

# THE LIVING WAGE

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"

WITH A PREFACE

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HODDER AND STOUGHTON

LONDON NEW YORK TORONTO

1912



# CONTENTS

## CHAPTER I.

PAGE

THE MEANING OF THE PHRASE - - - - -	3
-------------------------------------	---

The Expression of an Idea—Attempts at Definition—The Natural Right of Man—The Utilitarian Aspect—The Power of the State.

## CHAPTER II.

THE TREND TOWARDS THE LIVING WAGE - - - - -	11
---	----

An Old Idea—Some Historic Instances—The Industrial Revolution—The Beginnings of Factory Legislation—Trade Unions and the Standard of Living—The State and Fair Wages—Some Recent Legislation—The Complement of Accepted Legislation.

## CHAPTER III.

WAGES IN THE PRINCIPAL TRADES - - - - -	27
---	----

On the Poverty Line—The Various Groups—The Textile Trades—The Building Trades—The Railway Service—The Farm Labourer.

## CHAPTER IV.

THE COST OF LIVING - - - - -	39
------------------------------	----

The Bare Minimum—The Cost in Public Institutions—Rents in London and the Provinces—A Family Budget—Wasteful Expenditure of Wages—The Submerged Two Millions,

## CHAPTER V.

THE COST OF POVERTY - - - - -	49
-------------------------------	----

Pauperism and Low Wages—Child Labour—  
Infantile Death Rate—Disease and Low Wages—  
Private Charity—The Moral Poverty.

## CHAPTER VI.

THE TREND OF WAGES - - - - -	59
------------------------------	----

Wages Since 1850—The Present Trend—The  
Decline of the Decade—The Year 1911—The Results  
of Strikes—The Cost of Living—A Housekeeper's  
Accounts—The Desire for a Higher Standard.

## CHAPTER VII.

THE TREND OF WEALTH - - - - -	69
-------------------------------	----

The Census of Production—Our Foreign Trade—  
Income Tax Returns—Estate Duties—The Increase  
of Luxury.

## CHAPTER VIII.

THE COST AND FUTILITY OF STRIKES - - - - -	79
--	----

The Strikes since 1900—Wages Lost by Strikes—  
Wages Advanced by Strikes—Past Experience For-  
gotten—The Recent Strikes and the Government—  
Where Strikes May Succeed—Workers at a Dis-  
advantage—Trade Union Attitude to Strikes—  
Strikes and War.



# CONTENTS

XV  
PAGE

## CHAPTER IX.

TOWARDS THE BETTER WAY - - - - - 89

Conciliation Boards—Workers under Agreements—The Industrial Council—What Conciliation Has Done—Failures of Conciliation—The Helplessness of the Government—The Movement towards Compulsion.

X

## CHAPTER X.

SOME LESSONS FROM ABROAD - - - - - 103

The New Zealand Case—State Compulsion—What Has been Done—In Australia—The Living Wage Principle—Wages Boards—Wages Advances—Canadian Method—The Principle Approved.

X

## CHAPTER XI.

THE STATE REGULATION OF WAGES IN THE UNITED KINGDOM - - - - - 121

The Trade Boards Act—What Has Been Done—The Trades Affected—The Mines Minimum Wage Act—The Present Situation and the Outlook.

X

## CHAPTER XII.

THE ECONOMICS OF THE LIVING WAGE - - - - - 131

The Next Step—The Use of Trade Boards—The Thirty Shilling Minimum—The Varying Standard Rate—The Need for Caution—The National Aggregate—Individuals and the Nation—What is Possible.

## CHAPTER XIII.

## THE ECONOMY OF HIGH WAGES - - - - 145

The Differences in Efficiency—The Value of a High Standard—Where Higher Wages May Come From—Increased Efficiency—Higher Prices—Lower Profits—Economic Rent—Causes of Increased Prices—Some Practical Steps.

## CHAPTER XIV.

## SOME OBJECTIONS AND DIFFICULTIES - - - - 157

A Living Wage No Panacea—The Cases of Boys and Old Men—The Case of Women—Equal Pay for Equal Work—The Subsidising of Inefficient Labour.

## CHAPTER XV.

## THE MORAL BASIS OF THE LIVING WAGE - - - - 165

Not Full Justice—A Partial Reform Only—The Moral Basis of Economic Reform—An Appeal to Christian Faith—Individual Responsibility—The Meaning of Labour Unrest—The Appeal for Life.

## APPENDICES.

A. THE CONCILIATION ACT, 1896 - - - - 171

B. THE TRADE BOARDS ACT, 1909 - - - - 174

C. THE COAL MINES (MINIMUM WAGE) ACT, 1912 - 185

THE MEANING OF THE PHRASE

## CHAPTER I.

### THE MEANING OF THE PHRASE

There is a great appealing force in a telling phrase. It may be impossible to give a precise or satisfactory definition of a Living Wage. But it expresses an idea, a belief, a conviction, a demand. A thousand questions may be asked of those who advocate the Living Wage which it may be difficult to answer, but the faith of its advocates in its justice and possibility is not shaken by these objections. The idea of a Living Wage seems to come from the fount of justice, which no man has ever seen, which no man has ever explained, but which we all know is an instinct divinely implanted in the human heart. A Living Wage is something far greater than the figures of a wages schedule. It is at the same time a condemnation of unmerited and unnecessary poverty and a demand for some measure of justice.

The Miners' Strike of 1912, like the Miners' Strike of 1893, greatly stimulated the demand for a Living Wage. The Labour Unrest is due to a conviction that the worker has not a wage which is his fair share of the common product; which is not enough to enable him to live up to the standard of life he desires—a standard generally of an extremely modest character. The Living Wage is not to be expressed in concrete terms. It is not the Thirty Shillings a week which was demanded in the resolution which was moved in the House of Commons on the 29th of May, 1911,

by Mr. Will Crooks on behalf of the Labour Party and the Trades Union Congress. That was an attempt to express the ideal in the concrete, but like all such attempts it fell far short of success. The terms of that resolution were as follows:—

That the right of every family of the country to an income sufficient to enable it to maintain its members in decency and comfort should be recognised; and this House is therefore of opinion that a general minimum wage of 30s. per week for every adult worker should be established by law, and also declares that the Government should set an example by adopting this standard in its own workshops.

No attempt to express in money terms what a Living Wage is would be more successful than this. But a hundred criticisms suggest themselves at once when the resolution is read. Is 30s. a week enough to secure the maintenance of every family in decency and comfort? If so, there are large numbers of the working classes who are considerably above the minimum of decency and comfort. If 30s. a week is needed to secure decency and comfort in a country village, is the same minimum to be considered enough to provide such a standard of living in an expensive city? And what about the difference in the size of families? What about adults who have no dependents? What about the debatable question of the wages of women and men for similar work? These are difficulties inseparable from the task of translating a principle into practice. But neither by a Living Wage nor by any other reform are we going to mete out to all indi-



viduals a share of wealth exactly in proportion to the value of each individual's contribution in service, or exactly in proportion to the needs of each individual. A rough measure of justice is the best we can hope to secure for each, and it is more important to see that no man goes with an insufficiency than to be over-anxious that no man gets more than he may need.

The Living Wage has been variously defined. In the resolution quoted above it is expressed as "the right of every family in the country to an income sufficient to enable it to maintain its members in decency and comfort." This resolution is not satisfied with the general statement. It expresses the Living Wage in money terms of 30s. a week. This general definition of a Living Wage is somewhat similar to that given by the late Pope Leo XIII., who, by a Living Wage, meant sufficient to support a frugal and steady workman. "For," said the Pope, "if the workman, compelled by his needs, or influenced by fear of worse evils, agrees to harder terms, which he must unwillingly accept, because the master so insists, he becomes the victim of force that justice condemns." Definitions of the Living Wage have been framed with the object of meeting certain objections. All this is futile work, for no definition can meet one criticism without laying itself open to new ones. The Living Wage has been variously defined as enough to keep the workman in civilised comfort, in Christian decency, in physical efficiency, in material comfort and social amenity, in the highest grade of his own class.

All these are attempts to get over difficulties which need not concern us at all. The Living Wage is a principle which will take a thousand different forms in the concrete. There is sufficient agreement on what is meant by the phrase to enable the principle it embodies to be applied to varying circumstances, needs and localities. The amount of the Living Wage in money terms will vary as between trade and trade, between locality and locality. But the idea is that every workman shall have a wage which will maintain him in the highest state of industrial efficiency, which will enable him to provide his family with all the material things which are needed for their health and physical well-being, enough to enable him to qualify to discharge his duties as a citizen.

The advocates of a Living Wage have their case on the natural right of a human being to live in this world; and living necessitates the command of the things which keep a human being alive. The individual has the right to apply his labour to natural resources to satisfy his needs, and as under existing society the vast majority of men can only live by wages paid by an employer, it follows that the engagement of a workman implies an obligation on the part of the employer to pay the man a wage which will enable him to live as a human being and to satisfy his natural needs and rights. If the employer pays the man a wage which does not enable him to recoup his wasted energies it is manifest that the man is being deprived of the satisfaction of his personal rights. This view of the right of the worker to be paid a living wage

was accepted by the Christian Church through long ages, and it has never been abandoned by theologians and moralists. The Parable of the Labourers is the Christian precedent for the claim of the human being to a Living Wage.

The advocates of the Living Wage urge the claim on utilitarian grounds also. In a society so complex and interdependent as ours there is a social loss in individual inefficiency. There is, as we shall endeavour to prove in later chapters, an incalculable loss of national wealth by the underpayment of large bodies of workers, who in consequence of low wages are underfed, insufficiently clothed, badly housed, poorly educated, industrially inefficient and politically incompetent. The Living Wage is advocated not only as the natural right of the individual but as sound policy for the State. It has been discovered by many employers that, just as it is best for society that all its members should be healthy and intelligent, so it pays the individual employer in general to treat his work-people well. But, on the other hand, in these days of competitive industry the employer is often the victim of circumstances over which he has little control, and it is useless to preach to him to apply moral precepts in the conduct of his business. The conditions in the unorganised and unskilled industries are made by the least scrupulous employer, who finds it more profitable to draw upon (at the expense of the community) the unlimited supply of half-starved and helpless labour, which he quickly uses up. The well-intentioned employer is driven by such competition to adopt the same methods or



to leave the business. The State only can make and enforce common conditions in regard to wages, just as it has done already in regard to many other conditions of industrial life.

THE TREND TOWARDS THE  
LIVING WAGE

## CHAPTER II.

### THE TREND TOWARDS THE LIVING WAGE

The idea embodied in the phrase "Living Wage" is not a birth of this generation. Through the whole of the Old and New Testaments we find recurring references to the struggles of the poor to secure a fuller measure of the fruits of their toil, and frequent divine injunctions to let the labourers be the first partakers of the harvest.

The purpose of all the craft guilds, the legislation, the town administration of the Middle Ages, was to secure to each class of the community a comfortable standard of life fitted to their station. Historians and economists express different opinions as to the motive of the Elizabethan Statutes. Adam Smith writes of this legislation as part of a general system of oppression of the poor by the rich; but later writers are more inclined to take the view that it was, both in motive and in administration, an attempt to keep up a customary standard of living, and to ensure the workers a guaranteed rate of wages, a protection for their craft, and a safeguard against oppressive prices. "Combinations of labourers," says Arnold Toynbee, "were forbidden by law, because it was thought to be the wrong way of obtaining the object in view, not from any desire to keep down wages. The Justices often ordained a rise in wages, and the workmen themselves were strongly in favour of this method of fixing them."

The industrial revolution destroyed the old order,

and introduced a system under which unregulated competition ruled the markets, and fixed wages and labour conditions also. This competition forced down wages, degraded the standard of living, and reduced the labouring classes to a condition without parallel in the industrial history of this country. The Elizabethan Statutes, under which wages were fixed with some regard to a living standard, and which limited the number of apprentices for the protection of the craft, were found to be inconsistent with the new industrial conditions; and the employers found in the Parliament of that day a sympathetic audience, which listened to their appeals for perfect freedom of contract. About the beginning of the 19th century the powers of the Justices to fix wages were taken away, and a few years later the law for the limitation of apprentices was repealed. But during all these happenings, the working classes struggled valiantly, but unsuccessfully, against the degradation of their standard of life. The great political agitations of these times were prompted by the economic conditions of the wage-workers, and by a belief that the possession of political power would aid them to improve their industrial and economic position. Adam Smith, writing of these times, speaks of the restless aspirations of the workers for higher wages, better food, clothing, and houses. Though the phrase "Living Wage" had not then been coined, the political and industrial unrest of the latter part of the 18th century, and the early part of the 19th, was, just as much as the unrest of the present day, an aspiration for a wage which would give living conditions.

“Unfettered Competition,” says Lord Morley, “is not a principle to which the regulation of industry may be safely entrusted.” The appalling results which came from a generation of unrestricted industrial competition arrested the attention of even the landlord and capitalist classes, and it became manifest to them that some restriction of unfettered competition was necessary to preserve the existence of a labouring class. In 1802 there was enacted the first of the long list of industrial and social measures, which in principle are the same as the demand for the Living Wage. A wage is only one way of providing the means to satisfy the workers’ needs and aspirations. Included in the desired standard of life is much more than the supply of adequate food, clothing, and housing. Health, leisure, education, provision against sickness and accident, freedom from anxiety about employment and the future, are equally constituents of the standard of living. The satisfaction of the demand for a Living Wage can be met in other ways than by an increase of the rate of wages, or of the actual amount of the money wages paid to the workman to spend as he thinks in satisfying his desires. Factory and mines legislation, laws enforcing sanitary conditions in workshops, workmen’s compensation for accidents, free education, public health administration, national health insurance, old age pensions, and the like, are just as much, and indeed in their results much more so, additions to the Living Standard as an increase in the actual money wages of the workers.

The general acceptance of this kind of legislation, as being both desirable and beneficial, is an



admission of the principle of the Living Wage. It admits the right of the workers to enjoy reasonable conditions; it admits that it is the duty of the State to enforce them; and it admits, also, that the State must move progressively on these lines, raising the standard of working class life from point to point. All past legislation for the raising of the Living Standard of the workers has been opposed on precisely the same grounds, and with precisely the same arguments, as the present opposition to a Living Wage. Every legislative reduction of the hours of labour has been opposed on the ground that it would ruin the industry affected; one cotton manufacturer, when opposing a proposal to make the fencing of machinery compulsory, told the House of Commons that if the Bill were passed he should advise his partners to retire from business which could not any longer be carried on profitably under such restrictions; the Workmen's Compensation Act was to have proved an intolerable burden. But none of the prophesied consequences have followed any such legislation. The Ten Hours Bill, passed sixty years ago, was declared by every manufacturer, and by all the economists of the day, to be a proposal which would destroy the greatest of our commercial enterprises. But instead of that result following, the textile trade entered upon a new period of prosperity, which has continued ever since.

The trend of all industrial and social legislation, for more than a century, has been in the direction of the establishment of a Living Standard. Various motives have entered into the support of such legislation. The moral appeal, the industrial and social

economy of healthy conditions and of a better educated working class, the political and trade union pressure of labour, have all contributed. But it would be wrong to assume that such legislation has been enacted as part of a clear and definite policy. We have been groping our way, moving painfully and slowly from point to point. Industrial and social legislation has not taken the problem of the Living Standard in hand in a scientific way, and done first things first. On the contrary, the things which needed most to be done have generally been neglected, because they were the most difficult to carry out; and the reforms which presented the least difficulty, or which were likely to encounter the least opposition, have been undertaken. (The most essential thing to do, in making provision for a Living Standard, is obviously either to provide the workers with the necessities of physical existence by some system of collective distribution, or to ensure them a wage which will enable them to get these physical essentials for themselves.) Food is more essential to a child than education; but the State forty years ago made it compulsory that every child should have a certain standard of education; but it did not take any steps to see that it was provided with a living standard of food. The provision which the State has made in so many ways for ensuring a certain standard of living—a standard of leisure, of safety at work, of education, of sanitation—is to a great extent wasted and useless, because in the absence of an assured Living Wage <sup>or</sup> workers cannot take full advantage of these <sup>other</sup> provisions. More leisure to a man who is

too poor to buy a book or a newspaper, or to take a tram ride into the country, or to a man whose home is so small and uncomfortable, owing to low wages, that he is driven to aggravate his poverty by spending his leisure in a public house, is of little advantage, and may possibly be harmful.

Until recent years the State has done practically nothing to secure a Living Standard by the enforcement of a Minimum or Living Wage. Both the State and the Trade Unions have looked to other means than direct legislation to obtain the Living Wage. While Trade Unions have more or less always looked to the State to secure, or at least to help the securing of the Living Standard in the matter of sanitation, working conditions, hours, and education, it has been left to voluntary effort, through Trade Unions, to obtain the Standard Wage, which may be roughly regarded as the Trade Union idea of what constituted the Living Wage for the time being. The compulsory maintenance of the workmen's Standard of Life has always been the fundamental principle of Trade Unionism. The Trade Unions have looked with suspicion upon proposals to hand over to the State the fixing of wages, though inconsistently they have demanded that the other conditions which make up the Standard of Life should be fixed and regulated by law. The Trade Union opposition to the State regulation of wages was shown in the reluctance with which the Miners' leaders accepted the Minimum Wage Bill for their trade, which was passed by Parliament in April, 1912. And yet the whole idea of the Minimum Wage, for which the great



strike was entered upon, was that there should be an established standard of life, and that there should be a guaranteed wage sufficient to maintain the minimum standard.

Though looking to the power of the Unions to achieve the object, and repudiating both State arbitration and the fixing of wages by law, the Trade Unions have always had the establishment of a Living Wage as the main purpose of their efforts. It is true that at times curious conflicts of opinion have arisen as to the system best calculated to attain that result. The Trade Unions have themselves done much by mistaken policy to encourage the idea that prices should rule wages. In the early days of the Northumberland Miners' Union that principle was accepted by the men's leaders, and an agreement was made with the employers that there should be no minimum wage, the men believing that a better average of wages would be obtained by a sliding scale, regulated by selling prices, than by insisting upon the compulsory minimum. But the idea of the Living Wage was tenaciously held, and eloquently advocated, in these days by the more thoughtful advisers of the men.\* Professor Beesly advised the colliers to "aim at establishing a minimum price for their labour, and compelling their employers to take that into account as the one constant and stable element in all their speculations. All workmen should keep their eyes fixed on this ultimate ideal."

But though there were differences among Trade Unions on this question of the fixed minimum, most

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\* Webb's History of Trade Unionism, page 324 *et seq.*

of the Unions held by the principle, and strongly resisted the contention that wages should be determined by the selling prices fixed by commercial competition. The great Miners' Strike of 1893, which lasted sixteen weeks, was fought to maintain the principle of a Living Wage. It was then that the phrase first became popular, and a reference to the journals and reviews of that time will show how much the question of the Living Wage was then discussed. A long series of labour troubles, very similar to those which have taken place in 1911 and 1912, occurred between 1888 and 1893, and these disputes had called public attention to the condition of labour, particularly to the condition of the unskilled classes. The outcome was that a definite policy in regard to the employment of labour was gradually developed by the Government and the local public authorities. The first public body to adopt the policy of insisting that not less than the recognised standard rate of wages should be paid by all contractors doing work for the public body was the London School Board, which in 1889 adopted what is now generally known as the Fair Wages Resolution. The London County Council immediately followed this example, and within five years over 150 local authorities in the United Kingdom had adopted the policy. In February, 1891, and in March, 1893, the House of Commons, with the approval of the Government of the day, passed resolutions in favour of the adoption by the State of the principle of the Living Wage in regard to the workmen in its own employment. The resolution, which was passed in March, 1893, accepts the principle of the Living

Wage so definitely that it is worth quoting in full:—

That in the opinion of this House, no person should, in Her Majesty's Naval Establishments, be engaged at wages insufficient to maintain a proper maintenance, and that the conditions of labour as regards hours, wages, insurance against accidents, provision for old age, &c., should be such as to afford an example to employers throughout the country.

That resolution was adopted as applicable to all public departments, and was carried without dissension. From time to time the resolution has been amended and strengthened, and at present, under the terms of a Fair Wages Clause passed unanimously by the House of Commons on March 10th, 1909, every contractor for Government work must, under the penalty of a fine or otherwise, pay rates of wages, and observe hours of labour, not less favourable than those commonly recognised by employers and trade societies in the district where the work is carried out. There has been a good deal of complaint about the way in which the "Model Employer" resolution of the House of Commons has been carried out by successive Governments, and about the way in which the Fair Wages Clause has been enforced, but the fact remains that the State has repudiated by declaration the old doctrine of buying its labour in the cheapest market, and has accepted the principle that the Living Wage should be the public policy in regard to the remuneration of Labour. The conditions of employment in many of the State departments leave a great deal to be

desired, but we are concerned in this chapter not so much with the record of the actual establishment of a full Living Wage, as in indicating the movement towards that state of things. In regard to the conditions of public employment, both under the State and local bodies, there is a general agreement that "the wages should be sufficient to maintain a proper maintenance and to afford an example to private employers." Many municipalities have adopted a minimum wage rate for their unskilled workmen, a number of the London Borough Councils having fixed 30s. a week as the minimum wage. It may be interesting to mention that under the Australian Commonwealth there is a Minimum Wage for public employees of £110 a year, below which no person over 21 years of age must be employed, and women are paid the same wages as men for the same class of work.

In other ways than those already mentioned the State is taking steps to protect and to raise the Standard of Life by a minimum rate of wages. Its efforts at Industrial Conciliation have been prompted more by a desire to preserve industrial peace than by a wish to ensure the Living Wage. But it is being recognised that there can be no permanent industrial peace unless the workers have their reasonable grievances removed. Hence, there came to pass that epoch-making event, the enactment of the Coal Mines Minimum Wage Act. The Prime Minister's words in which he announced the conversion of the Government to the principle of the Living Wage for Miners will be historic, and must be repeated. He said in submitting to the



representatives of the coalowners and the miners the proposals for a settlement of the dispute, "His Majesty's Government are satisfied, after careful consideration, that there are cases in which underground employees cannot earn a reasonable minimum wage, from causes over which they have no control; and they are further satisfied that the power to earn such a wage should be secured by arrangements suitable to the special circumstances of each district; adequate safeguards to be provided to protect the employers against abuse." At the time these words were spoken it was the earnest desire of the Government to avoid legislation, and to attain the declared object by a voluntary agreement between the employers and the men. But when that method failed the Government were compelled to resort to legislation, though in the speech in which Mr. Asquith introduced the Mines Minimum Wage Bill he expressed the feelings of "great and unaffected reluctance" with which the Government proposed such a measure. "I wish to make it clear," he said, "for myself and my colleagues, that we resorted to legislation only when all hope of a settlement by agreement had disappeared."

