

THE RATAN TATA FOUNDATION (UNIVERSITY OF LONDON)

STUDIES IN THE
MINIMUM WAGE, No. II.

THE ESTABLISHMENT OF MINIMUM RATES IN THE TAILORING INDUSTRY

UNDER THE TRADE BOARDS ACT OF 1909

BY

R. H. TAWNEY, B.A.



136802
12/9/15

LONDON
G. BELL AND SONS LTD.

1915

THE RATAN TATA FOUNDATION

Honorary Director: PROFESSOR L. T. HOBHOUSE, M.A., D.Lit.

Honorary Secretary: PROFESSOR E. J. URWICK, M.A.

Director: MR. R. H. TAWNEY, B.A.

Secretary: MISS M. E. BULKLEY, B.Sc.

THE RATAN TATA FOUNDATION has been instituted in order to promote the study and further the knowledge of methods of preventing and relieving poverty and destitution. For the furtherance of this purpose the Foundation conducts inquiries into wages and the cost of living, methods of preventing and diminishing unemployment, measures affecting the health and well-being of workers, public and private agencies for the relief of destitution, and kindred matters. The results of its principal researches will be published in pamphlet or book form; it will also issue occasional notes on questions of the day under the heading of "Memoranda on Problems of Poverty." In addition to these methods of publishing information, the Officers of the Foundation will, as far as is in their power, send replies to individual inquiries relating to questions of poverty and destitution, their causes, prevention and relief, whether at home or abroad. Such inquiries should be addressed to the Secretary of the Ratan Tata Foundation, School of Economics, Clare Market, Kingsway, W.C. The Officers are also prepared to supervise the work of students wishing to engage in research in connection with problems of poverty. Courses of Lectures will also be given from time to time, which will be open to the Public.

ALREADY PUBLISHED

"Some Notes on the Incidence of Taxation on the Working-class Family."

By F. W. KOLTHAMMER, M.A. 6d.

"The Health and Physique of School Children."

By ARTHUR GREENWOOD, B.Sc. 1s.

"Poverty as an Industrial Problem": an Inaugural Lecture.

By R. H. TAWNEY, B.A. 6d.

"Studies in the Minimum Wage."

No. 1. The Establishment of Minimum Rates in the Chain-making Industry under the Trade Boards Act of 1909. 1s. 6d. net.

No. 2. The Establishment of Minimum Rates in the Tailoring Industry under the Trade Boards Act of 1909. 3s. 6d. net.

By R. H. TAWNEY, B.A.

"The Feeding of School Children."

By M. E. BULKLEY, B.A., B.Sc. 3s. 6d. net.

"Livelihood and Poverty: A Study in the Economic Conditions of Working-class Households in Northampton, Warrington, Stanley, and Reading."

By A. L. BOWLEY, Sc.D., AND A. R. BURNETT-HURST, B.Sc.
3s. 6d. net.

TABLE OF CONTENTS

	PAGE
INTRODUCTION	ix
I. THE ORGANISATION OF THE TAILORING INDUSTRY	I
II. THE WORK OF THE TAILORING TRADE BOARD—	
(i) Its Constitution and Procedure	24
(ii) The Fixing of Minimum Rates	33
(iii) The Regulations as to Learnership	54
III. THE EFFECT OF THE TAILORING TRADE BOARD ON WAGES AND CONDITIONS OF LABOUR—	
(i) General Conditions of Labour	60
(ii) The Direct Effect of the Trade Board on Wages (a) of Women, (b) of Men	64
(iii) The Indirect Effect of the Trade Board on Wages and Trade Unionism	86
IV. THE ECONOMIC REACTIONS OF THE MINIMUM RATES—	
(i) The Effect on Prices and Profits	97
(ii) The Significance of Local Variations in Wages	107
(iii) The Effect on the Workers	121
(iv) The Effect on the Management of the Industry	135
(v) General Conclusions	155
V. THE EFFECT OF THE MINIMUM RATES ON EMPLOY- MENT	162

VI. THE EFFECT OF THE MINIMUM RATES ON HOME-
WORK—

- (i) The General Character of Homework and
Homeworkers 184
- (ii) The Earnings of Homeworkers . . . 198
- (iii) The Employment of Homeworkers . . 210

VII. ADMINISTRATION. 221

VIII. SUMMARY AND CONCLUSIONS 252

APPENDIX.—TRADE BOARDS ACT, 1909 (EDW. 7. CH. 22) 257

INDEX 271

INTRODUCTION

THIS report is the second¹ of a series designed to throw light on some of the attempts which have recently been made to establish and enforce minimum standards of payment. The evidence on which it is based was collected between March 1913 and May 1914, and does not, therefore, reflect the disturbance of industry caused by the European war. A previous publication of this Foundation discussed the effect of the Chain Trade Board, established under the Trade Boards Act of 1909, upon piece-rates, earnings, prices and employment in the chain-making industry, which is carried on in Cradley Heath. The present work attempts to examine the effect of another Trade Board upon a much larger, more complex, and more elusive industry, that of ready-made and wholesale bespoke tailoring, and such other branches of the tailoring industry as are carried on under approximately the same conditions. The industry is so extensive that Ireland and, except for the facts as to wages quoted on page 69, Scotland, have been entirely omitted. An outsider cannot hope to understand its intricacies or to avoid error, and though he may perhaps be allowed to come to his own conclusions on

¹ The first was *The Establishment of Minimum Rates in the Chain-Making Industry under the Trade Boards Act of 1909* (G. Bell & Sons Ltd. 1s. 6d.).

the administrative problems involved, on other matters he can express an opinion only with great diffidence. In Chapter IV., which discusses the principal indirect results of the establishment of minimum rates, I have, therefore, cited my informants as far as possible in their own words. Whether the reader agrees or disagrees with the conclusions put forward at the end of the chapter, he can at any rate see the sort of evidence on which they are based.

In trying to discover the effect of the establishment of a minimum wage the inquirer meets in almost every industry with different reactions and different difficulties in presenting them. In the chain-making industry it was comparatively easy to state with some precision the effect of the Trade Board on piece-rates and earnings. In the tailoring industry, in which there are no recognised piece-lists, and for which no minimum piece-prices were fixed by the Trade Board, it is almost impossible to do so. Chapter III. of this work, which deals with the advance in wages caused by the Trade Board, is, therefore, weak and inadequate, and I must apologise in advance for its deficiencies. That a large increase has taken place among the more poorly paid workers is fairly clear ; but its extent cannot be ascertained by any inquirer who cannot insist, like a Government Department, on a compulsory return of earnings.

On the other hand, if the present report is less complete than the preceding one in its discussion of the effect of the Trade Board on wages, it perhaps brings out more clearly certain aspects of the system, which are of general interest for the light which they throw upon minimum wage legislation. Such are the extreme variations in earnings in different localities, and the

effects of the Trade Board's determination on prices (pp. 98-101), on the output of the worker (pp. 121-135), and in causing the introduction of machinery and more careful organisation (pp. 135-160). Being largely, though by no means entirely, a machine industry conducted on a large scale, the tailoring industry offers greater opportunities than the manufacture of chain for meeting higher wages without any considerable rise in the prices charged to the customer. The effect of the Trade Board in encouraging Trade Unionism (pp. 90-95) is particularly noticeable. It will be seen that the membership of certain Trade Unions in the tailoring trade has grown largely since the minimum rates fixed by the Trade Board came into force, and that leading Trade Unionists ascribe the growth in part to the stimulus to organisation given by the establishment of the Board. The fears sometimes expressed that a legal minimum wage would act as a soporific which would discourage voluntary combination seem, therefore, quite beside the mark. [The experience of the tailoring trade suggests, on the contrary, that the establishment of a legally obligatory minimum gives an impetus to Trade Unionism among the most helpless workers, and facilitates movements to secure a higher standard rate and better working conditions. The reduction in hours which has taken place in several districts since the rates became obligatory is the more remarkable because the Trade Boards have as yet no power to regulate hours.

This is the bright side of the system. But there is also a dark side. The minimum rates fixed are extremely low, so low as little to affect women in some large centres of the industry in the north of England. In those districts where the advance in rates has been

greatest there has been, side by side with legitimate attempts at reorganisation, some speeding up of an unfair and undesirable character. There is a good deal of evidence to show that in some parts of the country the minimum rates are being evaded, especially by employers of homeworkers. The tailoring trade is, indeed, the industry in connection with which the inadequacy of the present staff of Investigating Officers is seen most conspicuously; for in that trade alone, apart from the seven others scheduled, there are over 12,000 factories and workshops and (probably) not less than 140,000 workers, and it is impossible for the nine officials who at present compose the whole inspecting staff to cope with the work. It is, indeed, essential that the inspectorate should be largely increased. It is surely not a wise course to create machinery to administer an Act, and then to jeopardise its administration in order to affect an economy of (at most) a few thousand pounds. Further, now that an increasing number of industries are being scheduled under the Trade Boards Act, the Trade Boards Office should cease to be a sub-department of the Board of Trade, dependent upon the latter for permission to initiate prosecutions, and either should be erected into an independent department, or should form one division of a new department charged with the administration of all kinds of labour legislation.

It remains for me to thank the numerous persons who have been kind enough to assist us with information, in particular Mr. Caradog Jones, who sent us evidence as to the working of the Trade Board in Newcastle; Mr. A. Bodin of Glasgow; Mr. G. K. Grierson of Manchester; Mr. Craven of Hebden Bridge; Miss E. Rathbone, Miss C. Leadley-Brown, and the

Liverpool Anti-Sweating League ; Mrs. Green and Miss Dixon, who made extensive inquiries in Colchester ; Miss Robinson, Miss Wetherall, and Miss Wilson, who did the same in the neighbourhood of Birmingham ; Miss Gibbins and Miss Jowett of Bristol ; Miss Nettlefold, who gave us evidence as to the effect of the minimum rates on Trade Union organisation ; Mr. Hitchcock, Mr. Attlee, and Miss de Vesselitsky, who collected information as to the effect of the Tailoring Trade Board upon homeworkers. I must specially express my gratitude to Miss de Vesselitsky ; chapter VI. of this book is principally her work. As before, I am under many obligations to the officials of the Trade Boards Office and to the Trade Board itself, which kindly allowed me to examine its papers, and to employers and workers too numerous to mention, all of whom I desire to thank now.

R. H. TAWNEY.

MINIMUM RATES IN THE TAILORING INDUSTRY

I

THE ORGANISATION OF THE TAILORING INDUSTRY

THE tailoring industry is by far the largest single trade that has, as yet, been brought within the scope of the Trade Boards Act of 1909, and employed in 1911, in Great Britain, 279,872 persons, of whom 140,919 were men and 138,953 were women.¹ According to the Census of Production, the total gross value of the products usually classed as tailoring ("Men's and boys' suits or parts thereof") was in 1907 about £25,000,000; the net value (*i.e.* the value when the cost of materials and payments made to other firms for work given out to them are deducted) may possibly have been between £11,000,000 and £12,000,000.² The export³ trade in

¹ Census of England and Wales, 1911, vol. x. pt. ii. p. 6; *ibid.* of Scotland, vol. ii. pp. 290, 291.

² Census of Production (1907), pp. 415-416.

³ It is not possible to say what proportion of the clothing produced in Great Britain is exported, as the headings under which manufacturers were asked to return their output for the purpose of the Census of Production do not agree with the

clothing is important, and has grown rapidly in the last fifteen years. In 1913 goods to the value of £8,645,726 were sent abroad, incomparably the largest market being South Africa, to which clothing to the value of £3,280,114 was exported¹ in that year.

The Schedule of the Trade Boards Act, 1909, which included tailoring as one of the trades for which a Board was to be established without provisional

classification adopted in the Board of Trade's list of exports and imports.

¹ The following were the principal foreign markets to which "non-waterproofed apparel, of wool or of wool mixed with other materials," was sent in 1913, in order of their importance :—

South Africa	.	.	.	£ 3,280,114
Australia	.	.	.	989,957
New Zealand	.	.	.	710,809
Canada	.	.	.	679,607
British India	.	.	.	314,220
France	.	.	.	303,359
Argentine Republic and Brazil	.	.	.	281,440
United States	.	.	.	150,228

The export trade has grown as follows :—

1881	.	.	.	.	3,711,797
1891	.	.	.	.	5,150,931
1901	.	.	.	.	5,571,259
1911	.	.	.	.	7,573,277
1912	.	.	.	.	8,361,800
1913	.	.	.	.	8,645,726

(Annual Statement of Foreign Trade for 1913, vol. i. pp. 266-269; *ibid.* for 1881, p. 80; *ibid.* for 1891, p. 117; *ibid.* for 1901, vol. i. p. 354). The figures for 1881, 1891 and 1901 include waterproofed apparel as this was not separately enumerated in those years.

order, was drafted so as to include ready-made and wholesale bespoke tailoring, and any other branch of tailoring in which the Board of Trade considered that the system of manufacture was generally similar to that prevailing in the wholesale trade. The Board which was established under this authority was given, however, a more restricted scope, being empowered to fix rates only for those branches of the ready-made and wholesale bespoke tailoring trade which were engaged in making garments to be worn by male persons. As will be described below, a certain section of the retail bespoke trade has been brought within the scope of the Trade Board, but no rates for this section have yet been fixed, while the whole field of ladies' tailoring remains untouched.

The preliminary question of what exactly "tailoring" is, though it has caused considerable difficulty to the Trade Board, of a kind familiar to all who have studied demarcation disputes, is not one which need be discussed at length here. Attempts to define it by material—as was suggested by the cotton slop manufacturers, who argued that only clothes made of woollen stuffs could be classed as tailoring—or by purpose—as was suggested by manufacturers of workmen's overalls, who wished to be excluded on the ground that they did not make clothing, but merely suits to protect clothing—have broken down. If only woollen garments are to be classed as tailoring, then boys' sailor suits and cotton trousers (whether made to look like wool or not), which are tailoring in the eyes of all that wear them, will have to be excluded. Nor is it easy to find any justification for refusing to class as tailoring the manufacture of a motorist's dust-coat, which would not logically lead to the incongruity

of refusing to regard all clothing worn for the purpose of protection as the production of the tailor. Though it was too much to expect that ingenuity would not be exercised in tripping the Trade Board over technicalities, the Board wisely steered clear of the perilous task of definition, and confined itself, with a sound contempt for speculation, to the beaten paths of use and wont. To the plain man, and as a matter of historical development, the "tailor" is a person who makes outer garments for men from textile fabrics, and garments which are traditionally the product of the tailor do not cease to be associated with the tailoring trade merely because they are made of cotton instead of wool, or because, owing to the specialisation of processes, the labour employed in making them is of less rather than of greater skill. In connection with particular garments, nice questions will no doubt continue to arise from time to time. If pyjamas are obviously not tailoring, men's white waistcoats as obviously are, but there is still room to argue about the miner's shirt, which is partly an under and partly an outer garment. The ultimate decision on these points of interpretation lies not with the Trade Board, nor with the Board of Trade, but with the Law Courts, where the bold manufacturer who tests the Trade Board's ruling can have the nature of his occupation defined for eternity with judicial precision. In the meantime, the Trade Board has marched through a pantechnicon of apparel, laying its hand on this and rejecting that, deciding that football knickerbockers are, but flannel singlets are not, tailoring; sweeping boys' sailor blouses into its net, but excluding certain kinds of smocks; asserting its claim to boys' collars when they form part of a jacket,

and waiving it when they do not, the material question being in each case whether the article is by custom associated with the trade which the Trade Board purports to represent.

If the variety of garments judged by name, shape, purpose and material with which the Trade Board is concerned is impressive, not less so is the variety of processes. The restriction of the scope of the Board to the ready-made and wholesale bespoke branches of the tailoring industry indicates to some extent the predominant characteristics with which the Trade Board is concerned. The tailor in past years was recognised as a man who crouched cross-legged on a table, making garments by his unaided efforts. The introduction, and remarkable improvement, of the sewing machine, however, has resulted in a restriction of the work of the journeyman tailor to the highest class of bespoke work. Ready-made suits and the cheaper bespoke work are made under conditions where the aid of machinery and the specialisation of processes are essential. The definition of the scope of the Trade Board is so framed as to exclude the high-class bespoke work in which the persons engaged are craftsmen rather than operatives, are paid usually at rates comparing favourably with those paid to skilled workers in other men's trades, and are sufficiently represented by a Trade Union, the Amalgamated Society of Tailors. The transformation of the industry, however, in connection with the making of cheaper clothes has given rise to the problems of low payment, which call for the establishment of the Trade Board. Even so, the organisation of this section of the trade shows the greatest differences, ranging from the single worker working in her own home to

the highly developed and mechanically perfected factory.

The differences between the classes of work done require some mention, though they do not coincide in all respects with the differences between the places where the work is carried on. At the bottom end of the trade is to be found a large group of firms engaged in making garments for the export trade of a cheapness and shoddiness almost unknown to the consumer in this country. The principal market for this product is South Africa, and the wearers of the garments exported are usually natives, from which fact the section derives its distinctive name of the Kaffir trade. This work is done largely in East London, partly in Jewish workshops, where male labour is principally employed, and partly by non-Jewish sub-contractors working in a small way of business and employing almost exclusively female labour, sometimes in workshops, but principally in their own homes. As an instance of the difficulty which faces the Trade Board in any attempt to fix rates for piece-work, the two branches of organisation into which the cheap export work divides itself stand out very remarkably. The male labour employed in the Jewish shops, engaged in this class of work, is of almost incredible efficiency, and is able to earn reasonable wages at piece-prices which, when paid to a female homemaker, often provide the sensational instances of sweating with which the East London tailoring trade has been associated.

Above this lowest class of export work, but still very low in the standard of workmanship required, is to be placed the juvenile trade; that is to say, the section of the trade engaged in making boys' suits. This section is also divided between two

types of organisation, the homeworker again appearing, while in place of the Jewish workshop is found, as a rule, a large, well-equipped, and highly efficient factory. The keenness of competition in the juvenile section of the trade results in the piece-rates being cut very fine, and the homeworkers employed either in East London, or in the district round Colchester—where this work is also largely carried on—are among the classes of workers who have been most affected by the minimum rates which have been fixed. In some factories in this section the earnings of the workers are also low, but in others skilful organisation and the elimination of all waste of effort has resulted in a condition where workers can earn satisfactory wages on very low piece-rates.

Still rising in the scale, we reach the broad class of ready-made tailoring, representing both home consumption and the better section of the export trade. This section is again divided between the factories and homeworkers, the latter class being found principally in London, in Essex, and in the district round Abingdon and Bristol. It is in this stratum of the trade that the differences of remuneration as between the workers for one employer and another are most outstanding. To some extent the differences are accounted for by the difference of quality of the garments made, the ready-made trade ranging from cheap and badly made garments to clothing which in workmanship compares favourably with high-class bespoke work. Equally important, however, in determining the wages paid to the workers are the differences in the efficiency with which the factories are conducted and the general outlook and attitude of the employers.

