was completed in less than a fixed time; and contract work, where the job was let out to contractors at an agreed price and on the condition of paying their laborers a minimum of 6*d.*

A casual dispute at the South West India Dock over the amount of "plus" on a certain cargo, on August 12, 1889, was the spark which kindled the conflagration. Mr. Tillett, who for some time had been trying to organize the tea coopers, took command of the men on strike, and summoned to his aid his friends Tom Mann and John Burns, well known as socialist

agitators. The moment was seized to put forward all the dockers' demands, and this program was drawn up: (1) a minimum engagement of four hours; (2) men to be taken on only at 8 A.M. and 12 M. each day; (3) piece work and subcontract to be abolished; (4) the minimum wage to be raised from 5*d.* to 6*d.* per hour, and to 8*d.* after 6 P.M.; (5) contract pay to be raised from 8*d.* to 1*s.* per hour. Within three days 10,000 dock laborers were out, and before long the well organized stevedores and lightermen joined them. The minimum four hours' engagement was soon conceded by the companies, but the other demands were refused. With each day the enthusiasm grew: dock after dock was cleared of its workers, the wharves followed suit, and the trade of the port of London was paralyzed. A series of large and orderly processions through the city and of demonstrations in the parks awoke public attention, while the harsh references of Mr. Norwood, the chairman of the joint committee of the East and West India and London and St. Katharine's Docks, to "the pinch on Saturday" unloosed the public purse strings. The trade unions, too, came in with handsome contributions. An efficient picketing system was established; and as soon as "blacklegs" were brought up from the country at 5*s.* a day, they were got at and sent back. A committee, manned chiefly by the Stevedores' Union, sat daily to distribute relief; and the East End clergy did a great work in feeding the women and children.

On August 22 the dock directors put their case before the public. Conceding the minimum engagement of four hours, they refused the demands for regular call times (intended to enable the men to seek other work instead of hanging about all day) and for the abolition of piece work; because such concessions would, they said, transfer the control of all labor operations from the dock managers to the laborers. The new rates of pay "would be equal to an advance in the expenditure on labor of at least 25 per cent"; while, under the old conditions, the East and West India Dock Company had paid interest only on its debentures and the St. Katharine's Dock Company only 1½ per cent on its ordinary stock. Mr. Norwood, in a news-

paper interview, put the extra cost at £100,000 per annum. Prominence was also given to the dangerous rivalry of Antwerp. Furthermore, the invention of steam, it was said, had substituted a daily for a seasonal irregularity in the arrival of ships; and now, when a vessel came into dock, it had to be cleared with the utmost dispatch, necessitating a supply of casual labor. In any case, the rate of wages had remained steady since 1872, while the cost of living had gone down.

In the view of the joint committee a concession to these demands would be injurious not only to the interests of the men, but to the commerce of the port, and circumstances in no respect warrant it. . . . There would not be the slightest difficulty in resuming work at all the docks if proper protection to the men were given by the authorities.

In reply the men contended that the companies ought not to recoup themselves out of wages for losses due to their own mismanagement. It was through competition between the separate dock companies and between the docks and the wharves, the unnecessary and costly construction of the Tilbury Docks, ruinous litigation, wholesale discounts, and reduction of dues by special agreements with important lines of steamers that profits had been reduced to zero. Moreover, on account of the consolidated control established in 1889 for the East and West India, the London and St. Katharine, the Victoria and Albert and the Tilbury Docks, an undue profit had to be earned on an overcapitalized concern. Trade was hampered by the exorbitant charges imposed on shippers and by the payment of extravagant salaries. Contrasts were drawn with Liverpool, where proper wages were paid and the docks successfully managed by a public board. Foreign competition, it was argued, was not to be feared, for trade would always follow its natural routes and ship owners would not find it profitable to ship to Antwerp and then reship to England. By increasing the estimate of the amount of cargo to be discharged in a given time the managers had compelled the men to work harder, while reducing the bonus on exertion to an insignificant amount. Contract work was frequently sublet, even as often as seven times, which led to brutal overdriving. But, above all, the men based their

claims on their moral right to be engaged for such periods and at such rates as would give them a wage which would secure at least decency, if not comfort.

“Sympathetic strikes” among all classes of laborers spread rapidly, and soon 130,000 men were idle. Popular feeling against the dock companies ran high; and at the meeting of the General Steam Navigation Company the chairman advocated a dock trust for London, saying that, “if the dock owners could not manage their labor, the ship owners could manage it for them.” Next the wharfingers tried mediation in support of the men, but their attempts were futile. In despair the strike committee appealed to the London workmen to declare a general strike, but at the instance of the trade unions the manifesto was speedily withdrawn. The ship owners demanded permission to unload their own vessels and to make their own terms with the men. Mr. Norwood replied (September 2), in a tone worthy of a man who felt himself to be stemming the tide of bloody revolution:

Our view of the strike is that it is a dock strike now no longer. It is a blow aimed at capital and at general employment. . . . I have no hesitation in saying that in the last ten days the great strike has gone far beyond the category of a mere dockers’ strike, and that it has developed into an organized attack and an outburst with the view of raising the rate of remuneration over the entire East End of London.