Though the Mines Minimum Wage Bill is a measure embodying the idea of the Living Wage in a moderate degree, it would not be fair to claim that it was a free and deliberate action by Parliament arising from a conviction that the State ought, and could best, secure the Living Wage for the miners. But, notwithstanding, this Act is instructive in many important respects. It accepts the contention that certain workmen should be secured

the power by law to earn a reasonable minimum wage. It was passed because the methods of voluntary bargaining had failed to secure the men that power. It is a precedent that, other methods failing, the State must ensure the workmen the power to earn the reasonable minimum wage. It is useless to plead, when taking such a course, that it must not be regarded as a precedent. At the very least it must be a precedent for similar action in like circumstances. No attempt to have the Minimum Wage Act regarded as a special and isolated instance of State interference and compulsion can succeed. However unwillingly the measure was passed by Parliament, the fact remains that it was a development, which was sure to come sooner or later, of the century-old policy of establishing the Living Minimum.

But recent legislation provides an instance of the State regulation of wages in outside employment which was not panic legislation, nor passed reluctantly by Parliament. The Trade Boards' Act, of 1909, was carried through all its stages in the House of Commons with the support of all parties. More will be written about this measure in a later chapter, but reference is made to it here because it may be said to mark a new stage in our modern industrial legislation. For the first time since the Industrial Revolution, by this Trade Boards' Act, legislation interfered with the freedom of the employer and the workman to fix the rate of wages. It carried a good step further the policy of establishing the Living Minimum, and registered in law the conviction of Parliament that

the individual worker must be protected, not only in regard to the conditions of his employment, but against a competition which might compel the defenceless worker to accept a wage which would not provide the necessities and decencies of life. It is argued, of course, that the 'Trade Boards' Act applies only to certain industries, where the conditions are exceptionally and notoriously bad and degrading; but that as an argument against regarding this measure as a precedent for extending the system to other trades is altogether futile. Whether the conditions and wages in any particular trade are so bad as to class that trade as a "sweated industry" is simply a matter of degree, and of the average standard of industrial conditions at any particular period. The principle of State interference with wages being admitted on the ground that it is desirable in the interests of the community that the workers should be secured a Living Standard, and as that Living Standard must be progressive, the interference of the State to secure an adequate wage must be progressive also.

So long as the workman is left to provide most of the necessities of life by individual expenditure, the question of wages will be of paramount importance to him. The nation is beginning to realise that. Regulative legislation, necessary though it is, and beneficial though it is within its limits, cannot materially raise the Standard of Life of the workers if unregulated competition in the matter of wages prevents them from having wages sufficient to provide them with food, clothing, housing, and other necessities essential for the main-

tenance of physical health, industrial efficiency, and reasonable comfort. The Living Wage is the inevitable outcome, and the natural complement, of the industrial and social legislation of the last hundred years.



WAGES IN THE PRINCIPAL  
TRADES

## CHAPTER III

### WAGES IN THE PRINCIPAL TRADES

When the late Sir Robert Giffen was before the Royal Commission on Labour in 1892 he said that at that time 25 per cent. of the whole male adult workers in the United Kingdom were in receipt of wages of less than 20s. a week, and that this might be taken as a low subsistence level. Mr. Charles Booth and Mr. Rowntree have conducted elaborate investigations into the condition of the wage-earning classes in London and York, and the result of their enquiries shows that over thirty per cent. of the population of these cities are on or below the poverty line of incomes not exceeding a guinea a week per family. Mr. Rowntree found that the average wage for a labourer in York is from 18s. to 21s. a week, whereas the minimum expenditure necessary, at the time the enquiry was made, to maintain, in a state of physical efficiency, a family of two adults and three children was 21s. 8d. "The wages paid for unskilled labour in York," he says, "are insufficient to provide food, shelter, and clothing adequate to maintain a family of moderate size in a state of bare physical efficiency, no allowance being made for any expenditure other than that absolutely required for the maintenance of merely physical efficiency."

Speaking at Perth, on the 5th of June, 1903, the late Sir Henry Campbell Bannerman said:—

In this country we know—thanks to the painstaking investigations of Mr. Rowntree and Mr. Chas. Booth, both in different fields and by different methods, but arriving at the same results, which have never been questioned—we know that there is about 30 per cent. of our population underfed, on the verge of hunger, doubtful day by day of the sufficiency of their food. Thirty per cent! What is the population of the United Kingdom? Forty-one millions. Thirty per cent. of 41 millions comes to something over 12 millions.

These statements deal with the conditions of the wage-earning classes twenty years ago and ten years ago, but they are substantially applicable to the state of things to-day. Professor Bowley is an extremely conservative statistician, and his figures may be taken as understating, rather than otherwise the actual facts of a case. In a lecture delivered in May, 1911, Professor Bowley estimated that about 8,000,000 men are employed in regular occupations in the United Kingdom, and that their weekly money wages in ordinary full work, including valuation for payment in kind, were as follows:—

Wage.		Number of Men.		Percentage of Total Number.
Under 15s.	...	320,000	...	4
15s. to 20s.	...	640,000	...	8
20s. to 25s.	...	1,600,000	...	20
25s. to 30s.	...	1,680,000	...	21
30s. to 35s.	...	1,680,000	...	21
35s. to 40s.	...	1,040,000	...	13
40s. to 45s.	...	560,000	...	7
Over 45s.	...	480,000	...	6
		<hr/>		
		8,000,000		

The above figures refer to adult men only, and they give thirty-two per cent. of the whole number as earning less than 25s. a week. It must be remembered also that the figures are based on the full time rates and take no account of short time and unemployment. Very considerable deductions would have to be made from these figures to ascertain the actual earnings of the men. With, perhaps, the exception of the agricultural labourers, the men whose wages are given as falling below 25s. a week, are the men who are most affected by unemployment, casual labour, and other things which interfere seriously with earning power.

We have had in recent years elaborate reports issued by the Board of Trade dealing with enquiries into the earnings of workpeople in some of the principal industries of the United Kingdom, and the figures given in these reports certainly seem to show that Professor Bowley has under-estimated the number of adult men in receipt of wages below 25s. a week.

The Cotton industry is one of the best paid of our great trades. The operatives are well organised, and there is a general standard of living among this class of workpeople which shows them to be quite above the average of the working classes throughout the country. Yet according to the Board of Trade Report on the earnings in the Cotton trade in September 1906—

40·4 per cent. of the adult men earned less than 25s. a week.

59·7 per cent. earned less than 30s. a week.

23·9 per cent. of the adult women earned less than 15s. a week.

59·3 per cent. earned less than 20s. per week.

In the Woollen and Worsted Industry the wages of adult men working full time came out as follows:—

15·2 per cent. earned less than 20s. a week.

67·4 per cent. earned less than 30s. a week.

In the same trade the wages of women working full time were as follows:—

10·7 per cent. earned less than 10s. per week.

55·6 per cent. earned between 10s. and 15s. per week.

24·7 per cent. earned between 15s. and 20s. per week.

91·0 per cent. earned less than a pound a week.

Woolcombing is a branch of the Woollen industry which employs large numbers of men. It is arduous work carried on under very unhealthy and enervating conditions. The average earnings of the adult men employed in this occupation are officially given as 17s. 6d. a week, when working full time, which is by no means the luck of every woolcomber. This state of things is in an industry which is one of the most profitable and prosperous in the country, and in a town where the rent of a three-roomed cottage is given by the Board of Trade as being from 4s. to 5s. a week.

In the Linen industry the wages returned are as follows for full time employment:—

44·4 per cent. of the adult men earn less than 20s. per week.



36·7 per cent. of the adult men earn between 20s. and 30s.

41·7 per cent. of the women earn less than 10s. per week.

49·1 per cent. of the women earn between 10s. and 15s. per week.

90·8 per cent. of the women earn less than 15s. per week.

In the Jute industry, which is located principally in Scotland, and which employs over 40,000 persons, the wages for full time employment were as follows when the investigation was made:—

49·1 of the adult men earned less than 20s. per week.

36·0 of the adult men earned between 20s. and 30s. per week.

6·2 per cent. of the adult women earned below 10s. per week.

66·4 per cent. earned between 10s. and 15s. per week.

The Silk industry is one which requires a considerable amount of skill and care on the part of the operatives. In this trade, which employs over 30,000 workpeople mainly in Lancashire and Yorkshire, parts of the country where the working class standard of life is supposed to be relatively high, the full time earnings of the operatives are given as follows:—

19·4 per cent. of the adult men earned less than 20s. a week.

54·0 per cent. earned between 20s. and 30s. a week.

73·4 per cent. earned less than 30s. a week.

38·9 per cent. of the adult women earned under 10s. a week.

47·8 per cent. of the adult women earned between 10s. and 15s. a week.

86·7 per cent. of the adult women earned less than 15s. a week.

A Summary of the *actual* earnings of the operatives in all the Textile trades of the United Kingdom shows that for the last week of September, 1906, the figures were as follows:—

*Adult Men.*

Under 12s. per week	... 2·1 per cent.
Between 12s. and 15s.	... 3·0 per cent.
,, 15s. and 20s.	... 15·8 per cent.
,, 20s. and 25s.	... 27·4 per cent.
Under 25s. per week	... 48·3 per cent.

*Adult Women.*

Under 8s. per week	... 17·7 per cent.
Between 8s. and 15s.	... 38·0 per cent.

The extreme moderation of Professor Bowley's estimate as to the number of adult men earning less than 25s. a week will be appreciated from the fact that in the textile trades, largely organised and relatively well paid, just under 50 per cent. of the adult men earn less than 25s. a week.

The Clothing trade employs about a quarter of a million persons. The great bulk of the operatives earn low wages, but the wages of men are as a rule a little higher than in the textile manufacturing industries, owing to the fact that much of the work

they do is of a highly skilled character. The actual earnings in this industry at the time of the wages census were as follows:—

*Adult Men.*

7·2 per cent. earn less than 20s. a week.

27·2 per cent. earn between 20s. and 30s. a week.

*Adult Women.*

25·9 per cent. earn under 10s. per week.

43·7 per cent. earn between 10s. and 15s. a week.

In some branches of the Building trade the wages rule relatively very high. But notwithstanding that fact, the average earnings of all the men in the trade, skilled and unskilled, do not work out at more than 27s. 1d. per week. No less than 23·4 per cent. of the adult men in the trade earn less than 25s. a week in summer, and for both skilled and unskilled the actual earnings over a year do not average more than 80 per cent. of the full-time summer earnings. The following table gives the actual earnings of certain classes in an ordinary week in summer.

*Bricklayers' Labourers.*

8·6 per cent. earned less than 15s. per week.

13·4 per cent. earned between 15s. and 20s. per week.

33·9 per cent. earned between 20s. and 25s. per week.

55·9 per cent. earned under 25s. per week.

*Masons' Labourers.*

8·7 per cent. earned less than 15s. per week.

12·9 per cent. earned between 15s. and 20s. per week.

46·0 per cent. earned between 20s. and 25s. per week.

67·6 per cent. earned under 25s. per week.



*Plumbers' Labourers.*

54·4 per cent. earned under 25s. per week.

*Painters' Labourers.*

33·7 per cent. earned under 25s. per week.

*Builders' Labourers.*

51·7 per cent. earned less than 25s. a week.

The Railway Strike in 1911 called public attention to the low wages paid to large bodies of railway servants. Since then the Board of Trade has published a Report which gives very full and detailed information about the earnings of the railway men. The following figures will show that the oft-repeated statement that something like 100,000 men on the British railways receive less than a pound a week is substantially true.

*Adult Workmen Only.—Weekly Rates of Wages.*

<i>Number of Men.</i>		<i>Percentage of Whole.</i>	
Under	15s.	6,440	... 1·7
15s. and under	20s.	88,430	... 24·2
20s.	„ 25s.	135,553	... 37·1

63·0 per cent. of the adult men are under 25s. a week.

There are 35,536 persons classed as “boys and lads,” 81·6 per cent. of whom are paid under 15s. a week.

## THE AGRICULTURAL LABOURER.

In 1907 the Board of Trade compiled a return of the earnings of the Agricultural Labourers in the United Kingdom. From this it appears that the average cash wage for England was 15s. 2d. per week, and with allowances 18s. 4d. It will be

assumed that these figures do not err on the side of under-estimation when it is mentioned that they were compiled from returns supplied by the employers. The cash wages vary from 12s. 9d. a week in Dorsetshire to 18s. 10d. in Middlesex.

The facts cited in this chapter show that on the average something like one-half of the adult men, most of whom have a family dependent upon their earnings, do not earn 25s. a week, and that of this half, a very considerable proportion receive very much less than a pound a week. When we have considered the question of the cost of living it will be seen how wholly inadequate these wages are, and how inevitable it is that the consequences of this insufficiency should show themselves in the physical and social condition of the wage-earning classes.

THE COST OF LIVING

## CHAPTER IV

### THE COST OF LIVING

We have seen in the preceding chapter that there are some millions of adult men in the country whose total income when in full employment is from 13s. to 25s. a week. It is now our duty to show how inadequate such an income is to provide an average family with the necessaries of life. In an article in the *Contemporary Review* for October, 1911, Mr. Seeböhm Rowntree brings up to date his estimate of the income needed to provide a family of five persons with the nutriment necessary for physical efficiency. He calculates that it will cost such a family 13s. 9d. in food, and that is on the assumption that butchers' meat is never used and bacon indulged in only three times a week. On this dietary the family can only obtain the needed nutriment if the food is cooked and used in a scientific manner. He adds to the cost of food a sum of 5s. a week for rent, which brings the expenditure up to 18s. 9d. per week. By adding 2s. 3d. for clothing for the five persons we reach a guinea. These three necessary items absorb a sum which is more than the wages received by 44 per cent. of the men employed in the linen trade, 15 per cent. of the men employed in the woollen trade, 49.1 of the men working in the jute industry, 21 per cent. of all the men employed in the textile

trades, and over 20 per cent. of the outdoor labourers in the building trades.

But there are many other necessary items of expenditure beyond food, rent, and clothing. There are coal, light, washing, necessary articles of furniture. Out of a wage of a guinea a week there is nothing for coal, light, washing, and furniture, if the absolutely essential amount of food is obtained. Out of this wage there is nothing to spare for sickness, clubs, trade unions, papers, books, trams, beer, tobacco, or amusements. But the family with an income of a pound a week, or so, do spend money on these last mentioned items. The result is that sufficient food, cleaning, and house accommodation is not obtained, and the health and efficiency of the individuals suffer.

The estimate of 2s. 9d. a week for food for one person is not extravagant. It is under 5d. per day. When reduced to this form the sum appears grotesque. But let it be constantly kept in mind that there are millions of families in the United Kingdom, many living in large towns where the cost of living is high, who cannot spend that sum on food. This sum of 2s. 9d. for food is just half the cost of a soldier's rations, when the food is bought at contract prices. In the Poor Law Schools the cost per child for food varies from 1s. 11d. to 2s. 4d. It is impossible, therefore, for at least two million families in this country to obtain a dietary equal to the Workhouse standard.

The growth in the size of our towns is continuously adding to the cost of living in many ways. It concentrates the population, causing an increase



of rents, and compelling the workman to be content with insufficient accommodation, or to get farther away from his work which in its turn necessitates expenditure on travelling. The increase in rents and rates compels the tradesmen in their turn to increase the price of commodities, which falls most heavily upon those who are able to buy only in small quantities. Urban rents constitute an ever increasing percentage of the expenditure of the working classes. The smaller a workman's wage and the larger is the proportion which must go in rent. There is a minimum of housing accommodation below which the workman cannot go. The wages of workmen in London are in some cases higher than those of the same trade in provincial towns, but there is a large percentage of unskilled labour in London and in the large provincial towns, which, unlike some of the well organised skilled trades, has been quite unable to raise its remuneration to a figure corresponding with the higher cost of living. This shows itself markedly in the matter of rent. An investigation undertaken by the Board of Trade in 1907 brought out the fact that working class rents in London are about 45 per cent. higher than the average of the industrial provincial towns. The cost of living in other respects is not so widely different between London and the provincial towns, but in all cases rent forms a considerable part of the necessary expenditure of a working class family. The rent of a three-roomed house in London varies from 6s. to 11s. a week, of a four-roomed house from 7s. 6d. to 12s., and the rents are as high in the poor and ill-paid districts like Poplar, Stepney,

Shoreditch, and Bethnal Green as in the districts inhabited by the rather better-paid artisans such as Enfield, Tottenham, Willesden, and Chiswick. Facts were given in the preceding chapter about the wages in the textile districts of Lancashire and Yorkshire. The rents paid in these parts by workmen earning wages equal to those earned by vast bodies of London workers, though considerably less, still constitute an intolerable burden on such small means. Taking a few typical towns in these districts we find that in Bradford the rents of two-roomed back-to-back houses are from 3s. to 4s. a week, of three-roomed houses from 4s. to 5s., and four-roomed houses from 4s. to 6s. 6d. The rents in Burnley run from 3s. 6d. for three rooms to 6s. 3d. for five rooms.

A deduction of six or seven shillings a week for rent from a wage of a pound a week leaves a sum out of which it is an absolute impossibility to obtain the bare necessities of a physical existence, while anything in the nature of comfort or luxury must not be dreamt about. The marvel is that the working classes who have to exist on such wages manage to keep alive at all. No voice or pen has ever described the struggles and pathos of the lives of the thrifty, respectable and hardworking poor. We have had the cold facts and figures put before us, but they can never convey an adequate idea of the effort made and the privation secretly and silently suffered. Let the fairly well-to-do person ponder over one of the actual budgets of a working man's wife who has to try to keep the home going on a pound a week or less, and then contrast the absence

of any expenditure on the hundred of little things which to him are ordinary necessities. Mrs. Pember Reeves has recently published a pamphlet\* in which she gives some actual budgets which have been collected during a three years' investigation into the living conditions of the poor in certain districts of London. One typical case will suffice. The husband of this woman is a railway carriage washer who earns 18s. one week and 21s. the other, by working seven days. This is how the 21s. is spent. There are three children. The two budgets were taken on March 22nd and March 29th, 1911:—

				Left for food 8s. 1d.			
		s.	d.			s.	d.
Rent ... ..	7	0		11 loaves ... ..	2	7	
Clothing club (for two weeks) ... ..	1	2		1 quartern flour ... ..	0	5½	
Insurance (for two weeks) ... ..	1	6		Meat ... ..	1	10	
Coal and wood ... ..	1	7		Potatoes and greens ... ..	0	9	
Coke ... ..	0	3		½ lb. butter ... ..	0	6½	
Gas ... ..	0	10		1 lb. jam ... ..	0	3	
Soap, soda ... ..	0	5		6 oz. tea ... ..	0	6	
Matches ... ..	0	1		2 lb. sugar ... ..	0	4	
Blacklead, blacking ... ..	0	1		1 tin milk ... ..	0	4	
				Cocoa ... ..	0	4	
				Suet ... ..	0	2	
	12	11				8	1

Average per head for food 1s. 7½d. a week, or less than 3d. a day all round the family. But a working man cannot do on less than 6d. a day, which means 3s. 6d. a week. This reduces the average of the mother and children to 1s. 1½d. or less than 2d. a day.

Can those who are more comfortably circumstanced imagine what life under such conditions must be? The husband has not one penny for any indulgence; there is nothing for mental or physical recreation; civilisation, science, invention, and progress are no more to these people than they are to the uncultured savage. An examination of the items of expenditure will show that the food which was obtained has a very inferior dietetic value. This family, typical of millions in the country, is being starved physically and mentally. But the nation pays heavily for permitting these millions of its workers to exist below the level of a Living Standard.

It must be admitted, of course, that considerable numbers of working class families greatly aggravate their poverty by the wasteful and unwise expenditure of some part of their insufficient means. "The poverty of the poor is their destruction." The appalling expenditure upon drink, while not the cause of low wages, deprives many families of the enjoyment of a higher standard of living than they actually enjoy. An increase of wages, unless it comes to satisfy a desire for a higher rational standard of living, may be a curse rather than a blessing. But though there may be instances where an increase of wages brings no moral advantage to the recipient, those are rare and exceptional cases.

The felt wants of the wage earners exist, and that is the assurance that the higher wage will be devoted to the satisfaction of these desires.

By way of meeting a criticism which may be urged it must be admitted that the number of



male adults earning wages under, say, 25s. a week does not represent that number of families with a total income of no more than that sum. But more than two-thirds of the adult males are married, or have homes and families to support. It is also true that the wage of the male head of the family does not in all cases represent the total income of the family. That income is often contributed to by the wife and by children who are working. But these facts do not materially lessen the seriousness of the problem. As children grow up their needs and desires increase, and their wages in many cases, though not in all, are no more than sufficient to meet the increased cost of living which comes when the young man or woman becomes a wage worker. Sir Robert Giffen estimated twenty years ago, and the figure is probably not materially different to-day, that there were two millions of families where the total income did not exceed a pound a week. That is the wage problem in its most serious phase. The facts we have given as to the cost of living show that this is not a Living Wage. The industrial and social results of tolerating such a state of things will now be set forth.



**THE COST OF POVERTY**

## CHAPTER V

### THE COST OF POVERTY

The cost to individuals and to the community of the poverty which is caused by inadequate wages cannot be estimated. We pay for it in infantile deaths, in the crippled and damaged bodies of the children who survive, in the inadequate return we get from the expenditure on education, in the creation of unemployables, in sickness and loss of work, in consumption and other diseases, in pauperism, in the cost of public and charitable institutions for the support of the sick, the poor, and the insane, and in the incalculable loss of industrial and mental efficiency. The number of persons in receipt of Poor Relief on any given day is about 900,000. Many of these are only temporarily on the Poor Law, and it is estimated that the number of individuals who have to apply for assistance in the course of a year owing to destitution is about three millions. The annual expenditure in relief of the poor by Boards of Guardians in England and Wales is about £15,000,000. Between 1886 and 1910 this expenditure has risen by about £7,000,000. The cost of pauperism has risen from £7 12s. per head in 1871 to £16 per head in 1910. Mr. John Burns recently stated that 30 per cent. of pauperism was due to sickness. The wages paid are inadequate to make provision for such misfortunes. Mr. Lloyd George gave similar tes-

timony many times during the discussions upon the Insurance Bill. Pauperism is part of the cost the community pays for low wages.

It would be both foolish and untrue to say that the diseases, loss of life, inefficiency, and so forth, enumerated above are due wholly to insufficient wages. There are many other causes and influences, but low wages is the most potent of all the causes. The infantile death rate for the whole of England and Wales has been declining in recent years, but the decline is among the well-to-do, and not among the poor. Though the death rate among infants has declined between 1901 and 1910 by 30 per cent. it still remains largely unaffected where poverty exists. The infantile death rate for a town may be a figure which hides an appallingly high rate in certain poor districts. Any industrial town can support this fact by a reference to the infantile death rate for each of the wards of the borough. The Medical Officer for Croydon reports that the infantile death rate among children born in houses with six rooms and more is 44 per 1,000, as compared with one of 121 per 1,000 in the houses of poorer parents. In the wards of the borough of Blackburn in 1911 the infantile death rate varied from 96 to 315 per 1,000. Low wages, with its consequences, are largely responsible for any infantile death rate over 50 per 1,000 births.