Above the ready-made trade is reached the whole-

sale bespoke, representing the highest class of work with which the Trade Board has hitherto been concerned. Wholesale bespoke work is essentially of modern development, representing the means of combining regard for individual requirements with the advantages of wholesale production. The meaning of the term "wholesale bespoke" is not free from doubt, but, as understood by the Trade Board, it refers to the making up of garments to individual measurements by persons who are not the actual sellers, and who, therefore, do not come into contact with the ultimate buyer or wearer. The definition of the term as thus employed divides the wholesale bespoke section of the trade into two distinct classes. In the first the order, when taken by the retail merchant tailor, is sent to a factory, possibly several hundred miles distant. There the order is cut out, made up, and returned to the retailer to try on the unsuspecting customer, possibly in a partially finished or "tacked" condition. Many factories are devoted exclusively, or almost exclusively, to this kind of work, which represents in factory production the best class of work and the greatest scope for learning which the tailoring trade affords. In the other branch of the wholesale bespoke work, which represents on the whole a more expensive demand, the customer's order is actually cut out on the premises of the retailer. The cloth thus cut is handed over to a third person, known in the trade as a master tailor, almost invariably a Jew, having a small workshop in the same town or district, in which any number from (say) six to twenty or thirty persons may be employed. The work done in the Jewish master tailor's shop, unlike that done in the other Jewish shops in East London—

which, as above described, are associated with the cheapest export trade—is usually of high quality, and, it is frequently claimed, has little to differentiate it from the best class of work done by journeymen tailors. The workers employed in these master tailors' shops are usually Jewish men employed in the fitting, machining and pressing, and non-Jewish girls and women employed in the finishing. The shops are, as a rule, efficiently organised, and worked on the subdivisional system, the pace being often set by the master tailor himself.

The difference between the large factory where bespoke garments are made up for sale in a number of branch shops controlled or owned by the proprietors of the factory itself, and the factory which supplies independent shops, the difference also between work done in the master tailor's shop working for a retailer and that done in a shop similarly organised but owned by the retailer himself, is not obviously perceptible, and it was to remedy the anomaly of having the one class of work within and the other outside the scope of the Trade Board that the regulations establishing the Board were revised so as to give the Board the power to deal also with "that section of the retail bespoke trade in which at least three persons or two female persons (in both cases excluding trimmers) were engaged in making one garment." This somewhat cumbrous definition is an attempt to state in precise terms the point at which what is known in the trade as "subdivision" begins. The varieties of subdivision are very great, however, and may be held to range from the very limited division indicated in the Board of Trade's definition to that of the highly specialised factory where it is sometimes alleged by critics

of the system that the cloth passes through so many hands that it is worn out before the garment is made.

The twenty-five million pounds' worth of clothing which is annually produced by firms in the tailoring trade is made under the most widely different conditions, by the most divers types of workers, and with the aid of the most various systems of organisation. There is probably no industry in which the methods of production have been standardised less than they have been in the manufacture of clothing; and when one turns from the broad division of the tailoring trade described above to examine the actual structure of those parts of it which are under the Trade Board, one finds almost every conceivable type of organisation represented among them. The peculiarities of different geographical areas, which are most marked in the tailoring industry, and which, involving as they do wide differences in wage levels, are of the greatest importance in an examination of the effects of the minimum rates, and the special problems arising in connection with the factory, the small master and the homemaker are discussed in some detail in the following chapters. All that can be attempted here is to give a sketch of the principal divisions of the industry as it presents itself to one looking at it from outside. At one end of it are the large factories, equipped with every variety of power-driven machinery, relying mainly on female labour, and employing workers whose labour is so minutely graded that one woman may spend her whole time making the thirtieth part of a garment. At the other end is the living-room of the isolated outworker, who takes out materials either direct from the factory or from a middleman, and works upon them at home. Intermediate between

these two extremes are the workshops, employing from five to forty workers, and dependent for orders either upon the factories or upon the retail shops, equipped with sewing machines but having little other machinery and no power, and managed by a small master who usually works side by side with his employees. How many persons are employed in each of these departments of the trade is a question to which the Trade Board authorities themselves cannot give an exact answer, and as to which the most diverse speculations have been made. The number can only be calculated very roughly by a process of approximation. In the first place, the Home Office Returns for 1904 show that in that year 60,056 persons were employed in the 481 tailoring factories in the United Kingdom which made returns.¹ All these ²would fall within the scope of the Board. The number of factories has since increased (the Trade Board authorities estimate that there are now about a thousand), and the workers employed in them probably now number about 75,000 to 80,000. In the second place, the Home Office Returns showed that in 1904, 89,765 persons were employed in the United Kingdom in the 11,319 workshops which made returns.³ These figures are probably an under-estimate. But under the heading of workshops are included both bespoke tailoring workshops, which do not fall within the scope of the Trade

¹ Return of Persons employed in Non-Textile Factories in 1904 (Cd. 3986 of 1908), p. 2.

² Except those employed in Ireland, of whom there were, according to the Trade Board papers, 1870.

³ Return of Persons employed in Workshops in 1904 (Cd. 3323 of 1907), p. 1. Of these 5299 were employed in Ireland.

Board, and workshops making clothing on the divisional system which do fall within its scope. What proportion do the latter form of the total number? According to an estimate offered by the principal Trade Journal, "there are about 5000 master tailors or middlemen" (by which are meant subcontractors who take out work both from factories and retail shopkeepers and who would, therefore, come under the Trade Board) "employing, in round numbers, 60,000 workers." The Trade Board authorities, however, estimate that there are only some 3200 workshops which fall within the scope of the Board. Probably the number of workers employed is somewhere about 50,000. These, together with the 75,000 to 80,000 factory workers, form a total of between 125,000 and 130,000. But in addition to these there are the homeworkers, consisting of persons employed neither in factories nor in workshops but working at home, who are very numerous in London, Bristol, Colchester, and in some of the agricultural villages of the eastern counties. Of these homeworkers the men, who are usually making high-class clothing at home, fall outside the scope of the Trade Board's determination; the women fall within it, for they are engaged in the divisional system of production, and the cases in which they are employed in the bespoke tailoring which is outside the Trade Board are so few that they may be neglected. But how many are they? An approximate figure can be established by indirect means. According to the Board of Trade's Census of Production, which was made in 1907, women homeworkers formed 10·25 per cent. of the total number of women workers in the clothing industry for whom particulars were obtained.¹ The total number

¹ Census of Production (1907), pp. 416-417.

of women engaged in the tailoring trade was, in 1911, 138,953. If, as is probable, homeworkers form about the same proportion of these as they did of the workers about whom particulars were obtained by the Board of Trade in 1907, then the total number of women homeworkers in Great Britain is 14,242. This figure is, however, probably an under-estimate, as a large number of the firms employing homeworkers, which are often small and unimportant, are likely to have made no return in 1907. The actual total is probably between 15,000 and 22,000. The total number of persons coming within the sphere of the Trade Board's determinations would thus be approximately 145,000.

Of these three contributors to the manufacture of clothing, the workshop, the factory, and the home, the first represents the first application of subdivisioinal methods to the production of cheap garments, the second the application of machinery to a trade where labour was already subdivided, the third partly the desire of factory owners to save establishment charges, partly the quest of some factory owners and small masters for cheap labour. While factories differ enormously in their organisation, in the degree to which they use machinery, and in the wages which they pay, they are alike in carrying the subdivision of processes to the furthest possible point, and in relying mainly on female labour.¹ Thirty years ago the

¹ The predominance of women's labour in factories is illustrated by the following figures of the employees of a northern firm :—

Total males employed	52
Total females employed	239
Total both sexes and all ages	291

[Note continued on next page

number of men employed in tailoring outnumbered the women employed by more than two to one. In 1911 out of 279,872 persons engaged in the tailoring industry in Great Britain, nearly one-half were women, and the growth of women's labour in the industry represents the growth of the factory system. As already explained, the workshops fall roughly into two broad divisions. In the first place, there are those which rely principally on the labour of men, which rarely give out work to be done at home, which do a relatively high-class trade, and which are usually in the hands of Jewish small masters. In the second place, there are those which, like the factories, rely mainly on women, which are engaged chiefly in making up

(1) Machinists (all females)—				
(a)	Stitched hands	.	.	57
(b)	Knickers	.	.	18
(c)	Trousers	.	.	40
(2)	Button machinists	.	(all females)	4
(3)	Buttonhole machinists	(	„	8
(4)	Hand buttoners	.	(	7
(5)	Seam pressers	.	(	12
(6)	Pressers off	.	(	10
(7)	Quilters	.	(	4
(8)	Sleevers	.	(	3
(9)	Inside finishers—	(„	
	(a) Jacket finishers	.	.	14
	(b) Knickers „	.	.	11
	(c) Trousers „	.	.	23
(10)	Outside finishers—	(„	
	(a) Jacket finishers	.	.	13
	(b) Trousers	.	.	12
(11)	Bar tackers	.	(	2
(12)	Trouser binders	.	(	1
(13)	Cutters	.	(all males)	43
(14)	Passers	.	(	2
(15)	Pressers	.	(	7

the cheapest class of clothing for foreign markets, which employ numerous homeworkers, and of which the employees are generally English. Of the homeworkers some are employed direct by the factories, some by middlemen who make up part of their orders in their own workshops and give out the rest to the homeworkers. The numbers and proportions of workers¹ employed in factories and in workshops in 1904 in different parts of Great Britain are shown in the following Table :—

TABLE I.

	Total in factories and work- shops.	Percentage of all em- ployed in factories and workshops.	Total em- ployed in factories.	Percentage of those employed in factories.	Total em- ployed in work- shops.	Percentage of those employed in workshops.
Scotland . . .	19,035	13·3	3,063	5·3	15,972	18·9
N.E.	33,206	23·3	20,759	35·7	12,447	14·7
N.W.	20,642	14·5	7,679	13·2	12,963	15·3
Midlands . . .	16,572	11·6	7,999	13·7	8,573	10·1
E.	4,268	3·0	2,617	4·5	1,651	2·0
London and S.E. .	32,556	22·8	9,929	17·1	22,627	26·8
S.W.	16,373	11·5	6,140	10·5	10,233	12·1
Total	142,652		58,186		84,466	

While the totals are vitiated by the fact that there are probably a considerable number of firms which have escaped the notice of the Home Office, the picture given of the geographical distribution of the industry and of the relation between the number employed in

¹ *I.e.* exclusive of homeworkers. It must be noted that the Home Office test of a factory is whether it employs power or not, and that this classification is, therefore, somewhat arbitrary.

factories and the number employed in workshops is probably fairly accurate. It will be seen that the single area in which the largest proportion of all workers (exclusive of homeworkers) is to be found is the north-eastern district, the two next most important being London and the south-east, and the north-west. Of the workers employed in factories more than a third are found in the north-eastern division, and nearly one-half in the north-eastern and north-western division together. London and the south-eastern division has only 17 per cent. of all the workers employed in factories, but over one-quarter of those employed in workshops. In spite of the existence of numerous factories in London, and of numerous workshops in Leeds, there is, in fact, a broad geographical division, the north of England being the principal centre of the tailoring which is carried on in factories, and London being the centre of the tailoring which is carried on in workshops.

When once the factory with power-driven machinery had secured a firm footing in the trade, it might be supposed that it would dominate the industry, and the survival of these three alternative types of production has puzzled inquirers for a generation. Certain explanations of their coexistence may be ruled out at once. They do not, in the first place, correspond to differences in the quality of the goods produced. If much clothing of inferior quality is made in factories, so also, to an increasing degree, is much that is excellent; if much high-class work is performed in workshops, so also is some of the cheapest; while of the homeworkers some are finishing trousers for Kaffirs, and others are making clothing for court receptions. Nor, in the second place, do these alternative methods of pro-

duction depend upon the nature of the market to which the goods are sent. Clothing made in factories, clothing made in workshops, and clothing partly made in the worker's own home, are both sold at home and exported to foreign markets ; and the theory that the disappearance of the homemaker would involve the complete loss of the cheaper branches of the industry is an illusion. Nor, again, is it the case, as is sometimes suggested, that these different types of organisation are mutually indispensable, that the factory cannot be carried on without the workshop, and that the existence of a body of homeworkers is essential to both. It is, of course, quite true that where they coexist they are supplementary to each other. The presence of a large number of small masters in London enables the factory owner to meet busy periods without extending his premises, and the possibility of giving out the cheapest qualities of clothing to be partially made in the workers' homes saves the employers from the necessity of finding ways of making it cheaply in factories. But these are the results, not the causes, of the coexistence in the trade of factories, workshops, and the homemaker. For the principal centre of the clothing trade is Leeds, and Leeds successfully dispenses with homework almost altogether ; while, though factories and workshops exist almost everywhere side by side, the preponderance of the latter, which is characteristic of London, is not found to the same degree in any other of the principal centres of the clothing industry except in Scotland.

In reality the differences in the types of organisation obtaining in the clothing industry are to be explained less by differences of quality or market than by two other facts : first, the different kinds of workers

engaged in the trade ; second, the different industrial characters of the localities in which tailoring is carried on. The distinction between production in factories and production in the most successful workshops is largely, though not entirely, a distinction of race. The distinction between factory production with numerous homeworkers and factory production that is self-contained is a distinction dependent mainly on the alternative employments for women and the level of men's earnings in different parts of the country. The first point is readily appreciated if one compares the *personnel* and organisation of a typical factory with that of a typical workshop. While the production of clothing in factories is as English a trade as is the manufacture of cotton piece goods, the industry carried on in the workshops owned by small masters falls, as has already been stated, into two distinct sections, of which one is mainly in the hands of English people, and the other and more important is mainly in the hands of the Jews. Of these two types of workshops the former is tending, it appears to us, to find an ever-increasing difficulty in competing with the latter and with the factories. The two hundred odd masters who conduct this part of the industry in London have no special peculiarity of technique or organisation which would enable them to hold their own against the competition of large-scale factories using power-driven machinery. The clothing which is given them to make up is very largely of the very poorest qualities which are exported to South Africa, and which can only be made to yield reasonable wages if they are produced with the best possible organisation and machinery. Since it rarely happens that these small masters have the capital needed to introduce the most economical

methods of manufacture, they tend to rely on the immediate opportunities for cheap production which are offered by the presence in London of large numbers of unorganised workers who are driven by necessity to take work at almost any price that is offered them. Every rise in wages and every improvement in the technique of factory production make it more difficult for them to survive, and our impression is that their numbers are not increasing, and that their hold on the industry is more and more tending to be due solely to the fact that in London the number of homeworkers is numerous, and that the existence of small masters who will distribute work to them and collect it when completed is a convenience to the factory owners. If, as seems possible, homework decreases in the near future, this type of small master, who is mainly a middleman, is likely to disappear with it. But this type of workshop is not that which is most important or most characteristic of the tailoring industry. While, when faced with the competition of power-driven machinery, the English small masters find it difficult to maintain their hold on the trade, the Jewish workshops show no signs of depression. Whether because of special skill, or because of the intensity with which they work, or because the prospect of managing a small business is more attractive, and the life of a wage-earner more repugnant, to the Jew than to the Englishman, the Jews succeed in not only holding their own but even in extending their section of the trade in those districts where factory production is spreading most rapidly. They succeed, not, in the main, by cutting wages—for the wages earned in Jewish workshops are relatively high, and the popular association of the Jews with "sweating"

is an error—but for two quite intelligible reasons. In the first place, a large number of them have succeeded to a remarkable degree in making their branch of the industry a special section of the trade, which assists the factory and does not compete with it. While, of course, there are many Jewish workshops where the very cheapest clothing is produced, a huge part of their business, especially in London, consists in making those kinds of clothing for which special skill is needed, or which, because they cannot be systematised and reduced to a routine, are unsuitable for production on a large scale in a factory. Many of these master tailors are, as it were, specialists, who are called in to deal with the difficult cases where peculiar skill or care is required, in particular in connection with the manufacture of coats. In the second place, the Jews have attained extraordinary efficiency in the art of small-scale production, which is their peculiar speciality. Even in those Jewish workshops which are engaged in making the very cheapest clothing, and in which the lowest piece-prices are paid, the Jewish workers seem, as a class, to earn relatively high weekly wages. Though the subdivision of labour is naturally not carried to such lengths in Jewish workshops as in factories, it is sufficient to allow of extreme dexterity being attained in the type of trade for which they cater. Whereas, in the English factories and small workshops, the women employed largely outnumber the men, in the Jewish workshops the men employed largely outnumber the women. Since the master normally works side by side with his employees, and since the number employed in each workshop is comparatively small, the master can exercise close supervision and set the pace at which the work is to be done.

The Jewish workshop holds its own, in fact, by its concentration on one branch of the trade, by its minute attention to detail, and by an extreme degree of application which may be compared to the intensive cultivation of a small holder. So far from the Jewish small master being threatened by the recent rise in wages, he has probably been benefited by it, for he himself was usually paying more than the minimum time-rate fixed by the Board, and he has now taken some of the trade which went to those of his competitors whose rates were lowest. The establishment of minimum rates does not rule out any particular type of organisation. It merely means that whatever organisation is adopted must be such as to allow the workers to earn not less than the minimum fixed by the Board.

While the coexistence of the large factory and the small workshop may be explained by the different racial types with which they are associated, the predominance in certain districts of factories which are self-contained, and in others of factories which depend largely on giving out work to be made up at home is due primarily to the different industrial characteristics of different areas. The former are characteristic of the northern counties, the latter of the south, south-east and south-west. It is unfortunately not possible to give statistics as to the total number of homeworkers in different parts of the country. But the following figures,¹ which give the number of homeworkers in fifteen principal centres of the tailoring industry, together with the proportion which they

¹ The figures were obtained by the Trade Board from the Medical Officers of Health in 1910. They are probably somewhat inaccurate.

form of all the workers in the industry in those areas, will show how unevenly homeworkers are distributed :—

TABLE II.

	I. Women Out- workers in Tailoring Trade.	II. All Women employed in Tailoring Trade. ¹	III. Proportion of (I.) to (II.).
Leeds . .	570	15,917	3·5
Liverpool .	228	3,604	6·3
Crewe . .	19	..	..
Nantwich .	402	..	..
Derby . .	86	820	10·5
Leicester .	167	1,634	10·2
Walsall .	91	1,245	7·3
Bristol . .	868	5,032	17·2
Stroud . .	152	..	..
Plymouth .	233	1,101	21·2
Colchester .	1,363	3,598 ²	37·9
Norwich .	58	1,292	4·5
Chatham .	625	..	..
London . .	3,632	31,718	11·4

The geographical distribution of homeworkers appears at first sight to be entirely capricious. Why should there be none in Hebden Bridge ? ³ Why should they form 3·5 per cent. of all women workers in Leeds, 11·4 per cent. in London, and at least 37·9 per cent. in

¹ Census of England and Wales, 1911.