Nevertheless, the end was in sight. A compromise was arranged with the wharfingers, allowing the men to go back wherever their terms were conceded, and the wharves were speedily busy again. Money was coming in fast: £30,000 came from Australia, and over £48,000 was raised during the strike. The attempts at mediation culminated in the Mansion House Conference, in which the Lord Mayor, Cardinal Manning, the Bishop of London, Lord Brassey, Sir A. Lusk, Sir J. Lubbock, M.P., and S. Buxton, M.P., took part. The conference advised the acceptance of the men’s terms from the first of January following. On September 7 the directors accepted this advice, ungraciously yielding “to a pressure from without,

which they venture to regard as a very dangerous departure in disputes between employers and workmen, and one which may have very far-reaching consequences in the future." The men refused to yield and lose the best months of that year, but Cardinal Manning and Mr. Buxton at last induced both parties to agree that the new rules should run from November 4. The lightermen and the Surrey Side men, who had grievances of their own, though at first they came out "on sympathy," were persuaded to submit their claims to arbitration, which ultimately resulted in their favor. Thus, on September 13, 1889, "woebegone Lazarus" scored his first complete victory over Dives.

The fixing of a minimum rate per hour, however, did not necessarily mean a living wage, though the establishment of a minimum four hours' engagement was a step in that direction. The first necessity was the exact determination of the wage earned by piece work — a difficulty which in the textile trades was settled by the "particulars clause" of the Factory Act, requiring employers to supply their operatives with details of the way in which their wages were made up. At the docks, at first, the men were allowed to appoint "representatives" from each gang, who acted as subforemen and had the right to examine the books for each job, which they checked with a list of prices for every class of goods to be worked. After a year's trial, this system was abolished, the managers alleging that the union foremen gave preference to unionists and spun out the work so that the pay drawn by the men at 6*d.* per hour exceeded the piece-work price of the job. The most important result of the minimum rate was the discovery by the dock owners that half-starved men were dear at 6*d.* per hour. Strong men were brought up from the country, and the "decasualization" of the docks began. This movement was accelerated by the continual effervescence of strikes against the employment of non-unionists. The companies tried to attach men to themselves by offering permanent employment at the ordinary rates, with the additional inducement of pensions ranging from 6*s.* per week after fifteen years' service to 12*s.* per week after thirty years.

The Dockers' Union did not object to permanency of labor, but did object to the work being taken out of their hands and to the large amount of overtime made by the new men. They attempted to start a coöperative system, taking over jobs at an agreed price and forming gangs who stood or fell by what they earned. These gangs earned 8*d.* or 9*d.* per hour instead of the average of 6½*d.*; but, though this system was practically the same as that adopted with much success on state works in New Zealand, it was viewed by both sides with too much suspicion to win much favor. A series of disastrous strikes against non-union labor in 1890-91 weakened the union considerably, and in 1891 Mr. Tillett told the Royal Commission on Labor:

If you will look at my evidence that I gave to the Sweating Committee three years ago, you will find that it almost represents the same conditions as exist to-day, only that those responsible for it are not the subcontractors, but the respectable dock company, the honorable ship owner. We would wish, if possible, that boy labor should be regulated; that the labor of old men should be regulated; and that there should not be more than 48 hours worked a week by each man, and nothing less than eight consecutive hours in each day.<sup>1</sup>

From a rough estimate I gather that 25 per cent of the dock employees have a decent chance to live, 25 per cent have to do . . . heavy work which means physical incapacity in the long run and 50 per cent are not able to live a decent life.<sup>2</sup>

Considerable advance has been made towards that permanency of employment which is a necessary condition of a living wage. The joint committee employs about 7000 men, of whom 1700 are permanent hands, 1000 regularly enrolled in lists and making full time, and 1750 similarly enrolled and making four-fifths time. Mr. Charles Booth says:

There appears to be good work actually for 14,500 to 15,000, or, allowing for sickness and unavoidable friction, for about 16,000 men. For these, with strict preference over all outsiders, there would be an average of 281 days out of 309. . . . On this calculation, 3000 additional men would be needed at the busiest periods, which fall mainly in the winter. If the outsiders could be drawn from those

<sup>1</sup> Qn. 3558, Group B.

<sup>2</sup> Qn. 3664, Group B.

trades which are slack at that time, they, too, might find a sufficient amount of work between two sources of employment for a decent livelihood. This arrangement, if it were feasible, would dispense entirely with the services of 5000 or 6000 men.<sup>1</sup>

Such an arrangement of irregular work does not appear to be impossible, in view of the ease with which the railway companies manage a similarly varying traffic. But since the dock companies neglect the very obvious suggestion of Mr. Booth that, for the regularizing of their work, they should decide over night the number of men required for the following day's work in each department, it may be doubted whether they possess the energy and initiative necessary for the greater task. Probably, therefore, municipal control of the docks must precede the establishment of a real living wage for the employees. In the course of 1897 dock workers, seamen, and all ship and river workers have been organized into an international federation, and a fresh wage movement may be expected in the near future. The London dockers demand a new minimum rate of 8*d.* per hour and 1*s.* per hour overtime, in place of the present average pay of 7*d.* per hour.