The report of the Medical Officer of the Board of Education for 1910 gives some very painful and appealing facts about the physical condition of the children attending the public elementary schools.

Defective nutrition stands at the head of the defects from which school children suffer, and the percentage of cases of malnutrition in which poverty was found to be the principal cause was 27.8. Defective vision, adenoids, ringworm, bad teeth, consumption are among the defects and ailments from which the children suffer more or less. These diseases and defects are neglected through ignorance and poverty, with the result that the children, if they grow up, are stunted in body and physically inefficient.

The problems of school age and of child labour are due to the low wages of the parents mainly, to the necessity of the parents getting the assistance of the children's labour at the earliest moment the law will permit. The result is that the children leave school before they have received an education which is of much use. The money spent upon them is largely wasted. Six months after leaving school, in the great majority of cases, the children have forgotten practically all they learnt. These children become in some cases the competitors of adult labour; in others they go into occupations which are of a temporary character, and when verging on manhood they are thrown out of employment and become recruits for the large army of unskilled and untrained men who are the despair of the social reformer. Such a class, originally the product of poverty, perpetuate the evil which gave them birth. They in their turn alternate between total unemployment and ill-paid labour, and they never rise above a miserable standard of living which cannot develop either physical efficiency or moral

strength. The problem of the industrial training and general education of boys and girls is mainly a question of the low wages of parents, and it can only be dealt with by means which will enable the parents to feel that they can afford to dispense with the wages of their children. The loss of industrial training and efficiency through this effect of poverty and low wages is incalculable.

The National Insurance Act is intended to deal with conditions which are mainly the result of poverty. The inability of the working classes to command necessities is shown in no direction more pitifully than in the preventable suffering they have to endure owing to their inability to obtain adequate medical attention and skill. The workers have made heroic efforts to provide for times of sickness and misfortune by individual savings and by association in voluntary societies. But for most of them it has been a futile struggle. The industrial insurance companies have 30,000,000 policies in existence, and the members of friendly societies numbered about 6,000,000 before the Insurance Act was passed. This latter provision, as the Chancellor of the Exchequer said when introducing the Bill, has been neither adequate nor effective. It has not provided the working class with the medical skill and the trained nursing and attention they needed in sickness. The result has been a death rate among the poor far in excess of that among those who could afford to obtain the best attention; or lingering illness which has reduced the family to abject poverty, bringing



pauperism, physical inefficiency, and disease. In twenty years' time, according to the Chancellor's figures, about 5,000,000 working men have given up the struggle to make provision for sickness through voluntary societies. This effect of inadequate means on treatment in sickness will be lessened by the operation of the Insurance Act; but the provision made by this scheme is not adequate for the needs of the working classes in times of sickness. Even with the assistance of the Insurance Act, the workers will still, owing to their poverty, be unable to obtain adequate skill and food and attention in sickness, and the community will still suffer enormous economic loss.

The President of the Local Government Board (Mr. John Burns) has said that consumption is a disease of poverty. One-tenth of the deaths in England are from this disease. On the average a person who dies from consumption has been ailing and unable to work for about three years. He is often the head of a family, and when he is stricken the family is plunged into destitution. Some idea of the cost of this disease of poverty may be formed when it is remembered that about 80,000 persons die from it yearly. About four hundred thousand persons, mainly poor people, are suffering from the disease at any given time. The expense of maintaining these people, and the loss of their usefulness and wealth-producing power can only be vaguely imagined, but it is many millions of the very many millions which low wages cost the community every year.

The fifteen millions a year which is spent upon

the maintenance of paupers represents only a part of the sum which is drained for the support of the victims of low wages. The maintenance of hospitals and private charitable institutions for the relief of the poor is said to cost as much as the expenditure through the Poor Law. Private help is extensively and generously given to assist distress, and this is only a subsidy of low wages. And this is a form of charity which more often demoralises than benefits. Indiscriminate charity curses both the donor and the recipient.

The community does not gain by keeping any section of its people on low wages. There is a social economy in good living conditions, as there is an industrial economy in good industrial conditions. The wise community would not be lavish in dealing with results, but would be just and generous in providing such conditions that the undesirable results would not arise. By good wages, and by an education which will teach people to spend their wages wisely and well, every problem which is troubling social reformers and the consciences of the sympathetic now, would be made far more easy of treatment. The force which is stirring the working class movement for better conditions does not come from the ill-paid workmen. They are the despair of trade unionist leaders, of the Co-operators, of housing reformers, of the temperance advocates, and of the political labour movement. The real and hopeful unrest among the workers is in the better paid and the better circumstanced. In them desires have been created, and they feel their poverty more acutely than ever; for poverty is the knowledge of

reasonable wants unsatisfied and of the lack of means to satisfy them. Low wages are largely responsible for the material waste, for the physical loss and the industrial inefficiency described in this chapter; but the most serious of all the loss which is inflicted upon the community by low wages is that it destroys the intellects of the very poor and numbs their moral aspirations. Poverty is an opiate which produces a feeling of contentment with or resignation to conditions which ought to excite a righteous discontent. The heaviest price which is paid by the community for low wages is the loss of a rational ambition for better conditions.

THE TREND OF WAGES

## CHAPTER VI

### THE TREND OF WAGES

The wages of the working classes are considerably higher to-day than they were in 1850. At that time the country had just adopted a Free Trade policy, and had begun to carry out a policy of industrial legislation. It is intended in this chapter to show by statistics that during the period when wages were advancing with regularity and some rapidity the general prosperity of the country advanced side by side. Taking wages in 1850 as being represented by an index figure of 100 the following table will show the actual rise from that point at each of the years given :—

Year.				Wages.
1850	...	...	...	100·0
1860	...	...	...	119·2
1870	...	...	...	134·1
1880	...	...	...	148·8
1890	...	...	...	161·3
1895	...	...	...	159·2
1900	...	...	...	178·7
1901	...	...	...	177·0

These figures show an apparent increase of wages between 1850 and 1900 of nearly 80 per cent., but it should be pointed out that the comparison of single years cannot properly be pressed to support this in-



ference. Comparison can only be drawn between averages calculated over a course of years, and on this basis wages may be said to be 60 per cent. higher at the end of the nineteenth century than they were 50 years before.

But the most important matter in this connection is not the increase of wages in the days of our fathers and grandfathers, but the trend of wages in recent years and at present. For this purpose the changes in the rates of wages in the last twelve years may be given. The figures are taken from the Board of Trade Returns and represent the changes in the amounts of weekly wages:—

Year.		Rise £.		Fall £.
1900	...	206,272	...	—
1901	...	—	...	76,587
1902	...	—	...	72,595
1903	...	—	...	38,327
1904	...	—	...	39,230
1905	...	—	...	2,169
1906	...	57,897	...	—
1907	...	200,912	...	—
1908	...	—	...	59,171
1909	...	—	...	68,922
1910	...	14,534	...	—
1911	...	25,927	...	—
		<hr/>		<hr/>
		£505,542		£357,001

It may be mentioned that the four years before 1900 showed net increases, but the four years preceding these were years of falling wages. If the

year 1900, which belonged to the last century be excluded, and a balance be struck of increases and reductions since the beginning of 1901, it will be found that the rate of wages at the end of 1911 represented a reduction of £3,000,000 a year as compared with the wages prevailing at the beginning of 1901. If the comparison be made with the beginning of 1900 it will be found that the wages at the end of 1911 were at the rate of £7,700,000 a year higher for all the working classes than at the commencement of 1900. But remembering that the trend of wages is to be ascertained not by the figures of one year, but over a number of years, it is the fact that since about 1900 there has been no regular movement upward in wages, but that the tendency, if at all marked, has been rather backward than forward. In these twelve years there have been net reductions in seven years and advances in five.

It must be noted further that the recorded advances represent increases which have been given in a few of the leading industries only. For instance, the large net increases in 1900 and 1907 were mainly due to advances in the wages of the miners. A slight increase in the rate of wages in an industry where about a million persons are employed makes a considerable sum in the aggregate. The general body of wage-earners have not shared at all in the slight advance in the aggregate wages bill. The wages of railway men in 1900 averaged 25s. 0 $\frac{3}{4}$ d. per head, in 1907 they had risen to 25s. 10d., but in 1909 they had dropped to 25s. 4 $\frac{1}{2}$ d. The small net increase obtained since the beginning of 1900 has been secured by the miners, the textile workers,

the iron and steel workers, and certain branches of the building trades.

Since the beginning of the present century wages have declined by about £3,000,000. That is the one fact that must be impressed. There is no longer a trend to higher wages. The 60 per cent. increase in wages in the latter half of the last century was obtained when trades unions were not so strong in numbers, nor so powerful politically, as they have been during the last twelve years. There must, then, be some very powerful influence at work to have arrested the upward movement of wages, in spite of the better organisation of labour, the diffusion of education, and the greater desire for a better standard of life. That influence which has arrested or, it might be said with truth, turned the course of the wages movement is the greater industrial power of capital. About fifteen years ago the employers began to federate for mutual protection against the demands of labour. The trend towards the combination of capital in larger units in the form of combines and trusts also became more marked. The period of widespread unrest in the industrial world from about 1888 onwards had given the capitalist the hint to organise against the menace of labour organisations. The great lock-out in the engineering trade in 1897 was the first contest between organised labour and the new form of federated capital. The success of the employers in that struggle, followed three years later by the crippling of the trade unions by the legal decision in the Taff Vale case, seemed to take the heart out of the workmen, who allowed capital to entrench itself in a

position from which it has not yet been dislodged. Trade unions have been on the defensive for the last fifteen years or so. They have been able to resist attacks, on the whole, but they have not been able to make any advance. There are now 81 National Federations of Employers, covering practically every trade in the country. Ten years ago there were only 47 such associations.

The figures in the above table in regard to the increase of wages in 1911 deserve special notice. That was the year of great labour unrest. The strikes which took place during this period were supposed to have secured very substantial increases of pay. But the returns made to the Board of Trade do not support that impression. The net advance of wages made during 1911 amounted to only just over £25,000 a week, or less than £1,400,000 a year. In other words, the wages advances in this year of strikes, which were supposed to have been very successful, amounted to an average of less than one halfpenny per week for the whole of the fifteen million wage-earners of the United Kingdom. In that year no less than 399,216 workpeople suffered decreases in their wages, and only 416,191 obtained advances.

The arrest of the advance of money wages does not represent the real position of the worker in relation to his standard of living. The cost of living and the purchasing power of money have to be taken into consideration. In the period from 1850 to 1900, during which, on the whole, wages advanced by not less than 60 per cent., there was also a very considerable decline in the prices of com-



modities. The calculation of prices based on the average wholesale cost of a large number of the principal articles in common use shows that they were lower by 11·7 per cent. in 1899 than in 1850. But since 1900 there has been a steady and continuous increase in the prices of these necessary commodities. The figures of these increases are shown in the following table:—

Year.					Index Number.
1900	...	...	...	...	100
1901	...	...	...	...	96·9
1902	...	...	...	...	96·5
1903	...	...	...	...	96·9
1904	...	...	...	...	96·3
1905	...	...	...	...	97·6
1906	...	...	...	...	100·4
1907	...	...	...	...	105·7
1908	...	...	...	...	102·8
1909	...	...	...	...	104·0
1910	...	...	...	...	108·8
1911	...	...	...	...	109·9

These figures represent the increase of wholesale prices. On wholesale prices the cost has gone up by 13·4 per cent. since 1901. The retail prices will show a larger increase. The articles which show the largest increases of price are food and clothing. The following interesting comparison of prices was supplied to the Press in October, 1911, by the Superintendent of the St. Mark's Boys' Home, Birmingham. The prices were taken from the housekeeping book:—



June to July, 1903.			September, 1911.		
lbs.		s. d.	lbs.		s. d.
7 Jam and jar	...	1 9	7 Jam and jar	...	2 11½
14 Gran. sugar	...	2 0	14 Gran. sugar	...	3 6
7 Brown do. (pieces)	0	10½	7 Brown do. (pieces)	1	5½
1 Currants	...	0 4	1 Currants	...	0 5
2 Butter (1s. 2d.)	...	2 4	2 Butter (1s. 4d.)	...	2 8
7 Oatmeal	...	1 0	7 Oatmeal	...	1 3
2 Lard (7d.)	...	1 2	2 Lard (8d.)	...	1 4
7 Lentils	...	1 0	7 Lentils	...	1 3
1 Cheese	...	0 7	1 Cheese	...	0 9
1 Macaroni	...	0 3	1 Macaroni	...	0 4½
1 Lump Sugar	...	0 2½	1 Lump sugar	...	0 3
1 Sultanas	...	0 5	1 Sultanas	...	0 7
1 Tapioca	...	0 2½	1 Tapioca	...	0 3
1 Sago	...	0 3	1 Sago...	...	0 4
1 Cornflour	...	0 3	1 Cornflour	...	0 4
1 Ground rice	...	0 3	1 Ground rice	...	0 3
<hr/>			<hr/>		
12 10½			17 11½		

This represents an increase of 40 per cent., and may be taken as proof that the advance in the cost of living to the working classes, who have to buy their commodities in small quantities, will be more than the general increase of 13·4 per cent. on wholesale prices by a very considerable amount.

The position, then, amounts to this, that the real wages of the workers have declined since the beginning of this century by more than 13 per cent. That is taking the wholesale prices as the basis, which is certainly much below the actual figure. In other words, while the nominal wages of the workers are practically the same as twelve years ago, the wage is 2s. 6d. in the pound less than it was at that time calculated by the volume of the commodities it will purchase. But there is one other important fact to take into consideration. There has been an advance also in the cost of living in another sense than by

the increase in the price of commodities. New expenses have come into the category of necessities. The development of tramways, the coming of the halfpenny newspaper, the cheap but better-class music hall and the picture palace, the cheap periodicals and books, the very municipal enterprise which was intended to provide free libraries, free parks, free concerts, has added to the expenditure of the working classes, who cannot take advantage of these boons without incurring some little expense in sundries. The features of our advancing civilisation are always before the eyes of the working classes, and they fall into the habit of indulging in the cheaper ones. People cannot see tramways without wanting to ride sometimes; they cannot see newspapers without at least buying one occasionally; they cannot see others taking a holiday into the country or to the seaside without desiring to do the same. These additional items of working-class expenditure, coming out of wages which are stationary, make the struggle to live more intense, and compel a lessening of expenditure on absolute necessities. People always strongly resist a reduction in the standard of their life, and the inability of the wage-earners to keep up the old standard, and to add the small additional indulgences to which they feel they are entitled, is largely responsible for the labour unrest. The working classes, on the average, enjoy a higher standard of living to-day than was the case sixty years ago, but the struggle to support the average standard of working-class life was never so hard as it is at the present time.

# THE TREND OF WEALTH

## CHAPTER VII

### THE TREND OF WEALTH

The census of production which was carried out in 1907 has provided some interesting figures about the volume of wealth production in the United Kingdom. These figures as yet have no comparative value, but they are useful as showing the amount of wealth production in the leading industries of the country. The census covered industries employing about 7,000,000 persons—that is, about one-half of the wage workers. The gross value of the output of the firms included in the census was £1,757,000,000. These figures, covering less than one-half of the employed persons, give us some idea of the stupendous volume of the wealth which is annually created in the United Kingdom.

In the absence of any previous census of production with which these figures might be compared, we are compelled to fall back upon other statistical material for information as to whether the wage-earners are receiving a proportionate share in the increasing wealth of the country. It was pointed out in the preceding chapter that there had been a substantial increase in wages during the latter half of the nineteenth century, amounting in nominal wages to not less than 60 per cent., and in real wages to a higher figure. That given as an isolated fact might lead to the conclusion that, during that

period, labour was particularly fortunate, and shared generously in the results of national prosperity. But these fifty years were years of enormous trade expansion and of increasing national wealth.

We have figures of the volume of our foreign trade for each of the years covered by the period mentioned, and these will show how vast has been the expansion of this branch of our national industry. The following table gives the total value of imports and exports combined in each of the years mentioned :—

Year.				Total value of Foreign Trade. £ millions.
1850	...	...	...	268
1900	...	...	...	877
1901	...	...	...	870
1902	...	...	...	877
1903	...	...	...	902
1904	...	...	...	922
1905	...	...	...	972
1906	...	...	...	1,068
1907	...	...	...	1,164
1908	...	...	...	1,049
1909	...	...	...	1,093
1910	...	...	...	1,212
1911	...	...	...	1,237

In the last twelve years the total value of the increase in our foreign trade is £360,000,000, or an increase of 41 per cent. In the same period the wages of our workpeople have risen on the average by 2¼d. a week, and the value of the sovereign has dropped to 17s. 6d.



If we turn to the assessments to income-tax, and to the Returns of Estates left at death, we get more conclusive proof of the growing wealth of the nation, and some indication of the quarter into which it is passing. The gross amount of income which was brought to the notice of the Revenue Commissioners for income-tax purposes in each year since 1900 is as follows :—

Year.				Amount £ millions.
1900	...	...	...	791
1901	...	...	...	833
1902	...	...	...	866
1903	...	...	...	879
1904	...	...	...	902
1905	...	...	...	912
1906	...	...	...	925
1907	...	...	...	943
1908	...	...	...	980
1909	...	...	...	1,009
1910	...	...	...	1,040*

\* Estimated.

These figures throw a good deal of light upon the problem of labour unrest. The arrest in the advance of wages is clearly not due to an arrest of the increase in the volume of wealth production. At no period in our history has the amount of gross assessments to income-tax risen so rapidly as in the last twelve years—that is, during the period that wages have been stationary. Between 1900 and 1910 the gross assessments to income-tax increased by £249,000,000. Between 1870 and 1880 the corresponding increase was £132,000,000; between 1880

and 1890 it was £100,000,000; between 1890 and 1900 it was £114,000,000. In each of these decades from 1870 to 1900 wages rose considerably, and the cost of living declined. Between 1880 and 1890 wages rose by 11 per cent., and between 1890 and 1900 by another 11 per cent. Between 1871 and 1900 the wholesale prices of commodities fell by about 40 per cent.; in the decade 1901-1910 they rose by 13 per cent. These are startling facts, and they prove conclusively that the stagnation of working-class movement is not due to the lack of wealth. The increase of wealth and the profits of industry are larger than ever. But the increase is going elsewhere than to the wage-earners.

The increase in the gross assessments to income-tax is not due, to any extent, to an increase in the number of persons who come within the scope of that method of taxation. It is due mainly to the increases in rents, profits of companies, and returns from foreign investments. The gross incomes from land and houses has risen by £40,000,000 in the last ten years, and the income from investments abroad by £31,000,000, or 50 per cent. More than half the profits of businesses is from joint stock companies, a form of profit which is regarded by the law as "unearned."

The facts in regard to estates left at death give evidence also of the concentration of wealth in the hands of a few people. In 1910 there were 39,429 estates for probate or administration of a net value exceeding £100. The total net values of these 39,429 estates was £283,662,000. This means that one person in every sixteen who died left property

valued at £100 or over. But of the 39,429 persons who left property in that year, 17,767 each left less than £1,000. The total net value of these 17,767 estates was £12,223,000. At the other end of the list we find one estate paying duty upon £14,000,000—that is, one person leaving more than all the 17,767 others combined. There were about 700,000 deaths in that year, so that this one person left more wealth than 700,000 others put together. The next largest number of estates after those below £1,000 were 17,693 between £1,000 and £10,000. It would appear that there are as many persons worth between £1,000 and £10,000 as those worth between £100 and £1,000.

When we get among the estates worth £20,000 and over, we find that the number of such is small, but the total amount is large. In 1910 there were 1,963 persons died and left between £10,000 and £20,000, but only 434 whose estates were valued at between £20,000 and £25,000. The number of people who died worth over £100,000 was only 288; so if we multiply this figure by 30, which is supposed to be the average number of years during which an estate remains in the same hands, we ascertain that there are 8,440 persons worth over £100,000 each. In 1910 only five millionaires' estates were brought under review, but, taking the last ten years, the average number of millionaires' deaths has been eight; so that on the same basis we ascertain that there are about 250 millionaires in the United Kingdom. The five millionaires whose estates were proved in 1910 left altogether £24,400,000. In that year there were on a given day over 1,100,000 persons

in receipt of poor relief. In that year the total number of persons who had, through destitution, to apply for pauper relief would form a procession four abreast four hundred miles in length.

The facts presented above go to show that there is a surplus of wealth available for the better remuneration of labour which might be applied to that purpose without in any way interfering with the incentive to enterprise or the investment of capital in trade. A large part of the incomes of the very rich are not the legitimate gains of trade, but are of the nature of monopoly rents and profits. The enormous share of the national income which has been going in increasing measure to the rich in the last decade has had many disastrous industrial and social consequences, to two of which attention may be called. The first is that the profits have been so large that they could not be invested in the staple trades. The reduction in the spending power of the masses has prevented any large expansion of these trades. The increase in the incomes of the rich has given no encouragement to such industries, as such people previously were able to command all they could consume of such commodities. Both on account of the impossibility of investing the gains in staple industries at home, and because of the impossibility of spending any additional sum except on luxuries, there has been the striking increase in the ostentatious display of wealth which has been so marked in the last ten years. These unearned incomes also serve to maintain a considerable number of persons who do not apply their energies or abilities to increasing the national wealth.



The facts given as to the expansion of the trade of the country when wages were rising proves that there would be no danger of any falling-off in trade if a larger share of the national income went to the remuneration of labour. On the contrary, as is shown in a later chapter, there would be a proportionate stimulus given to all the staple trades. The increase in wages would be spent in the purchasing of necessaries and reasonable comforts, and this would maintain a more regular trade than when the purchasing power is in the hands of people who spend a large part of their income in varying ways. There is an ample fund for the provision of a Living Wage for the workers.



## THE COST AND FUTILITY OF STRIKES

## CHAPTER VIII

### THE COST AND FUTILITY OF STRIKES

The wages advances which were secured in the last half of the nineteenth century were not won without constant agitation and effort on the part of the workers. During the twelve years from 1901 to 1912, wages have been prevented from falling still more by the resistance which trade unionists have been able to put forth. These efforts, both of attack and defence, have cost the wage earners enormous sums of money, and have inflicted tremendous losses upon them. Since the beginning of 1900 up to the end of 1911 there have been 6,150 labour disputes which have involved a stoppage of work. Over 3,000,000 workpeople have been involved in these disputes, and 62,000,000 working days have been lost! The trade unions have spent in these twelve years over £3,000,000 in dispute benefits to their members. The disputes of the period under consideration were settled as follows:—In favour of the workpeople, 25 per cent.; in favour of the employers, 30 per cent.; compromised, 45 per cent.