² This figure relates to Essex, as the Census does not give the figures for Colchester. The proportion of homeworkers in Colchester is therefore higher than that given in the table.

³ Figures for Hebden Bridge are not inserted in the Table, as they are not given separately in the Census Report. It is, however, an important centre of the tailoring industry, and no home-workers appear to be employed there.

Colchester? The explanation, it may be suggested, is that homework flourishes where men's wages are low or their employment irregular, and where there are few alternative occupations open to women.¹ It is, in short, not an indispensable part of the tailoring industry, without which the other branches of it could not be carried on, but a development into which employers deviate in those districts whose peculiar economic conditions make large numbers of married women anxious to supplement their husbands' earnings by working at home. The hold which the homemaker has on the industry is therefore at best a precarious one. The firms in the north of England which have adopted the most efficient machinery and organisation do not employ them, and those which do employ them on a large scale may at any time find that they can get more uniform and efficient work from workers equipped with machinery and employed in factories.

¹ See below, pp. 112-115.

II

THE WORK OF THE TAILORING TRADE BOARD

(i) THE CONSTITUTION AND PROCEDURE OF THE BOARD

THE Trade Board in the Tailoring Trade consists of 49¹ persons, of whom 22 constitute the employers' side of the Board, 22 the workers' side, and 5 are "appointed members" representing the public. Under section II (3) of the Trade Boards Act the representative members of a Trade Board may be appointed either by election or nomination, or partly by one method and partly by the other. The ideal method of recruiting them would, no doubt, be by election, and this was the course adopted in the chain-making industry. In the tailoring trade there were, however, insuperable difficulties in the way of appointing the Board by election. Prior to the establishment of the Trade Board the largest section of employers, the factory occupiers, was without any organisation at all; the workers' societies were numerically weak; and the wide geographical distribution of the industry made it almost

¹ As first constituted, it consisted of thirty-one persons. When retail bespoke clothing was put under it representatives of that section of the trade were added to the Board, and the representatives of other sections were increased in number.

impossible, in the absence of effective organisation, to find suitable constituencies for returning members. The result was that not only the "appointed members," but also the members representing employers and workers, were virtually selected by nomination. The Board of Trade divided the country into seven areas, canvassed workers and employers in each area for the names of suitable candidates, and appointed the representative members of the Board from the names thus submitted to them. Moreover, the variety of organisation obtaining in the tailoring trade made the constituting of a Trade Board an unusually delicate matter, and one is inclined to say that, now that a Board has been established successfully in this trade, there is no other trade to which the Trade Boards Act cannot be applied. It was necessary in establishing the Board to take account of the fact that neither the employers nor the workers in the tailoring trade are homogeneous. Among the employers are subcontractors who are at once employers in their own workshops and employees of the factory owners who give them work. Among the workers there are not only differences of sex, but there are factory operatives, workers employed on the premises of subcontractors, and homeworkers who take out work both from factories and workshops. What the Board of Trade did was to make a rough attempt to reconcile these conflicting interests by including in its selection persons engaged in each section of the trade. Among the employers fourteen factory occupiers, four subcontractors, and four employers in the bespoke trade, not being subcontractors, were appointed,¹ while among the workers

¹ Board of Trade's Statutory Rules and Orders, No. 25, 10th January 1914. According to the earlier regulations, the

were nominated two officials of the Amalgamated Union of Clothiers' Operatives, which represents the workers employed in factories, the general secretary of the Amalgamated Society of Tailors, two officials of the union of Jewish Tailors, who are employed in the subcontracting workshops, together with some representatives of homeworkers. On each side of the Board persons who were not directly engaged in the trade, but who had taken an active part in organising employers and workers, were given a seat and exercised considerable influence over its deliberations.

In the case of the chain-making and lace-making industries, the work of erecting machinery came to an end with the establishment of the Trade Board. But the tailoring and boxmaking trades differ from these in being not localised but scattered over a wide geographical area, and in these industries therefore the establishment of the Trade Board was followed by the creation of District Trade Committees. By section 12 (1) of the Trade Boards Act, a Trade Board may establish District Trade Committees, consisting partly of its own members and partly of local employers and workers, in such areas as it may think fit, subject to regulations of the Board of Trade determining their constitution. At its first meeting on 14th December 1910, the Trade Board¹ decided that such District Trade Committees should be created in each of the seven areas from which the representative members of the Trade Board had been drawn, and

employers' representatives consisted of ten factory occupiers and three subcontractors.

¹ Tailoring Trade Board Minutes, 14th December 1910, and letter from Board of Trade in Minutes of 17th February 1911.

communicated to the Board of Trade the proposals which it had to make as to their composition. The plan of organisation submitted by the Trade Board was accepted, with certain minor alterations, by the Board of Trade, and seven District Trade Committees were established, consisting, in all, of 161 persons, of whom 21 were members of the Trade Board, and the remainder were representatives of employers and workers. To find suitable candidates communications were addressed to employers' associations, trade unions, and individuals who might be expected to have suggestions to make, and public meetings were held in different centres of the industry, at which the Act was explained and nominations invited.

Under the terms of the Trade Boards Act, the District Trade Committees are given considerable opportunities of influence. A Trade Board may refer to them any matter which it thinks expedient for their report and recommendations, and may delegate to them any of its powers and duties, other than that of fixing a minimum time-rate or general minimum piece-rates. It is the duty of a District Trade 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.”¹ It appears to have been intended, in short, by the authors of the Trade Boards Act, that the initiative in making propositions should really be taken by the District Trade Committees, that they should suggest minimum rates based on the circumstances of their different localities, and that the Trade Board should act rather as machinery for sifting these proposals and registering those finally adopted than as the motive power of the whole system. In fact, however, relations between the Trade Board and the District Trade Committees have developed on different lines from those which seem to have been anticipated. The District Trade Committees are worth maintaining, if only because they diffuse knowledge of the Trade Board's proceedings and give a share in the administration of the Act to a much larger number of persons than can be given seats on the Trade Board itself. But here their usefulness ends. So far from their taking the initiative in making proposals, their activities are almost entirely confined to going through matters already discussed at the Trade Board and endorsing its decisions. They meet at infrequent intervals. As their minutes show, their business consists almost entirely of hearing reports of the Trade Board's proceedings, and passing comments upon them in the shape of short reports, which are forwarded to the Trade Board. The fact that both sides are guided by powerful national organisations, which have determined on their policy before matters come before the District Trade Committees, and—one consequence of this—the fact that the Trade Board established a universal minimum time-rate, not a differential rate varying from place

¹ Trade Boards Act, 1909, section 12 (4).

to place, cause these reports to be usually almost identical in substance and even in phraseology. The connection between all factory occupiers, all master tailors and all workers is much closer than that between the representatives of these different classes in any one locality. Hence one District Trade Committee repeats the proceedings of another with monotonous regularity, and when the two sides of a committee disagree in one area, they disagree in all the others.

The constitution and procedure of the Tailoring Trade Board differ in some important respects from that of the Trade Board in the chain-making industry. The task of the appointed members is, indeed, much the same in both, and it is not necessary here to do more than refer the reader to what was said as to their importance to the Trade Board system in a previous monograph,¹ with the caution that their powers are considerably greater in connection with the Tailoring than in connection with the Chain Trade Board. Since, for reasons which are given below, cross voting is virtually impossible upon the Tailoring Trade Board, no resolution can be carried as long as the two sides disagree, unless the appointed members choose to vote. Hence, whereas on the Chain Trade Board several of the more important issues were settled by agreement between the two sides, on the Tailoring Trade Board decisions were usually reached only when the appointed members intervened; and, in particular, the crucial issues of the minimum rates to be fixed for women, for men and for learners were all really determined by them. The

¹ Minimum Rates in the Chain-making Industry, 1914, pp. 32-36.

explanation of the peculiar responsibility attaching to the position of the appointed members on the Tailoring Trade Board is to be found in a fact which has modified the character of the Board's proceedings in more than one way. It is the regulation of the Board of Trade laying down that, when more than half of either side of the Board desire it, the chairman must take a vote of the representative members by sides and not by heads. The reason for the establishment of this rule is to be found in the extreme difficulty which was experienced in forming the Board owing to the diversity of interests involved in the tailoring industry. There are two principal classes of employers in the industry, the factory occupiers and the master tailors; but the master tailors are often, though not invariably, employed by the factory occupiers, and the latter argued that it was not reasonable that they should sit on the same Board as their employers, whose interests might often conflict with their own. As will be seen later, the master tailors were prepared to fix considerably higher rates both for men and women than were the majority of factory occupiers, and, had the former made common cause with the workers' representatives, they would have always been able to carry proposals on which they agreed against the factory occupiers by one vote, even in the event of the appointed members siding with the latter. The way out of this difficulty ultimately adopted was the side vote. The Regulations made by the Board of Trade lay down "that the chairman, or in his absence the deputy-chairman, may, if he think it desirable, and shall at the request of more than half the members representing employers or workers, take a vote of the representative members by sides, and in such a case the vote

of the majority of members of either side present and voting shall be the vote of that side. In such a division the appointed members shall not vote, but in the event of the division resulting in a disagreement, the question shall be decided by a majority vote of the appointed members."

The side vote is habitually claimed on all important matters which come before the Board, and is, in fact, the normal method of procedure. Its effect is to enable the factory occupiers to protect themselves against being outvoted by a coalition of master tailors and workers' representatives. If, for example, votes had been taken by heads, not by sides, the minimum rates in the first "proposal to fix" would have been settled at 4d. instead of 3½d. for women, and 7d. instead of 6d. for men. Apart from this result, which was, of course, the object of introducing it, the side vote has an effect on the general nature of the Trade Board's proceedings which was not, perhaps, altogether foreseen. Since a majority of each party on the Board can bind the members of its own side to accept its decision, and since therefore there can be no cross voting, the opportunity for influencing opinion by discussion and argument is much smaller on the Tailoring Board than it is when a minority can threaten to break away and to bring its own side to reason by voting with the other. On the Chain Trade Board, for example, there was always the possibility that if the employers drove too hard a bargain, one of them, at any rate, might vote with the workers. On the Tailoring Trade Board that alternative is impossible. Though not only the master tailors but one of the factory occupiers themselves wanted to fix a higher minimum rate for women workers than was ultimately established, they were

bound by the decision of the majority of employers, and when the majority of employers formally recorded their protest against the rate of 3½d. contained in the Board's first "proposal to fix," they could do nothing more effective than request that their dissent from the protest should also be entered in the minutes.¹ And the effect of the artificial solidarity created, at any rate among the employers, by the regulation as to the side vote is still further increased by the strength of the organisation both of employers and of workpeople in the tailoring trade. This is a matter which has already been mentioned in speaking of the work of the District Trade Committees. There have always been several unions in the tailoring industry; the membership of these has grown since the establishment of the Trade Board; and, though it is still far from being coextensive with the industry, the unions naturally have a determining voice with regard to the policy to be pursued by the workers' representatives upon the Board. When it became evident that a Trade Board was to be established, the employers in this, as in other industries, set to work to organise themselves, and they now possess two² powerful associations, one representing the factory occupiers and the other the Jewish master tailors, the secretaries of both of which have seats upon the Board. The business which will come before the Trade Board is discussed at the meetings of the organisations; and it frequently happens that the factory occupiers, at any rate, on the Board decline to commit themselves to the acceptance

¹ Tailoring Trade Board Minutes, 2nd August, 1911.

² There is also a London organisation of subcontractors known as the Association of Makers of Ready-made Clothing for the Shipping Trade.

of a proposal until they have had an opportunity of consulting their Federation. The combined result of the side vote and of the strength of the respective organisations of the interests represented on the Board is that, if its members are not exactly delegates, their discretion is confined, at any rate, within very narrow limits. It is this suppression of minorities which gives the appointed members of the Tailoring Trade Board their peculiar influence and responsibility. Since they alone possess the power of giving any resolution a majority, they are more nearly in the position of arbitrators than they are on a Board such as the Chain Trade Board, where important resolutions may be carried without their intervention.

(ii) THE FIXING OF MINIMUM RATES

Though the first meeting of the Tailoring Trade Board was held on 14th December 1910, it was not till 19th August 1912 that its final "proposal to fix" was issued, and it was not till six months later that the rates contained in that proposal were made obligatory by the Board of Trade. The deliberation of the Board's proceedings was partly due to the intricacy of the matters with which it had to deal, partly to the elaborate safeguards against any hasty determination which are due to its constitution and procedure. While the statutory function of the machinery described in the previous section is the establishment of minimum rates of payment, the Board had necessarily to deal with a considerable number of subjects which are auxiliary to its main object. It had to establish District Trade Committees and periodically to receive their reports, to determine

exactly—by no means an easy matter—what “Tailoring” means for the purpose of the Board, to settle what classes of workers employed by tailoring firms were to come within the scope of its determinations, to find out, if it could, how many firms and how many workers are engaged in the industry. Of these problems some—like the last—were insoluble; some—like the second—were the occasion of protests and deputations from firms who were anxious to convince the Board that, though they made garments for men, they could not be described as tailors.¹ The reader must not judge the labours of a Trade Board solely by the short determination which is their final issue, or think of it as being solely occupied with field days over questions of policy. There is much heavy work on committees; and if the powers of a Trade Board were extended, as they might well be, to deal with questions of hours, technical training and casual labour, the volume of committee work would, of course, be greatly increased.

Even if, however, the tailoring trade involved fewer technical questions, the progress in reaching an agreement as to the establishment of minimum rates would necessarily be slow. It need not be such a lengthy process as it is under the Trade Boards Act of 1909, because it is questionable whether any advantage is gained from the six months of “limited operation” which the Act requires between the fixing of the rates by the Trade Board and the issue by the Board of Trade of an

¹ This question also led to a difference of opinion between the Trade Board, which wished to include the manufacture of cotton slops, and the Board of Trade, which was disposed to hold that they could not be classed as “Tailoring.”

order making them obligatory. But it must necessarily fail to be summary because it proceeds by giving each of the three parties a share in deciding the minimum rates to be enforced, and combines the tedious higgling of employers and employees with the slow lucubrations of a public authority. To judge by some of the critics of the Trade Board system, a Trade Board might be a body which overrode with a high hand the established customs of a trade, and insisted on thrusting an iron rod into a reluctant industry with the rash self-confidence of a Stuart Privy Council. To judge by some of its admirers, a Trade Board might fix minimum rates with reference to some easily ascertained and clearly formulated principle, such as the cost of living or "the wage which the trade can bear." In reality, however, both pictures have very little resemblance to the ordinary procedure of a Trade Board. [What actually happens is that the Board crawls to an agreement along a path of which the milestones are one-sixteenth of a penny, and that its ultimate decision represents a compromise between the employers' instinct of what the trade will bear, and the desire of the workers and appointed members to establish a "living wage." The minimum rates are fixed by a process of negotiation similar to that which goes on between an employers' association and a trade union in the organised industries. The elements of economic strength, bluff and skill in bargaining are not ruled out but merely limited by the fact that the participation of both parties in the work of the Trade Board does something to moralise economic relationships, and that the ultimate decision rests with the appointed members whose duty it is to represent the public economic conscience.] Thus on the Tailoring

Trade Board the first stage in the proceedings was one of demonstration and counter-demonstration by the respective sides, and was complicated by the fact that the master tailors, who already were paying higher rates than those obtaining in most of the factories, were anxious to fix a higher minimum than the factory occupiers were willing to accept. The representatives of the master tailors began therefore by moving¹ that the minimum time-rate for women workers should be 4d. per hour. To this an amendment was moved from the workers' side proposing that the minimum time-rate for women workers should be 4½d. As the appointed members refrained from voting, the amendment was not carried, and the original motion was rejected by the vote both of the employers and of the workers, the latter hoping to secure a higher rate and the former a lower rate. The factory occupiers having put forward a motion that the minimum rate for women workers should be 2¾d. per hour, which was defeated by the votes of the workers and the appointed members, the representatives of the master tailors next moved, with the support of the workers, that the minimum rate should be 4⅛d. On this being defeated by the votes of the factory occupiers and the appointed members, the chairman announced that, though the appointed members were reluctant to take the initiative in making proposals, they recommended provisionally the adoption of a rate of 3½d. per hour. An amendment moved by the factory occupiers that the rate should be 3d., and an amendment moved by the workers that the rate should be 3¾d., having been defeated respectively by the votes of the appointed members and the workers and of the appointed

¹ Tailoring Trade Board Minutes, 2nd August 1911.

members and the employers, a motion that the rate should be 3½d. was finally carried,¹ subject to the protest of the employers being recorded in the minutes, and with the proviso that the rate "is proposed for the benefit of the less skilled classes of workers in the trade, and that it will not operate to the injury of workers whose present earnings either on time or piece exceed the proposed minimum. Should adequate evidence of injury to such workers be at any later stage forthcoming, the representatives of the workers reserve their right to ask on that specific ground for a variation of the rate, or for such other action under the Act as may seem to meet the exigencies of the case."² The settlement of the rates for men took place by much the same process of bargaining. The factory occupiers began by moving³ that the minimum rate for journeymen who had reached the age of twenty-one, and had served the necessary time in the trade, should be 5d. per hour, to which two amendments were moved, one, by the workers, that it should be 9d., the other, by the master tailors, that it should be 7d. The resolution and both the amendments being lost, it was moved⁴ on behalf of the factory occupiers that the minimum rate for male workers of twenty-three years of age and over should be 6d. per hour, and for workers below that age a graduated scale of minimum time-rates should be considered. After a final amendment by the workers proposing to substitute 7d. for 6d., the resolution was carried by the vote of the appointed members, the protest of the workers' side of the Board being recorded in the minutes.

¹ Tailoring Trade Board Minutes, 3rd August 1911.

² *Ibid.*

³ *Ibid.* 18th October 1911.

⁴ *Ibid.* 19th October 1911.