The success of the dock strike not only gave a great impetus to organization among unskilled laborers, but led to fresh activity among the older unions; and considerable advances in wages were gained in the good times of 1890-91, only to be lost, in many cases, when trade drooped in 1892. The building trades, in particular, showed a strong wage movement. The well-organized carpenters and joiners of London had had a standard wage of 9*d.* per hour since 1873, and, without the coöperation of the masters, had enforced a code of working rules. In May, 1891, the men in the employment of three firms struck for a rise of a penny an hour, a 47 hours week, including overtime, and the abolition of piece work. A lock-out by the other firms followed, the master builders asserting that trade was not flourishing, that contracts were going to country builders employing less highly paid labor, that there was an ample supply of labor and that wages compared favor-

<sup>1</sup> Life and Labour of the People in London, II, 422, 423.

ably with the remuneration paid in other trades. After a stubborn fight, the dispute was referred in October to arbitration, and increased rates of overtime and a reduction of hours from 52½ per week to an average of 50 per week throughout the year were awarded.

The settlement was eminently unsatisfactory to the men, but they accepted it. Fresh efforts at organization were made, and in May, 1892, the Building Trades' Federation was formed, embracing the unions of the masons, bricklayers, carpenters and joiners, painters, smiths and laborers. A new code of working rules was negotiated, governing the employment of 60,000 men, not reckoning laborers. This code established an average 48 hours working week (from 50 hours in the summer to 44½ in midwinter), raised wages a halfpenny an hour all round, fixed improved terms for overtime and travelling, applied the rules to a district of twelve miles radius from Charing Cross, and required six months notice for the termination of the agreement to end on the first of May. The plumbers made a separate but similar agreement. The most important point about this code was that it relieved London workmen from the competition of the country districts.

In almost all the large towns similar codes of rules were obtained during 1893. Fertile sources of dispute, however, were still found in the employment of non-unionists and the practice of subcontracting, while the employers were hampered by the regulation which compelled reconsideration of the code at the busiest time of the year. Therefore, in November, 1894, they gave the requisite six months' notice to terminate the rules, unless strikes against non-unionists and subletting were forbidden and notice of alteration allowed to be given at any time. The men refused to adopt the changes, and 1895 passed in futile negotiations and sporadic strikes. In the spring of 1896 the separate building trades, one by one, abandoned the federation and the common code; and, in consideration of an extra halfpenny an hour, made separate agreements with the master builders, embodying the old rules with the proposed amendments. The laborers refused, but after a strike were

beaten. The standard wage in London for the building trades is now 10*d.* an hour for a 48 hours week, except for plumbers, who have 11*d.*, and for laborers, who have 6½*d.* The story of the industry in the country reveals a steady and successful attempt gradually to screw up wages to the London level.

### III.

Under the stimulus of the high prices of 1870-73 the miners became eager adherents of the doctrine that wages should follow prices. Frequent inquiries into the relations between wages and prices were, however, found to be provocative of disputes, and the device of the sliding scale was adopted as a means of settling wage disputes over long periods. The principle of the sliding scale was simply that wages should vary in certain fixed proportions to prices. So long as times were good, this automatic method of wage regulation was satisfactory; but when prices came tumbling down in 1878, the miners found how fatal it was to allow their standard of life to depend on market operations over which they had no control. To a certain extent, indeed, sliding scales contributed to the disorganization of industry; for when a mine owner by cutting prices could not only outbid his competitors, but also reduce his cost of production under the sliding scale, he was under a strong inducement to enter upon a campaign of underselling. The South and West Yorkshire Miners' Associations terminated the scale under which they worked in December, 1881, and refused to renew it unless a fixed minimum wage were established. Other districts followed suit; and in September, 1888, the Miners' Federation was formed, to work out the twin policies of a minimum wage and a legal eight hours day. Northumberland, Durham and South Wales held by the old policy, though the two northern counties joined the federation for a short time in 1893.

The membership of the federation was strongest in Yorkshire, Lancashire and the Midlands, and rose from 36,000 in 1888 to 96,000 in 1889, and to 250,000 in 1893. Between

1888 and August, 1890, wages in the federation district were raised 40 per cent above the standard of 1879, but after 1890 the coal trade fell upon evil times. Mr. Chambers, a large coal owner, said:<sup>1</sup> "The collapse that has taken place since the beginning of this year is altogether without precedent in the history of the coal trade, at all events within the last forty years." The audit price of Northumberland coal at the pit head fell from 7*s.* 9.64*d.* per ton in February, 1891, to 6*s.* 1.96*d.* in March, 1893; and in South Wales the price per ton "f. o. b." was 13*s.* 5*d.* in February, 1891, and 9*s.* 1½*d.* in June, 1893. Wages in the federation districts had remained steady, while in the outside districts they had fallen heavily — 15 per cent on the standard in Durham, 16¼ per cent in Northumberland, 37½ per cent in Fife and 42½ per cent in South Wales. Consequently, on June 30, 1893, the Associated Coal Owners, who included 90 per cent of the owners in the federation districts, gave notice of a reduction of 25 per cent in wages, which was afterwards explained to mean 25 per cent off the standard of 1879, or 18 per cent off present wages. They claimed that just as in good times wages had gone up with prices, so in bad times they should come down. The prices of coal had fallen 35 per cent, and long contracts for gas and railway coal, which powerfully influenced the market, could only be obtained at great reductions. Moreover, the non-federation districts, owing to the fall in wages to which their miners had submitted, were able to secure contracts formerly placed in the Midlands: for example, the Swedish railway contract had gone to Durham from Yorkshire, and London house coal was now largely obtained from the north instead of from the middle of England.