In these eleven years 62,000,000 working days were lost through disputes. Taking the average wage at 4s. per day, the amount lost in wages during this period in efforts to advance wages or to resist reductions is £12,400,000. We have to add to this the drain of the trade union funds to the extent of

£3,000,000. These figures do not include the miners' strike nor the lock-out in the cotton trade of 1912. Wages, it may be mentioned once more, were practically the same at the end of 1911 as at the beginning of 1900. The enormous financial loss had been incurred to maintain the existing rate of wages. As the year 1911 was a time of exceptional unrest in the labour world, the gains and losses of the strikes of that year may be set forth separately. In that year there were 864 strikes and lock-outs, involving 931,000 workpeople. The number of working days lost was 10,247,000. The particulars as to the drain upon the trade unions are not available, but taking again the average daily wage at 4s., the workers lost in wages by these disputes a sum of over £2,000,000. The net effect of all the changes reported to the Board of Trade as taking effect in 1911 was a net increase of £25,927 per week in the wages of workpeople, or about £1,300,000 a year. Leaving out of account all other costs incidental to a strike or lock-out, it follows that the strikes of 1911, in which the workpeople were exceptionally successful, cost them more than they will be able to recover at full employment at the advanced rates in twenty-one months' time. The strikes may have been necessary, but it will not be maintained that the gains are commensurate with the cost and suffering which they involved.

A strike never did bring much substantial gain to the workers. In the very nature of things it is impossible that it could. It is a contest of endurance, and the workpeople are never so well fortified as the employers. The history of the workers since the

beginning of the Industrial era shows that they have alternated between faith in strikes and despair of strikes. A short experience of strike methods has soon brought disillusionment. For a time, about the beginning of the nineties of the last century, there was an epidemic of strikes. But this way of bettering the condition of the wage-earners was soon shown to be hopeless. For nearly twenty years after the trade unions entered upon strikes usually with reluctance, relying more on the use of political power. But about the middle of 1911 there was a revival of the belief in the strike. A new generation had grown up which knew not of the disastrous experience of previous strikes. The success of the strikes in the summer of 1911 was greatly exaggerated. As we have shown above, the substantial gains were meagre. The Transport Workers were supposed to have secured substantial advances, but three other strikes followed soon after to maintain the concessions which had been made.

The principal strikes of this series were the miners', the railway men's, and the transport workers'. There was also a strike of tailors in London which involved a large number of work-people. From the point of view of strikes pure and simple, every one of these great disputes was a failure. It was the same with the lock-out in the cotton trade which took place in the same period. The railway men went back to work in three days, saved from abject surrender by the interference of the Government. The miners' strike lasted for five weeks. It exhausted the resources of the unions, and again the men were saved by the action of

Parliament. The London tailors' strike ended in the complete defeat of the workpeople, who, by a manifesto, admitted that they were driven back to work by starvation. All these strikes were conducted under circumstances as favourable to the workers as circumstances are ever likely to be for a strike. The transport workers' strike, which took place in June, 1912, was hopeless from the beginning. The leaders soon recognised that; the employers knew that from the first. The men appealed to Parliament to help them. They made offers which betrayed the weakness of their position and the hopelessness of their outlook. The call for a national strike met with very little response. The solidarity of labour, about which so much had been heard for months before, proved to have no very substantial existence. The simple explanation was that the strike feeling had passed away; it had been destroyed by the experience of its futility as a weapon to be used recklessly and frequently.

There are strikes which appear to be successful. There are strikes which give substantial advances of wages. But the circumstances of such strikes are always exceptional. It is a strike of workpeople against an employer who is not supported by an employers' federation, or who is at the time busy with a profitable trade; or it is among a small body of operatives who are indispensable, and who cannot soon be replaced. Strikes upon an extensive scale against federated employers are never successful when the employers make the struggle a "fight to a finish."

A strike always leaves the relations between the



two parties strained. The party which is beaten nurses a grievance, and it is only human nature if it watches for an opportunity to "get its own back." Every workman who has taken part in a strike knows that for a long time after the end of the strike the conditions in the workshop are not the same as before. After every strike a number of the former workmen are marked men, and sooner or later a reason is found for their dismissal. There is all the difference in the world between arguing the question of a change of wages between employers and workmen without a cessation of work, and making a change as the result of a strike or lock-out. When a concession has not been given as the result of reasoning, there is invariably the attempt on the employers' part to take it out of the workmen. The apparent gains of a strike are seldom real gains.

The workers are not equipped to carry on a strike successfully. It is, as has been said, a contest of endurance. The employers can hold out indefinitely without any suffering, almost without any inconvenience. The Press of the 12th June, 1912, published the report of the shareholders' meeting of a well-known company, which, as the Chairman said, "had interests which had been seriously affected by every strike which had occurred during the year," and yet the effect of all these strikes on the company was to reduce the profit from £187,560 to £178,660. But at the end of the first week of a strike the workers begin to feel the pinch of want. Children pine for food, the household goods gradually find their way to the pawnshop, the tradesmen begin to pile up debts which are never wholly recovered. No pen can

adequately describe the suffering and horror of a prolonged labour dispute. A strike or lock-out brings all the suffering and loss of a war, but in a labour war the suffering and loss is nearly all inflicted on the one party. The General Secretary of the London Dockers' Union said at a public Conference: "The present labour wars were killing more people in one year than the average blood-thirsty wars did in fifty."

The strike is likely to be less effective in the future even than it has been in the past. Capital is likely to become more powerful, if that can be possible; and labour, if it relies on the strike to better its condition, is going to become relatively weaker. But there is a third party coming to have a very great interest in labour disputes. That third party is the community. In the old days, when labour disputes were contests between the master of a single factory and his workpeople, the community cared little about the trouble. It experienced no inconvenience. But now the labour dispute is of such dimensions that whole districts, and indeed the whole nation, are seriously inconvenienced and injured. No strike can be successful nowadays which is not supported by public opinion. The only strike which can enlist public sympathy is one where the matter at issue is simple and understandable, and where the workers are clearly in the right, and are seeking some reasonable aim. The dockers' strike of twenty-five years ago appealed to the public imagination because it was a fight for a wage of 6d. an hour—a simple and reasonable demand. The dockers' strike in 1912 failed because the issues were involved,

and because the public were irritated by the epidemic of strikes. When the public knew that there were 100,000 railway men working for less than a pound a week, their sympathy went out to them. But it is difficult to organise public opinion and sympathy. The appeal of the strikers has to be exceptional to enlist sufficient public support to aid the strikers. But, on the whole, strikes do far more to alienate the public than to enlist their support for such methods.

The trade union movement still professes a firm faith in the power of the strike upon occasions, and it defiantly rejects any suggestion that the right to strike should be limited in any way. The Socialist parties also oppose any interference with the right to strike. In taking up this attitude to strikes both the trade union movement and the Socialists are strangely inconsistent. The resolution declaring the determination to hold fast to the right to settle industrial differences by a contest of brute endurance usually follows resolutions denouncing war and demanding that all international disputes should be referred to compulsory arbitration. The Socialists, at any rate, ought to look at this question from the point of view of the community interest, whatever view the trade unionists may take. But by defending the right to strike they are repudiating every principle of their creed. Something might, perhaps, be said for the right of workmen and employers to disregard the State if the strike did not affect others than themselves. But when an industrial war brings suffering upon tens of thousands who have had no part in the making of the quarrel,

it is the primary duty of the community to interfere to end this suffering and loss by doing full justice to the grievances which may be found to exist.

Just as war between nations cannot be defended either ethically or economically, so labour disputes are indefensible. But just as war cannot be ended under existing circumstances, and may at times be necessary, so strikes are sometimes the only immediate method for redressing grievances. But just as it is criminal to encourage war, so it is folly to rely upon strikes as a regular means of trying to advance labour interests. The policy of labour should be to keep the strike weapon for use in exceptional circumstances, but at the same time to be equipping itself with other weapons for use in the sphere of reason, so that the use of the strike may, by and by, be altogether unnecessary.

**TOWARDS THE BETTER WAY**



## CHAPTER IX

### TOWARDS THE BETTER WAY

The revival of the strike in 1911 was due to many causes, one of which was the agitation which had been carried on for some time before among the trade unions by the apostles of the general strike policy as a short cut to the millennium. This propaganda had made some impression on the young and inexperienced members of the unions, and they forced many of these strikes against the advice of the leaders. The responsible trade union official does not like strikes. He is always blamed when the strike is unsuccessful, and he gets no credit when it succeeds. In recent years there has been a decided movement among the trade unions to resort to Conciliation Boards for the settlement of disputes and to work under Agreements between the employers and the Unions. Though Conciliation Boards and Agreements are quite opposed to the policy of the Industrial Unionism (that is of the new revolutionary movement which favours the General Strike) which has declared its policy to be "No Agreements, no Boards, fight the capitalists, fight the employers, fight everybody," yet, when faced with the practical difficulty of settling a strike they had recklessly embarked upon, these men were compelled to beg for arbitration. It was a curious development of revolutionary trade unionism that the

last of the series of big strikes in 1911-12 (the London transport dispute) should be fought on the question of compelling the recognition of agreements.

Since 1896 there has been an increasing desire on the part of trade union leaders to settle matters by Conciliation, and to work under Agreements. At the end of 1911 there were 293 Conciliation Boards in existence, and there were no less than 1,696 Agreements between such Boards and the workmen in operation, the number of workpeople affected by these Agreements being over 2,400,000. About three-quarters of these workpeople are comprised in three industries—mining, textile and transport. In addition to the work of these Conciliation Boards there is the agency of the Board of Trade under the powers given to it by the Conciliation Act of 1896. Under this Act the Board of Trade has no compulsory powers. It can do no more than make enquiries and offer its services. During the first ten years of the existence of the Act very little was done by the Board of Trade to use its limited powers, but in recent years the Board has been much more active, and by its friendly intervention many disputes have been averted, and many very serious ones have been settled. In 1908 the Board of Trade established a Court of Arbitration under the Conciliation Act. This body is composed of leading representatives of the employers and the workmen. On the application of the parties to a dispute the Board of Trade nominate a Court of Arbitration consisting of three or five persons. In 1911 this Court was constituted for seven cases.

The increasing activity of the Board of Trade in

industrial disputes is being compelled by the increasing interest which the community has in the dislocation of industry. Whereas some years ago the direct parties to a dispute were left alone to fight it out, now the Board of Trade is expected to interfere at once when it seems likely that the parties are not able to come to an agreement which will avoid a stoppage of work. Though the Board of Trade has no compulsory powers, it can exert a tremendous moral influence, and the party to a dispute which refused the friendly offices of the Board would incur a serious responsibility, and would forfeit public sympathy. Though no new legal powers have been given to the Board of Trade since the Act of 1896, there has been an enormous advance of opinion in the meantime in the direction of approving the interference of the State to prevent or to settle industrial disputes. A further step was taken in September, 1911, when the Government set up an Industrial Council, consisting of thirteen representatives of employers and a corresponding number of representatives of workmen. The Industrial Council was formed "for the purpose of considering and enquiring into matters affecting trade disputes; and especially of taking suitable action in regard to any dispute referred to them affecting the principal trades of the country, or likely to cause disagreements involving the ancillary trades, or which the parties before or after the breaking out of a dispute are themselves unable to settle." As a further instance of the growing part which the Board of Trade is taking in industrial disputes, it may be mentioned that at the time this Industrial Council was formed, the department of

the Board of Trade for dealing with industrial questions was constituted a separate department, with Sir George Askwith as Chief Industrial Commissioner. All these changes and developments are significant. The force of circumstances is compelling more and more interference with and control of industrial affairs.

The misfortune, from the public point of view, of the work of the Conciliation and Arbitration Boards is that their beneficent work is carried on without the public knowing about it. There is still an impression abroad that trade unions exist for no other purpose than to foment strikes. Since 1900 the number of cases which have come annually before the permanent Conciliation Boards is 750, and on the average 740 of these have been settled without a stoppage of work. In the coal trade something like 500 cases are settled annually by the Conciliation Boards without any stoppage of work. Since the passing of the Act of 1896 the Board of Trade has been called in to deal with 524 cases. In many of these cases the Board of Trade was called in under the clause of an Agreement between the parties which provided that, in the event of the parties themselves being unable to agree, the matter should be referred to the Board of Trade. This is a very common form of clause in the 1,696 existing Agreements to which reference has already been made. This is the voluntary acceptance of State Arbitration.

It has been said by the opponents of Conciliation that the stationariness of wages in the last dozen years is due to the growing practice of settling disputes by Conciliation and Arbitration. An appeal



to statistics entirely disposes of the assumption. If we take the last fifteen years, we shall find that wages have advanced most in the trades where Conciliation has been most adopted, and have declined in those which have relied upon the strike. The miners, the steel workers, and textile workers have carried the practice of conciliation to the highest degree. There has been no general strike for an alteration of the wages rate in the mining industry since 1893. The great strike in 1912 was not concerned with the rates, but with the minimum wage. Wages rates in the mining industry have been regulated by Conciliation Boards for nearly twenty years. The net percentage of hewers' wages in the mining industry at the end of December, 1910, was from  $31\frac{1}{4}$  to  $56\frac{1}{4}$  over the rates prevailing in October, 1886. The wages of spinners and weavers in the cotton trade have been advanced under the operation of the Conciliation Boards. The same applies to the steel trade. The net increase of wages of all workers since 1900, small as it is, is in the trades where conciliation has been practised. There is not a responsible man in any of these trades who would not admit that wages would have been lower to-day if it had not been for the operation of the Conciliation Boards.

While strongly in favour of voluntary conciliation, the trade unions do not favour Compulsory State Arbitration. The miners have been the strongest opponents of compulsion. The success of voluntary conciliation has been the obstacle to the progress of State Arbitration. It is thought that better terms can be obtained by voluntary conciliation. The success of voluntary conciliation will tend



to put off State Arbitration. At one time it looked as if the Trade Union Congress was coming round to the support of Compulsory State Arbitration. In 1906 the resolution in favour of the establishment of Arbitration Courts with compulsory powers received 541,000 votes, 938,000 being cast against it, the miners constituting the bulk of the opposition to the resolution. Three years later the same resolution received only 237,000 votes, and at the 1911 Congress it was not proposed.

Nothing but the success of voluntary conciliation can keep off State Compulsory Arbitration, for we have now arrived at a stage in industrial and social life when serious, prolonged, and extensive stoppages of work will not be tolerated by the community. If the two parties to a dispute cannot settle their differences without involving the outsiders in the suffering, then the community will step in and compel the disputants to accept terms. The great strikes of 1911 and 1912 were avowedly against the community, and those who were responsible for them frankly declared that they hoped for success owing to the intolerable inconvenience and loss they could inflict upon the community by a stoppage of work. But the community disclosed a power of resistance which was a surprise and a discomfiture to those who had relied upon their power to "hold up the community" to ensure success. Those strikes have done an enormous amount of harm to the principle of voluntary conciliation. They were instances of the failure of voluntary conciliation. The breaking of agreements by employers and by workmen, though only few in number compared with the great number

which have been faithfully observed, forced the nation to consider whether something stronger than a bond of honour was not required to secure the observance of industrial agreements. In the London transport workers' strike, precipitated by the breach of the agreement by the employers, there was a glaring instance of the insufficiency of voluntary agreement. In this case the men urged the demand for legislation to enforce the terms of voluntary agreements. They proposed that Joint Boards should be constituted for the making of agreements governing wages and working conditions in the port, and that each side should give monetary guarantees for the due observance of the terms of the agreement. But that proposal failed in two ways; it failed to get the first condition of voluntary conciliation, namely, the support of the employers; and it failed to enlist the support of the other trade unions affiliated to the Transport Workers' Federation.

There were three notable instances of the failure of voluntary Conciliation Boards in 1912, in the cases of the cotton trade, the mining industry and the transport industry. The elaborate machinery they have in the cotton trade and in the mining industry for the consideration of disputes failed to avert the lock-out and the strikes. The conciliation machinery in the transport industry is neither so old nor so highly developed, and its failure was less surprising. But here is the bald fact, that voluntary conciliation could not save the industries mentioned from these appalling disputes, and the further fact may be mentioned that in each case it was either a Government department or Parliament itself which had to

settle the disputes. Voluntary conciliation is doing an admirable work, but it is perfectly clear that it is not strong enough to deal with serious disputes. If strikes and lock-outs are to be prevented, and if the interests of the community are to be considered, some machinery will have to be devised for securing labour the satisfaction of its reasonable demands, which will put an end to the brutal methods of the strike and the lock-out, so ineffective in attaining the desired purpose and disastrous to the workmen and injurious to the whole country.

There are innumerable other shortcomings attached to a voluntary conciliation scheme. It can only cover those who are willing to join the respective organisations. Employers cannot be compelled to join any voluntary federation, nor can those who refuse to join be compelled to observe the agreement which the federated bodies may conclude. Indeed, where conditions and wages have been improved by voluntary agreements between the trade unions and federated employers who do not represent the whole body of employers, there is a temptation for small employers to stand outside the federation so that they may be relieved from conforming to the agreed upon conditions. But this is really a short-sighted policy on the part of such employers. Every enlightened employer knows that it is really to his advantage to encourage organisation among the workmen. By that he gets a better class of workmen, a co-operation which is otherwise impossible, and a better security than where men are units with no sense of collective responsibility. The employers themselves have dis-

covered the need and value of federation for the purpose of imposing common conditions on all competitors and regulating a competition which, if quite uncontrolled, would be ruinous to the trade. Federations of employers must be met by combinations of workmen, so that the workmen, on their part, may control the actions of their class.

But federation strong enough to control the actions of all the employers and the workmen in a trade cannot be set up by voluntary effort alone. The failure of the efforts of the Government to get such a federation by arrangement in the London transport industry in June last (1912) proved that it is impossible without compulsion. The Chancellor of the Exchequer requested the employers to form a federation which would be so strong that it would be able to control the actions of all the members of the separate trades who might be found unwilling to conform to the general rates and conditions agreed to between the principal employers and the trade unions, so that the agreement might become binding on the employers generally. We have travelled a long way on the road to the goal of compulsory State Arbitration when a Minister of the Crown recommends that powerful employers and trade unions should force unwilling employers and workmen into combinations, and thus compel them to observe common rules and regulations. There is not much left of free competition nor the individual freedom of an employer if that suggestion is carried out. But it is perfectly right and absolutely necessary under modern industrial conditions. An employer has no right to the freedom to pay less wages than are



generally paid, or to work his men longer hours, or to treat them in any way less generously. There is really nothing new at all in the suggestion of the Chancellor that unwilling employers should be compelled to conform to the generally accepted conditions of the trade. The law compels every employer now to observe the common conditions in regard to sanitation, protection against accidents, compensation, and, in some industries, in regard to hours and wages, and as was argued at length in the second chapter of this book, there is no essential difference between enforcing a minimum of sanitation and a minimum wage.

Though there is nothing new involved in the suggestion that the State should enforce upon employers the payment of minimum wages, there is a reluctance to apply the idea. There is still a deep-seated unwillingness to call upon the State to do things, and the State never does act until voluntary effort has completely failed. Even then the State proceeds very tentatively and cautiously. In regard to the interference of the State in the settlement of industrial disputes, there are many difficulties in the way. There is the opposition of trade unions to compulsory arbitration, the unwillingness of employers to have their liberty to manage their businesses as they think fit interfered with, and the hesitation of a Government to take action between employers and workmen which may be unpopular with both. But there are two influences at work which will compel the State to impose its will more and more on employers and workmen in regard to working conditions. The first is the manifest failure of voluntary effort to secure



industrial peace, and the second is the growing public conviction that Labour is not getting its fair share of national prosperity, and that by some effective means its fair share must be secured to it. It is not at all likely that legislation will, by one step, establish a system of compulsory State Arbitration in the United Kingdom. Legislation of that character in this country has always moved on the lines of not supplanting but of supplementing and encouraging existing voluntary effort and organisations. It will be so in this case of interference in the relations between employers and workmen in regard to wages. The Conciliation Act of 1896 was purely voluntary. Gradually the machinery for working the Act has been made more elaborate, but its purely voluntary character has not been changed; nevertheless, in order to settle the miners' strike of 1912 the State was compelled to take another step forward, and legalise compulsion and compulsory arbitration in respect of the minimum rate of wages. But the compulsion went no further than the absolute necessities of the circumstances. There was compulsion upon the employer to pay the minimum rates which the District Board had fixed, but no compulsion on the miner to accept them, nor any interference with the right to strike to try to get a higher minimum.

If the country could get over its inherited reluctance to State interference, it would see how urgent is the need, in the interests of all the parties concerned, of the State having powers in reserve which it can use at once when employers and workmen have failed to come to an amicable settlement.

In the strikes and lock-outs of 1911-12 nothing has stood out more prominently than the utter helplessness of the State to assert itself in a practical and effective way. In the London transport strike the employers contemptuously set the Government at defiance, and rejected all their suggestions for a settlement. The strike went on, and the State stood helplessly by, watching the suffering of women and children, and seeing the trade of the great city paralysed. In the miners' strike, when the Government had secured the adhesion of the majority of the owners to their suggestions, they could get no further, because of the lack of any legal power to enforce the agreement. It is a humiliating position in which to find a Government.

Things cannot remain as they are. Some legal power will have to be given to lessen the probability of strikes, to bring about settlements, and to enforce the observance of agreements. Before considering what may be practical, having regard to the views of employers and trade unions at present, it may be well to examine the laws and practices of some other countries for the purpose of seeing how far their experience may be of help.

**SOME LESSONS FROM ABROAD**

## CHAPTER X

### SOME LESSONS FROM ABROAD

In the consideration of schemes which have been adopted in other lands for dealing with Labour disputes, it should be borne in mind that the purpose of State interference in such matters should be prompted by two motives. Labour disputes always arise out of the desire of the workers to maintain or to advance their standard of life. It may be, and indeed often is, that the dispute is not immediately connected with a question of wages. It may be on a question of the recognition of the trade union, or the employment of non-union labour; but these are ways of keeping up the necessary organisation for the maintenance of wages. The two motives, then, which should prompt the State in interfering with labour disputes are, first to see that labour is properly remunerated and protected against the full force of unregulated competition, and, second, to see that both labour and the community should be saved the suffering and loss which strikes and lock-outs involve.

Every industrial country in the world has recognised the need for some kind of legislation for dealing with industrial disputes. This legislation varies in its character from the purely voluntary legislation of the United Kingdom to legislation of a compulsory and penal character such as they have

enacted in the Australian colonies. Some of the legislation goes no further than to provide for the settlement of disputes; some States have gone further, and not only provided machinery for preventing strikes as far as possible, but have established Courts for the regulation of wages on a fair basis, so as to make the likelihood of disputes less probable.