The result of these debates on the Board was that the minimum rates contained in the first "proposal to fix," which was issued on 9th November 1911, were 3½d. for women and 6d. for men. As the former figure had been carried by the appointed members against the protest of the employers, and the latter had been carried by them against the protest of the workers, it was to be expected that the three months prescribed by the Act for the receipt of objections would see a resolute effort to induce the Trade Board to modify its decisions. It soon became evident, however, that the objections from employers would greatly outnumber those advanced by the workers. From the centres of the tailoring industry where Trade Unionism was strong, such as Glasgow, Huddersfield and Leeds, and from the workers' sides of the District Trade Committees, resolutions were forwarded to the Board protesting against the rates fixed on the ground that they were too low, and denouncing any attempt to reduce them further. But, owing to the comparatively small proportion of all the workers in the trade who were organised, the machinery for a united demonstration was lacking, and the workers did not make nearly such an effective use of the opportunity given by what was virtually a referendum of the whole industry as did the employers, whose federation threw its weight against the proposal to fix a minimum rate of 3½d. The result was that objections poured into the Trade Board, especially from the south-east of England, which would be affected most by the Board's proposals. Of the points raised in them a considerable number relate to matters of procedure and interpretation and are of merely technical interest. The important objections were those which attacked the minimum rate proposed

by the Trade Board as being too high, or too high for the circumstances of certain districts, and in particular the minimum rate of $3\frac{1}{2}$ d. which had been proposed by the Board for women workers. Of the objections which contain reasoned statements as to the probable effects of the proposed minimum rates upon economic conditions we shall have something to say later. Here it is sufficient to point out that the objections advanced by the employers were successful in inducing the Trade Board to substitute $3\frac{1}{4}$ d. for $3\frac{1}{2}$ d. as the minimum time-rate for women workers. The "proposal to fix," issued on 9th November 1911, was withdrawn, and a new "proposal to fix," containing the amendment, was issued on 4th April 1912. As it had already been decided¹ that the standard working week should be considered to be fifty hours both for men and for women, the minimum weekly wage was thus to be 25s. for men, and 13s. $6\frac{1}{2}$ d. for women. The extreme, the almost excessive, caution with which the Tailoring Trade Board proceeded will be appreciated by the reader if he remembers that, after the prolonged discussion on the Board, after the issue of the first proposal, the entertainment of objections to it and its modification in deference to them, a further three months elapsed in which a second large batch of objections was considered and deputations were received, that the rates were not finally fixed till 19th August 1912, and that, even after all this, they were not made obligatory by the Board of Trade till 20th February 1913. The minimum rates fixed by a Trade Board are avowedly tentative and provisional, and there is nothing to prevent either side asking that they should be varied after the lapse of a reasonable time. In the following year it was decided to raise

¹ Tailoring Trade Board Minutes, 4th October 1911.

them. At a meeting of the Board on 15th and 16th July 1914, a resolution was carried raising the minimum rate for women to 3½d. per hour, subject to the provision that it should not come into operation until July 1915.

Before, however, the rates were finally fixed, two problems had arisen on the Trade Board in connection with the whole principle of a minimum wage, which we have reserved for separate treatment because of their special importance. In the first place, there was the question whether there should be one minimum time-rate for the whole country, or different minimum time-rates, graded according to the different circumstances of different areas. This problem, crucial though it was, did not become acute on the Board till comparatively late in its proceedings. At its first meeting a resolution was carried without opposition, to the effect that "this Board is of opinion that whatever minimum rate is fixed, the same should apply to every area under the jurisdiction of this Board"¹; and, on the matter being referred to the District Trade Committees for an expression of their opinion, the principle of the uniform minimum time-rate was approved by all of them without exception, as it already had been by the associations of employers and workers. A demand that a lower minimum rate should be fixed for women workers in "the country districts"—an ambiguous phrase—than in the towns, appeared, however, in many of the objections submitted by employers to the Trade Board during the two intervals of three months which succeeded the issue of the first and second "proposal to fix"; and, when it finally became evident that the Trade Board would not fix a lower rate

¹ Tailoring Trade Board Minutes, 14th December 1910.

for women workers than 3½d. per hour, the opposition which had been simmering among the manufacturers in certain districts produced an organised attempt to induce the Trade Board to abandon the whole principle of the uniform minimum rate in favour of two or more minima based on the varying conditions of different parts of the country. In spite of the resolution of the Employers' Federation in favour of the universal rate, the branch of the Federation in the eastern counties, of which the chairman of the Federation, himself a member of the Board, happened to be a member, put itself at the head of the movement in favour of differential rates, and it was supported by employers in Oxford, Abingdon, Burton Latimer and elsewhere. The result was a deputation of employers from "the smaller¹ provincial towns," which waited on the Board of Trade on 9th December 1912, and a warm debate on the Tailoring Board in January 1913. The Board, after a review of the whole question, reaffirmed its adherence to the policy of the uniform minimum time-rate by twenty votes to one.

The demand for a differential rate in favour of the low-wage districts was really a skirmish in the century-old struggle between the economic methods of Northern and Southern England which began with the Industrial Revolution. Among the arguments² advanced to show the desirability of establishing differential minimum

¹ They included, however, Norwich and Colchester.

² For what follows see Tailoring Trade Board Papers—(a) No. 510, "Replies to arguments used by Deputation of Employers in the Tailoring Trade in 'Smaller Provincial Towns' against the fixing of one Minimum Rate for the whole of Great Britain," and (b) No. 500, "Discussion on the question of the desirability of fixing a Minimum Rate for the whole country, 20th January 1913."

rates, there were some which throw considerable light upon the economic effects of high and low wages, and we shall return to these in discussing the effects of the minimum rates on the organisation of the tailoring industry. It is perhaps, however, permissible, without entering upon the general economic question raised by the deputation, to point out here that there can be little doubt that the Trade Board's decision to adhere to the uniform minimum rate was a judicious one. Apart from a suggestion that the establishment of a uniform minimum time-rate would, in the special circumstances of the Tailoring Board, be illegal, which rested upon a misinterpretation of section 1 (2) of the Trade Boards Act, the criticisms of the uniform minimum rate advanced by the recalcitrant employers may be reduced to two statements. The first was that in the smaller provincial towns the cost of living was lower than in the larger industrial centres, and that therefore the women employed did not need such a high minimum rate in the former as in the latter. The second was that in the larger industrial centres the cost of production was lower than in the smaller provincial centres, and that therefore the latter could not afford to pay such a high minimum rate as could the former. Even if the first statement had been accurate, it is by no means clear what deduction should be drawn from it. When the low cost of living of certain districts raises the real wages of the workers employed there, why, it may be asked, should the workers not retain the advantage arising from this fact? If the workers in such favoured areas can live upon lower wages, the employers also—as an employer pointed out upon the Board—can presumably live upon lower profits. The argument of those who

desired to see a lower minimum rate fixed in districts where the cost of living was alleged to be low was based, in fact, upon the not uncommon, though quite unjustifiable, assumption that all that a worker, especially a female worker, is entitled to expect is an allowance of provender sufficient to stave off actual discomfort, and that, while unnecessarily high profits are a proof of industrial prosperity, unnecessarily high wages are an indication of industrial waste. Such a doctrine, it need hardly be said, is not one that can be endorsed by any public body. While a Trade Board rightly takes into consideration the cost of living as precluding the establishment of minimum rates upon which a worker cannot live, it is under no obligation to fix them at the lowest point compatible with her continued existence. In fact, however, these considerations did not arise, as the opinion that the cost of living was lower in the smaller provincial towns than in the more important centres of the tailoring industry was not borne out by the facts. While nothing is more difficult than to determine with any precision the relative economic advantages of residence in different localities, it was inevitable, once the appeal to this argument had been made, that it should be tested by the most reliable authority, the report¹ of the Board of Trade on the cost of living in different parts of the United Kingdom, and according to this report living is somewhat more expensive in Norwich than in Leeds. If therefore the leaders of the movement for introducing differential rates had been taken at their word, the Trade Board, so far from lowering their minimum rates, might actually have raised them!

That the deputation of employers from the smaller

¹ Cd. 6955 of 1913.

provincial towns failed to anticipate where their argument as to the cost of living might lead, was partly due to the fact that they laid more stress upon another consideration. Yorkshire, it was said, possessed in its coal, in its raw materials, in its long industrial tradition, advantages which would make it impossible for the smaller provincial towns to compete with it unless they were allowed to pay a lower minimum rate than was fixed for Yorkshire. This argument would lead to the differentiation of rates on a basis quite inconsistent with that which would occur if differentiation were based upon differences in cost of living. Apart, however, from the impossibility of reconciling these mutually destructive arguments, there was the further question of the weight to be attached to the suggestion that in certain parts of the country the minimum rate should be fixed at less than 3½d. in order to compensate them for their alleged economic disabilities. This suggestion rests, it will be seen, upon four assumptions; first, that certain districts, especially Yorkshire and Lancashire, enjoy economies which not only do not, but cannot, exist in districts such as (in particular) East Anglia; second, that the manufacturer who pays low wages has an advantage over the manufacturer who pays high wages, which is measured by the difference between their respective wage bills; third, that 3½d. per hour was a higher rate than the employers in the smaller provincial towns could afford to pay, and that, therefore, if the Board accepted their view as to the desirability of discriminating between different parts of the country, it should do so, not by raising the rate above 3½d. in the more favoured districts, but by reducing it below 3½d. in the less favoured districts; fourth, that the Trade Board

ought to respect the vested interest in low wages possessed by certain areas, and ought not to encourage the migration of industry to the districts where wages are highest. Of these assumptions, the first was unproven; the second, as will be shown later, was untrue; the third was a flagrant *petitio principii*; the fourth was a fair matter for argument. If the object of the employers who attacked the uniform rate was merely to differentiate between certain districts, then such differentiation could be as well secured by differentiating upwards as by differentiating downwards, by requiring, that is to say, that Leeds and Manchester should be compelled to pay more than 3½d. per hour, not that Norfolk, Essex and Oxfordshire should be allowed to pay less. In reality, of course, such differentiation exists already, for women workers in Manchester, Leeds and Hebden Bridge earn normally considerably more than 3½d. per hour, and, as a glance at the Board of Trade's report, on earnings and hours will show, the Trade Board rate, which involved a striking increase in earnings in the eastern counties, made only an insignificant difference to the majority of women in the factories of the North of England. That women in Yorkshire and parts of Lancashire were already being paid more than 3½d., and that therefore the establishment of a uniform minimum rate of 3½d. by no means prevented the existence of differential rates was, of course, a fact which, if not known already, was easily ascertainable. The reason why some manufacturers spoke as though the Trade Board minimum rate of 3½d. would be universal was that their plea for differentiation was, at bottom, based on the view that 3½d. was a higher rate than they could afford to

¹ Cd. 4844 of 1909, pp. 102 seq.

pay, even though their competitors in other parts of the country were paying more. Their quarrel was, in fact, not with a universal rate, but with a rate of $3\frac{1}{4}$ d. But this, of course, was precisely the point at issue, and it was obscured rather than illuminated by arguments as to the comparative economic advantages of different districts. The Trade Board, on which the manufacturers of the "smaller provincial towns" were represented, had decided that the minimum rate of $3\frac{1}{4}$ d. was one which "the least favoured districts could, with proper management and organisation, afford to pay." The evidence on the other side was based entirely on the view that low wages necessarily involved cheap production, and that any increase in wages would necessarily either come out of profits or be added to prices. In spite of the fact that Leeds and Hebden Bridge, where high wages are paid, produce as cheaply as Norwich and Colchester, where low wages are paid, there was no indication in the statement of the dissentient employers that they had even realised that there might be a connection between the inferior capacity which they ascribed to their employees and the low earnings which their employees took home. Even assuming therefore—a large assumption—that one district ought to be protected against the competition of another by the Trade Board, and that the Board ought to discourage the concentration of industry in the area where it can be carried on most economically, the fact still remains that the dissentient manufacturers failed to produce any convincing evidence that their business would be damaged by the minimum rate proposed. They relied almost exclusively on the statement that they were paying lower rates already, and since the wisdom

of this policy was itself one of the points at issue, no conclusion could be based upon a mere demand for its continuance.

The second large question of principle which the Tailoring Trade Board had to settle before the issue of its determination, arose from the fact that the Board did not avail itself of the permission given by section 4 of the Trade Boards Act to fix general minimum piece-rates in addition to minimum time-rates. The tailoring trade is, of course, an industry in which piece-work is the rule, and it was necessary for the Trade Board to consider whether it should or should not exercise its power of fixing general minimum piece-rates. In omitting to do so in its first determination, the Board took a step of great importance, the results of which will require to be carefully watched. It was influenced, in the main, by two considerations. On the one hand, there is the fact that, whether the tailoring trade is capable or not of being standardised in the same way as, for example, the cotton industry, it is very far from being standardised at present. Methods of organisation, the subdivision of processes, and therefore the piece-work prices, vary infinitely not only from district to district, but also from firm to firm. To reduce these to a common measure, as would be necessary in order to fix a general minimum piece-list, would entail the revelation of minor trade secrets, and to enforce such a list would involve numerous firms in a redivision of processes which the employers on the Board were unwilling to contemplate. To the workers, on the other hand, who might have been expected to hold out for a minimum piece-list, the prospect of postponing the issue

of a determination until agreement had been reached as to a large number of technical details was almost equally uninviting ; and it is therefore not surprising that the Board should have decided to fix general minimum time-rates, and to leave individual employers to make for themselves such rearrangements in their piece-rates as would bring hourly earnings up to the hourly minimum prescribed by the Board. The omission to fix general minimum piece-rates inevitably involved, however, the consideration of a further question. Section 8 of the Trade Boards Act provides that "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."

Now in trades where a general minimum piece-rate has been fixed, or in regard to firms for which a special minimum piece-rate has been fixed when no general minimum piece-rates have been fixed for the trade as a whole, no difficulty arises. In these cases neither the employer nor the Trade Board's Investigating Officers are concerned with the workers' earnings. The employer must pay the piece-rate fixed by the Board. The inspector must see that he pays it by comparing

the Board's rates with those entered on the "particulars note" given to the workers. When they have done this, their liability is ended, and it is no concern of theirs that certain workers who are paid the minimum piece-rate may be earning less than the minimum time-rate contained in the Board's determination. But when a Trade Board has fixed only a minimum time-rate, and no minimum piece-rate, the situation is entirely different. It is the duty of the employer so to arrange his piece-rates that they "yield, in the circumstances of the case, to an ordinary worker, at least the same amount of money as the minimum time-rate." The investigating officer must ascertain that the piece-rates are such that at least the minimum time-rate can be earned by the "ordinary worker," which means that he must check the employer's wage sheets. But how is either the employer or the Trade Board's officer to ascertain how many of the workers are "ordinary workers," and how many are not? If it is found that a certain number of women workers are earning less than 3½d. per hour, what criterion is to decide whether the employer is or is not guilty of a breach of the Act? Workers vary in strength, skill, nervous energy and general capacity. If the line is drawn too high, if it is assumed that *all* workers are "ordinary" who are not suffering from some definite infirmity attested by a doctor's certificate, there would appear to be some danger lest the relatively slow, short-sighted or delicate workers might be dismissed. If the line is drawn too low, if it is assumed that all except the more efficient workers are less than "ordinary," there is a grave risk lest the intention of the Trade Boards Act, which was to raise the earnings of the workers who earned least, should be frustrated.

If the policy of fixing minimum piece-rates is not applied, any answer to the question "what is an ordinary worker?" must be based on a compromise. It must assume, that is to say, that with every 100 ordinary workers employed in the industry, there is a certain number of "subordinary" workers, who may earn less than the minimum without the employer *necessarily* being held to be guilty of a breach of the Act. Given a compromise of this kind as a *datum* there are various ways in which it might be applied. An employer might be required to show, for example, that all except a certain percentage of his workers were earning at least the minimum time-rate fixed by the Trade Board; or to show this and also that those of his workers who were not earning the minimum time-rate were earning not less than some other minimum fixed by the Board for "subordinary" workers. What the Trade Board actually did was to adopt the first of these alternatives, which, if it is not the most discriminating, is at least the simplest and the easiest to administer, and is one which has been adopted by the Amalgamated Union of Operative Clothiers in their agreement with the Leeds employers. The resolution,¹ which was opposed by the workers, and carried by the votes of the employers and appointed members, is so important as to be worth quoting in full:—"That for the guidance of the Board, and subject to subsequent regulation by the Board of Trade in respect to the administration of the Act, or until otherwise decided, it is resolved that in applying the minimum time-rate of 3¼d. per hour to piece-workers in the sense of section 8 of the Act, an employer shall be deemed to pay less than the minimum time-

¹ Tailoring Trade Board Minutes, 13th July 1912.

rate to the ordinary worker on piece-work in his employment, unless he can show in respect of any piece-rate that at least 80 per cent. of his piece-workers have, during the number of hours worked in any two consecutive weeks, including the time during factory or workshop hours while they are waiting for work, earned wages at a rate of not less than the minimum time-rate of $3\frac{1}{4}$ d. per hour. Provided that, in the computation of the two weeks before referred to, any week of employment immediately following upon any statutory, public, or local holiday or holidays shall be excluded, and that this resolution shall not prejudice the right of the Board to deal with any individual piece-worker or piece-rate in which the Board find that, in view of the special circumstances of the case, this resolution should not apply. And¹ that the Trade Board further considers that a substantial reduction of the number of slow workers at work on a particular piece-rate would raise a presumption that the remaining workers on that piece-rate contained a larger proportion of ordinary workers, and that the percentage mentioned would be inapplicable." What this resolution means is that, if at least 80 per cent. of the workers on a given piece-rate² are earning at least $3\frac{1}{4}$ d. per hour, there is a *prima facie* reason for holding, in the absence of evidence to the contrary, that the piece-rates are such as to yield $3\frac{1}{4}$ d. per hour to the ordinary worker. The resolution is not legally binding; it is merely an

¹ The words which follow were opposed by the employers.

² It is important to notice that for the purpose of the percentage rule an employer must not group all his workers together. Not less than 80 per cent. of the workers on *each* piece-rate must earn $3\frac{1}{4}$ d. per hour.

administrative rule for the guidance of employers and of the officers of the Trade Board. Nor, again, does it mean that no employer can be prosecuted if 80 per cent. of his piece-workers are earning the minimum rate. For it is conceivable that all his workers may be ordinary workers, in which case they must all earn the minimum rate. If, for example, on the rates being made obligatory, an employer had dismissed the slower or older among his employees, he could not then claim that he was complying with the Act if at least 80 per cent. of his piece-workers were earning the minimum; for, since he had got rid of his "subordinary" workers, those who were left would presumably be "ordinary" workers, and should all of them earn at least $3\frac{1}{4}$ d. per hour. If, again, nearly all the piece-workers in the employment of a firm are earning only just above the minimum, there is a *prima facie* reason for thinking that the piece-rates are inadequate. For in any group of 100 workers, taken at random, there will be slow workers, medium workers and fast workers; indeed, the difference in capacity between them is the sole ground for introducing the percentage rule. In any wage sheet containing the earnings of such a group, some will be considerably above the minimum rate fixed by the Board, some—the majority—will be grouped round about it, some will be considerably below it. If these differences do not appear, if almost all the workers are earning just above the minimum, it may safely be concluded that the employer's piece-rates are too low to yield $3\frac{1}{4}$ d. per hour to the ordinary worker, and that instead of raising them, as he should have done, he has aimed at concealing the fact that they are too low by dismissing his "subordinary" workers,

with the result that the average efficiency of those who are left is not ordinary, but extraordinary. To such an employer the percentage rule laid down by the Trade Board is no protection. A firm can only claim the benefit of it provided that the piece-rates are sufficient to produce the Trade Board's minimum time-rate for all workers who are not exceptionally slow or inefficient, provided, that is, that the 20 per cent. who are not earning the minimum are genuinely below the ordinary efficiency of workers in the tailoring trade.