The men, in their reply, denied that the coal trade was as a whole depressed. Certain colliery companies, they asserted, earned high dividends; while the large iron works, whose proprietors ran their own mines, gained in the cheap production of iron what was lost in the nominal value of coal. Where losses occurred they were due to overproduction and reckless

<sup>1</sup> *Daily Chronicle*, July 22, 1893.

competition. Large contractors were allowed to dictate their own terms, and underselling had become an habitual practice, long denounced by the men. The Yorkshire Miners' Association asserted in their report<sup>1</sup> that a Durham firm had accepted a contract of 280,000 tons of coal for the London gas companies at 2s. 6d. per ton below what any Yorkshire firm could afford to tender. And while the mine owners were claiming that the average cost of getting coal was 6s. 3d. per ton, a firm of Yorkshire coal owners wrote to Mr. Pickard, M.P.:

We vouch for the accuracy of the statement that a large colliery, which is in the association, has sold in one lot upwards of 30,000 tons of coal to a railway company for the ensuing twelve months, delivery at 5s. 3d. per ton at the pit for 21 cwt. If this is a sample of many others, as we doubt not it is, it explains the present attitude of the masters.<sup>2</sup>

Moreover, the miners alleged that stocks had been allowed to accumulate until at last the best thing that could happen for the owners would be a strike, which would enable them to clear their stocks at famine prices while postponing the fulfillment of their contracts under strike clauses. Reduction in wages would be no cure for such a state of things, but would merely permit the competition to be renewed at a lower level. Mr. Woods, the secretary of the Lancashire Union, declared that there were 80,000 miners in the Midlands not earning at that time 10s. a week, and that the average wage per man was 20s. a week. Mr. Chambers, the coal owner, on the contrary, put the average weekly wage in a typical Yorkshire colliery at 39s. 2d. for hewers. The independent investigations of many inquirers during the following weeks proved from the pay tickets of the men, not only that Mr. Woods' figures were substantially correct, but that in the summer wages might run from 9s. to 14s. per week. Finally, and above all, the men maintained that their current rate of wages represented the minimum at which they could live, and for this reason they refused the offer of the

<sup>1</sup> Quoted in the Report of the Labor Correspondent of the Board of Trade on Strikes and Lockouts for 1891.

<sup>2</sup> *Daily Chronicle*, July 25, 1893.

Associated Coal Owners to submit the proposed reduction to arbitration.

Since the miners everywhere voted against the reduction, 200,000 of them were locked out on July 28. In Northumberland and Durham the men asked for increases, but on refusal did not strike. In the Midlands 37,000 miners who received no lockout notices were called out by the federation, in order to compel public intervention by widening the area of the dispute. Gradually, however, the leaders came to see the wisdom of sowing dissension among the mine owners, and of not causing the public unnecessary inconvenience; and at the end of September it was agreed that work should be resumed wherever the old terms were conceded. In the non-federation districts there was a burst of great activity in mining, and wages went up all round — 2s. a day in the west of Scotland, 10 per cent in the Lothians, 12½ per cent in Fife, 1¼ per cent in South Wales and 5 per cent in Durham. Except for a short period, culminating in a riot at Featherstone, where the military were called out and three men shot, there was little disturbance. Public feeling was touched by the way in which the miners and their families set themselves to starve rather than surrender their hard-won wages. Money soon began to pour in, and the *Daily Chronicle* fund alone amounted to £18,686.

There were numerous efforts at mediation. The masters refused a proposal by the men not to ask for an advance till prices had reached the 1890 level and to coöperate against underselling. The mayors of several large towns suggested a reduction of 10 per cent, and the coal owners agreed to be content with a reduction of 15 per cent. On November 3 and 4 a fruitless conference of representatives of the two sides was held. The owners proposed that the men should return to work at a reduction of 15 per cent, to be banked until a board of conciliation should be formed and should decide on the merits of the dispute. The miners' new terms were that the men should resume work at the old rates until April 1, 1894, after which date wages should be fixed by a board of concili-

ation, subject to a fixed minimum of 30 per cent above the rates of 1888. A way out of the *impasse* was found by Mr. Gladstone, who on November 13, 1893, on behalf of the government, sent to the two federations an identical letter, which showed both the gravity of the crisis and the impossibility of excluding the community from the settlement of labor disputes. He said:

It is clear from information which has reached the Board of Trade that much misery and suffering are caused, not only to the families of the men directly involved, but also to many thousands of others, not engaged in mining, whose employment has been adversely affected by the stoppage. The further prolongation of the dispute cannot fail to aggravate this suffering, especially in view of the approach of winter, when the greatly increased price of fuel is likely to cause distress amongst the poorer classes throughout the country. Moreover, the government have little doubt that the effect of the stoppage on industry is rapidly extending and increasing, and that unless an early settlement is effected, lasting, if not permanent, injury may be done to the trade of the country.

Both parties were invited to a conference to be held under the chairmanship of Lord Rosebery, acting not as an arbitrator, but as a mediator. The result was a settlement, on November 17, which was a complete victory for the miners. The old rate of wages was to be restored till February 1, 1894, after which date wage disputes were to be determined by a board of conciliation, consisting of fourteen representatives of either party and a neutral chairman.