### THE NEW ZEALAND CASE.

The drastic legislation they have in New Zealand had its rise out of labour conditions very similar to those which prevailed in Great Britain about 1890 and again in 1911-12. The movement of the labour unrest in New Zealand at that time followed precisely the course of the movement in Great Britain in the two periods mentioned. Labour in New Zealand had got an idea that the strike was the means of salvation. A number of strikes took place in which the men were beaten. The farmers and middle-classes became alarmed and irritated. The employers took up a stiff-necked attitude, and refused to consider any proposals of the men. The defeat of the men turned their attention to politics. The public inconvenience which had been caused by the strikes had turned public attention to the question of devising some other means for settling labour troubles. Labour, in its despondent frame of mind, offered little opposition to the proposals for State arbitration. In 1894 the Industrial and Conciliation and Arbitration Act of New Zealand was passed. This Act is still the law, though it has been amended



frequently as experience showed the need. This Act is based upon the organisation of employers and workmen. By way of removing the fears of British trade unionists who fear that compulsory arbitration would weaken unionism, it may be mentioned that since the passing of this Act in New Zealand trade unions have increased sevenfold.

The New Zealand Act was substantially amended in 1908, and in its present form it makes it obligatory upon the unions and employers who are registered under the Act to refer all disputes which cannot be settled by voluntary and informal agreement in the first instance to special Councils of Conciliation. Beyond these Councils is the Arbitration Court, but it can only be applied to if the Councils of Conciliation fail to bring about a settlement. These Councils are appointed *ad hoc* to deal with disputes, and the members are selected by the masters and men concerned in the dispute. The chairman is a permanent official. If this Council fails to bring about a settlement, the case has to go before the Court of Arbitration. This Court consists of three persons, a president and two assessors. This Court gives Awards which have all the force of law. Its decisions are given on the opinion of the majority of the members of the Court, but it is said that the cases where the decision is not unanimous are very few in number. In addition to the two methods of settling disputes which have been mentioned, there is a third way. The New Zealand Act does not discourage voluntary arrangements. On the contrary, it encourages them. If the employers and the union voluntarily come to an agreement, this agreement can be registered in

the Arbitration Court, and it has all the force of law until it is terminated by one of the parties giving the required notice.

The New Zealand Act nominally imposes severe penalties on persons guilty of inciting to strikes. "Every person who incites, instigates, aids or abets an unlawful strike or lock-out or any continuance of a strike or lock-out, or assists or incites any person to become a party to a strike or lock-out, if a worker, is liable to a penalty of £10, if a union or an employer, to a penalty not exceeding £200." The highest penalty yet paid by a union has been £100. Where a union has no funds the members are liable up to the extent of £10 each, which may be deducted from wages. Strikes by union men whose union is registered under the Industrial Arbitration Act are now illegal in New Zealand. They do sometimes take place in violation of the Act. Persons engaged in land transport or in the supply of necessities like gas, water, milk, meat, and coal must give fourteen days' notice of their intention to strike. The employers in these trades must give a month's notice of a lock-out.

The working of the New Zealand Act has been criticised both by employers and workmen. The employers complain that it is unfair against them and the workmen that it is unfair against them. But there is one answer, quite conclusive, to all this criticism. The Act has been in operation for 18 years, and though it has been amended, as experience has shown the need, there has been no demand for its repeal. The Report of the Annual Conference of the Trades and Labour Councils of New Zealand for

1911 contains an account of an interview which a deputation representing this body had with the Prime Minister. This deputation, when urging some minor amendment of the Act, said: "Although there has been some outcry against the Act, the Trades and Labour Councils were not yet prepared to throw over the Act."

### IN AUSTRALIA.

The Australian colonies have adopted legislation on the lines of the New Zealand Arbitration Act. Western Australia passed such an Act in 1900. Here also there are Conciliation Boards, but they are little used, as the parties prefer to take their complaints direct to the Arbitration Court, which is presided over by a Judge of the Supreme Court. The Commonwealth Arbitration Act deals only with disputes which extend beyond the limits of one State. It was passed in 1904, and some indication of the increasing value which is attached to it may be gathered from the following figures of the number of days the Court has sat hearing cases in each year since the Act came into operation:

Days.			
1905	...	...	3
1906	...	...	21
1907	...	...	35
1908	...	...	21
1909	...	...	60 (to the 17th of Aug.)

The Commonwealth Arbitration Court consists only of a Judge of the High Court, who may call in assessors to his assistance. This

Court has given one or two decisions of a most important character to which reference will be made later. Under this Act the maximum penalty for the breach of an award is £1,000. New South Wales first passed legislation dealing with industrial disputes in 1892, but its first law of a compulsory character was passed in 1901. This Act automatically lapsed in 1908, when its place was taken by the Industrial Disputes Act. This latter measure has been twice amended since in unimportant particulars. Arbitration has probably been less successful in New South Wales than in any of the other Australian States, but even here the value of such legislation is appreciated. The trade unions, by an overwhelming vote, have expressed their preference of arbitration to strikes. Mr. Fisher, the Labour Prime Minister of the Commonwealth, recently bore testimony to the success of the compulsory arbitration laws.

The aim of these arbitration laws is not merely to prevent and to settle industrial disputes. They have functions much beyond that. The idea is to prevent industrial disputes by securing satisfactory conditions. This legislation recognises certain essential conditions of industrial peace. The first is that there must be representative organisations of employers and workmen. Trade unions are therefore encouraged, and are recognised by law. The system of State arbitration is worked through the federations of employers and the unions of the men. Under the Commonwealth Act the Court may give preference in the award to the employment of trade unionists, but it can only grant preference where the funds



are not used for political purposes. The aim of the Courts is also to stamp out sweating, and to ensure fair conditions of employment, besides fair wages. The spirit of the Courts may be inferred from the character of a decision which was given in March, 1909, by the President of the Commonwealth Arbitration Court in the famous Broken Hill dispute case. He said in his award:—

“ Now, the first condition in the settlement of this industrial dispute as to wages is that, at the very least, a living wage should be secured to the employees. I cannot conceive of any industrial dispute being settled effectively which fails to secure to the labourer enough wherewith to renew his strength and to maintain his home from day to day. He will dispute, he must dispute, until he gets his minimum; even as a man immersed can never rest until he gets his head above the water. In finding the living wage, therefore, I look to find what money is necessary to satisfy the normal needs of the average employee regarded as a human being in a civilised community.”

At very great length the Judge goes into the cost of living, and he finally lays it down as a general rule that the poverty of the employer must not be a reason for paying less wages than other employers.

“ If a man cannot maintain his enterprise without cutting down wages which are proper to be paid to his employees—at all events, the wages which are proper to be paid for their living—it would be better that he should abandon the enterprise.” This is the view which has been independently adopted by Mr. Justice Gordon in Adelaide, and by Mr. Justice



Burnside in Western Australia. The former said in the brushmakers' case: "If any particular industry cannot keep going and pay its workpeople at least 7s. a day, it must shut up." In the Collie miners' case Mr. Justice Burnside said, when refusing an application of the employers to lower the minimum:

"If the industry cannot pay the price, it had better stop, and let some other industry absorb the workers." Both the other members of the Court concurred in the latter decision.

The facts already mentioned, namely, that there is no agitation for the repeal of the Colonial Arbitration legislation, and that it is supported by all parties, is the most convincing evidence of its usefulness and success. Where the Acts have failed the failure has been due to the shortcomings of the Acts or to the machinery for working them. For instance, the greatest strike which has taken place in New South Wales was due to the fact that the Court was so overcrowded with work that these men had been waiting six years to get a hearing. Industrial arbitration has not wholly abolished strikes, but it has reduced the number to extremely small dimensions. This legislation has created an anti-strike atmosphere. It has made workmen and employers hesitate to resort to the strike or the lock-out until every peaceful means had been tried. This legislation has not weakened, but, on the contrary, has greatly strengthened trade unions. Labour has undoubtedly gained through these laws. Wages have been advanced to a figure which places the Colonial workman in a far better position than the British workman. And the increased prosperity of the

Colonies since these laws came into operation proves that the advance in the condition of labour has not been purchased by destroying the trade and commerce of the country. The Californian State Commissioner, in a very elaborate Report recently issued, says that the unskilled workman in New Zealand is the best paid in the world. Since the institution of the arbitration and conciliation system, wages in New Zealand in many trades have risen from 50 to 100 per cent. The success of this legislation in the Colonies, though nobody claims that it has been completely successful, is due to the fact that it has public opinion behind it. The trade unions, as has been pointed out, prefer to be inside the Act to remaining outside. The Labour Party in Australia support this legislation, and no demand for its repeal comes in any volume from any quarter.

### THE WAGES BOARDS.

In Victoria and in South Australia a somewhat different method of dealing with labour troubles has been adopted, namely, by the setting up of Wages Boards. In 1910 an Act was passed in New South Wales which is a blend of the Wages Board system and of compulsory arbitration. The Wages Boards are extremely interesting institutions, and many valuable lessons may be learnt from their experience. The British Trade Boards Act of 1909 was an adaptation of the Victorian Wages Board legislation. This legislation was begun in Victoria in 1896. The Act passed in that year was experimental. It was first applied to a specified number

of trades, namely, the clothing trade (including boots), furniture making, and baking. These trades were first selected because of the unenviable reputation they had for sweating conditions. The Act was soon put in operation in regard to these trades, and its success was so marked that demands arose from other trades to be included within the Act. The original Act had been limited to three years' duration, but when the time came for its expiry it was renewed, with the important addition, that any trade might be brought within it by a resolution of either House of Parliament. In 1905 a consolidating Act was passed which made the legislation permanent. Victorian legislation dealing with wages has frankly aimed rather at establishing the minimum wage than at piecemeal conciliation and arbitration. The legislation of New Zealand and the arbitration laws of the other Australian States had dealt with organised trades mainly, but it was felt in Victoria that something was needed to benefit the workers in those industries where it was difficult to organise them.

The value of the Victoria example is all the greater because the present legislation has been gradually built up as the result of experience. The Wages Board system has been gradually built up from the bottom, until it now embraces practically all the trades outside domestic service and agriculture. No experiment ever had a more severe test than this Victorian Wages Board scheme. Five times it has been renewed and extended, and it has been subjected to the severest criticism from many quarters. But it has come out of all tests

triumphantly. Beginning, as was mentioned, with three or four trades only, it has been extended, until now there are no less than 91 trades working under its control, these including the most highly-skilled and best organised. The Act has stood the test of periods of good trade and times of bad trade. The most conclusive testimony to its value is the fact that most of the trades which have come under the Act have done so at their own request. It is no longer an Act to deal with sweating, but an Act to ensure a minimum wage for all classes of workers. The employers, too, are in favour of the system. They find that it is to their advantage to know that there is a limit fixed to unscrupulous competition, and that there is a minimum wage below which no employer can go. By the legal minimum they have an assurance which no voluntary agreement can give, namely, that every employer must conform to the common rates at least.

What effect, it may be asked, has this Wages Board Act had in raising wages? The answer to that has, in fact, been given already, in the statement that trades have clamoured to come under the operation of the Act. But a few actual details may be given. Since 1896, when the Act, in a small way, was first passed, wages have risen by from 12 to 35 per cent., and the hours of labour have been reduced. The prosperity of the Colony has been marked in the years which have passed since this legislation was first enacted. Since 1896 (the year when the first Act was passed) the revenue of Victoria has risen from £6,400,000 to £10,700,000. The Savings Bank investments have risen from £4,300,000 to £15,400,000.



The receipts from the State railways have increased from £2,400,000 to £4,443,000. The number of marriages have risen from 4,700 to 10,200. It may be said that this extraordinary expansion of the Colony since the Minimum Wage Act was passed is not altogether due to its operation. That may be so, but these facts at least prove that the minimum wage has not ruined the country or arrested its development. In the same period the number of factories has risen by 60 per cent., and the number of workers employed in them has more than doubled. Victoria is now industrially the most important State in the Commonwealth. From a Report of the Chief Inspector we learn that in 37 trades of which particulars are given the average increase in wages after the institution of the minimum wage was 4s. 4d. per week, varying from as low as 1d. in one trade to 11s. 4d. in another. A few instances may be given of increases in the rates of pay made by the Wages Boards. Shirt makers of one class had the rates raised from 2s. 4d. a dozen to 3s. 3d.; finishers from 4½d. to 8d. per dozen. Trousers makers had the rates raised from 6s. per dozen for stock vests to 11s. per dozen.

The machinery of the Victorian Wages Board is very simple. Either the employers or the workmen in an industry may apply to the Minister for the Factory Laws to have a Wages Board constituted for their trade, or the request may be made by the factory inspector. If satisfied as to the desirability of setting up the Board, the Minister obtains a resolution from Parliament authorising such a course. The Boards are constituted for each trade. The



members of the Board vary from five to eleven, and are appointed on the nomination of the Minister. If, however, the Board, as appointed by the Minister, is objected to by one-fifth of the employers or employees, a Board is elected by the employers and the employees, each selecting an equal number. The chairman is elected from outside both classes, and if they fail to agree upon a chairman, he is appointed by the Minister. The Wages Board thus constituted hears the evidence and "determines" what the minimum rate shall be. The Minister may suspend the operation of a determination for reference to a Court of Industrial Appeal composed of a Judge of the Supreme Court. The determinations of the Wages Boards remain in force until either amended by the Wages Board or amended or revoked by the Appeal Court. Breaches of the Wages Board Award are tried in the Petty Sessions Courts in the same way as are breaches of the Factory Acts in the United Kingdom. There is no penalty for striking against the determination of the Wages Board, but instances where the decision has not been accepted by both sides are very rare, and strikes are uncommon.

The legislation in Australia and New Zealand for dealing with wages and the difficulties which arise out of the determination of them has taken the three forms described; first, the institution of Conciliation and Arbitration Courts; second, the creation of Wages Boards; and third, a combination of the two methods. All this legislation has been largely experimental. It has had to deal with the most difficult of all problems, namely, those in which

there is a most intricate inter-play of influences, and in which human passions largely enter. There have been failures, as there must always be in such efforts, but the general results have been highly satisfactory, and where failure has occurred it has been mainly through defects in the machinery which experience can amend. The attacks which are made upon the system do not touch its central principle. The one sufficiently convincing testimony to the general appreciation of the legislation is the fact that in no one instance has such legislation been repealed. Amended the legislation has often been, but in no case has any community which has tried the State regulation of wages questions gone back to the old barbarous method of unrestricted competition and unregulated industrial conflicts.

#### THE CANADIAN METHOD.

Canadian legislation dealing with industrial disputes dates back to 1900, but it is now contained in the Act of 1907, which considerably increased the powers of the Provinces in these matters. By this Act either the employers or the workmen may refer a dispute to the Minister of Labour, who, on the receipt of the application, shall appoint a Board of Conciliation and Investigation. The Board is appointed by the Minister, and consists of three members. One of the three members is appointed on the recommendation of the employers, one on the recommendation of the workpeople, and the third by the members so chosen. A Board is constituted to deal with each case. Strikes and lock-outs are

illegal prior to, and pending the reference of, a dispute to a Board. Either party may agree to be bound by the decision of the Board, and in that event it will be illegal to declare a strike or lock-out after the decision. But unless such an undertaking has been given there is nothing to prevent either party from refusing to accept the decision of the Board. When the award of a Board has been accepted by both parties it will be binding, and can only be changed by thirty days' notice, and no strike or lock-out can be entered upon until the matter has been referred to a Board. A workman who goes on strike in contravention of the Act may be fined £10 for each day he is on strike, and any person who incites another to strike illegally is liable to a penalty of £10. An employer who locks out in contravention of the Act is liable to a penalty of £200 a day so long as the strike may continue.

The idea embodied in the Canadian Act is that if the men can only be kept at work pending a consideration of the dispute it will be much easier to come to a fair settlement. It acts on the principle that it is better to arbitrate before you strike. The Board to which the dispute is referred makes its award public, and all the evidence on which its decision is based. This makes a public opinion on the question, and it is very difficult for either party to bring about a stoppage of work after the report of a fair tribunal has been issued. The trade unionists of Canada accepted this Act, and have worked it smoothly up to 1911, when some irritation was caused by certain decisions which displeased trade unionists. At the Canadian Trades Union

Congress in October of that year the following resolution was passed:—

While this Congress still believes in the principle of investigation and conciliation, and while recognising that benefits have accrued at times to various bodies of workmen under the Lemieux Act, yet in view of decisions and rulings and delays of the Department of Labour in connection with the administration of the Act, and in consequence of judicial decisions like that of Judge Townsend, in the Province of Nova Scotia, determining that feeding a starving man on strike contrary to the Act is an offence under the Act, be it resolved that this Congress ask for the repeal of the Act.

To call for the repeal of a measure whose principle is approved, and which is admitted at the same time to have had beneficial results, seems, on the face of it, inconsistent. As a matter of fact it is only the administration of the Act that is really in question.

In the Dominion legislation which has been described there will be detected some points of resemblance to experiments which have been tried in the United Kingdom, but in the Australian and Canadian legislation the interference of the State has been carried much farther than in the mother country. It remains for us to consider how far the experience of the Colonies may help us to move forward on the path we have entered upon so reluctantly, and which we have so far trod with a faltering step.

THE STATE REGULATION OF WAGES  
IN THE UNITED KINGDOM



## CHAPTER XI

### THE STATE REGULATION OF WAGES IN THE UNITED KINGDOM

In 1909 an Act of Parliament was passed which established for the United Kingdom Wages Boards on the lines of the Victorian system. This measure was passed without opposition, though not without fear and trembling in some quarters. It was such a departure from the old idea of non-interference with economic laws, that nothing but the absolute necessity of doing something to deal with the universally admitted evil of sweating secured agreement that this experiment should be tried. This measure is known as the Trade Boards Act, and it applies to the ready-made and wholesale bespoke tailoring trade, to box-making, lace-finishing, and chain-making. But by a Provisional Order of the Board of Trade other industries may be brought within the Act. The conditions on which the Board of Trade may include an industry in the Schedule of this Act are that the Board must be satisfied that the rate of wages prevailing in any branch of the trade is exceptionally low as compared with that in other employments, and that the other circumstances are such as to render the application of this Act to the trade expedient. Trade Boards have to be appointed under regulations made by the Board of Trade. The members of these Boards have to be

representatives of the employers and workers in equal proportions. There are also appointed members. Women are eligible to be members of Trade Boards. The chairman of the Board is appointed by the Board of Trade from among the members, and the secretary is also appointed by the Board. In addition, the Board of Trade may appoint such persons to be members as they think fit, provided that the number of such appointed members must be less than half the total number of members representing employers and workmen.

The work of these Trade Boards is to fix minimum rates of wages in the trades referred to, both for time-work and for piece-work. When the Trade Board has fixed a rate it is in partial operation for six months, during which time the employer may pay a workman less than the fixed rate, provided he has obtained the workman's written consent. At the end of six months the fixed rate becomes obligatory upon all employers, and any breach of this regulation renders the employer liable to a fine not exceeding £20. In a paper read by Mr. J. J. Mallon, the Secretary of the Anti-Sweating League, before the Conference on Destitution, in June, 1912, some very interesting and useful facts are given as to what has already been accomplished by the operation of the Wages Boards under this Act. Cradley Heath has long had a very unenviable reputation for low wages in the chain-making trade. Before the Trade Boards intervened the women were earning wages of 6s. and 7s. a week for full time, and the men from 12s. to £1. The Trade Board has fixed legal minimum rates which have increased the earn-

ings of these workpeople from 50 to 100 per cent. A time rate of  $2\frac{1}{2}$ d. an hour has been fixed for women, a figure which is miserably low, but which enables the women to earn 11s. 3d. for a full week's work, in place of the former sum of 6s. or 7s. The rates for men have been fixed at 5d. to 7d. per hour, which raises the week's wage to between 22s. 6d. to 31s. 6d. It is pointed out that the main value of the piece list is that it enables the workers to calculate the precise price which should be paid for each job. One employer has been fined £30 for attempting to evade the payment of the minimum rates. The increase of wages has enabled the workers in this trade to organise, a thing they were too poor to do before. Minimum rates have also been fixed for the lace-finishing trade, which give an increase of 20 per cent. on the previous earnings.

In the tailoring and box-making trades, which are not so localised as the two already mentioned, District Boards have been established. In the box-making trade a minimum rate of 3d. an hour has been fixed for all parts of the country. The earnings of the women employed in this trade before the change were given by the employers as being from 8s. 6d. to 15s. a week. Under the minimum rate the lowest wage will be 13s. for the usual week, namely, 52 hours. The ready-made tailoring trade employs a very large number of men and women. After long negotiations a time rate of  $3\frac{1}{4}$ d. for women has been fixed, which for a full week will give a wage of 13s.  $10\frac{1}{2}$ d. According to the Board of Trade figures, 34 per cent. of the females over 18 working in this trade were earning less than 10s. a

week, so that in this case, too, low as the rate is, there will be a substantial advance of wages. It is too early as yet to pass judgment on the working of this Act, but it may be said that in the chain-making trade, where it has been longest in operation, it appears to have been in every way successful. In the other trades it has not yet had time to show results, beyond the fact that the workers are receiving the higher rates. There has been an all-round impetus given to organisation among the workers in the trades affected by this Act, and the improvement in wages of the operatives directly affected by the awards has stimulated other sections of workers who are connected with other branches of the industries. The only dissatisfaction which has been created by the decisions of the Trade Boards is due to a feeling that the rates might have been fixed somewhat higher in some cases.

The second legislative enactment fixing a minimum wage is the Coal Mines Minimum Wage Act. This Act follows in its main features the Trades Boards Act, which itself was modelled after the Wages Board Act of Victoria. This Minimum Wage Act for the mining industry was not asked for by the miners. The miners' members in Parliament voted against the Bill on its Third Reading. But when it became law, like the employers, they accepted the measure, and set to work at once to put it into operation. The Act is worked through District Boards, which are composed of representatives of the coalowners and the men in equal numbers, with a neutral chairman. In the event of the refusal of the employers or men in any district to act



under this law, the power was reserved for the Board of Trade to fix minimum rates. These rates have now been fixed for the various districts, and though, as in the case of the Trade Boards, there has been some dissatisfaction at the rates fixed in some districts, in other districts the rates fixed appear to have given general satisfaction.

There are a number of points in this Mines Minimum Wage Act which call for special consideration. The Act, in the first place, provides for the fixing of a minimum rate of wages for day men and piece-workers. It does not interfere in any way with the rates to be paid for work, but lays it down that whatever the rates may be there shall be guaranteed to every man who works underground a minimum wage for every shift he works. But there is no penalty attached to the non-payment of the minimum wage; the employer may be sued in the courts for the legal minimum. The Act does not in any way interfere with the right of the men to strike for a higher minimum, or with the right of the owner to lock-out. But if the owners do employ men, the minimum wage, at least, must be paid, or, as stated, it can be recovered as a civil debt. The Act provides for exceptions. The District Boards have the power to fix lower rates for certain localities in a district where the conditions may be exceptional. The old and inefficient men may be employed at less than the minimum rate.