Interpreted even in this way, the rule is still open to criticism. In the course of their working life all workers go through a period in which their efficiency increases, and a period in which it decreases. During the earlier years in which they are engaged in an industry, and up to about middle age, the curve of their productivity ascends; during the later years of their industrial life it descends. The piece-rates paid them ought to be sufficient, it may fairly be argued, to yield the minimum rate fixed by the Trade Board during the whole of their adult career, and the workers ought to have the benefit of the special efficiency attained in the earlier period of their working life in the shape of earnings above the Trade Board's minimum, as they have in a well-organised industry, such as cotton-weaving. As a statement of the end at which a Trade Board should aim, this criticism seems to be valid. The choice whom he will employ rests upon an employer. Normally, even in the absence of a minimum rate, he selects the most efficient workers who can be obtained for the price that he offers. If he finds that they are not worth the wage which he has to pay, he has his remedy

in finding some one else who is worth it, or in making special efforts to make them worth it. For the efficiency of a worker depends, it cannot be too often stated, not only upon the worker, but upon the management. For the present, in view of the considerable advance brought about in certain districts by the Board's rates, and of the large number of elderly persons who are employed in some branches of the tailoring industry, the retention of the percentage rule as a safety-valve may be judicious. But, as will be shown later, one result of the Board's determination has been to lead employers to make efforts to increase their output by better organisation and machinery; and when sufficient time has elapsed for those efforts to produce their effects, the percentage who at present may earn less than the minimum should be reduced.

(iii) THE REGULATIONS AS TO LEARNERSHIP

The determination of the minimum time-rates for adult workers left the question of the rates to be fixed for learners still unsettled. The word "learners" is not mentioned in the Trade Boards Act; but power to fix special minimum rates for them is conferred by section 4 (1), which provides that 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." The task of drawing up a scale of minimum rates for learners in the tailoring trade was a difficult and an important one. It was difficult because, as far as learners are concerned, there obviously can be no question of a flat rate. The rates must

vary according to age, or according to experience, or according to both ; and, since several different minima must be settled, the opportunities for disagreement are multiplied. It was important, both because an error of judgment in the determination of learners' rates may have far-reaching results upon the organisation of the industry, and because the power of fixing special rates for learners enables the Trade Board to exercise a considerable influence for good, not only in the matter of wages, but also with regard to the conditions of employment. And the responsibility of the Tailoring Trade Board's decision was increased by the fact that the tailoring trade is one in which the proportion of young persons to all workers in the industry is relatively large.¹ If the rates are fixed too high they may check the natural expansion of the industry. If they are fixed too low, they may lead to its being flooded with juvenile workers who cannot be absorbed when they demand an adult's wages. If they are not carefully graded—if the " steps " between the different minimum rates are too steep—they may cause young persons to be dismissed when they reach the age at which a considerable advance becomes due.

The decision to fix special minimum rates for learners was taken at the first meeting of the Tailoring Trade Board. But there were naturally differences between the two sides of the Board as to the general level at

¹ According to the Board of Trade's Report on Earnings and Hours of Labour in 1906 (Cd. 4844 of 1909, pp. 98, 99), there were in the ready-made branch of the industry, in the firms which made returns, 4081 men and 1250 lads and boys, and 14,055 women and 4978 girls ; *i.e.* boys under 20 formed 23·4 per cent., and girls under 18, 26 per cent. of the total employees of each section. In the bespoke branch they formed respectively 13 per cent. and 22·7 per cent. (*ibid.* pp. 80, 81)

which the rates should be fixed, as to the amount of the advance to be given from time to time, and as to the length of learnership required from learners entering the trade at different ages ; and the rates contained in the first proposal to fix, issued on 9th November 1911, were, like the minimum rate for women, modified in deference to objections advanced by certain employers. It was not, therefore, until the eighth meeting of the Trade Board, on 13th July 1912, that the learnership regulations were definitely agreed upon. In their final form the rates for learners were based on two factors, length of service and age of commencing the trade. A minimum of 3s. per week is fixed for all female learners under the age of fourteen, and a minimum of 4s. 2d. per week for all male learners under the age of fifteen, the week being taken to consist of fifty hours. No female worker is entitled to claim the full minimum rate of 3½d. per hour until she is at least eighteen, and no man can claim 6d. per hour till he is at least twenty-two ; and both male and female workers, whatever their age when they enter the trade, must serve at least one year before they are entitled to the minimum rates for adults of either sex. Subject to these conditions, the minimum rate to be paid to a learner depends, in the case of male learners, upon age ; in the case of female learners, upon age and experience. The graduation of rates will be grasped by the reader if he glances at the following table :—

I. FEMALES.

	14 and under 15 years of age. Per week.	15 and under 16 years of age. Per week.	16 and under 21 years of age. Per week.	21 years of age and over. Per week.
During 1st 6 months of employment.	s. d. 3 0	s. d. 3 8	s. d. 5 2	1st 3 months. 6s. 9d.
„ 2nd „ „	4 6	5 2	6 9	2nd 3 months. 8s. 4d.
„ 3rd „ „	6 0	7 3	9 5	3rd 3 months. 10s. 11d.
„ 4th „ „	7 3	8 10	12 6	4th 3 months. 12s. 6d.
„ 5th „ „	8 4	10 11	...	...
„ 6th „ „	9 5	12 6	...	...
„ 7th „ „	11 5	...	...	...
„ 8th „ „	12 6	...	...	...

II. MALES.

				s. d.
When employed under 15 years of age	.	.	.	4 2 per week.
When employed at 15 and under 16	.	.	.	6 3 „
„ „ 16 „ 17	.	.	.	8 4 „
„ „ 17 „ 18	.	.	.	11 6 „
„ „ 18 „ 19	.	.	.	14 7 „
„ „ 19 „ 20	.	.	.	17 8 „
„ „ 20 „ 21	.	.	.	19 10 „
„ „ 21 „ 22	.	.	.	21 11 „

The details of the rates fixed for learners are of less consequence than is the fact that, if the Trade Board omitted to fix them, employers would be legally bound to pay learners the full minimum rates of 6d. or 3½d., and that the Board thus possesses a lever which it can use to raise their industrial status. The exigencies of administration have led the Board to establish a system of learnership certificates, in accordance with which a learner is required to obtain from the

Trade Board a certificate signed by the secretary of the Board. The need for this arrangement arises from the fact that without it it would often be difficult for either the Investigating Officer of the Trade Board or employers subsequent to the first employer by whom the learner was engaged to be confident as to the minimum to which he or she was entitled. The effect, however, of this compulsory registration of apprentices is to enable the Board to exercise supervision not only over the wages paid to learners, but also over their other conditions of employment. Under the rules laid down by the Board, it receives official notice, whenever an employer engages a learner, by means of a special application which must be forwarded to it upon each occasion, and which is considered with reference to the special circumstances of the case. Since, in fact, the establishment of special minimum rates for learners is, technically, a concession to the employer, the Board can accompany it with conditions. In particular it can assure itself that the period of learnership is a reality, and that the learner is not being engaged merely because juvenile is cheaper than adult labour. Thus an employer is not entitled to pay learners' rates unless the learner "is employed during the whole or substantial part of his (or her) time in learning any branch or process of the trade by an employer who provides the learner with reasonable facilities for such learning." The phrase "reasonable facilities" is, of course, designedly vague, and in applying it the Tailoring Trade Board, unlike the Chain and Box Boards, does not take account of the proportion between the learners and adult workers employed by any firm. But since its determination lays down that "the Trade Board may, if

any condition contained in the section is not in fact complied with, cancel the original certificate," the Board is able to establish certain safeguards for the adequate training of young persons. This departure is one of very great importance, for it indicates a line of advance towards the protection of the adolescent worker against exploitation. The authority which determines wages will ultimately determine other conditions of employment as well ; and it is to be hoped that, in any amendment of the Trade Boards Act, powers will be expressly conferred upon the Trade Boards authorising them to deal with matters relating to the technical training of young persons, and to the hours of labour both of young persons—for the possibility of technical training depends largely upon their hours of labour—and of adults.

III

THE EFFECT OF THE TAILORING TRADE BOARD ON WAGES AND CONDITIONS OF LABOUR¹

(i) GENERAL CONDITIONS OF LABOUR

THE primary object of a Trade Board is to raise wages, and its utility must be judged mainly by its ability to establish and maintain a higher rate than previously obtained among the more poorly paid sections of workers in any industry. This, however, though the most important, is not the sole, criterion of its success. The effect of the establishment of a Trade Board is to transfer to the control of a representative authority matters which previously were settled by the discretion of individual firms, and thus to substitute general rules binding upon the whole industry for usages dictated by the convenience of particular employers. Quite apart from the actual increase in wages produced by the Tailoring Trade Board, it has had two effects upon the tailoring industry which, taken together, are of considerable importance. In the first place, since the rates fixed by it must be paid "free and clear of all deductions," it has made illegal all fines which encroach upon the minimum fixed

¹ For the effect of the Trade Board on employment, see Chapter V.

by the Trade Board, and which, in the past, have been a serious oppression to many women workers. In the second place, the Trade Board has laid down that all normal workers must earn at least 3½d. per hour during all the hours in which they are at the factory, whether they are working or not. Now a very common practice, before the Trade Board's determination was issued, was for the workers in one department to be kept waiting without work, because it had not passed through the previous departments, with the result that they were neither earning wages nor free to return home and engage in any other work, such as domestic duties, which might be waiting for them there. If workers are detained on a firm's premises for the firm's convenience, they obviously ought to be paid when they are waiting just as much as when they are working. The Board has expressed the opinion that, "in reckoning the earnings of a piece-worker with respect to the minimum rates, the whole time spent in the workroom shall be taken into account. If, however, a rest or waiting-room is provided, and the girl has a clear and free option as to whether she avails herself of this accommodation, or leaves the employer's premises, the time spent in such room need not be reckoned. The Board is further of opinion that if the girl attends at, or remains on, the employer's premises, whether in the rest-room or elsewhere, by the employer's instructions, she should be deemed to be employed during the period while she is waiting for work." By establishing this general rule, the Trade Board has removed one of the minor grievances undergone in the past by women workers. The change means at once higher weekly earnings—for since employers must pay all persons upon their

premises, whether actually working or not, they take greater pains than hitherto to ensure that work passes smoothly from one department to another—and more leisure, for when there is a shortage of work, the workers, instead of wasting their time in the factory, are free to go home. And it is welcomed almost unanimously by the women themselves, who have gained by it, not only in the low-wage districts, but in those parts of the country where the direct effect of the minimum rates has been comparatively small. “I think the Act a very good one,” says a Manchester worker, “the main difference is that we can now go home when there is no work, and have not to wait about the shop till we get some.” “It has not altered our rates, but we can now go home while waiting for work.” “I think it is good. We do not have to spend so much time waiting for work.” “It is much better in the factory since the Act came in. The workers now are never kept in the factory when there is no work, and this is much better, since it enables them to get recreation, instead of wasting their time. It is especially good for married women, who supplement their husbands’ wages. Instead of waiting about, they can go home and get housework and sewing done.” “Since employers now have to pay for all the time during which workers are in the factory, if work is slack they send them out.” “Before the minimum wage was fixed, I have wasted all day and got no work. The Act has stopped us waiting for work.” “It is an excellent thing; I used to be kept waiting for hours; now girls must be sent home.” Evidence such as this, derived largely from the districts where, before the Trade Board’s determination, wages were relatively high, shows that the benefits derived

from it have not been confined merely to the actual increase in weekly earnings which it has brought about.

Nor is it without significance that the past year should have seen the hours of workers in the clothing industry reduced in several districts. Under the Trade Boards Act a Board has, of course, no power to fix a maximum working day, and in the majority of cases, as at Leeds, Hebden Bridge and Newcastle, the reduction has been brought about by Trade Union action. But in certain places, for example, Colchester, Bristol and Norwich, some employers appear voluntarily to have adopted a shorter working week; and even when the immediate cause has been the pressure of Trade Unionism, there is evidence that the Trade Board had prepared the way for it. On the one hand, by compelling employers to pay workers for the time during which they are waiting, it has led them to look for ways of so organising the work that it may pass through the factory in the shortest possible time, and has thus led to the discovery that, with more careful management, the same amount can be produced in a shorter as in a longer working week. "The Act resulted," stated an employer, "in a careful investigation into the working of the factory. We were surprised to find that there was an average loss of an hour per day by all our employees." "Work has been speeded up," said a foreman, "the output is greater, and the hours are shortened. The girls work on some days from 9 to 5 instead of from 8 to 6." On the other hand, the Trade Board has led some employers to consider reducing the working week in order to avoid so large an increase in the wages bill as would otherwise have taken place, their assump-

tion being that, though in a shorter week somewhat less work would be produced, the decrease would not be in exact ratio to the smaller number of hours worked. The latter anticipation seems, indeed, to have been more than realised in certain districts. In Hebden Bridge, for example, the order of the Board of Trade making the minimum rates obligatory was followed by a reduction of hours, in all except two firms, from 58 to 52, and the general opinion is that the women, who are employed on piece-work, turn out as much in the shorter as they did in the longer week. Thus the influence of the Trade Board upon hours, while indirect, has been real. It led employers to look for ways of turning out their work without interruptions; and when they had discovered them they found that they could produce as much as before in a shorter time.

(ii) THE DIRECT EFFECT OF THE TRADE BOARD ON WAGES

The main question, however, is, of course, the effect of the Trade Board upon wages. We propose in the next chapter to discuss some of the indirect results of the Trade Board upon the general economic conditions of the tailoring industry, and we defer till then a consideration of the larger problems in connection with wages upon which the experience of the Board throws light. All that can be attempted in the present chapter is the presentation of such evidence as exists as to the effect of the Tailoring Trade Board upon the wages of (a) women, (b) men. We say advisedly "such evidence as exists," for it must be confessed at once that our information is scanty, and that it cannot be presented in a form which will satisfy the statistician. When

this inquiry was begun, it was hoped that it would be possible to produce a fairly complete account of the difference in piece-rates, workers' earnings, and wages bills caused by the establishment of the minimum rates, such as was given for chainmakers in our previous report on the chainmaking industry. It soon became evident, however, that any exact or general comparison between the conditions obtaining in the matter of wages before and after 20th February 1913, when the rates became obligatory, was out of the question. The difficulty did not consist merely in the extent of the ground to be covered, though, as there are some 145,000 workers under the Tailoring Trade Board, that was real enough. It lay in the virtual impossibility of obtaining evidence on the subject of wages from such firms as were approached of a sufficiently precise and exhaustive character to be expressed in a tabular form. Since the Tailoring Board, unlike the Chain Trade Board, did not fix general minimum piece-rates, and since there are no generally accepted piece-lists in the industry, a comparison between old and new piece-lists, such as was made in our monograph on the Chain Trade Board, was impracticable. In the tailoring trade almost every firm has different piece-rates, for almost every firm divides its work somewhat differently, so that no comparison can be made between the rates paid by one firm and those paid by another. Indeed, it is not always safe to compare the piece-rates paid by the same firm before and after 20th February 1913, for in some cases the introduction of the compulsory minimum^r time-rate led to a re-division of processes, and therefore to a regrading of piece-rates, and not simply to an increase in them. Nor is an extensive comparison of weekly earnings

much more feasible. For one thing, the tailoring trade is a highly seasonal one, and it is, therefore, difficult to be sure that one has selected comparable weeks. For another thing, to obtain material for a satisfactory comparison would involve an exhaustive return of wage sheets, such as was demanded in 1906 from a considerable number of firms by the Board of Trade, but which the private inquirer cannot hope, except in a limited number of cases, to obtain. In the third place, the Trade Board has not been the only factor at work to raise wages. One of the most satisfactory of its indirect and unforeseen consequences has been an extension of Trade Unionism among a class of workers who had hitherto been poorly organised. In several parts of the country the workers' organisations have secured rates considerably above those fixed by the Trade Board, with the result that the inquirer who is anxious to ascertain the direct effect upon wages finds his perplexities increased. All we can hope to do is to give the reader some indication of what the effect of the Trade Board upon wages has been, to present such cases as have come to light of striking increases in the piece-rates and earnings of workers, to indicate how far the evidence collected in the course of our inquiries shows them to be typical or exceptional, both of the country as a whole, or of special districts, and to test these results by reference to the Inquiry into Earnings and Hours of Labour which was made by the Board of Trade in 1906. Even though no exact measurement of the influence of the Trade Board is practicable, it may nevertheless be not altogether without value to show what its tendency has been, to indicate the limits within which increases have taken place, and to show in what parts of the country

they have been most, and in what parts least, considerable.

(a) WOMEN'S WAGES

We begin with the effect of the Trade Board on the wages of women.¹ The minimum time-rate for women was fixed, it will be remembered, at 3½d. per hour, with the provision that an employer should be held *prima facie* to be complying with the Board's determination

TABLE III.

	(i) Number of firms. ²	(ii) Number of firms where piece-rates and weekly earnings raised.	(iii) Number of firms where piece-rates not raised.	(iv) Number of firms where time-rates increased, or weekly earn- ings increased without advance in piece-rates.
North-Eastern District	25	1	24	2
North-Western District	70	5	49	17
South Mid-lands and South-Western Districts . .	22	14	6	6
London . .	25	18	7	3
Eastern District.	9	9	...	...
Total . .	151	47	86	28

¹ In this chapter we deal only with the wages of indoor workers. For home-workers see Chapter VI.

² Some firms employ women both on piece-work and on time-work. Hence such firms appear both in column (ii) and in column (iv).

if 80 per cent. of his workers on each piece-rate were earning 3½d. per hour or more. Though there are a few firms where women are employed on day-wages, the vast majority of women are piece-workers; and in considering what influence the Board has had upon wages, the first question to be asked is in how many firms have either (1) piece-rates or (2) weekly earnings of adult women workers been increased. It is necessary to distinguish between piece-rates and weekly earnings, not merely because of the existence of a certain number of time-workers, but because, although an advance in piece-rates means normally an advance in weekly earnings, an advance in the latter is sometimes brought about by more careful organisation or better machinery without any advance in the former. An attempt to answer this question for a small group of firms is made in Table III. above.