No mention of a minimum wage was made in the settlement, and the chairman refused to make it a rule of the board of conciliation; but, on July 17, 1894, a fresh agreement was made, in which the masters, in return for a reduction of wages, accepted the principle that labor was a first charge on production. The terms were:

(1) That the present rate of wages be reduced as from August 1 next, by taking off the last two advances of 5 per cent each, and that wages remain at that rate until January 1, 1896; (2) that for a period of two years from August 1, 1894, the rate of wages shall not be

below 30 per cent above the rate of wages of 1888, nor more than 45 per cent above the rate of wages of 1888; (3) that from January 1, 1896, the rate of wages shall be determined by the Conciliation Board within the above-named limits; (4) that the Conciliation Board shall be continued for this purpose for two years from August 1, 1894.

Before the expiry of this period, the coal owners put in a claim for a further reduction of 10 per cent; but at the meeting of the board on July 8, 1896, they merely proposed that the board should be continued "to determine from time to time the rate of wages" without a minimum. The miners, on the other hand, proposed that the board should be continued for two years, and that no advance in wages should be sought for seventeen months. Neither party would give way, and the board went out of existence. The rate of wages has not since been disturbed.

While the English coal owners were conceding the principle of the living wage, the Scotch masters were resisting the efforts of their men to keep in line with the English miners. In the west of Scotland wages in 1888 were 3s. 6d. per day; in 1889, 6s.; in June, 1893, 4s.; and during and after the English dispute, 6s. The Fifeshire miners had received an increase of 49 per cent in 1887-90, had lost 37½ per cent in 1892-93 and had regained 25 per cent during the English stoppage. The abnormal activity which the Scottish coal trade had enjoyed during the cessation of mining in England died away as work was resumed in the south; and at the close of the usual briskness of the winter trade, the associated coal owners gave notice in May, 1894, of a reduction of 1s. per day in the west of Scotland and of 15 per cent (modified to 12½ per cent) in the Fife district. On either side the arguments were much the same as during the English dispute, but the miners were strengthened by their recent union with the English federation. On June 25, 95 per cent of the miners of Scotland struck work. It was expected that the settlement of the English wage question would have some effect in the north; and by the advice of the English leaders the men's terms

were so modified as to correspond to the federation level of wages. But the coal owners refused all compromise. The battle of the English miners had been won by public opinion without and by harmony within their ranks. Although the Scottish workmen's case was equally strong, public opinion, jaded with the prolonged excitement of 1893, was silent. Moreover, serious dissensions arose among the Scottish leaders, and the federation levies dwindled in consequence of the abusive language used by one or two prominent men in reference to the English miners. The retreat began in the west of Scotland, and, though the eastern men held out till near the end of October, the rout was complete.

The position of the living wage in the mining industry to-day is as follows : lost in Scotland; attained in the federation districts of England; and still opposed by the union leaders in Northumberland, Durham and South Wales, though a strong and growing minority of the men are in favor of the principle. The Northumberland and Durham leaders deny that the fixed rate of wages has been of any advantage to the men; for short time has to be worked while trade is bad, and they claim that in the two northern counties there is a net advantage to the men in working more days per week at a lower wage.<sup>1</sup> It is difficult to get particulars of the actual wages earned in different parts of the country. According to the *Labor Gazette*, the days worked per week in 1895-96 were: in Yorkshire, 4.64; in Lancashire, 4.79; in the Midlands, 4.35; in Durham, 5.24; and in Northumberland, 4.76. The real competition, however, is not between districts, but between mines producing the same class of coal — gas, steam, household, *etc.* — for the same markets, and there is no evidence to show whether difference of wage or convenience of situation is the dominant factor. The federation leaders admit that much time is lost owing to low prices, and fall back on the policy of limitation of output

<sup>1</sup> There is one practical advantage in working short time in periods of bad trade rather than accepting a reduction of wages, for when trade revives full time is resumed automatically, whereas a lowered rate of wage is never restored without a dispute. The strongly organized cotton operatives of Lancashire have always acted on this principle.

and repression of overcompetition, with a view to keeping up prices. This policy has nothing to do with the "living wage"; for it is most strongly advocated by the South Wales miners working under a sliding scale.

The international regulation of the production of coal was proposed at the International Congress of Miners in 1894, but was withdrawn; at the congress of 1895 a committee was commissioned to draw up a plan and in 1897 the congress adopted a resolution in favor of international regulation of output. The committee of 1895 has never reported, so that the "plan" is still in the air. The South Wales miners, at the congress of 1897, stated that they had secured the assent of eighty per cent of the coal owners to a scheme for the control of the output of each colliery by a committee, but a few weeks afterwards the scheme broke down.<sup>1</sup>

Combinations between employers and employed are not unknown in British industry: examples are found in the staple trades of Birmingham and the Yorkshire dyeing trade. It is sufficient to note that these alliances of producers against consumers generally bring about an increase in prices; and if such a combination in the coal industry became probable, it seems likely that the nation would prefer nationalization of mines to a private monopoly.