The Act was not pressed for, either by the miners themselves or by the Labour Party in Parliament. Nothing could better show the attitude of trade union opinion to State interference with wages and



the liberty of trade unions to fix them by voluntary negotiations. Until that attitude is radically changed no rapid advance on the lines of this Act can be expected. The Act was passed to deal with a great national crisis. The Government were reluctant to resort to legislation. The Labour Party in Parliament laid down certain conditions to which the Bill must conform. The Bill must deal only with the coal trade, and must not dare to fix a minimum rate for other industries. In the second place, the Bill must be temporary in its operation, and in the third place, it must not establish compulsory arbitration. The Bill, as finally passed, did conform to the first and second conditions, but not the third. It did establish compulsory arbitration by enacting that if the parties themselves did not fix the minimum rates the Board of Trade would do so, and these rates when fixed would have the force of law.

This is the Act which the miners' strike brought to pass. The future will show that the miners accomplished more than they knew. The legal minimum wage has been established by law for the greatest of our industries, and one where the wages are on the average much above the general rate of remuneration for manual labour. The Act sets up machinery which can be improved without difficulty, and made capable of doing a good deal more work than the Act is at present intended to perform. The system of working through District Boards is the only practical way of carrying out such a purpose as the establishment of a legal minimum wage. Parliament can only lay down general principles, and set up

machinery for settling details. The miners opposed the Third Reading of this Bill because it did not enact a definite amount as the minimum wage for day men and boys. Originally the miners put forward the demand that the schedule they had drawn up for hewers should be inserted in the Bill. It was so patently manifest that Parliament was not competent to settle such a highly technical matter as this that the demand was withdrawn. The demand for the insertion of fixed minimum rates of 5s. a day for datal men and 2s. a day for boys was pressed. It received a considerable amount of sympathy, not because it was believed that Parliament was the best authority to settle that less difficult matter, but because there was a feeling that the figure was low enough for any man or boy to receive for a day's work underground.

The position in which we are in this country in 1912 may be summed up as follows:—The Board of Trade, as representing the Government, has been assuming additional powers in recent years for helping the settlement of labour troubles by conciliation. There is at present no legal power to force the parties to a dispute to submit the matter to a third party. There has been a decided tendency in recent years for industrial disputes to be settled by conciliation and arbitration under voluntary agreements. The opposition to compulsory arbitration remains strong and widespread among the trade unions, but circumstances are compelling trade unions, one by one, to admit the failure of voluntary conciliation to settle serious disputes. The State has by legal enactment established a legal minimum wage, enforceable under

penalties in four national industries, and the payment of a minimum in the coal trade for all workers underground. But there is no legislation in the United Kingdom which can prevent the outbreak of a strike, or which can enforce the will of the Government or of Parliament upon the parties to a strike or lock-out. Apart from the five trades mentioned, there is no State interference to ensure that men and women shall be paid a living wage for their labour. To ensure that is the work immediately in front of the nation.

THE ECONOMICS OF THE LIVING  
WAGE

## CHAPTER XII

### THE ECONOMICS OF THE LIVING WAGE

The difficulty in the way of legislation dealing with labour disputes is that the trade unions are strongly opposed to compulsory arbitration, and the Government is not at all disposed to shoulder more responsibility for settling these disputes than it can possibly avoid. But, on the other hand, the general public is ready for legislation on this subject, and many Labour leaders favour a beginning with some moderate scheme of State arbitration. Though declaring its hostility to compulsory arbitration in all its shapes and forms, the Labour Party, by the pressure of circumstances it cannot control, is being forced more and more to call in the assistance of the State to support trade unions in their efforts. In June, 1912, the Labour Party introduced a Bill into the House of Commons to make voluntary agreements come to by a representative body of employers and the trade unions legally binding on all the employers in the trade, whether they had been parties to the making of the agreement or not. It was proposed to apply this in the first instance to the Port of London only, but the proposal is significant as showing how organised labour in this country is being unwillingly obliged to appeal to the State to supplement voluntary effort. There seems to be a probability of the practice of trade unions and employers giving monetary guarantees for the observance of



agreements extending, and possibly receiving ratification by legislation. The rate of progress towards compulsory State arbitration will depend upon the amount of vitality there is still left in voluntary conciliation. But if that fails, and if there is a continuance of labour disputes, it is very likely that State arbitration will be legally enforceable before very long.

Two principles have been accepted in the Industrial Arbitration and Wages Boards legislation which has been outlined in the previous chapters. The first is, that the State cannot stand quietly by and see industry paralysed and society held up by strikes and lock-outs. The second is, that there is a collective responsibility, which can only be discharged through the State, for ensuring workpeople a reasonable remuneration for their labour. It has gone so far in Australia as to enforce the doctrine that the wage of the workman should be " enough to satisfy the normal needs of the average employee regarded as a human being in a civilised community."

The labour unrest cannot be satisfied so long as the workman is not able to earn a wage which will satisfy his reasonable needs as a human being in a civilised community. What has been done for the miner and for the " sweated " trades will have to be done for all workers who, without the help of the State, are not able to earn a living wage. It is highly desirable, however, that the State machinery by which this end is reached should be dissociated in its actual operation from the Government of the day, and from party political influence. It is a

most undesirable thing that workmen should be able to compel Parliament to act on a wages matter under the threat of a strike or to settle a strike. The machinery for fixing the living wage should be of an independent and impartial character, such as the District Boards in the coal trade or the Trade Boards under the Trade Boards Act.

The most promising method of securing a living wage for all workers seems to be by the extension of the Trade Boards Act. Wages Boards, of course, cannot ensure a workman a wage. By the regulation or fixing of wages alone the living wage cannot be assured unless the workman has employment. The enactment of the principle of the universal living wage is not going to settle the whole industrial problem by any means. It is one useful contribution to the problem. The living wage means that when a workman is employed, he must be paid a wage which will enable him to live like a human being in a civilised community. Other reforms of a drastic nature, the consideration of which is outside the scope of this book, will have to be adopted. The living wage is not a thing which can be represented in money terms which will remain for ever unchanged. The amount of the living wage must bear some relation to the growing civilisation and expanding aspirations of the people. It must recognise that the workers must share in the benefits of increasing wealth and the advantages which come from science and invention. It must be something more than a wage which will keep the workman's head above the water when in employment, leaving him to sink when out of work.

The rates of wages which have been fixed by Boards in Australia and in this country are not maximum but minimum rates. They do not penalise the industrious workman to help the lazy and incompetent. They simply secure that competition in the labour market shall not drive wages below a fixed point. Beyond that, trade unionism and the superior efficiency of individual workmen have unlimited scope for demanding higher rates.

As a practical question, anything in the way of fixing by Act of Parliament a rigid and universal minimum wage is out of the question. Agitations for a universal minimum wage of 30s. a week are excellent propaganda, but as practical proposals such demands only lay themselves open to destructive criticism. If we can get the idea of a living wage or of a minimum wage into the heads of the people, we shall have done a very useful piece of work. We shall have got the people to recognise that the community has an obligation upon it to see that none of its workers is doing useful labour at a remuneration which does not allow a human existence. We shall have got rid of the idea that the workman must be the last of the co-partners in production to be considered. But when the universal minimum wage does come it will not come in the form of 30s. a week for every trade and in every part of the country.

The idea of a guaranteed wage, not dependent upon the output of the workman, is not by any means a new or fantastic idea, or an impractical one. It is difficult to get at the actual figures, but there can be no doubt that the great majority of the workers of

the country are paid at fixed time rates, not dependent upon the output. The fixed rate system of payment is universal in the building trades, in agriculture, in domestic service, in the transport services, in the public services, and very largely prevails in the printing trades, in engineering, and many other productive occupations. The two great industries where the piece-rate system is all but universal are textile and mining. In the trades which are well organised there are standard rates for time and for piece-work. Where the time rate is operative under a standard list the minimum wage is in operation.

The fixing of time rates or the standard rate is done by taking a number of things into consideration. Where an industry is localised the standard rate applies to the whole trade of the district. But the Miners' Federation, though comprising all the District Associations of Great Britain, has not one uniform standard rate. In the famous schedule it drafted at the time of the strike, it asked for different minima for different districts. Trade unions which have their members working in all parts of the country have District Boards for fixing local rates, and though the rate in one district may be far below that in another part of the country, if it be the rate agreed upon by the union and the employers, it becomes recognised as the standard rate. For instance, the standard rate of wages for carpenters in June, 1912, was 10½d. an hour in London for a 50-hour week, while at Haverhill in Suffolk the standard rate for trade union workmen was 5d. per hour for 56½ hours. Innumerable similar instances might be given.



In agreeing upon a standard rate the trade unions take local conditions into consideration. A carpenter at Haverhill working for 5d. an hour is probably as well off as a London carpenter with his 10½d. The Post Office, too, takes the cost of living into consideration as one of the factors in the fixing of wages. Wages Boards would probably work on the same lines. The Trade Boards have so far dealt mainly with localised industries, and this difficulty of different rates did not arise in such cases. But in the box-making and tailoring trades the question did arise, and the cost of living was disregarded, and a national minimum was fixed. There is the serious objection to allowing the cost of living in a locality to largely influence the standard rate of wages that, if the trade be of a national character, the employer who has his works where rents and living are cheap has a decided advantage over his competitors in less favourable situations. But, on the other hand, the difficulties and objections to a universal standard rate are at present insuperable.

The aim of the demand for a living wage is to secure a wage which will enable the workman to meet the expenses of living, and a universal minimum wage of a uniform sum would certainly be as unjust as it is impracticable. If the much-talked-of universal 30s. a week minimum wage could be established by Act of Parliament, and if it could be paid without ruining industry, it would create wide disparities in the relative comfort of workmen. The agricultural labourer on 30s. a week would be in affluence compared with the labourer on the same amount who had to live in London. So long as the



present wide difference exists between the cost of living in a large city and a remote country village that fact would have to be taken into consideration in the fixing of a living wage.

There are other fatal objections to the proposal that Parliament should enact a universal minimum wage of a uniform sum of 30s. a week. The establishment of a universal minimum wage must have some regard to facts and to probable consequences. A reform, however good it is in itself, may do more harm than good unless the people for whom it is intended are ready to take advantage of it. That is the conclusive argument for all reform being gradual, however rapidly the steps may be taken. Unless the workers have unsatisfied wants, or unless they have the moral development to use additional means economically and usefully, the increase of wages will be a positive harm. But, on the other hand, the conclusive argument for the gradual raising of wages is that the working-classes have these rational desires unsatisfied, and they would devote additional means to raising their standard of life. The facts about the consumption of drink in recent years support that conclusion. During recent trade booms there has not been, as there formerly was, a great increase in the consumption of drink. The earnings coming from fuller employment have gone in other and better ways.

The establishment of a universal minimum wage must pay some regard to the economic consequences of such an act. While agreeing that an industry which cannot pay anything but a sweating wage ought to be crushed out of existence, the establish-

ment of a minimum wage must not be imposed in such a way as to inflict irreparable injury on useful trades which are capable of gradually adapting themselves to better labour conditions. As an example, while it might be possible gradually to raise the minimum wage in the cotton industry to 30s. a week, it will be seen by a reference to the figures given in a previous chapter showing the number of persons now earning less than 30s. a week, that to raise all these people to 30s. a week at one step would absolutely ruin the export trade of this great industry. As will be shown later, given time for the benefits of the living wage to develop, this trade might ultimately be able to pay the minimum of 30s. or more not merely without injury, but with positive advantage to all concerned. The wages of agricultural labourers are miserably low. It is certain that a minimum wage fixed at a figure fairly well above the average wage now paid could be afforded by the industry. But without at the same time carrying out a drastic reform of the land system, the attempt to enforce a 30s. minimum for farm labourers would be disastrous. There are probably half a million farm labourers paid less than 15s. a week. To raise them to 30s. a week would mean an increase in the wages bill of £20,000,000 a year, which is five times more than the whole of the farmers' profits assessed to income-tax.

Or take another illustration, that of domestic service. There are considerably over a million women employed in this work for wages. There is not one in a thousand who will now be paid a wage of 30s. a week. Suppose that this demand of 30s.

a week for every adult worker was conceded by law at one step, and that every person employing a woman domestic must pay her not less than that sum, it would cost at least £30,000,000 a year. The immediate effect of this would be that two-thirds of them would be dismissed at the end of the first month. The same thing would be happening in every other occupation, and there would be two-thirds of the workers turned out of employment, and the whole industry of the country would be brought to a state of chaos.

Thirty shillings a week is sadly little enough for an adult worker. By well-thought-out reforms it is possible to bring about such a universal minimum as that, and more. But it cannot be done by simply passing a law that everybody shall have not less than 30s. a week, regardless of facts and consequences. So long as land and the great industrial monopolies are privately owned there will always be difficulty in getting any reform which will be more than a very meagre benefit. All this criticism of the demand for the immediate enactment of a universal 30s. a week minimum is directed neither against that figure as being either excessive or impossible of realisation, but as a warning that such a proposal must be carried out by gradual steps, so that the trades affected may have time to adapt themselves to the changes, to avert disaster or ruin. A great many industries have adapted themselves to the payment of a minimum or standard rate of over 30s. a week. This has been done, not only without injury, but with positive advantage to the trade. As has been pointed out, the average of wages in

1900 was 80 per cent. higher than in 1850, and this increase had been contemporary with an enormous expansion of the home and foreign trade. The standard rate for carpenters in Newcastle rose from 6 $\frac{3}{4}$ d. in 1872 to 10d. in 1902; the wages of coal hewers in Durham from 4s. 2d. a day in 1880 to 7s. 5d. in 1901; wages of fitters in Glasgow from 27s. in 1875 to 36s. in 1900. These substantial increases have been obtained by steps, and the trade has benefited in every way. As instances of the payment of a minimum wage exceeding 30s. a week, it may be mentioned that the standard rate for iron founders in most of the large towns is from 38s. to 40s. a week; of fitters, 36s. a week; of compositors from 34s. to 42s.

It is sometimes pointed out that the increase in the gross amount assessed to income-tax shows that there is ample wealth in the country to pay a universal minimum wage of 30s. a week. In the aggregate there is no doubt, but it must be remembered that this income which is brought under the notice of the Revenue Commissioners does not represent employers' profits only. Of the £1,000,000,000 of gross income about £670,000,000 is unearned—that is, it is rent, or profit from joint stock companies, or from investments abroad. The total under the head of “companies’ profits” is £285,000,000, and for “firms” £76,000,000. A very considerable part of this is legitimate interest, which could not be appropriated by wages without bringing the industry to an end. There is also a large sum which may be regarded as monopoly profits or excessive profits, and this is available for increasing wages.



The economic rent of land is another source from which indirectly the wages of labour may be raised. But this economic rent of land is paid to a large extent by trade and industry, and if the employer can be relieved from any part of this payment to the landlord, that relief becomes available for increasing the wages bill.

Gross figures and averages are often misleading. Taking the gross rent and profits, there is no doubt that if, by a simple process, this could be transferred to wages, there would be enough to pay the universal 30s. minimum. But there is no simple way of doing that. And while the gross income of the country, no doubt, could stand a few hundred millions of deduction, the question is, could the individuals who would be affected stand it, and could the trade of the country stand it? The profits of trade vary enormously, not only as between trade and trade, but as between year and year in the same trade. There is also this to remember, that the profits of a firm may, when lumped in one sum, appear enormous, but if the sum were divided in wages among the workmen, it would represent but a small amount of increase.

But while anything in the nature of recklessness is to be deprecated, it can be shown that there are funds available for substantially increasing wages, that the profits of many industries are so large that advances can be well afforded, and that a reasonable and gradual advance of wages will injure no trade which it is desirable to keep in existence. The experience of the working of the Wages Boards has proved that even the sweated trades can stand a very



substantial advance in wages without suffering any loss of trade. Employers will complain that they are now working on the barest margin; they always do that. They have opposed all factory legislation, compensation, insurance, and the like on the ground that the industry could not possibly stand any additional burden. But the industry has stood it. There has been no restriction of employment, nor have profits suffered. The facts which have been given in a previous chapter show that the profits of industry have risen as wages have advanced, and as labour legislation has become more "oppressive."

The money to pay higher wages may come from five sources. It may come from profits, from the relief given to industry by the appropriation of economic rent, from increased efficiency, from economies, and from increased prices. The burden of local rates is heavy and increasing. They enter into the cost of production and into the business expenses of every employer. The transfer of the burden from industry to land values would lower the cost of production, and thus set free a sum available for increasing wages without interfering with profits. But in many instances profits also may be brought under tribute. Wages are the first economy the employer tries to effect; wages are the last thing to share in abounding prosperity. The employers will have to make up their minds to be satisfied with more reasonable profits. When the commercial page of the newspapers is announcing every day dividends of 10, 20, 50, and 100 per cent., it is useless to argue that it is impossible to advance wages.

# THE ECONOMY OF HIGH WAGES

## CHAPTER XIII

### THE ECONOMY OF HIGH WAGES

High wages pay, cheap labour is dear labour. That truth is being more generally appreciated by employers of labour. From Adam Smith downwards economists have pointed out that higher wages made labour more efficient, and led to an increased output of work, larger in quantity and better in quality. High wages, too, it is shown by practical experience, lead to a lessening of the cost of production. Contemporary with the advance of wages which went on from 1850 to 1900, there was a continual decline in the cost of production. This lessening of the cost of production, it is true, has been brought about mainly by mechanical improvements; but the more intricate the machinery is, and the more elaborate the organisation, and the more skilful and efficient the worker requires to be, efficiency and skill being qualities which are not acquired and maintained on low wages. In the past there has been too much attention paid to the improvement of the machine in comparison with the attention which has been given to improving the man who works the machine. In every factory and workshop where numbers of men work, there will be a difference of 30 per cent. or more in the outputs of the most efficient and the least efficient workmen engaged on precisely the same work under precisely the same conditions. That

difference is due to causes which might be prevented. The inefficient man is in most cases the victim of poverty in childhood. He has been neglected in body and mind. His children, in turn, are suffering in like manner from the inefficiency and the consequent poverty of the father. The loss of labour power and of wealth production from the inefficiency of the workmen below the average is incalculable. This loss can be recovered by giving the workman better conditions and better opportunities. Higher wages will bring back, directly and indirectly, more than is spent in paying them.

The most profitable trades in this and in other countries are those which pay the highest wages. The better wage enables the workman to eat more, and of a better quality. He lives under healthier conditions in his home. He is better nourished in mind and body. The result is that he tends more looms, minds more spindles, hews more coal, turns out more steel, makes more machines, than the workmen who have a lower standard of life. Wages in the mechanical trades are probably higher in the United States than in any other country, but the cost of labour is lower than elsewhere, because of its greater output. Necessity is the mother of invention. If the employer has to face an increase of wages, he sets his wits to work to effect economy. The high wages paid in America have forced the progress in machinery to the highest point. Human labour is often employed to-day because it can be had at a low price, which is considered to be a saving on the adoption of mechanical processes. But if the employers were obliged to pay higher wages, they

would be compelled to adopt labour-saving devices. In turn, these machines can only be economically worked by labour which is intelligent and alert. Where wages are high there is economy of organisation. As the payment of high wages necessitates high mechanical equipment, perfect organisation, keen attention to business, the compulsory payment of high wages would have the effect of eliminating the small employer with inadequate capital and inferior business ability. He is kept going now only because he can exploit an inexhaustible supply of cheap labour, which is subsidised by the community in innumerable ways. The existence of this class of employer keeps down the wages of the whole industry. Employers who would be willing to pay higher wages are prevented from doing so by the illegitimate competition of this subsidised labour.

There is always some suffering in the carrying out of reform. But it is to the general good that the control of industry should be in the hands of the most competent men, and that advantage should be taken of every device which will increase the productivity of labour and cheapen the cost of production. Though, in the transition, individuals may suffer, the nation gains, and the national gain will come back to the individual who in the first instance suffered. The enforcement of a living wage will not abolish competition for employment; but it will raise the character of the competition. The employer would not be able to get a man below the living wage, and he would therefore be anxious to secure the man who would at least earn that wage. The legal living wage would discourage among work-



men every habit which was likely to lower their industrial efficiency. It would increase sobriety, technical skill, and general intelligence. Every workman would aim at being his best, knowing that he could not obtain employment by offering to accept low wages and to submit to bad conditions. The unemployed and unemployable problems are not to be solved by the establishment of a living wage; but the living wage would make these questions easier to solve.

The results which would follow the payment of higher wages—the cheapening of the cost of production, the greater use of machinery, the better organisation of the factory and the business—would have a consequential effect on the employment of labour. Though the output of work per workman would be increased, there would be more and not less employment. Low wages mean small purchasing power. A general increase of wages would enormously increase the demand for goods, and every staple trade in the country would be greatly stimulated. With the increased purchasing power the working class would become in larger measure the patrons of reasonable enjoyments which they cannot now afford, and by that, further employment would be provided. The economic and social effect of increased wages would be beneficial all round. Even if the enforcement of a living wage lessened the spending power of the people who live on “unearned incomes,” that, too, would be for the national good, for it would be transferring some part of the national dividend from unproductive to productive uses.

Having established the contention that an increase of wages would lead to greater efficiency and economy, and that the increase, therefore, would not come out of profits as a rule, little remains to be said on the question of the increase coming from profits. It has been shown that the profits in many industries and trades are well able to bear the cost of a reasonable increase in wages, and that where such is not possible, owing to the inefficient equipment of the business, that it is desirable that such a business should be crushed out, and its present trade absorbed by those who are able to carry it on more profitably.

Another source from which it has been pointed out the increased wages might come is the consumer, from an increase of prices. There is a popular impression that this is the way in which employers always recoup themselves for wages advances. But that impression is largely a delusion. Prices cannot be raised at the whim of the manufacturer. If he were able to get his own price for his commodities, he would ask more than he does now. Where there is something like a "ring" among manufacturers it is possible to regulate and fix prices, and to raise them within limits to meet an increase in the cost of production. But an increase of wages does not necessarily mean an increase of the cost of production, as has been shown at length. An increase of prices does not always mean an increase of profits. It is very often the reverse. In the retail trades an increase of prices invariably means a reduction of profits, because of the reduction in the sales. If that be so in the retail trade, it will be so in the manufacturing branch which supplies the retail

trade. There is a good deal of economic wisdom in the hackneyed phrase, "Small profits and quick returns."