This table shows that at 47 out of 151 firms some piece-rates have been raised, and that at 28 firms the weekly earnings of some workers have been increased apart from any rise in piece-rates, as a result of the Trade Board's determination. It does not, however, give any idea of the proportion of workers affected. On this point, also, statistical evidence is deficient. Such as it is, it is presented in Table IV.

According to this table, out of 177 workers who gave information with regard to their wages, 113, or 63·8 per cent., had experienced no change as a result of the Trade Board's determination; 55, or 31 per cent., had had their weekly earnings raised, either by an increase in the piece-rates, or by means of improved organisation without any advance in the piece-rates; 9 had had their piece-rates reduced.

It is evident from these figures that the Tailoring Trade Board has not brought about any *general* increase in wages, such as is the result of an advance secured by a Trade Union, or such as was effected by the Chain Trade Board. The workers affected are, roughly, the third of the trade which, prior to the issue of the Trade Board's determination, was most poorly paid. They consist principally, in the districts

TABLE IV.

	Number of workers who gave information.	No change.	Piece-rates raised.	Weekly earnings increased without evidence as to rise in piece-rates.	Piece-rates reduced.
Scotland, North-Eastern and North-Western Districts .	123	88	16	17	2
South Midland, South-West- ern, and South-Eastern Districts	54	25	19	3	7
Total .	177	113	35	20	9

where wages are relatively high, of finishers, and, in the districts where wages are relatively low, of finishers and machinists. For, in the second place, it will be seen that different parts of the country have been affected in very different degrees by the Trade Board's determination. Of 95 firms in the North-Eastern and North-Western districts, only 6 had at the time of the inquiry advanced their piece-rates; of 56 firms in the South Midlands, South-Western, Eastern and

London districts 41 had raised their piece-rates. In other words, of the 47 firms out of 151 which raised their piece-rates as a result of the Trade Board's determination, 41 were situated in the southern districts, 6 in the northern. True, the proportion of firms in the north which report an increase in the weekly earnings of their employees is larger. But this fact in reality points to the same conclusion, that the northern counties have been relatively little affected by the Tailoring Trade Board's determination, for it means in most cases that only a few workers were earning less than the minimum rate before the Board's determination became obligatory, and that the earnings of these few workers could be raised to the minimum by a slight reorganisation of work without any advance in the piece-rates. That women workers in Leeds, Hebden Bridge and Manchester have gained little from the establishment of minimum rates is one more proof of the caution with which the Board proceeded. It is confirmed by the figures given in Table IV. Out of 123 workers in the Scottish, North-Eastern and North-Western districts, who gave information with regard to their wages, only 16 stated that their piece-rates had been raised; while of the 54 workers in the Midland and Southern districts, 19, or 35·2 per cent., had had a rise in their piece-rates. The Trade Unions in Manchester and Leeds have, as will be shown later, established a standard rate for their members which is far above the minimum fixed by the Trade Board; the number of workers in the north of England who protested that the Trade Board rate was a "sweated wage," for which they would not dream of working except under compulsion, was considerable; and the majority of northern employers interviewed stated

that they were obliged to pay more than 3½d. per hour in order to secure sufficient workers. No doubt, even in the north of England, a considerable number of workers, especially the finishers, received an advance on their existing piece-rates. No doubt, also, there has during the last eighteen months been an unusual demand for workers, owing to the abnormal activity of the clothing trade. The small effect which our information suggests that the Tailoring Trade Board has had on the wages of women workers in the north-eastern and north-western districts points, however, to a real and permanent feature of the clothing industry. Speaking broadly, one may say that in the south, south-east and south-west of England, women's labour is relatively cheap; in the north, north-east and north-west it is relatively dear. In fixing its minimum the Tailoring Trade Board fixed it so low as to leave unaltered the earnings of the vast majority of workers in the latter districts.

Our figures suggest, then, that about one-third of the women employed in the branches of the tailoring trade which come within the scope of the Trade Board have received an advance in wages. But, of course, in districts where wages are lowest, and in the firms which in the past have paid worst, the proportion affected is considerably larger. Our information does not enable us to show the amount by which the wages of workers in such districts and firms have been increased; but, though any quantitative estimate is impossible, it is easy, and it is perhaps not altogether useless, to cite facts showing that in certain establishments weekly wages, wage bills and piece-rates have increased considerably. Look first at the evidence contained in some of the "Objections" submitted by

employers before the rates were actually fixed by the Board. "Sixty per cent. of our hands are earning wages not exceeding the rate of 3d. an hour, and a considerable number of those underneath that." "Your suggested rate is too high; we pay 2½d." "Twenty-six per cent. of our workers are earning less than 3¼d. an hour." "The average wage of female labour here does not exceed 2½d. per hour." "The girls employed by us now earn 2½d. per hour on piece-rates. If we are obliged to pay the proposed minimum, we shall have to dismiss them." "Some places . . . do not pay more than 2d. per hour. Faced by an increase of over 50 per cent., they cannot possibly go on." "Women's wages with us range from 12s. to 15s. per week. We suggest a minimum of 10s. a week." "We suggest 2¾d. for women, which is the average rate paid in this district." "The reduction of the rate from 3½d. to 3¼d. offers no relief to the lowest class of trade represented by this association. . . . It would leave no profits to the master." "Many moderate workers now earn less than 3¼d. per hour. It is impossible to pay the proposed rates." Evidence such as this, defective as it is in precision, shows clearly that, to the workers in certain districts at any rate, the Trade Board rate of 3¼d. must have brought a considerable increase in earnings.

These statements, made in anticipation of the effect of the minimum rates, can be supplemented by information obtained since they became obligatory. In one firm 20 per cent., in another 26 per cent., in another 50 per cent., in two others 100 per cent. of the women workers were getting less than the minimum fixed by the Board before it became obligatory. In a sixth the proportion of women earning

less than 13s. 6½d. has been reduced from about 60 per cent. to about 7 per cent. ; while the largest firm in a town where the average earnings of women were, in 1906, 10s. 7d., now has only 1 per cent. of its workers below the minimum. One firm stated that its wage bill was increased 3½ per cent., another 8 per cent., another by £150 per annum, another by £350, another by £800, another by about £2500 ; another, on being revisited after three months, stated that it had raised its piece-rates in the interval and, as a consequence, had paid £400 more in wages than it would otherwise have done ; an eighth, on being visited by an investigating officer, was obliged to refund £400 in arrears to its employees ; a ninth was compelled in similar circumstances to repay between £500 and £600. Out of 301 employers visited by investigating officers between 1st October 1913 and 31st March 1914, 101 were required to pay some arrears, the total sum refunded amounting to £1047 and being paid to 647 workers. The increase in the weekly earnings of women workers is put by one firm at an advance of from 11s. 9d. to 13s. 6½d., by three others at from 9s. to 13s. 6½d. ; by a fifth at from 11s. 6d. to 13s. 6½d. ; by a sixth at from 2s. 6d. to 3s. 3d. a day to some workers, and from 3s. 9d. to 4s. 6d. per day for others ; by a seventh at a rise varying from 2s. 6d. to 5s. a week ; by an eighth at from 12s. to 14s. 6½d. ; by a ninth at from 15 to 20 per cent. ; while a very large number report increases from 6d. to 4s. per week in the earnings of finishers, and a smaller increase in the earnings of some machinists. These figures are obviously very rough. But they agree with the information¹ supplied by the more poorly paid workers.

¹ Unfortunately that information is almost always too vague

The increased weekly earnings of which these figures are a specimen may be due to one of two causes.

In the first place, it happens fairly often that firms increase the earning capacity of the workers without advancing the piece-rates, but by better organisation, by saving time previously spent in waiting for work or by better machinery ; while it is a not uncommon experience that the workers themselves, having by this means been put in a position to earn better weekly wages, maintain an increased output, not necessarily because they are speeded up (though, of course, excessive speeding up does occur), but because the higher weekly earnings, induced by the Trade Board, create at once a desire and a capacity to earn them, and—a very important point—are no longer believed likely to induce the management to cut the piece-rate. Some evidence that an increased output has been caused by the rise in wages is given in Chapter IV. In the second place, the higher earnings are caused by an advance in the piece-rates, particularly, as Table III. shows, in the southern districts, where too many workers were

to be put in a tabular form ; women know that they are earning more, but they cannot say exactly how much more they are earning ; and in only 83 cases have we been able to obtain any precise statistics. The particulars supplied by this small number of workers are given, for what they are worth, as follows :—

5 have increased their weekly earnings by 6d. and under 1s.						
26	"	"	"	1s.	"	2s.
20	"	"	"	2s.	"	3s.
14	"	"	"	3s.	"	4s.
12	"	"	"	4s.	"	5s.
5	"	"	"	5s.	"	6s.
1	"	"	"	6s. or more.		

earning wages much below the rate fixed by the Trade Board to be brought up to it without an advance in prices paid for their work. One firm, for example, reports a rise of 25 per cent. in the piece-rates of finishers, another a general advance of $7\frac{1}{2}$ to 10 per cent., a third an advance varying from 10 per cent. on some processes to 75 per cent. on others, a fourth a general advance of about 30 per cent., a fifth a general advance of 75 per cent., a sixth an advance of from 12 per cent. to 25 per cent., a seventh an advance of 33 per cent. on juvenile finishers' rates. Any general statement of the advance in piece-rates is impracticable; for they vary indefinitely not only from process to process, but from quality to quality, and from firm to firm.

The evidence so far presented is obviously extremely partial and inadequate, and requires to be examined in the light of the census of wages contained in the Report¹ of the Board of Trade upon the Earnings and Hours of Labour of Workers in the Clothing Trades in 1906. As the Report grouped together under the heading of Ready-made Tailoring the earnings of all workers engaged in making clothing for men on the subdivisional system, the figures which it presents for workers engaged in that branch of the trade give a picture of the conditions obtaining between seven and eight years ago among the workers for whom the Trade Board has now fixed minimum rates. The only question is whether such a rise took place between September 1906 and February 1913 as to make these figures useless as a basis for estimating the increase brought about by the Trade Board. Such information as can be obtained suggests that this was not the case. In the years between January

¹ Cd. 4844 of 1909.

1907 and January 1913, the *Labour Gazette* reports a total addition to weekly wages in the tailoring trade of £2029, or a difference of roughly £100,000 between the yearly earnings of workers at the end of 1906 and their yearly earnings at the beginning of 1913. These figures relate, it is true, only to advances secured by Trade Unions, and it is probable that the earnings of unorganised workers advanced somewhat in sympathy with them. On the other hand, they include workers in branches of the trade to which the Trade Board does not apply, and, as Trade Unionism has hitherto been extremely weak among women, it is probable that very few women have shared in the advances.

On the whole, therefore, the wage census of 1906 offers a fairly reliable basis from which to start. Its grouping of the wages of 11,372 women engaged in ready-made tailoring is set out in the following table. It should be noted that the average working week to which these figures relate was found by the Board of Trade to be 51·2 hours, whereas the Trade Board's minimum of 13s. 6½d. is based on a week of 50 hours; that the earnings are those of factory workers only, not of homeworkers; and that the returns were probably supplied by employers above rather than below the average in the matter of wages. For these reasons the advance caused by the Trade Board is greater than these figures would indicate.

It will be seen that, in 1906, out of 11,372 workers, 6210, or 54·4 per cent., were earning wages less than 13s. a week, and 930, or 8·2 per cent., between 13s. and 14s., which means that about 58 per cent. of all the women in the ready-made tailoring industry were earning less than 13s. 6½d. The percentage rule

adopted by the Tailoring Board permits that 20 per cent. of these may, in ordinary circumstances, continue to earn less than the minimum. The remainder must

TABLE V.

	Number.	Percentage.
Under 5s.	19	0·2
5s. and under 6s.	180	1·6
6s. " " 7s.	384	3·4
7s. " " 8s.	553	4·8
8s. " " 9s.	690	6·0
9s. " " 10s.	900	7·9
10s. " " 11s.	1,145	10·0
11s. " " 12s.	1,201	10·5
12s. " " 13s.	1,138	10·0
13s. " " 14s.	930	8·2
14s. " " 15s.	885	7·7
15s. " " 16s.	790	6·9
16s. " " 17s.	642	5·6
17s. " " 18s.	453	4·0
18s. " " 19s.	401	3·5
19s. " " 20s.	272	2·4
20s. " " 21s.	251	2·2
21s. " " 22s.	138	1·2
22s. " " 23s.	124	1·1
23s. " " 24s.	64	0·5
24s. " " 25s.	54	0·5
25s. " " 30s.	122	1·1
30s. and over	36	0·3
Total	11,372	99·6

now earn at least 3½d. an hour, or 13s. 6½d. for a week of 50 hours. According to these figures, therefore, at least ¹ 38 per cent. of the women engaged in making

¹ In fact, many more have received an advance; for, as explained below, when piece-rates are advanced so as to bring up to the minimum the earnings of those workers who are

ready-made clothing must have received some advance in their wages as a result of the Trade Board's determination. This conclusion is in rough agreement with the figures given above, which show that of the 177 workers who supplied information, 31 per cent. had received an increase.

Is it possible to estimate the difference which the Trade Board has made to their earnings? The simplest way of doing so would appear at first sight to be to calculate the amount by which the earnings of the workers in each of the groups given in the Board of Trade's report must be raised in order to reach the minimum rate fixed by the Board.¹ And if the workers concerned were (a) all entitled to earn the minimum time-rate, (b) time-workers, this method of procedure would be satisfactory. In fact, below it, the earnings of those workers above it, who are doing the same work, are necessarily increased also.

¹ *E.g.* as follows :—

The earnings of	2 per cent. of the women must be raised by at least 8s. 6½d.
„	1·6 per cent. must be raised by between 8s. 6½d. and 7s. 6½d., or (say) 8s. each.
„	3·4 per cent. must be raised by between 7s. 6½d. and 6s. 6½d., or (say) 7s. each.
„	4·8 per cent. must be raised by between 6s. 6½d. and 5s. 6½d., or (say) 6s. each.
„	6·0 per cent. must be raised by between 5s. 6½d. and 4s. 6½d., or (say) 5s. each.
„	7·9 per cent. must be raised by between 4s. 6½d. and 3s. 6½d., or (say) 4s. each.
„	10·0 per cent. must be raised by between 3s. 6½d. and 2s. 6½d., or (say) 3s. each.
„	10·5 per cent. must be raised by between 2s. 6½d. and 1s. 6½d., or (say) 2s. each.
„	10·0 per cent. must be raised by between 1s. 6½d. and 6½d., or (say) 1s. each.

however, as pointed out above, an allowance of 20 per cent. is granted for "subordinary" workers, who need not earn the minimum, and the great majority of the workers are piece-workers. The former fact means that we cannot assume that the earnings of the 20 per cent. lowest paid workers have been advanced by the full amount of the difference between their previous level and the minimum time-rate fixed by the Board; they have been advanced by the amount needed to bring up to the minimum the lowest paid class of workers above the 20 per cent. who, *ex hypothesi*, are "subordinary" workers. The latter fact means that the effect of the Trade Board upon the earnings of all workers other than the lowest 20 per cent. is greater than is suggested by Table V.—greater for this reason, that the piece-rates must be adjusted by every firm so as to yield the minimum time-rate to *all* workers except the last 20 per cent., and that, when piece-rates are raised for one worker, they are necessarily raised for all engaged on the same class of work in the same firm. If, for example, when the 20 per cent. of subordinary workers are omitted, the lowest paid workers above them are earning about 9s. 6d. a week, the piece-rates of that firm must be raised so as to yield an additional 4s. per week, or 42 per cent., both to those workers and to all other workers doing the same work. Not only those below the minimum, that is to say, gain by the Trade Board's determination, but those above the minimum as well. Unfortunately, there is no way in which these results can be expressed in figures or by a diagram. For since, as shown above, the level of women's wages, and the proportion of women earning less than 13s. 6½d., vary from place to place, it

would obviously be fallacious to argue that all the earnings represented in Table V. have been increased by the amount—about 42 per cent.—needed to bring the lowest paid workers (exclusive of the last 20 per cent.) up to the minimum. All one can say is that at least 38 per cent.¹ of the workers represented on that table, and an uncertain proportion in addition, have had an advance on the wages of 1906.²

(b) MEN'S WAGES

The principal object of the establishment of the Trade Board in the tailoring trade was to raise the wages of women, and it is with its effect upon the wages of women that our inquiries have been chiefly concerned. Such scanty information as it has been practicable to obtain with regard to the wages of men suggests that in the larger centres of the industry they have been but little affected by the Trade Board's determination, as the proportion of men immediately prior to its issue earning less than 6d. an hour was in most places extremely small. The fact that only 23 objections were lodged by employers against the minimum rate of 6d. proposed for men, as against 137 advanced against that proposed for women, shows that they regarded the former as little likely to affect them, and this is, on the whole, confirmed by subsequent investigation. In Newcastle and London the minimum rate of 6d. appears to have raised men's wages in a number of instances so small as to be negligible. In

¹ *I.e.* 58 per cent. (the proportion in Table V. earning below the minimum), less 20 per cent., who may, in certain circumstances, continue to earn below the minimum.

² Assuming, that is, that the Trade Board's determination is being observed. On this point see Chapter VII.

Leeds and Bristol the wages of some men have been raised; but they are principally those of young workers who are just out of their time. So far as our evidence goes, it suggests that the effect of the Trade Board's minimum rate on the wages of men has been confined almost entirely to the smaller provincial towns. Thus in Swindon a considerable rise is reported in the wages of cutters. In an East Anglian town the standard rate was 20s. for cutters and 21s. for special cutters before the Trade Board's determination came into force. There must, therefore, have been a large advance needed to bring them to the minimum of 25s. for 50 hours, and we are informed that out of 80 men employed by a large firm in the district every one received some increase in wages. Another firm in the east of England is stated actually to have been employing men at the same rates as women when the Trade Board's determination came into operation, and, therefore, had nearly to double their wages. A third large firm in the eastern counties reports that it has had to raise the wages of some of its cutters by as much as 4s. to 5s. a week. We were informed that out of about 45 men employed by another firm in the same district only 10 were getting over 25s. prior to the Trade Board's determination, while several were getting 22s., several 21s., one 18s., and one actually 15s. 6d. They have all now been raised to 26s. But the most conspicuous example of a large advance in the earnings of men comes from Hebden Bridge. Hebden Bridge is principally engaged in the manufacture of fustian clothing, in which about 2600 women and 300 men are employed. The wages of women, owing to the keen demand for labour in the woollen mills, have always been relatively high, and

have consequently been unaffected by the Trade Board. The wages of men have, on the other hand, been in the past relatively low, as there are few alternative employments open to them. During the summer of 1913 the local branch of the Clothiers' Operatives Union made inquiries among its members as to the effect of the Trade Boards Act upon their wages. Information¹ was received as to the wages of 230 out of 300 workers in the industry. Of these 230 workers, 134, or 58·2 per cent., received advances when the Act came into force, particulars of which are given in the following table:—

32 men received an advance of rs. od. per week.