#### IV.

The changes brought about by the introduction of machinery into an industry have given rise to many economic controversies and trade disputes. Although the community and even the workers in the trade ultimately benefit, the immediate result is the displacement of highly paid, highly skilled artisans by machine tenders with less skill working at lower wages. The

<sup>1</sup> Sir George Eliot, a very eminent coal owner, had already in 1893 advocated the amalgamation of all existing ownerships into a trust, which should pay a minimum of 10 per cent, with a legal maximum of 15 per cent interest and a liberal increase of wages. For the success of his scheme he reckoned on the scientific treatment of mining areas, the suppression of competition and the maintenance of the average pit-head price at 7*s.* 3*d.* per ton — a price which has not been maintained for some years. His plan, however, met with no acceptance.

living wage previously paid is swept away, and a lower standard of remuneration is established. John Stuart Mill wrote :

Since improvements which do not diminish employment on the whole almost always throw some particular class of laborers out of it, there cannot be a more legitimate object of the legislator's care than the interests of those who are thus sacrificed to the gains of their fellow-citizens and of posterity.<sup>1</sup>

In practice, however, the interests of the workmen have been left entirely to the guardianship of the unions. At first the men stood on their "vested interests" — so sacred in property questions — and maintained that their condition should never be interfered with for the worse under any circumstances; but this old feeling of hostility to machinery has passed away. They now recognize the desirability of introducing machinery wherever possible, insisting only that manufacturers shall be satisfied with the extra profit arising from diminished cost and increased demand, and shall not seek to lower the standard of life as well. To this the employers reply that the labor used with machinery is less skilled, less valuable and therefore deserving of less pay. On this broad principle there have been great industrial battles in the bootmaking and engineering industries.

The machine manufacture of boots and shoes dates only from the early fifties, and since 1880 the invention of new improvements has gone on very rapidly. In the summer of 1892, after a short stoppage, the operatives secured a 54 hours week and a minimum wage of 26s. for clickers and 22s. for pressmen. Local boards of arbitration with independent umpires were appointed to deal with all matters of dispute, and an annual conference of the executives of the federated associations of employers and the National Union of Boot and Shoe Operatives was arranged to settle questions affecting the whole trade. For two years this system worked fairly well, though frequent disputes arose out of the detailed classification of work and changes of fashion, and much bitterness was caused by infractions of the umpire's decisions by both sides.

<sup>1</sup> Political Economy, bk. i, ch. vi, § 3.

In November, 1894, the federated manufacturers submitted to the operatives' union the following propositions: no change in the present rate of wages for two years; piece work not to be introduced at present in connection with lasting and finishing machinery, and when introduced, the wage list to be based on time wages; every employer to have full control over his factory; no interference with output; work to be done in any town or place that the employer pleases; every employer to employ what men he chooses. Having presented this ultimatum, the employers withdrew from the national board and demanded that the principles laid down should be recognized in all discussions before the local boards. In the opinion of the men the proposed rules meant that for two years the employers would secure all the profit of new machinery, that the changes brought about by lasting and finishing machinery were to be ignored, and that formal recognition was to be given to the practices of sending work into low-paid country districts and fixing the rate of wages on new work according to the output of extra quick "pacemakers," to the detriment of the average worker.

Accordingly, the employees promptly rejected the new rules and proposed the submission of the wages of machine workers to an impartial tribunal. The employers refused a conference, because it meant "the implied surrender of our just rights as manufacturers," and the dispute came to a head with a strike followed by a lockout in March, 1895, involving 46,000 operatives. For some time the manufacturers stood firm for their right to "control" their own factories, and paraded the men's offenses against the arbitrators' decisions; but the force of public opinion was with the employees, and the stoppage was concluded in April by a conference summoned by Sir C. Boyle, permanent secretary to the Board of Trade.

The chief points of the settlement were these: joint committees to be appointed (with umpires, if necessary) to prepare piece-work statements for lasting and finishing machine workers, "to be based on the average capacity of an average workman"; local boards of arbitration to be established with "full power to settle all questions submitted to them concerning wages,

hours of labor and the conditions of employment of all classes of work people represented thereon within their districts"; "no actual work shall be sent out of a district which has been the subject of an award in that district"; no restriction on machinery or output; strikes and lockouts to be forbidden; financial guarantees to be provided for the due observance of the agreement. Under this arrangement new minimum rates of wages, carrying an advance of 2s. a week, and new piece-work statements were fixed in the main centres of the industry. In fact, the boot and shoe industry is now governed by minimum wage lists guaranteed by a trade agreement. Provision is made for changes in manufacture, an important rule for the basis of piece-work wages is established, and the competition of the low-paid, badly organized country districts is limited. In this way three of the chief weapons for attacking the standard of life have been blunted by assertion of the public right to interfere between employer and employed.

In a skilled trade like engineering, where wages as a rule run high, there is more elasticity in the idea of a living wage and more willingness to accept a reduction when bad times make it inevitable. One of the most constant forms of trade-union activity in such an industry is effort to raise the minimum wage in backward districts to the level of the better-organized centres, in order to prevent the transference of employment and the consequent lowering of the standard of life. A dispute on the Clyde in August, 1895, which after a few weeks ended in the increase of Glasgow rates to the Greenock level, was noteworthy for the introduction of the "sympathetic lock-out" by the employers. After the concession was made the men were locked out in order to compel the Belfast engineers, who had struck for a restoration of wages to the rates existing before the reductions in 1892-93, to return to work. This policy embittered the relations between masters and men and has had a very serious influence on subsequent disputes. Ultimately, the stoppage was concluded at the end of January, 1896, with a partial concession to the Belfast men.