Facts do not support the contention that an increase of wages means an increase of prices. Between 1850 and 1900 there was a continuous increase in wages; but in these years prices fluctuated without the slightest regard to whether wages were going up or down. Between 1850 and 1870 there was an increase of 34 per cent. in wages, and an increase of 25 per cent. in prices; but between 1870 and 1890 wages rose by 27 per cent., and prices dropped by over 30 per cent. The increase in the cost of living from 1900 to 1912 certainly cannot be explained by the increase of wages, for wages have remained practically stationary, while prices have risen by about 13 per cent. Instead of an increase of wages tending to cause an increase of prices, the very opposite is the case; that is, so far as wages do influence prices. High wages lessen the cost of production, and therefore reduce prices.

In his "Value, Price, and Profit," Karl Marx called attention to the fact that a compulsory rise of wages was not necessarily followed by an increase of prices. He points out that the Ten Hours Act, which was a compulsory rise of wages in a whole industry, was not followed by an increase, but by a decline, in prices. His conclusion was that "a general rise in the rate of wages would result in a fall of the general rate of profit; but, broadly speaking, not affect the price of commodities." Other factors than wages largely influence prices. The increase in the production of gold is a favourite way

of explaining the increase in prices since 1901. But between 1850 and 1860 prices rose far more, and there was not a similar increase in the production of gold. The increase in the production of gold has doubtless had its effect on prices, but two other causes have had considerable influence—namely, the exhaustion of natural resources and the burden of militarism. The gold-production theory seems to fail as the most responsible cause when we find that the increase in prices has not been an all-round increase, which would roughly be the case if the gold theory was the sole explanation. Between 1900 and 1910 the price of coal fell 30 per cent., the price of cotton rose 60 per cent., wheat 17 per cent., while mutton, tea, coffee and cocoa dropped in price.

There has been a wonderful expansion of the world's trade in recent years. The demand for raw material has led to the exhaustion of supplies. We have not been planting after reaping. Much of the raw material which has been used cannot be replaced, except by long waiting. Mines, forests, and fields have been exploited to satisfy the increased demand for commodities. This is one of the main causes of the increase in the cost of living, and, that being so, there is little reason to hope for a fall of prices until the natural storehouse has been replenished. The increase in expenditure on armies and navies, and upon wars, is also responsible for the increase in the cost of living. Men are drawn from productive labour to waste resources and labour and skill in the making of war implements. This diminution of the labour and capital employed in producing the necessities of life has naturally raised prices. This



mania for swollen armies and huge navies has resulted in the piling up of tremendous financial burdens on all the great nations. If the increase in the expenditure upon militarism since 1900 by the leading powers of the world had been instead devoted to commercial expansion, prices would not have been what they are in 1912.

Though a progressive advance of wages in all trades would, for the reasons set forth, be of industrial, economic and social advantage, it may be mentioned that there are many industries, employing large numbers of workers, where substantial advantages might be given without incurring the least risk of injury to the trade. Government and municipal service, the railways, the transport trades, and to a great extent coal-mining and the building industry, could pay higher wages without running any risk of driving the trade into foreign countries. Higher wages in these trades would, even if compensation did not come from increased efficiency, come from profits, and that would be a social benefit, transferring, as it would, expenditure from luxuries to necessities. The wages of the lower grades in the Government service, notwithstanding the Fair Wages Resolution, are shamefully low. There are thousands of men working for about a pound a week. The State might do much more than it has done to set an example to the private employer. There need be no hesitation in applying the principle of the living wage to all non-foreign trades, and, though it might be advisable to move more cautiously in regard to industries which are seriously affected by foreign competition, yet in these trades the gradual



advance of wages is one of the very best means of meeting foreign competition, on account of the greater efficiency and economy which would certainly result.

**SOME OBJECTIONS AND  
DIFFICULTIES**

## CHAPTER XIV.

### SOME OBJECTIONS AND DIFFICULTIES

It is not maintained that the establishment of a universal living wage is a reform which can be carried out without difficulty, and that there are no objections and criticisms which need to be considered. There are such questions as boy and girl labour, the competition of women in the industrial and professional world, and the treatment of the old and infirm and inefficient. Some of these are really separate problems, and would have to be treated independently. That remark particularly applies to the question of boy and girl labour. The waste of possibilities, and the bad economy of the premature employment of young persons is now being generally recognised, and public opinion is moving in the direction of the legal abolition of the industrial employment for wages of youths who really ought to be undergoing organised industrial training. The problem of the aged and infirm might be dealt with in several ways. It is treated in the Mines Minimum Wage Act by the method of permitting their employment at less than the ordinary minimum wage. The effect of such a regulation is that this class of person is kept in employment when he would not be if the ordinary wage had to be paid to him. One's sympathies naturally incline to a proposal which will show some consideration for those who are

less able to struggle for a livelihood. But from the point of view of industrial and social economy, it would be better if one's sympathies took some other form of expression than the employment of these persons at wages below the ordinary minimum. It is not desirable from the point of view of industrial and social economy that an inefficient man should be employed when an efficient man could fill the post. Moreover, by the payment of a wage which aggravates the causes of inefficiency, a wage which will not allow the individual to keep up his health and strength, we are doing an inhuman thing, and one which where the man has others dependent upon him is not economical, because it is making more inefficient. No man, whether he be aged or infirm, if he is employed, ought to be paid less than a living wage. The insistence upon that would probably lead to the selection of the young and strong in preference to the old or weak. This really would only mean, at the very worst, that an old man was out of employment instead of a young man. But it is to be hoped that the question of dealing with the old and the infirm or inefficient by the State provision of employment, maintenance, and training will be taken in hand simultaneously, so that suffering will not be inflicted upon them by the adoption of a standard wage. If old men and infirm men are to be allowed to work for wages lower than the legal minimum, the injury would be done to the able-bodied, because there would be a temptation on the employer to get the lower paid employees for many kinds of work.

The payment of women's labour presents many



difficulties. Women are coming into the labour market in larger numbers every year. They are encroaching on trades and professions which have hitherto been regarded as the close preserves of men. The fact has got to be recognised that women have come to stay in the industrial world, and that they will enter in ever-increasing numbers. If the competition of women is to be unregulated, and if the competition with men is to be a competition of cheapness, then women will continue to oust men from occupations, to the detriment of both men and women. In some respects women are inferior to men as workers; in others they are superior. There are many occupations where women would be preferred to men if the same wages had to be paid. There are other occupations where women would find it difficult to secure employment if the law insisted upon the same minimum for each sex. That may seem hard on the women; but it must be remembered that if women are allowed to take less wages than men, and thus take men's work, it is equally hard on the men. Industrial and social economy cannot afford to consider individual cases, such as these. Its object is to put the person who can best do a job to the job he or she can best do. If the legal living wage was the same for men as for women, the competition between men and women would be a competition, not of the lowest wage, but of the most efficient worker. That would really not work out eventually to the injury of either men or women. The men would gravitate to the work they could best do, and so would the women.

The trade unions, with the exception of the

textile unions, have taken up a wrong attitude to women's competition. They have tried to keep women out of their trades, instead of freely permitting the women to enter on the condition that there was no undercutting of wages. In spite of the opposition of the men, women have forced themselves into men's occupations, and, not having the assistance of the men in the matter of organisation, they have forced their entry by offering themselves at lower wages. In the cotton trade wiser methods were adopted, and the result has been an all-round advantage. No legal living wage could be satisfactory which did not insist that women should be paid the same wages as men for the same work. It may be argued that the living wage for the woman is less than the living wage for the man. That may be so in many cases. But the living wage for the single man is less than the living wage for the married man with a wife and ten children. There are many women who have heavy responsibilities. The idea of grading the living wage according to the number of dependants a man or a woman may have is impracticable, and it would be disastrous if it were possible. If the married man with a large family were to be paid more than the single man or the woman, the result would be that the former would not be employed—that is, such a system would act to the serious detriment of the very men who, from the point of view of social economy, are most in need of the living wage.

The payment of equal wages for equal work as between men and women has been adopted to a considerable extent. It is the rule in the largest of our

manufacturing trades. It has been adopted by the Insurance Commissioners in the payment of their higher officials. It is the rule in the public service in Australia. It has been adopted in New York for the payment of teachers in the public schools. In this country neither in the service of the local authorities nor in the service of the Government has the principle of equal payment of men and women been recognised, except in the one instance mentioned. The State here has deliberately discouraged the employment of women; but it is finding it to be increasingly difficult to keep back a tendency which is influencing all outside employment. Not only has the State discouraged the employment of women, but the legislation passed with such good intentions by Parliament for the regulation of women's labour has had a like effect. The time has passed for discriminating between men and women in the matter of industrial legislation. In establishing a living wage by law, it would be bad from every point of view to proceed on any other principle than that of equal pay for equal work, and care must be taken to see that nothing is done which will allow employers to get the labour of boys, girls, women, or the old and infirm, at wages which really require a subsidy sooner or later from the national dividend.

THE MORAL BASIS OF THE LIVING  
WAGE

## CHAPTER XV

### THE MORAL BASIS OF THE LIVING WAGE

The payment of a living wage to every person who honestly labours would not concede that full measure of justice to which Labour is entitled. The living wage as a practical question means a wage which will allow the worker to maintain his working powers in the highest state of efficiency, to properly fulfil all his duties as a citizen, and to support his family in decency and health. It is not claimed that the living wage will break down class distinctions, or will touch the economic monopolies by which the great disparities of wealth and social position arise, or will secure for the wage-earners a just share in the abounding and ever-increasing wealth which comes from scientific and mechanical progress. To do that will require other and more drastic reforms; but it is claimed for the living wage that it will so improve the physical, educational, and moral condition of the masses that democracy will be far better fitted to discharge the serious responsibilities which, by the extension of political power, now rest upon its shoulders.

The living wage is demanded on the ground of physical and social necessity. Nature has imposed the necessity of an adequate provision of food, shelter, clothing, and rest, if health and life are to be maintained. These are the primary needs. The energies and wits of all living creatures are first of



all directed to satisfying these physical needs. But in the case of man other needs began to be felt, and the history of civilisation is the record of human effort to find ways and means of satisfying the intellectual and moral nature of man. The real purpose of social organisation is to secure the better satisfaction of individual needs, and by co-operation to make the best possible use of all the resources at the service of humanity. Social organisation fails when out of its abundance it leaves individuals, through no fault of their own, without adequate food, shelter, clothing and rest; and in a civilised community without a share in the intellectual heritage of the race. The demand for a living wage is a demand that by social organisation there shall be assured to every person who is able and willing to perform a reasonable share of work such maintenance as Nature demands, and such a share in our civilisation as will make him a happy and useful citizen.

The demand for the living wage makes an appeal to the moral and Christian faith of the nation. It is based upon an appreciation of the worth of human life. It believes that the production of wealth is not an end in itself; but that the purpose of labour and wealth production should be to "make the largest number of noble and happy human beings." The demand for the living wage urges that the needs of the workman as a human being in a civilised society should be the first charge upon production. Moral enthusiasm, devotion to great causes, religion, temperance, a pure and enlightened political life are impossible if the weakened energies of the masses of the people are to be spent in an endless and hopeless

struggle against poverty of the rudest sort. The moral life of the nation must have its basis in good industrial and economic conditions. Not in the interests only of these who suffer from poverty, but in the interests of all, it is the moral duty of society to admit the claim that a living wage must be the bed-rock of the cost of production, and that no competition shall encroach upon or depress the established standard of a full physical and civilised existence for every worker.

No individual can escape his responsibility for the state of things which a living wage aims at improving. It is anti-social and immoral to enjoy comforts and advantages which are purchased at the expense of the health and happiness of others, without doing all that is possible to alter that state of things. There can be no satisfaction to the moral claim from the contemplation of figures of increases in national wealth, for, on the contrary, every increase in the volume of our trade and wealth adds to the condemnation of society if honest men and women are employed to produce this vast wealth, and are not partakers of the fruits thereof to the extent of their reasonable needs. A civilisation is a failure which permits a few only to enjoy its highest attainments, and these few supported by the ill-requited toil of the many.

The moral basis of the living wage cannot be separated from the economic arguments. All true economic reform has a moral basis. Every sound economic reform brings great moral advantages. The loss to an individual or to a class cannot on the whole be a gain to the community. In no instance

is this so true as in the social loss which is suffered by the neglect to apply sound economic and moral principles to the treatment of labour. It is the moral impulse which is moving, not only the working class in their demands for better conditions, but those of the middle and upper classes who are aiding that movement. The labour unrest is not a desire for more wages to spend in unworthy ways. It is the stirrings of a new life among the people. It is a demand for life; for more abundant life. The justice of the workers' revolt should not be ignored, sympathy with their condition should not be withheld, help should not be refused to them, because their discontent sometimes expresses itself in ways which may not be approved. Democracy is only just struggling to its feet. Through all the ages the common people have been kept in ignorance, deprived of the light of learning. They have been stunted in body and brain. Slowly and painfully have they groped towards the light. At times their sense of wrong has found expression in violent outbreaks; but the most striking feature of working-class history has been their patience under injustice, their quiet submission to oppression and wrong, their resignation to poverty as part of the order of Nature. Sympathy with the common people will at least do them this justice—that they have sustained the burden of the world with heroic patience, and have shared little in the wealth which has been mainly created by their arduous toil. The consciences of thinking men and women have been touched, and there is a desire abroad, more widespread than ever, to change a state of things which is felt to be a dis-

grace to our civilisation, a reflection upon our humanity, and a reproach upon the religion we profess. There is now a great opportunity for the union of all such sympathetic people in working for a peaceful and permanent amelioration of the condition of the working class—leading by progressive stages to a complete solution of the poverty problem with all that is involved in that. And unless this work is taken in hand courageously, unless the true lessons of the labour unrest are learnt, there is a real danger that blind ignorance, class hatred, inflamed on the one side by a consciousness of deep wrongs, and on the other by the fear of dispossession, may lead to conflict which will bring a social convulsion without achieving any substantial benefit.

The moral aspect of these social problems is being increasingly appreciated. The utterances of men like the Bishops of Oxford, Hereford, and Carlisle, and of many leading Nonconformist ministers, have given social reformers a new hope of the Church as a future instrument for translating the will of God into acts of practical statesmanship. The Christian Church, by every article in its creed, is committed to an unceasing war upon the poverty which abounds in the land to-day in the midst of such displays of wealth. It is its special work to emphasise the moral aspects of the social problem, to quicken the consciences of professing Christians, so that their influence may be exerted on the side of a political activity which will deal with that problem. When the moral sense of the nation is aroused, when the gross immorality and irreligion of the starvation of human bodies and human lives is understood in all



its horror, the feebleness of the difficulties and objections which the timid or selfish may raise will be swept like chaff before the force which is determined that there shall be a harmony between the demands of the moral law and the industrial and social order.

There has been no attempt made in this book to deal with proposals for far-reaching changes upon which to-day opinions widely differ. The argument has been that the enactment of a law establishing the right of every worker to a living wage, which in its practical application shall be settled and enforced by non-political Wages Boards, is a reform which is practical and urgent, and is supported by precedents of sufficient value to justify the extended application of the principle at once to every worker who is now paid inadequate wages. The condition of vast numbers of the wage-earning classes makes this reform one of extreme urgency in the interests of the individuals in question, and equally in the interests of sound economy and social well-being. The demand for a living wage is not a demand for full justice. Justice will demand much more than a living wage such as is possible of realisation to-day. But the demand that the community shall insist that no workman is employed at wages insufficient to maintain himself and his dependants in physical health and in moderate comfort is one which neither the enlightened self-interest nor the human sympathy of a civilised community can resist.



## APPENDIX A.

### CONCILIATION ACT, 1896.

[59 & 60 VICT.]

[CH. 30.]

#### CHAPTER 30.

An Act to make better Provision for the Prevention and Settlement of Trade Disputes. A.D. 1896  
—  
[7th August 1896.]

BE it enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows :—

1.—(1) Any board established either before or after the passing of this Act, which is constituted for the purpose of settling disputes between employers and workmen by conciliation or arbitration, or any association or body authorised by an agreement in writing made between employers and workmen to deal with such disputes (in this Act referred to as a conciliation board), may apply to the Board of Trade for registration under this Act. Registration and powers of conciliation boards.

(2) The application must be accompanied by copies of the constitution, byelaws, and regulations of the conciliation board, with such other information as the Board of Trade may reasonably require.

(3) The Board of Trade shall keep a register of conciliation boards, and enter therein with respect to each registered board its name and principal office, and such other particulars as the Board of Trade may think expedient, and any registered conciliation board shall be entitled to have its name removed from the register on sending to the Board of Trade a written application to that effect.

(4) Every registered conciliation board shall furnish such returns, reports of its proceedings, and other documents as the Board of Trade may reasonably require.

(5) The Board of Trade may, on being satisfied that a registered conciliation board has ceased to exist or to act, remove its name from the register.

(6) Subject to any agreement to the contrary, proceedings for conciliation before a registered conciliation board shall be conducted in accordance with the regulations of the board in that behalf.

Powers of  
Board of  
Trade as to  
trade dis-  
putes.

2.—(1) Where a difference exists or is apprehended between an employer, or any class of employers, and workmen, or between different classes of workmen, the Board of Trade may, if they think fit, exercise all or any of the following powers, namely,—

(a) inquire into the causes and circumstances of the difference ;

(b) take such steps as to the Board may seem expedient for the purpose of enabling the parties to the difference to meet together, by themselves or their representatives, under the presidency of a chairman mutually agreed upon or nominated by the Board of Trade or by some other person or body, with a view to the amicable settlement of the difference ;

(c) on the application of employers or workmen interested, and after taking into consideration the existence and adequacy of means available for conciliation in the district or trade and the circumstances of the case, appoint a person or persons to act as conciliator or as a board of conciliation ;

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

(2) If any person is so appointed to act as conciliator, he shall inquire into the causes and circumstances of the difference by communication with the parties, and otherwise shall endeavour to bring about a settlement of the difference, and shall report his proceedings to the Board of Trade.

(3) If a settlement of the difference is effected either by conciliation or by arbitration, a memorandum of the terms thereof shall be drawn up and signed by the parties or their representatives, and a copy thereof shall be delivered to and kept by the Board of Trade.

Exclusion of  
52 & 53 Vict.  
c. 49.

3. The Arbitration Act, 1889, shall not apply to the settlement by arbitration of any difference or dispute to which this Act applies, but any such arbitration proceedings shall be conducted in accordance with such of the provisions of the said Act, or such of the regulations of any conciliation board, or under such other rules or regulations, as may be mutually agreed upon by the parties to the difference or dispute.

Power for  
Board of  
Trade to aid  
in establish-

4. If it appears to the Board of Trade that in any district or trade adequate means do not exist for having disputes submitted to a conciliation board for the district or trade,

they may appoint any person or persons to inquire into the conditions of the district or trade, and to confer with employers and employed, and, if the Board of Trade think fit, with any local authority or body, as to the expediency of establishing a conciliation board for the district or trade.

5. The Board of Trade shall from time to time present to Parliament a report of their proceedings under this Act.

6. The expenses incurred by the Board of Trade in the execution of this Act shall be defrayed out of moneys provided by Parliament.

7. The Masters and Workmen Arbitration Act, 1824, and the Councils of Conciliation Act, 1867, and the Arbitration (Masters and Workmen) Act, 1872, are hereby repealed.

8. This Act may be cited as the Conciliation Act, 1896.

ing concili  
tion board

Report to  
Parliamen

Expenses.

Repeal  
5 Geo. 4 c.  
30 & 31 Vic  
c. 105,  
35 & 36 Vic  
c. 46.  
Short title

## APPENDIX B.

### TRADE BOARDS ACT, 1909.

[9 EDW. 7.]

[CH. 22.]

#### CHAPTER 22.

A.D. 1909.

An Act to provide for the establishment of Trade Boards for certain Trades.

[20th October, 1909.]

BE it enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

#### *Establishment of Trade Boards for Trades to which the Act applies.*

Application  
of Act to  
certain  
trades.

1.—(1) This Act shall apply to the trades specified in the schedule to this Act and to any other trades to which it has been applied by Provisional Order of the Board of Trade made under this section.

(2) The Board of Trade may make a Provisional Order applying this Act to any specified trade to which it does not at the time apply if they are satisfied that the rate of wages prevailing in any branch of the trade is exceptionally low, as compared with that in other employments, and that the other circumstances of the trade are such as to render the application of this Act to the trade expedient.

(3) If at any time the Board of Trade consider that the conditions of employment in any trade to which this Act applies have been so altered as to render the application of this Act to the trade unnecessary, they may make a Provisional Order that this Act shall cease to apply to that trade.

(4) The Board of Trade may submit to Parliament for confirmation any Provisional Order made by them in pursuance of this section, but no such Order shall have effect unless and until it is confirmed by Parliament.

(5) If, while a Bill confirming any such Order is pending in either House of Parliament, a petition is presented against any Order comprised therein, the Bill, so far as it relates to that Order, may be referred to a select committee, or, if the two Houses of Parliament think fit so to order,



to a joint committee of those Houses, and the petitioner shall be allowed to appear and oppose as in the case of Private Bills.

(6) Any Act confirming a Provisional Order made in pursuance of this section may be repealed, altered, or amended by any subsequent Provisional Order made by the Board of Trade and confirmed by Parliament.

2.—(1) The Board of Trade shall, if practicable, establish one or more Trade Boards constituted in accordance with regulations made under this Act for any trade to which this Act applies or for any branch of work in the trade.

Establishment of Trade Boards for trades to which Act applies.

Where a Trade Board is established under this Act for any trade or branch of work in a trade which is carried on to any substantial extent in Ireland, a separate Trade Board shall be established for that trade or branch of work in a trade in Ireland.

(2) Where a Trade Board has been established for any branch of work in a trade, any reference in this Act to the trade for which the Board is established shall be construed as a reference to the branch of work in the trade for which the Board has been established.

3. A Trade Board for any trade shall consider, as occasion requires, any matter referred to them by a Secretary of State, the Board of Trade, or any other Government department, with reference to the industrial conditions of the trade, and shall make a report upon the matter to the department by whom the question has been referred.

General duties of Trade Boards.

#### *Minimum Rates of Wages.*

4.—(1) Trade Boards shall, subject to the provisions of this section, fix minimum rates of wages for timework for their trades (in this Act referred to as minimum time-rates), and may also fix general minimum rates of wages for piecework for their trades (in this Act referred to as general minimum piece-rates), and those rates of wages (whether time- or piece-rates) may be fixed so as to apply universally to the trade, or so as to apply to any special process in the work of the trade or to any special class of workers in the trade, or to any special area.

Duties and powers of Trade Boards with respect to minimum rates of wages.

If a Trade Board report to the Board of Trade that it is impracticable in any case to fix a minimum time-rate in accordance with this section, the Board of Trade may so far as respects that case relieve the Trade Board of their duty.



(2) Before fixing any minimum time-rate or general minimum piece-rate, the Trade Board shall give notice of the rate which they propose to fix and consider any objections to the rate which may be lodged with them within three months.