25	„	„	„	2s. od.	„
28	„	„	„	3s. od.	„
23	„	„	„	4s. od.	„
11	„	„	„	5s. od.	„
8	„	„	„	6s. od.	„
5	„	„	„	7s. od.	„
1	„	„	„	7s. 6d.	„
1	„	„	„	8s. od.	„

These scattered pieces of evidence as to the effect of the Trade Board on the wages of men may be supplemented by the figures contained in the Report of the Board of Trade on Hours and Earnings of Labour in 1906.² As already stated, advances were secured by Trade Unionism between January 1907 and January 1913 amounting in all to £2029 per week, and though much of this probably went to highly paid workers

¹ See *Economic Journal* for September 1913, pp. 442-447, article by S. C. Moore, "The Trade Boards Act at Work," which summarises the result of the inquiries carried out by the Union.

² Cd. 4844 of 1909, p. 98.

making bespoke clothing, it is probable that the wages of workers in the ready-made branch of the trade were somewhat higher in 1913 than in 1906. Apart from this unknown factor, since the men employed in the clothing industry are predominantly time-workers, it is easy¹ to determine what addition must have been made to their earnings in September 1906 in order to bring them up to the minimum rate of 6d. an hour or 25s. per week of 50 hours. Particulars were obtained of the earnings of 3411 men. Table VI. sets out (a) the number and percentage in each wage-group; (b) the advance needed in order to bring the wage earned in 1906 up to the minimum of 25s. fixed by the Trade Board; (c) the percentage which this advance is upon the wage earned in 1906; (d) the additional cost in wages which, if other things remain the same, is produced by this advance. In the Board of Trade's Report earnings are grouped as follows: "12s. and under 13s.," "13s. and under 14s.," and so on. In order to facilitate comparison between the earnings of 1906 and the Trade Board's determination, we have given the mean figure in each wage-group, viz. "12s. 6d.," "13s. 6d.," and so throughout.

It will be seen that, in 1906, out of 3411 workers, 834, or 24.4 per cent., were earning less than 25s. per week. The figures relate to the United Kingdom as a whole. But in the clothing trade the wages of men, like those

¹ It must be noted, however, that the earnings given in the following table are those of men over 20. But, under the Trade Board's determination, a man is not entitled to the minimum of 6d. per hour (25s. for 50 hours) till he reaches the age of 22. On the other hand, the earnings given are for a week of (on an average) 51.2 hours.

of women, vary enormously from district to district ; and, though in 1906 there were in all districts a certain number of men earning less than 25s. a week, the percentage doing so was much larger in some parts of the

TABLE VI.

	Num- ber.	Per- centage.	Advance needed to yield minimum rate of 25s.	Advance per cent.	Total advance needed on each wage group.
12s. 6d.	4	0·1	12s. 6d.	100	£ s. d. 2 10 0
13s. 6d.	...	...	...	...	...
14s. 6d.	2	0·05	10s. 6d.	72·4	1 1 0
15s. 6d.	11	0·32	9s. 6d.	61·2	5 4 6
16s. 6d.	37	1·08	8s. 6d.	51·5	15 14 6
17s. 6d.	47	1·37	7s. 6d.	42·8	17 12 6
18s. 6d.	77	2·25	6s. 6d.	35·1	25 0 6
19s. 6d.	42	1·23	5s. 6d.	28·2	11 11 0
20s. 6d.	178	5·21	4s. 6d.	21·9	40 1 0
21s. 6d.	92	2·69	3s. 6d.	16·2	16 2 0
22s. 6d.	150	4·39	2s. 6d.	11·1	18 15 0
23s. 6d.	68	1·9	1s. 6d.	6·3	5 2 0
24s. 6d.	126	3·9	6d.	2·04	3 0 0
25s. and over	2577	75·54	...	...	...
Total	3411	...	...	...	161 17 0

country than in others. This point is one of extreme importance to an estimate of the economic effects of the minimum rate fixed by the Trade Board, and we return to it later. It is illustrated by the following table, which gives the number and percentage of cutters and pressers returned as earning less than 25s.

per week in 1906 in all parts of Great Britain except Ireland¹:—

TABLE VII.

	CUTTERS (HAND). (Time-workers)			PRESSERS (Piece-workers).		
	Total.	Under 25s.	Per- centage under 25s.	Total.	Under 25s.	Per- centage under 25s.
Leeds and Manchester .	284	29	10·2	111	19	17·1
Yorkshire, Lancashire, and Cheshire (exclud- ing Leeds and Man- chester)	114	33	28·9	...	...	...
North and West Mid- lands, including Bristol	147	45	30·6	110	39	35·4
South and East Midlands, including Norwich .	134	45	33·5	97	41	42·2
London	68	7	10·3	47	3	6·3
Rest of England and Wales	71	18	25·3	...	...	...
Scotland	40	0	0	19	0	0
Total (excluding Ireland)	858	177	20·6	384	102	26·5

It will be seen that, while in London only 10·3 per cent. of the cutters and 6·3 per cent. of the pressers, and in Leeds 10·2 per cent. of the cutters and 17·1 per cent. of the pressers were returned as earning in 1906 less than the minimum rate subsequently fixed, no less than 30·6 per cent. of the former class and 35·4 per cent. of the latter class were returned as earning less

¹ Cd. 4844 of 1909, pp. 102-114.

in Bristol, and actually 33·5 per cent and 42·2 per cent. were returned as earning less in Norwich. It is not surprising that the eastern counties should have regarded the Trade Board rates as a grievance.

(iii) THE INDIRECT EFFECT OF THE TRADE BOARD ON WAGES AND TRADE UNIONISM

The fact that the minimum rates fixed by a Trade Board have increased the earnings of the most poorly paid classes of workers is not, by itself, the final criterion of its success. Quite apart from its possible reactions upon prices and employment, with which we deal later, there is the possibility that the rise in the earnings of the worst paid groups may have coincided with a reduction in the earnings of the better paid groups, and before it is possible to form any judgment of the general effect of a Trade Board even upon wages alone, it is obviously necessary to determine whether, and to what extent, this has occurred.

That the "minimum tends to become the maximum" is a familiar criticism upon the policy of Trade Unions in fixing standard rates instead of allowing employers to "pay each man what he is worth." It has never, so far as we are aware, been substantiated by any considerable volume of evidence. In practice in the most strongly organised industries, whether piece-work or time-work trades, there is in most firms a considerable range of earnings among workers belonging to the same profession; and if it is not the case that the Trade Union standard rate tends to become the maximum, there would appear *a fortiori* to be still less reason why the low minimum rates fixed by a Trade Board should result in the earnings of the highest paid

workers being reduced. Nor do inquiries among employers and workers lend any support to the idea that this has hitherto happened on any considerable scale. Cases have been found, it is true, when as a result of the Trade Board's determination a firm have substituted time-work for piece-work, on the ground that compliance is easier when every one is paid a weekly wage than it is when workers are earning varying amounts, though paid the same piece-work prices. It is true also that in a few firms certain piece-prices have been reduced ; for the effect of the Board's determination was to cause many firms to revise all their rates, and though the result of the revision was usually a rise, it sometimes happened that certain prices were found to be abnormally high,¹ and that, in the process of making a general readjustment, these were cut down. A few instances, moreover, have come to our notice in which firms appear deliberately to have recouped themselves for the advance which they were obliged to give the most poorly paid workers, by forcing a reduction on the better paid workers. What one firm did, for example, was to raise the piece-rate for finishers and pressers who at the old piece-rates were not earning the minimum time-rate, and then to "cover itself" by making a corresponding diminution in the piece-rates of machinists, who were already earning more than 3½d. per hour. Such action, however, appears to be quite exceptional. What ordinarily occurs is that everywhere, except in the best paying

¹ Thus some firms paid unusually high rates on certain kinds of work which very rarely came in. If workers complained, the firm would say that they would have their turn at this highly-paid work. But there was so little of it as scarcely to affect their earnings.

districts, a certain proportion of each group of women is earning less than the minimum time-rate. When, in the case of piece-workers, that proportion exceeds 20 per cent., the effect of the Trade Board is that the earnings of all workers are raised, but that the relation of their earnings to each other is unaltered. After, as before, the Trade Board's determination, one finds workers who are paid the same piece-rate for the same work, and whose earnings, nevertheless, vary as much as 50, 75, or even 100 per cent.

It is in the case of time-workers, however, that the possibility of the minimum becoming the maximum would appear, of course, to be most considerable. While we have met with no case in which workers previously earning above 6d. an hour have had their earnings reduced, it is confidently stated by representative workers that in one considerable centre of the industry men who would normally have received more than 6d. per hour are now being paid only the Trade Board minimum. "The Trade Boards Act," stated one of them, "has benefited the young workers, but has been harmful to the older ones. Young men and women earn the legal minimum at a fairly early age, and are thus receiving better pay than they formerly did at that age. But in many cases the rate of pay continues, and older workers receive the same as younger ones who have just finished their learnership. . . . Generally speaking, wages have been more equalised for all ages." The argument of this witness is, it will be noticed, hypothetical. It is not alleged that the earnings of other workers have been reduced, but merely that young workers, who are now getting the minimum, will not receive more as they grow older ; and, since the minimum rates have been in force for

under two years, it is obviously impossible as yet to prove or disprove this statement by an appeal to experience. We may point out, however, that the statement given above has already been partially falsified by the fact that, in the locality to which it refers, Trade Union action has, since the Trade Board's determination was issued, secured a standard rate of $3\frac{1}{2}$ d. per hour for women and $7\frac{1}{2}$ d. per hour for men, an advance which amounts for a 50 hours' week to 1s. $\frac{1}{2}$ d. per week for the former and 6s. 3d. per week for the latter, above the rate fixed by the Trade Board. As far as our own evidence as to what has hitherto taken place is concerned, it does not suggest either that the higher paid workers are likely to be reduced to the minimum of 6d. per hour, except at periods when a general reduction would, apart from any action of the Trade Board, have taken place, or that 6d. an hour is likely to be the maximum above which men now entering the trade will never rise. To the suggestion that either of these two courses would be followed, employers invariably replied that, at the time when our enquiries were made, they could not get sufficient workers to meet their needs even by offering considerably more than the minimum rates. Indeed, if the Trade Board has any influence upon the wages of time-workers who are already paid above the minimum, its tendency seems to be to raise, rather than to depress, them. The effect of fixing a standard which all workers must attain is to give an impulse to a movement for an advance in wages throughout the trade. The workers who were previously getting above the minimum argue that, if before the issue of the Trade Board's determination they were worth (say) 2s. a week more than those who have now received an advance,

they are worth it after the advance to the latter has been given, and therefore hold out for better terms. "The men," said an employer residing in a district which has previously been notorious for the low wages of male workers, "who are getting more than the minimum, are dissatisfied. This sort of legislation only tends to create unrest. The workers have been pandered to, and now they are asking for more." "There is more unrest than before," said a Trade Union secretary in the same locality, "because now the men feel that something can be done. The less skilled men feel that the Union has done a good deal for them and should have their support. At the same time the better paid people are dissatisfied, because they think that their wages ought to be raised in proportion." In fact the better paid workers in this district ¹ have had their wages raised. Of 134 men who received advances subsequent to the issue of the Trade Board's determination, 111 had to receive them in order to bring their earnings up to the sum required by the Act, but the remaining 23 were receiving the minimum before they got the advance.

That the minimum has not become the maximum, but has given an impetus to agitation among even the better paid sections of the industry, is shown by the agreements which the Trade Unions in the clothing trade have been able to negotiate in the course of the past year. One of the crucial questions for the future of the Trade Board system is its effect upon voluntary combinations. A Trade Board exists for a specific purpose defined by law, the establishment of minimum rates. A Trade Union exists for improving the conditions of its members in such ways as they may

¹ *i.e.* Hebden Bridge.

choose, of which the establishment of standard rates is only one. If, therefore, the Trade Board system tended to take the place of Trade Unionism, the lesser would be ousting the greater, and the result would be an incalculable loss to the workers, both in economic power and in *morale*. The confusion between the Trade Board system and the various schemes from time to time put forward for compulsory arbitration, or for giving a legal sanction to voluntary agreements, is still so common that we may be excused for insisting on the obvious point that a Trade Board in no way either conflicts with Trade Unionism, or makes its activities less necessary. It does not make Trade Unionism less necessary, for, since the rates fixed by a Trade Board are merely a minimum, they are inevitably less than the more prosperous sections of an industry can afford to pay. It does not conflict with Trade Unionism, for a Trade Board has nothing to do with the prevention or settlement of disputes, and there is nothing to prevent a Trade Union bargaining, and if necessary striking, for rates higher than those which a Trade Board has fixed. So far from prejudicing Trade Unionism, Trade Boards are likely, if we may judge by the short experience of the industries in which they exist, to encourage it, partly because they give both employers and workers an incentive for organisation, partly because the discussions and meetings which they involve tend to create the corporate consciousness of professional interests on which effective Trade Unionism depends, partly because the main obstacle to Trade Unionism in the past has been the low earnings of certain groups of workers, partly because the Trade Board gives hope to workers who were previously hopeless. The psychological influence

of the Trade Board system is, indeed, the most important of its results. Workers who were till recently convinced that agitation for higher wages was always futile and often dangerous have at last seen the advance for which they did not dare to ask brought about by law, and, now that the incredible has happened, have realised that there is no insuperable barrier in the way of better conditions. In the clothing industries, at any rate, the Trade Board has been followed by more thorough organisation both among employers and among workers. There are now three employers' associations in the clothing trade, the Factory Occupiers' Association, the Master Tailors' Association, representing mainly the Jewish subcontractors, and an Association of employers making the poorest quality of garments for export and known as the Makers of Ready-made Clothing for the Wholesale and Shipping Trade, which was brought into existence to meet the problems arising from the formation of the Trade Board. The Trade Board did not cause the creation of any new Trade Union among the workers, as fifteen societies, of which the three principal are the Amalgamated Society of Tailors and Tailoresses, the Amalgamated Union of Clothiers' Operatives, and the Amalgamated Jewish Tailors, Pressers and Machinists Union, were already in existence. But it has been accompanied by a movement for federation between them, by the growth of Trade Unionism among hitherto unorganised workers, and by an increase in Trade Union activity. Thus the Amalgamated Society of Tailors and Tailoresses reports an increase in membership which is stated to be largely due to the fact that the increase in wages has for the first time made it possible for women to

join it in considerable numbers. The secretary of the Scottish Tailors' Association reports a similar increase as due to the same cause, and adds that not only the girls, but their parents are now willing that they should pay contributions to the Union. The Amalgamated Jewish Tailors, Pressers and Machinists Trade Union doubled the number of its branches between 1910 and 1913, and increased its membership from 950 at the end of the former to 4465 at the end of the latter year. The members of the National Federation of Women Workers rose from 8000 in 1911 to 11,500 in 1913. The membership of the Amalgamated Union of Clothiers' Operatives, though still small when compared with the number of workers in the trade, has grown in the course of the past year from 2000 to 8000, while that of the Hebden Bridge branch of the society, where men's wages, prior to the Trade Board's determination, were unusually low, rose from 29 in January 1913 to over 300 in September of the same year, and to 420 in February 1914, about 95 per cent. of the possible membership. At Norwich the female membership of the small branch of the Clothiers' Operatives Union trebled in the eighteen months following the Trade Board's determination. "The Act," says the general secretary of that Union, "has had a most important educational effect. The notices posted in the factories rouse people. At Hebden Bridge the workers never before believed that it was possible they could get so much money. Now their interest is aroused and they are more ready to organise." In London a beginning has been made with the organisation of homeworkers. At the same time, the Unions have succeeded in several districts in securing

advances which have raised the standard rates to be paid to their members considerably above the minimum fixed by the Trade Board. Thus an agreement was made in April 1913 between the Leeds and Huddersfield branch of the Employers' Federation and the Amalgamated Union of Clothiers' Operatives, under which the working week was to be limited to $49\frac{1}{2}$ hours, the standard rates for men were to rise from $8\frac{1}{4}$ d. to $9\frac{1}{2}$ d. per hour, according to age and experience, and the standard rate for women over nineteen years of age, with three years' experience, was to be 4d. an hour, with an allowance of 30 per cent. to cover slow workers. An agreement has fixed the working week at Hebden Bridge at 52 hours, and standard rates for men ranging from $6\frac{1}{4}$ d. to $8\frac{1}{2}$ d. At Stroud a strike was followed by a settlement which, while maintaining the Trade Board rate of $3\frac{1}{4}$ d. for women, fixed the minimum for men at $7\frac{1}{2}$ d., while in Bristol the Union has secured standard rates of $3\frac{1}{2}$ d. for women and $7\frac{1}{2}$ d. for men. At Manchester, Liverpool and London the local branches of the Amalgamated Society of Tailors have all secured considerable advances for their members since the issue of the Trade Board's determination. Indeed, throughout the whole country, the activity and success of the Unions in the clothing trade was far greater in 1913 than it was in 1912. In 1912, 3802 workers got increases in wages amounting to £345 per week; in 1913, 17,433 workers got increases amounting to £2350 per week. In these circumstances it can hardly be argued either that the minimum rates have tended to become the maximum, or that the establishment of the Trade Board has damaged Trade Unionism. What has happened has been that the

Trade Board, by raising the rates of payment among the worst-paid section of workers, has at once created a foundation upon which organisation can take place, and made it easier for the better-paid workers to obtain an advance by protecting them against the competition of the low-wage districts.

We may now summarise the effect of the Tailoring Trade Board upon conditions of employment and wages, so far as it can be ascertained :—

(i) It has practically abolished deductions from wages, which reduce earnings below the minimum, has resulted in the practice of keeping the workers on the employers' premises without payment for their time being generally discontinued, has led to work being less intermittent, and has probably had some share in causing reductions of hours.

(ii) In those sections of the trade which fall within the scope of the Trade Board about one-third of the women and between one-quarter and one-fifth of the men have obtained an increase in their earnings.