The losses experienced by the men in 1893-94 were made

good in 1895-96 and, the revival of trade continuing, demands for a further rise in wages of 2s. and a reduction in time of one hour per week were generally successful. At the same time the machine question also became acute. According to a managing engineer on the Tyne,<sup>1</sup>

a fitter in 1873 stood, in relation to machine labor, as one to one on common engines. In 1882 he stood, in relation to machine labor, as 1 to 2.31 on compound engines. In 1873, to produce 2260 N. H. P., his firm employed an average of 1022 men, and in 1882, to produce 5868 N. H. P., they employed only 1351 men.

Since 1882 the importance of the skilled workman has still further diminished, the employment of laborers on machines has increased and the fight for a high standard of life has become more imminent. The report of the general secretary to the Amalgamated Society of Engineers for 1897 refers to a three months' strike at Earle's, Hull, concluded in December, 1896,

where our members, after a strike maintained with a pertinacity beyond all praise, have forced recognition of the principle that machines which supersede hand-skilled labor should be manipulated by skilled and full-paid men. We commend this to the attention of other districts, in some of which great laxity has been the rule, and where insidious encroachments have been made to our detriment.

At Barrow and on the Clyde discontent was rife, but the crisis was reached in February, 1897, with a strike at Sunderland against the employment of an unskilled man on a horizontal boring lathe. The employers' federation forwarded to the union a long list of complaints concerning such interference, overtime, *etc.*, and proposed a conference conditional upon the men returning to work; otherwise they threatened a lockout. After negotiations which several times threatened to fail, two conferences were held in April, at which rules were laid down respecting overtime, trial trips, *etc.*, but no arrangement could be made regarding the machine. Mr. Barnes, the secretary of the men's society, said in his report for April, 1897:

<sup>1</sup> Quoted in *The Amalgamated Engineers' Monthly Journal*, May, 1897, p. 53.

The employers' position, briefly put, is somewhat as follows: (1) they provide the machine and, therefore, have a right to choose the man to work it; (2) in so doing they have no desire to encroach on the work of skilled mechanics; (3) the retention of the trade of the country demands that such machines should be tended and developed to their fullest extent by specialists at rates of wages lower than those of the skilled mechanic. To which we reply (1) that we have an interest in the trade and a property in our skill which would be rendered comparatively useless by the specialization as suggested; (2) that it is really a question of wages; (3) that we are not averse to machinery, but, on the contrary, and subject only to the safeguarding of our interests, are willing to assist in its development to the fullest capacity. . . . The whole question from our point of view is really one of wages.

Again, in his report for May, 1897, he said:

Briefly put, our position is that your interests in the trade should be safeguarded by provision being made for the payment of standard rates of wages at machines which displaced hand labor.

At the final conference the men made the following proposals: (1) local joint committees of employers and employed to be established, "with an independent person from the Board of Trade to act, if need be, as referee"; (2) disputes as to machine wages to be referred to the local committee; (3) "this committee, after examination and investigation, shall fix the rate of wages to be paid, which shall be greater or less than that paid to fitters and turners, having regard to the class of machine and the quality of the work"; (4) all changes likely to lead to dispute to be submitted first to the joint committee. This scheme, although it was essentially the same as the arrangement made in the boot and shoe industry, was rejected by the employers' federation, on the ground that the joint committees would supersede the federation and that "your proposals introduce the principle of allowing outside arbitration to take control of the management of our works. This we cannot concede." In this deadlock the question remains, and it has been overshadowed for the time being by the great fight for the eight hours day. At Belfast and some other centres, however, fully paid and skilled men have been placed on the disputed machines.

## V.

Wages and hours of labor bear the most intimate relation to each other. During the period that we have been considering there has been a general movement in favor of shorter hours, notably in the building, railway, mining and engineering industries, but it has been far too extensive and important to be dealt with here. With respect to one matter, however, — overtime, — the connection of hours and wages has a special relation to the present subject. The charge has often been brought — and with a large amount of truth — that the shorter working day has been made the pretext for more overtime; but the tendency now is to surrender the extra earnings, in consideration of the increased civic efficiency arising from the shorter working week and the more equal distribution of employment. In some trades — for example, the compositors' — a large amount of overtime is worked, and at the same time there are a large number of men unemployed, who constitute a severe drain on the resources of the trade societies, and by their competition in the labor market are a standing danger to the established rates of wages. Where this is the case, the men in work indirectly contribute to their own wages: they pay some one not to compete.

The crusade against overtime takes two forms: (1) the establishment of specially high rates, to penalize the practice by making it unprofitable; (2) the establishment of trade rules fixing the maximum amount of overtime. The former method, which is the more common, we find adopted in the building industry and among railway men. Examples of the latter are to be found in the engineering trade and in the code of rules for Clyde joiners, which, as arranged by arbitration in 1894, after a five months' dispute, fixed the maximum week's overtime at 20 hours, to be paid for at the rate of time and a half. Persistent agitation by the engineers of the Tyne for a further reduction of overtime resulted, in April, 1897, in an agreement by which the maximum was fixed at 32 hours per month where a 54 hours week is worked, and 36 hours where the week consists of 53 hours.