(3) The Trade Board shall give notice of any minimum time-rate or general minimum piece-rate fixed by them.

(4) A Trade Board may, if they think it expedient, cancel or vary any minimum time-rate or general minimum piece-rate fixed under this Act, and shall reconsider any such minimum rate if the Board of Trade direct them to do so, whether an application is made for the purpose or not:

Provided that the provisions of this section as to notice shall apply where it is proposed to cancel or vary the minimum rate fixed under the foregoing provisions in the same manner as they apply where it is proposed to fix a minimum rate.

(5) A Trade Board shall on the application of any employer fix a special minimum piece-rate to apply as respects the persons employed by him in cases to which a minimum time-rate but no general minimum piece-rate is applicable, and may as they think fit cancel or vary any such rate either on the application of the employer or after notice to the employer, such notice to be given not less than one month before cancellation or variation of any such rate.

Order  
giving obli-  
gatory  
effect to  
minimum  
rates of  
wages.

5.—(1) Until a minimum time-rate or general minimum piece-rate fixed by a Trade Board has been made obligatory by order of the Board of Trade under this section, the operation of the rate shall be limited as in this Act provided.

(2) Upon the expiration of six months from the date on which a Trade Board have given notice of any minimum time-rate or general minimum piece-rate fixed by them, the Board of Trade shall make an order (in this Act referred to as an obligatory order) making that minimum rate obligatory in cases in which it is applicable on all persons employing labour and on all persons employed, unless they are of opinion that the circumstances are such as to make it premature or otherwise undesirable to make an obligatory order, and in that case they shall make an order suspending the obligatory operation of the rate (in this Act referred to as an order of suspension).

(3) Where an order of suspension has been made as respects any rate, the Trade Board may, at any time after the expiration of six months from the date of the order,

apply to the Board of Trade for an obligatory order as respects that rate; and on any such application the Board of Trade shall make an obligatory order as respects that rate, unless they are of opinion that a further order of suspension is desirable, and, in that case, they shall make such a further order, and the provisions of this section which are applicable to the first order of suspension shall apply to any such further order.

An order of suspension as respects any rate shall have effect until an obligatory order is made by the Board of Trade under this section.

(4) The Board of Trade may, if they think fit, make an order to apply generally as respects any rates which may be fixed by any Trade Board constituted, or about to be constituted, for any trade to which this Act applies, and while the order is in force any minimum time-rate or general minimum piece-rate shall, after the lapse of six months from the date on which the Trade Board have given notice of the fixing of the rate, be obligatory in the same manner as if the Board of Trade had made an order making the rate obligatory under this section, unless in any particular case the Board of Trade, on the application of any person interested, direct to the contrary.

The Board of Trade may revoke any such general order at any time after giving three months' notice to the Trade Board of their intention to revoke it.

6.—(1) Where any minimum rate of wages fixed by a Trade Board has been made obligatory by order of the Board of Trade under this Act, an employer shall, in cases to which the minimum rate is applicable, pay wages to the person employed at not less than the minimum rate clear of all deductions, and if he fails to do so shall be liable on summary conviction in respect of each offence to a fine not exceeding twenty pounds and to a fine not exceeding five pounds for each day on which the offence is continued after conviction therefor.

Penalty for not paying wages in accordance with minimum rate which has been made obligatory.

(2) On the conviction of an employer under this section for failing to pay wages at not less than the minimum rate to a person employed, the court may by the conviction adjudge the employer convicted to pay, in addition to any fine, such sum as appears to the court to be due to the person employed on account of wages, the wages being calculated on the basis of the minimum rate, but the power to order the payment of wages under this provision shall not be in dero-

gation of any right of the person employed to recover wages by any other proceedings.

(3) If a Trade Board are satisfied that any worker employed, or desiring to be employed, on time work in any branch of a trade to which a minimum time-rate fixed by the Trade Board is applicable is affected by any infirmity or physical injury which renders him incapable of earning that minimum time-rate, and are of opinion that the case cannot suitably be met by employing the worker on piece-work, the Trade Board may, if they think fit, grant to the worker, subject to such conditions, if any, as they prescribe, a permit exempting the employment of the worker from the provisions of this Act rendering the minimum time-rate obligatory, and, while the permit is in force, an employer shall not be liable to any penalty for paying wages to the worker at a rate less than the minimum time-rate so long as any conditions prescribed by the Trade Board on the grant of the permit are complied with.

(4) On any prosecution of an employer under this section, it shall lie on the employer to prove by the production of proper wages sheets or other records of wages or otherwise that he has not paid, or agreed to pay, wages at less than the minimum rate.

(5) Any agreement for the payment of wages in contravention of this provision shall be void.

Limited  
operation of  
minimum  
rate which  
has not  
been made  
obligatory.

7.—(1) Where any minimum rate of wages has been fixed by a Trade Board, but is not for the time being obligatory under an order of the Board of Trade made in pursuance of this Act, the minimum rate shall, unless the Board of Trade direct to the contrary in any case in which they have directed the Trade Board to reconsider the rate, have a limited operation as follows:—

(a) In all cases to which the minimum rate is applicable an employer shall, in the absence of a written agreement to the contrary, pay to the person employed wages at not less than the minimum rate, and, in the absence of any such agreement, the person employed may recover wages at such a rate from the employer ;

(b) Any employer may give written notice to the Trade Board by whom the minimum rate has been fixed that he is willing that that rate should be obligatory on him, and in that case he shall be under the same obligation to pay wages to the person employed at not

less than the minimum rate, and be liable to the same fine for not doing so, as he would be if an order of the Board of Trade were in force making the rate obligatory; and

- (c) No contract involving employment to which the minimum rate is applicable shall be given by a Government department or local authority to any employer unless he has given notice to the Trade Board in accordance with the foregoing provision:

Provided that in case of any public emergency the Board of Trade may by order, to the extent and during the period named in the order, suspend the operation of this provision as respects contracts for any such work being done or to be done on behalf of the Crown as is specified in the order.

- (2) A Trade Board shall keep a register of any notices given under this section:

The register shall be open to public inspection without payment of any fee, and shall be evidence of the matters stated therein:

Any copy purporting to be certified by the secretary of the Trade Board or any officer of the Trade Board authorised for the purpose to be a true copy of any entry in the register shall be admissible in evidence without further proof.

8. An employer shall, in cases where persons are employed on piece work and a minimum time-rate but no general minimum piece-rate has been fixed, be deemed to pay wages at less than the minimum rate—

- (a) in cases where a special minimum piece-rate has been fixed under the provisions of this Act for persons employed by the employer, if the rate of wages paid is less than that special minimum piece-rate; and
- (b) in cases where a special minimum piece-rate has not been so fixed, unless he shows that the piece-rate of wages paid would yield, in the circumstances of the case, to an ordinary worker at least the same amount of money as the minimum time-rate.

Provision for case of persons employed by piece work where a minimum time-rate but no general minimum piece rate has been fixed.

9. Any shopkeeper, dealer, or trader, who by way of trade makes any arrangement express or implied with any worker in pursuance of which the worker performs any work for which a minimum rate of wages has been fixed under this Act, shall be deemed for the purposes of this Act to be the

Prevention of evasion.



employer of the worker, and the net remuneration obtainable by the worker in respect of the work after allowing for his necessary expenditure in connection with the work shall be deemed to be wages.

Consideration by Trade Board of complaints as to infraction of minimum rates.

10.—(1) Any worker or any person authorised by a worker may complain to the Trade Board that the wages paid to the worker by any employer in any case to which any minimum rate fixed by the Trade Board is applicable are at a rate less than the minimum rate, and the Trade Board shall consider the matter and may, if they think fit, take any proceedings under this Act on behalf of the worker.

(2) Before taking any proceedings under this Act on behalf of the worker, a Trade Board may, and on the first occasion on which proceedings are contemplated by the Trade Board against an employer they shall, take reasonable steps to bring the case to the notice of the employer, with a view to the settlement of the case without recourse to proceedings.

#### *Constitution, Proceedings, &c., of Trade Boards.*

Constitution and proceedings of Trade Boards.

11.—(1) The Board of Trade may make regulations with respect to the constitution of Trade Boards which shall consist of members representing employers and members representing workers (in this Act referred to as representative members) in equal proportions and of the appointed members. Any such regulations may be made so as to apply generally to the constitution of all Trade Boards, or specially to the constitution of any particular Trade Board or any particular class of Trade Boards.

(2) Women shall be eligible as members of Trade Boards as well as men.

(3) The representative members shall be elected or nominated, or partly elected and partly nominated as may be provided by the regulations, and in framing the regulations the representation of home workers on Trade Boards shall be provided for in all trades in which a considerable proportion of home workers are engaged.

(4) The chairman of a Trade Board shall be such one of the members as the Board of Trade may appoint, and the secretary of the Trade Board shall be appointed by the Board of Trade.

(5) The proceedings of a Trade Board shall not be invalidated by any vacancy in their number, or by any defect in the appointment, election, or nomination of any member.

(6) In order to constitute a meeting of a Trade Board, at least one third of the whole number of the representative members and at least one appointed member must be present.

(7) The Board of Trade may make regulations with respect to the proceedings and meetings of Trade Boards, including the method of voting; but subject to the provisions of this Act and to any regulations so made Trade Boards may regulate their proceedings in such manner as they think fit.

12.—(1) A Trade Board may establish district trade committees consisting partly of members of the Trade Board and partly of persons not being members of the Trade Board but representing employers or workers engaged in the trade and constituted in accordance with regulations made for the purpose by the Board of Trade and acting for such area as the Trade Board may determine.

Establishment of district trade committees.

(2) Provision shall be made by the regulations for at least one appointed member acting as a member of each district trade committee, and for the equal representation of local employers and local workers on the committee, and for the representation of homeworkers thereon in the case of any trade in which a considerable proportion of homeworkers are engaged in the district, and also for the appointment of a standing sub-committee to consider applications for special minimum piece-rates and complaints made to the Trade Board under this Act, and for the reference of any applications or complaints to that sub-committee.

(3) A Trade Board may refer to a district trade committee for their report and recommendations any matter which they think it expedient so to refer, and may also, if they think fit, delegate to a district trade committee any of their powers and duties under this Act, other than their power and duty to fix a minimum time-rate or general minimum piece-rate.

(4) Where a district trade committee has been established for any area, it shall be the duty of the committee to recommend to the Trade Board minimum time-rates and, so far as they think fit, general minimum piece-rates, applicable to the trade in that area, and no such minimum rate of wages fixed under this Act and no variation or cancellation of such a rate shall have effect within that area unless either the rate or the variation or cancellation thereof, as the case may be, has been recommended by the district trade committee, or an opportunity has been given to the committee to report

thereon to the Trade Board, and the Trade Board have considered the report (if any) made by the committee.

Appointed  
members of  
Trade  
Boards.

13.—(1) The Board of Trade may appoint such number of persons (including women) as they think fit to be appointed members of Trade Boards.

(2) Such of the appointed members of Trade Boards shall act on each Trade Board or district trade committee as may be directed by the Board of Trade, and, in the case of a Trade Board for a trade in which women are largely employed, at least one of the appointed members acting shall be a woman :

Provided that the number of appointed members acting on the same Trade Board, or the same district trade committee, at the same time, shall be less than half the total number of members representing employers and members representing workers.

*Appointment of Officers and other Provisions for enforcing Act.*

Appoint-  
ment of  
officers.

14.—(1) The Board of Trade may appoint such officers as they think necessary for the purpose of investigating any complaints and otherwise securing the proper observance of this Act, and any officers so appointed shall act under the directions of the Board of Trade, or, if the Board of Trade so determine, under the directions of any Trade Board.

(2) The Board of Trade may also, in lieu of or in addition to appointing any officers under the provisions of this section, if they think fit, arrange with any other Government Department for assistance being given in carrying this Act into effect, either generally or in any special cases, by officers of that Department whose duties bring them into relation with any trade to which this Act applies.

Powers of  
officers.

15.—(1) Any officer appointed by the Board of Trade under this Act, and any officer of any Government Department for the time being assisting in carrying this Act into effect, shall have power for the performance of his duties—

(a) to require the production of wages sheets or other record of wages by an employer, and records of payments made to outworkers by persons giving out work and to inspect and examine the same and copy any material part thereof ;

(b) to require any person giving out work and any outworker to give any information which it is in his power

to give with respect to the names and addresses of the person to whom the work is given out or from whom the work is received, as the case may be, and with respect to the payments to be made for the work ;

(c) at all reasonable times to enter any factory or workshop and any place used for giving out work to outworkers ; and

(d) to inspect and copy any material part of any list of outworkers kept by an employer or person giving out work to outworkers.

(2) If any person fails to furnish the means required by an officer as necessary for any entry or inspection or the exercise of his powers under this section, or if any person hinders or molest any officer in the exercise of the powers given by this section, or refuses to produce any document or give any information which any officer requires him to produce or give under the powers given by this section, that person shall be liable on summary conviction in respect of each offence to a fine not exceeding five pounds ; and, if any person produces any wages sheet, or record of wages, or record of payments, or any list of outworkers to any officer acting in the exercise of the powers given by this section, knowing the same to be false, or furnishes any information to any such officer knowing the same to be false, he shall be liable, on summary conviction, to a fine not exceeding twenty pounds, or to imprisonment for a term not exceeding three months, with or without hard labour.

16. Every officer appointed by the Board of Trade under this Act, and every officer of any Government Department for the time being assisting in carrying this Act into effect, shall be furnished by the Board or Department with a certificate of his appointment, and when acting under any or exercising any power conferred upon him by this Act shall, if so required, produce the said certificate to any person or persons affected.

Officers to produce certificates when required.

17.—(1) Any officer appointed by the Board of Trade under this Act, and any officer of any Government Department for the time being assisting in carrying this Act into effect, shall have power in pursuance of any special or general directions of the Board of Trade to take proceedings under this Act, and a Trade Board may also take any such proceedings in the name of any officer appointed by the Board of Trade for the time being acting under the directions

Power to take and conduct proceedings.



of the Trade Board in pursuance of this Act, or in the name of their secretary or any of their officers authorised by them.

(2) Any officer appointed by the Board of Trade under this Act, or any officer of any Government Department for the time being assisting in carrying this Act into effect, and the secretary of a Trade Board, or any officer of a Trade Board authorised for the purpose, may, although not a counsel or solicitor or law agent, prosecute or conduct before a court of summary jurisdiction any proceedings arising under this Act.

18 to 21 are machinery clauses.

### SCHEDULE.

#### TRADES TO WHICH THE ACT APPLIES WITHOUT PROVISIONAL ORDER.

1. Ready-made and wholesale bespoke tailoring and any other branch of tailoring in which the Board of Trade consider that the system of manufacture is generally similar to that prevailing in the wholesale trade.

2. The making of boxes or parts thereof made wholly or partially of paper, cardboard, chip, or similar material.

3. Machine-made lace and net finishing and mending or darning operations of lace curtain finishing.

4. Hammered and dollied or tommied chain-making.

## APPENDIX C.

### COAL MINES (MINIMUM WAGE) ACT, 1912.

[2 GEO. 5.]

[CH. 2.]

#### CHAPTER 2.

An Act to provide Minimum Wage in the case of Workmen employed underground in Coal Mines (including Mines of Stratified Ironstone), and for purposes incidental thereto. A.D. 1912.  
—  
[29th March 1912.]

BE it enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

1.—(1) It shall be an implied term of every contract for the employment of a workman underground in a coal mine that the employer shall pay to that workman wages at not less than the minimum rate settled under this Act and applicable to that workman, unless it is certified in manner provided by the district rules that the workman is a person excluded under the district rules from the operation of this provision, or that the workman has forfeited the right to wages at the minimum rate by reason of his failure to comply with the conditions with respect to the regularity or efficiency of the work to be performed by workmen laid down by those rules; and any agreement for the payment of wages in so far as it is in contravention of this provision shall be void.

Minimum wage for workmen employed underground in coal mines.

For the purposes of this Act, the expression "district rules" means rules made under the powers given by this Act by the joint district board.

(2) The district rules shall lay down conditions, as respects the district to which they apply, with respect to the exclusion from the right to wages at the minimum rate of aged workmen and infirm workmen (including workmen partially disabled by illness or accident), and shall lay down conditions with respect to the regularity and efficiency of the work to be performed by the workmen, and with respect to the time for which a workman is to be paid in the event of any interruption of work due to an emergency, and shall provide that a workman shall forfeit the right to wages at the minimum rate if he does not comply with conditions as to regu-

larity and efficiency of work, except in cases where the failure to comply with the conditions is due to some cause over which he has no control.

The district rules shall also make provision with respect to the persons by whom and the mode in which any question, whether any workman in the district is a workman to whom the minimum rate of wages is applicable, or whether a workman has complied with the conditions laid down by the rules, or whether a workman who has not complied with the conditions laid down by the rules has forfeited his right to wages at the minimum rate, is to be decided, and for a certificate being given of any such decision for the purposes of this section.

(3) The provisions of this section as to payment of wages at a minimum rate shall operate as from the date of the passing of this Act, although a minimum rate of wages may not have been settled, and any sum which would have been payable under this section to a workman on account of wages if a minimum rate had been settled may be recovered by the workman from his employer at any time after the rate is settled.

Settlement  
of minimum  
rates of  
wages and  
district  
rules.

2.—(1) Minimum rates of wages and district rules for the purposes of this Act shall be settled separately for each of the districts named in the Schedule to this Act by a body of persons recognised by the Board of Trade as the joint district board for that district.

Nothing in this Act shall prejudice the operation of any agreement entered into or custom existing before the passing of this Act for the payment of wages at a rate higher than the minimum rate settled under this Act, and in settling any minimum rate of wages the joint district board shall have regard to the average daily rate of wages paid to the workman of the class for which the minimum rate is to be settled.

(2) The Board of Trade may recognise as a joint district board for any district any body of persons, whether existing at the time of the passing of this Act or constituted for the purposes of this Act, which in the opinion of the Board of Trade fairly and adequately represents the workmen in coal mines in the district and the employers of those workmen and the chairman of which is an independent person appointed by agreement between the persons representing the workmen and employers respectively on the body, or in default of agreement by the Board of Trade.

The Board of Trade may, as a condition of recognising as a joint district board for the purposes of this Act any body the rules of which do not provide for securing equality of voting power between the members representing workmen and the members representing employers and for giving the chairman a casting vote in case of difference between the two classes of members, require that body to adopt any such rule as the Board of Trade may approve for the purpose, and any rule so adopted shall be deemed to be a rule governing the procedure of the body for the purposes of this Act.

(3) The joint district board of a district shall settle general minimum rates of wages and general district rules for their district (in this Act referred to as general district minimum rates and general district rules), and the general district minimum rates and general district rules shall be the rates and rules applicable throughout the whole of the district to all coal mines in the district and to all workmen or classes of workmen employed underground in those mines, other than mines to which and workmen to whom a special minimum rate or special district rules settled under the provisions of this Act is or are applicable, or mines to which and workmen to whom the joint district board declare that the general district rates and general district rules shall not be applicable pending the decision of the question whether a special district rate or special district rules ought to be settled in their case.

(4) The joint district board of any district may, if it is shown to them that any general district minimum rate or general district rules are not applicable in the case of any group or class of coal mines within the district, owing to the special circumstances of the group or class of mines, settle a special minimum rate (either higher or lower than the general district rate) or special district rules (either more or less stringent than the general district rules) for that group or class of mines, and any such special rate or special rules shall be the rate or rules applicable to that group or class of mines instead of the general district minimum rate or general district rules.

(5) For the purpose of settling minimum rates of wage, the joint district board may subdivide their district into two parts or, if the members of the joint district board representing the workmen and the members representing the employers agree, into more than two parts, and in that case each part of the district as so subdivided shall, for the purpose of the minimum rate, be treated as the district.



(6) For the purpose of settling district rules, any joint district boards may agree that their districts shall be treated as one district, and in that case those districts shall be treated for that purpose as one combined district, with a combined district committee appointed as may be agreed between the joint district boards concerned, and the chairman of such one of the districts forming the combination as may be agreed upon between the joint district boards concerned, or, in default of agreement, determined by the Board of Trade, shall be the chairman of the combined district committee.

Revision of  
minimum  
rates of  
wages and  
district  
rules.

3.—(1) Any minimum rate of wages or district rules settled under this Act shall remain in force until varied in accordance with the provisions of this Act.

(2) The joint district board of a district shall have power to vary any minimum rate of wages or district rules for the time being in force in their district—

(a) at any time by agreement between the members of the joint district board representing the workmen and the members representing the employers; and

(b) after one year has elapsed since the rate or rules were last settled or varied, on an application made (with three months' notice given after the expiration of the year) by any workmen or employers, which appears to the joint district board to represent any considerable body of opinion amongst either the workmen or the employers concerned;

and the provisions of this Act as to the settlement of minimum rates of wages or district rules shall, so far as applicable, apply to the variation of any such rate or rules.

Provision  
for bringing  
Act into  
operation,  
&c.

4.—(1) If within two weeks after the passing of this Act a joint district board has not been recognised by the Board of Trade for any district, or if at any time after the passing of this Act any occasion arises for the exercise or performance in any district of any power or duty under this Act by the joint district board, and there is no joint district board for the district, the Board of Trade may, either forthwith or after such interval as may seem to them necessary or expedient, appoint such person as they think fit to act in the place of the joint district board, and, while that appointment continues, this Act shall be construed, so far as respects that district, as if the person so appointed were substituted for the joint district board.

The Board of Trade in any such case where it appears to them that the necessity for the exercise of their powers under this provision arises from the failure of the employers to appoint members to represent employers on a board when the workmen are willing to appoint members to represent workmen, or from the failure of the workmen to appoint members to represent workmen on a board when the employers are willing to appoint members to represent employers, may, if they think fit, instead of appointing a person to act in place of the joint district board, appoint such persons as they think fit to represent the employers or the workmen, as the case may be, who have failed to appoint members to represent them ; and in that case the members so appointed by the Board of Trade shall be deemed to be members of the board representing employers or workmen as the case requires.

(2) If the joint district board within three weeks after the time at which it has been recognised under this Act for any district fail to settle the first minimum rates of wages and district rules in that district, or if the joint district board within three weeks after the expiration of a notice for an application under this Act to vary any minimum rate of wages or district rules fail to deal with the application, the chairman of the joint district board shall settle the rates or rules or deal with the application, as the case may be, in place of the joint district board, and any minimum rate of wages or district rules settled by him shall have the same effect for the purposes of this Act as if they had been settled by the joint district board :

Provided that, if the members of the joint district board representing the workmen and the members representing the employers agree, or if the chairman of the joint district board directs, that a specified period longer than three weeks shall for the purposes of this subsection be substituted for three weeks, this subsection shall have effect as if that specified period were therein substituted for three weeks.

5 and 6 are machinery clauses. The Schedule specifies the districts.