## VI.

Not the least important sign of the growth of public opinion in favor of high wages has been the gradual change in the attitude of the government to the labor which it directly or indirectly employs. After six years of constant agitation by the trade unions, the government of the day were forced — largely by the indignation caused by the disclosures of state sweating before the Lords' Committee on Sweating — to accept a resolution brought before the House of Commons by Mr. Sydney Buxton on February 13, 1891, declaring that

it is the duty of the government in all government contracts . . . to make every effort to secure the payment of the rate of wages generally accepted as current for a competent workman in his trade.

The object of this resolution was not that the government should fix a rate of wages, but that they should recognize the prevailing rates. The trade unions immediately insisted that the resolution should be interpreted as referring to "the usual trade-union rates and conditions of labor"; and, as in every well-organized industry these are settled by negotiation between the unions and the employers, they were recognized by the government. Repeated complaints by the trade unions throughout 1893-96 of breaches of this resolution, especially in the Admiralty and printing contracts, led to the appointment of a Select Committee of the House of Commons. In July, 1897, it reported in effect that the departments had enforced the resolution of February, 1891, but that there were many defects of administration and not much confidence in the public authorities. One important result was noted in the words:

It seems probable that it [the resolution] has done something to promote agreements between masters and men, in reference to the rate of wages and conditions of employment.

The same policy of insisting on fair wages in contracts has been very widely adopted by local authorities. Between 1889 and 1894, 150 public bodies followed the example set by the London School Board and County Council, and now almost

every local authority of importance adopts some form of "fair-wages clause."

On March 6, 1893, Mr. Campbell-Bannerman, as spokesman of the government in the House of Commons, said:

I accept in the fullest sense the principle that the terms of government employment should be beyond reproach. . . . We have ceased to believe in what are known as competition or starvation wages.

Shortly after that speech the wages of unskilled laborers in the employ of the War Office and Admiralty — at the arsenals, victualing yards, *etc.* — were raised to minima of 19*s.* and 19*s.* 6*d.* for 48 hours. At that same time the London County Council were paying for a 48 hours week the 24*s.* which the dock strike had created as a "moral minimum," while Mr. Charles Booth had established the "chronic poverty line" for London as being 21*s.* per week. The official apologists for the lower government rates referred to the advantages of state service — steady employment, holidays, sick pay after three years' service and a gratuity on retirement. The under-secretary of state for war in 1896 reckoned these extras as equivalent to 6*d.* per week, and in 1897 raised his estimate to 1*s.*, but confessed that even then the wage was below what was currently paid by private employers. From August, 1897, the pay for unskilled laborers under the War Office was to be 21*s.*, equivalent to 22*s.*

The attitude of the government leads again to a consideration of the relations of wages to other components of the standard of life. As was said at the beginning, high wages cannot compensate for bad conditions of employment; but neither can wages be reduced indefinitely as conditions are improved. At the time the War Office was paying its laborers at Woolwich 19*s.* 6*d.* for 48 hours, the Woolwich Local Board was paying 24*s.* for 53 hours, and the latter was undoubtedly the better wage. In reckoning the grade which the standard of life of a particular class has reached, we cannot take the gross total of the advantages represented by wages, hours and the other

components. A certain minimum must be attained in each, and a surplus in one category cannot be set off against a deficiency in another.

## VII.

We can now summarize the advances made in the last ten years. In the early eighties the working classes were divided into three groups: (1) those whose wages were governed entirely by the law of supply and demand applied to the labor market; (2) those whose wages were determined in some fixed ratio to the price of the product; and (3) an aristocracy of labor whose organization was so powerful and whose strategic position in the labor market, owing to the possession of special skill, was so strong that they were able to command a high rate of wages and to utilize the fluctuations of trade to their advantage. The great depression of 1886-87 coincided with an outburst of enthusiasm for social reform and economic inquiry, and the first great achievement of the new spirit was to determine, almost by popular acclamation, that wages should be independent of competition in the labor market.

The next point to be fought for was the principle that wages should not depend upon prices. As competition among workmen had been set aside, so competition among employers, with its trade-disorganizing results, has since the coal war ceased to be recognized as a reason for reduction of wages. Practically, public opinion now concedes that wages should be a first charge on production.

The question of a living wage does not appeal directly to those workmen whose remuneration is high enough to enable them to dispense with care for the minimum limit of comfort. Their principal aim is to bring the backward districts up to the same wage level as the better-organized centres, and to protect the standard of life from attacks by machinery and from the pressure of the unemployed. The regulation of overtime and of machine labor are their burning questions, and the method of settlement will be found in the establishment of joint committees of employers and employees with independent umpires.

The minimum living wage must in any case be fixed by the workmen; and experience shows that public opinion will back up the workers. The claim constantly put forward by employers, that they have the right to manage their own businesses without outside interference, has been in every case set at naught; and the contrary principle has been established, that the community is entitled to intervene in any dispute between capital and labor. So far Parliament has interfered indirectly on behalf of the nation only — by “Truck Acts” and “Particulars Clauses.” The new Compensation for Accidents Act, however, will raise the value of wages, as would an old-age pension scheme; and it is on the lines of such measures that action by the legislature is to be expected.

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