(iii) In the case of piece-workers the increase has been brought about partly by an advance in the piece-rates, partly by changes in organisation, the former occurring most frequently in the south, the latter most frequently in the north. In the case of time-workers it has taken place by an addition to the hourly rate.

(iv) The earnings of women have risen most considerably in the south-eastern and south-western districts and in London, and those of men in the south-eastern districts and at Hebden Bridge. In Yorkshire and Lancashire the earnings of women, and in those counties and in London the earnings of men, have been little affected.

(v) In a few cases time-work has been substituted for piece-work, and certain piece-prices have occasionally been reduced. But there has been no general tendency for the minimum to become the maximum.

(vi) The Trade Board has given an impetus to Trade Unionism both among men and women. The membership of the societies connected with the tailoring trade has increased, and in several districts the Trade Unions have secured agreements fixing the standard rate considerably above the minimum contained in the Trade Board's determination. The advances obtained by Trade Unions in 1913 amounted to £2350 per week, affecting 17,433 persons, a sum greater than the total weekly advance obtained in the preceding six years.

IV

THE ECONOMIC REACTIONS OF THE MINIMUM RATES

(i) THE EFFECT ON PRICES AND PROFITS

THE commonest objection to the policy of the minimum wage is based on the assumption that its direct advantage to the workers whose wages are raised must somehow inevitably be more than counterbalanced by the effect of the increased costs which it is believed to impose upon industry. This attitude of criticism is not in itself an unreasonable one. What perplexes some persons who would be prepared on other grounds to welcome the demand for an increase in wages is the idea that if granted it may lead to the last state of an industry being worse than the first. There is, it is often assumed, some economic barrier to any considerable advance which is either insuperable or is to be evaded only with disastrous results. The problem is regarded almost as one in simple arithmetic. An addition to wages involves, it is argued, a corresponding addition to the expenses of production. Increased expenses of production involve either increased prices or smaller sales, or both. If the trade is one which does not meet foreign competition, and the demand for whose product is inelastic, it may pay the increased wages by raising prices at the expense of the consumer,

and yet sell as much as before. If foreign competition is keen, the English manufacturer will be undersold by the goods produced in countries where wages are lower, with the result that some of the workers in the industry lose their employment, and reduce the wages in other industries by crowding into them. In either case the immediate and direct gain is more than outweighed by the ultimate and indirect loss.

Though too short a time has elapsed since minimum rates were fixed in the tailoring trade for their ultimate effect to be determined, its experience nevertheless offers some data by which the validity of this line of argument may be tested. Manufacturers of ready-made and wholesale bespoke clothing have been aware since 1909 that at no distant date an advance in wages would take place; for the last eighteen months those of them whose workers were earning least have been obliged to pay them the minimum rates fixed by the Trade Board. They have had, therefore, to take steps to meet the increased cost, and it is possible to say what these steps have been. The first reaction of increased wages upon the industry has been felt, and it is possible to determine what that reaction has been in kind, though not, perhaps, what it will be in degree. One can, in fact, fix the direction in which the development of the industry, under the pressure of this new force, has begun to move, though one cannot say how far it will advance, how quickly it will proceed, or where it will stop.

In the first place, then, there is little reason to think that the fixing of minimum rates in the tailoring trade has had, as it had in the chain trade, any appreciable influence in raising prices to the consumer, though it is possible that it may have caused some manufacturers to

raise them indirectly by supplying a somewhat inferior quality of article. A statement so contrary to the opinion generally expressed needs some justification. It is, of course, perfectly true that during the last two years the prices of nearly all kinds of clothing have risen. To say this, however, is not to say that the increased prices are caused by the increased wages; and, when one comes to look closely at the alleged connection, one finds several reasons for being sceptical as to its existence. First, the rise in the price of clothing is not a new phenomenon beginning in 1912 or 1913. On the contrary, according to the Report¹ of the Board of Trade on the cost of living, which appeared in 1913, the price of ready-made suits rose 7·5 per cent., and the price of overcoats 11·1 per cent., between 1905 and 1912. Quite apart from any advance in wages, it was to be expected, therefore, that the prices of 1913 would be from 1 per cent. to 2 per cent. higher than those of 1912, and those of 1914 correspondingly higher than those of 1913.

Secondly, the effect of an advance in wages upon prices will depend upon the proportion which wages form of the total expenses of production. If, as in the case of chainmaking, the labour-cost of making the article is high, and there is little room for other economies, the result upon selling prices of a rise in wages will naturally be more considerable than it is in the case of an article the labour-cost of which is relatively low. Now the proportion which wages form of the total cost of making clothing varies, of course, according to the quality of the article under consideration. In the case of an expensive suit materials will probably form a smaller proportion, and wages a larger proportion, of the total expenses than in the case of a cheaper one.

¹ Cd. 6955 of 1913, p. xlix.

But fairly extensive inquiries suggest that wages rarely form more than one-third, and often, perhaps generally, not more than a quarter, of the cost of producing clothing. The figures supplied us by five firms are as follows :—

- A. Proportion of wages to total cost of producing garments
17½ per cent. to 20 per cent. for suits retailed at
21s to 25s.
- B. Proportion of wages to total cost of producing garments
20 per cent. for suits made wholesale at 30s., 35s.,
40s. and 50s.
- C. Proportion of wages to total cost of producing garments
23 per cent. ("a suit sold for 30s. costs 1s. for cutting
and 6s. to make, or 7s. in all").
- D. Proportion of wages to total cost of producing garments
about 33 per cent.
- E. Proportion of wages to total cost of producing garments
44 ¹ per cent. (average figures for four years).

Obviously in these circumstances, a rise in the wages of persons engaged in the tailoring trade will make a comparatively small addition to the total cost of production. On the assumption that wages constitute about 25 per cent. of the expenses of manufacturing clothing, an increase of 10 per cent. in the wages bill would mean an increase of 2½ per cent., and a rise of 20 per cent. in the wages bill an increase of 5 per cent., in the cost of production. Materials are a far more important item in the manufacturers' expenses, and the cost of materials has been rising. Hence, while it is true that a certain number of retailers and manufac-

¹ This apparent exception to the statement made above is only apparent. The firm in question makes up much material supplied it on commission. It estimates that in its case the proportion of wages to the total cost is about double what it would be in the case of an ordinary firm.

turers ascribe the rise in prices to the Insurance Act, or to the Trade Boards Act, or to both, there seems more to be said for the view of the larger number who have insisted that, apart from any legislation, prices would have risen owing to the increased cost of materials used in the manufacture of clothing. "Wool of various classes," stated a large firm in June 1913, "has advanced from 10 to 15 per cent. during the last six to nine months, and the cost of dyeing and finishing has risen by about 10 per cent."

Thirdly, the effect of the Trade Board in raising wages has been felt seriously only in certain districts. To the significance of these local variations in wage levels, of which we have already spoken, we return below. If the Trade Board has considerably raised the wages of women in (for example) London, the eastern counties and Bristol, it has but little affected them in Leeds, Hebden Bridge and Manchester. But all these districts are competing in the same markets, and it is very doubtful, therefore, whether those manufacturers whose wages bills have been increased can place the extra cost on to the consumer, when their competitors are selling (as far as the Trade Board is concerned) at the same prices as before. "So far as Leeds, Huddersfield and other clothing centres in this district are concerned," writes a manufacturer, "the Trade Boards Act is a thing of the past. The Leeds standard for women workers is now 4d. an hour, for men, 8½d., 8¾d., and 9½d. . . . The advance in wages (*i.e.* the advance secured by the Trade Unions) is not, however, responsible to any great extent for the increased prices of clothing. The main cause is the great advance in the price of all materials used in the production of a suit."

But, it is often argued, if prices do not rise when a

considerable advance in wages takes place, the effect must be to drive out of existence the firms on the margin which are only just paying their way. Either the articles affected will not be produced, or they will be produced in countries where low wage-rates obtain, or they will be produced in this country, but by some other firm which for one reason or another can afford to pay higher wages. "The shipping trade," stated an employer in an "objection" sent to the Trade Board, "has during the last few months been faced with the serious problem of competition from India; and, if British enterprise is to hold its own, there ought to be no internecine strife at home which will permit Indian manufacturers to step in and take over the trade which is the means of livelihood to thousands of British people." "My objection to the rates," writes another, "is that it will make it very hard, if not impossible, for anyone like myself (I only employ 12 hands) to carry on a workshop. . . . Of course, in my small way I have not the latest labour-saving machinery."

That a certain number of firms which have hitherto held their own by cutting wages to the lowest point possible will in time disappear is probable in itself, and is suggested by some of the evidence which has come before us. Thus two firms in the eastern counties report that they have been unable, owing to the rise in wages, to accept orders for cheap clothing which previously came to them, with the result that one employs 50 to 100 fewer homeworkers than before, while the other employs 200 instead of 500 homeworkers and 60 instead of 90 in-workers, and has had 30 out of 100 machines standing idle for the last twelve months. A firm in the west of England has closed the small factory which it previously had

in a small provincial town. Of three firms in East London, engaged in the cheapest class of tailoring, one gave up tailoring when the minimum rates came into operation, and, by a strange irony, sought refuge in shirt-making, which has since been brought under the Trade Boards Act; the second reports that it has "altogether dropped the very low-class knickers trade"; while the third states that since the minimum rates came into force it can no longer compete with the cheapest class of goods produced abroad, in particular that "Kaffir stuffs," suits made for the South African market, can no longer be produced at a profit. It has lost part of the work previously supplied to it by wholesalers, with the result that its staff of indoor workers has been reduced from 70 to 21. The tightening of the screw upon some of the smaller firms is emphasised in many of the answers received by us from employers. "It is much harder to get a living since the Trade Boards Act came in." "The cost of production has been increased without prices being raised to customers, so that our profits are less." "The Act has meant loss to us because the shops will not pay higher prices." "We have had to bear the increase of wages ourselves, as the wholesalers refuse to pay more. We make the same profit, but have to work longer and harder." "The Act is ruining our trade, and the small man is being squeezed out." Evidence such as this suggests that the advance in wages has come partly out of the profits of the firms paying the lowest rates, and that in the next depression of trade some of these struggling businesses will disappear.

Their disappearance may be regarded with sympathy for the individual, but without solicitude for

the industry, for it is not upon them that its fate depends. It seems not unfair to say that the class by whom the advance in wages has been most severely felt consists neither of the efficient factory occupiers nor of the efficient master tailors, both of whom were already, in most cases, paying more than the rates fixed by the Trade Board before those rates became obligatory. It consists, in the main, of the less progressive factory occupiers and small masters, who, working neither with the careful organisation of the former, nor with the intense and highly skilled male labour of the latter, have held their footing in the industry mainly by employing the worst-paid women workers to produce the cheapest class of goods. Deprived of that resource, the factory occupiers may bring their management into line with that of their more efficient competitors, and, as will be shown later, some of them are already doing so. Deprived of that resource, the small masters of this type are almost helpless; for they have neither the capital needed to introduce machinery, nor the experience needed to produce high-class goods without it, and, since they are often working on commission, they are between the devil of the downward pressure of the wholesalers, only some of whom have raised the prices paid to subcontractors, and the deep sea of the Trade Board. In their case the rise in wages is often a deduction from their scanty profits, and sometimes results in their being eliminated altogether through the firms which previously gave them work taking it into their own factories. The small master who specialises in the intensive production that characterises so many of the Jewish workshops will hold his own. But the small master who made a living by tak-

ing out work at low rates from the wholesaler, relying for his profit on cutting down wages, is already being thrust from his precarious niche in the industry. That he should generalise his own grievances into an industrial crisis, that he should declare that the trade is leaving England for Germany, Austria and America, and protest that "the British Empire has been built up on cheap labour," is natural enough; and we need not pause to inquire whether there is not some truth in the view expressed by a Trade Journal, when it asks, "if the catering for this class of trade means the paying to workers of remuneration upon which they have the utmost difficulty to eke out a bare existence, let alone live, is it not far preferable that foreign workers should live the life of drudgery and everlasting toil for a crust of bread, than that the life blood of Englishwomen should be impoverished merely to . . . earn the manufacturers some profit?" We need not raise the larger question of the social advantages of an industry which *cannot* pay the low minimum rates fixed by the Tailoring Trade Board, because the evidence suggests that the tailoring industry can. About the future no one can dogmatise, but of the present and immediate past the statements so freely made as to the Trade Board already causing the cheapest section of the tailoring industry to be transferred to foreign countries appear to be incorrect. The figures published by the Board of Trade do not seem to lend much support to the theory that there is increasing competition in English markets, or that English exports¹ of clothing to foreign markets are

¹ Two large shippers of cheap clothing state that their trade has as yet been unaffected by foreign competition, and

falling off ; though, no doubt, that is not inconsistent with the view that particular lines or particular districts have suffered. The value of the clothing exported to foreign markets in the fourteen months succeeding the date at which the minimum rates were made obligatory was higher than in any previous fourteen months in its history. An interesting case is that of South Africa, which is by far the largest foreign market for English clothing, to which the cheapest and worst qualities of goods are exported, and of the effect upon which of the minimum rates the gloomiest anticipations were entertained. The exports to the South African market of non-waterproofed clothing were £3,167,346 in 1911, £3,204,587 in 1912, £3,280,114 in 1913, and in January 1914, £280,254 as against £272,855 in January 1913, and £254,375 in January 1912. "The Act," said the head of the chief exporting firm in one of the largest centres of the tailoring industry about six months after the rates had become obligatory, a firm which sends seven-eighths of its goods to foreign markets, and a large proportion to South Africa, "has not prejudiced English manufacturers at all. We thought its effect would be to enable us to cut out more successfully than at present the makers of sweated clothing, and to bring us back the cheap trouser trade. My partner has just come back from South Africa, and he took care to find out the prices of the East End clothiers who compete with us. They have not put up their prices, and they are selling as much as before." "He confirmed," states a leading trade paper, in reporting the speech of a large manufacturer, "what we have give as the explanation that England produces the best and cheapest cloth.

always held to be the case, namely, that no decent firm would suffer by the Act." Right in their statements of fact, the firms which complain that they have lost business would seem to be wrong in thinking that this means that the trade is being ruined. All that has happened is that orders have passed from them to those of their English competitors who, for one reason or another, are in a position to pay better wages.

(ii) THE SIGNIFICANCE OF LOCAL VARIATIONS IN WAGES

If such a transference of business from firms which were paying relatively low, to firms which are paying relatively high, wages resulted in a migration of the industry from districts which are less suitable for it to districts which are more suitable, it would, no doubt, be accompanied by local distress. Though it is difficult to see why it should be regretted by anyone who does not desire to give each county in England its own tariff and its own custom-house, to re-transfer the cotton industry from Lancashire to Glasgow, the woollen industry from Yorkshire to Gloucestershire, and ship-building from the Tyne to the Thames, a natural respect for the vested interests of the low-wage districts might lead to any advance in wages which damaged their prospects being regarded with aversion. It is evident that, though the rates obtaining in Leeds and Manchester are still considerably higher than those obtaining in parts of the south, yet the margin between them has been reduced by the Trade Board. It is evident also, however, that the only reason why the industry should move from the latter districts to the

former is the actual inability of the southern employers to pay more. If such inability does not in fact exist, if, for example, the low wages of women in the eastern counties and in some branches of the trade in London are due to some other cause than that employers cannot pay more without going out of business, or if an advance in wages results in changes which tend to neutralise the additional cost which the advance imposes, there is obviously no reason why any serious dislocation should result from the fact that the Trade Board has compelled about one-third of the firms in the industry to pay higher rates than hitherto. Now, paradoxical though it may sound, both these contingencies are really not contingencies, but facts. An examination of the local variations of wages in the tailoring trade suggests that they bear little, if any, relation to the comparative resources of the industry in different localities. The experience of the high-wage districts and the effect of the Trade Board suggest that the increased wage-bill is not necessarily an increased cost, but tends to be accompanied by economies in other directions which, but for the increase in wages, would not have been made.

That the low wages of the eastern counties are not due to the fact that the industry suffers from any special and unalterable disabilities in those areas is suggested by the conclusion reached by the Trade Board itself. In connection with the demand for lower rates put forward by the manufacturers in certain of the smaller provincial towns, it discussed¹ at considerable length the question whether certain areas of the industry were actually unable, through unalterable economic conditions, to pay as high wages as others. In the course of

¹ See Tailoring Trade Board's Papers, Nos. 500 and 510.

the debate the reasons which do *not* explain the relatively high wages of Yorkshire and the relatively low wages of East Anglia were canvassed and dismissed. If the conclusions reached by the Trade Board may be trusted, the difference is not due to the fact that Yorkshire can pay more because it is close to the seat of the raw materials. Such proximity, it was held, confers little advantage, for it is "the custom of woollen cloth manufacturers to send their goods carriage paid, so that cloth costs exactly the same in Yorkshire as in the most remote parts of the country." It is not due to the neighbourhood of coal; for the cost of coal¹ is too small an item to account for the difference in wages. It is not due, as alleged, to the fact that "where there are numerous large factories, as in Yorkshire, useful ideas become common property, with the result that improvements in organisation are made." This argument was effectually countered by the Trade Board. "It assumes an isolation of individual manufacturing areas which does not in fact exist to any extent. Improvements in machinery are, through the medium of advertisement, common property. It is fanciful to speak as though manufacturers in any part of the country could keep secret profitable machinery or methods. But, in so far as it is possible to do so, the argument applies both ways. On the assumption of the argument, a Leeds manufacturer could not keep from other Leeds manufacturers those improvements in organisation which would give him an advantage over them. But the

¹ "One manufacturer has made a comparison between his coal bill in 1912 and his wage bill. In spite of the high prices of coal in 1912 the cost represented not more than 1 per cent. of the wages paid."

Norwich manufacturer enjoys greater privacy, and the chance of his special invention and ideas being communicated to, or discovered by, his competitors is less." It is not due to the fact that the populous districts of the north offer a rich market, or to the fact that, as alleged, "Norwich firms are obliged to keep warehouses in London"; for, as a matter of fact, wholesale clothing firms, whatever their situation, carry on business in all parts of the country, and London warehouses are not the monopoly of firms in the "smaller provincial towns." It is not due finally, one may add, to the fact that the districts are really carrying on different industries under the same name. Manufacturers paying relatively high wages and manufacturers paying relatively low wages compete in the same markets.

If, as appears to be the opinion of persons with practical experience, the difference in wages in different districts is not to be explained by different facilities for carrying on the industry, to what is it due? It is due, it is often said, to custom, and it is quite true that custom plays a larger part in industry than is always realised. But behind the different customary wage-levels stand real differences in the strategic position of women workers in different parts of the country. As far as women at any rate (and, indeed, the more poorly paid section of men) are concerned, there is no such thing as that which used sometimes to be described as "a general rate of wages." There is a series of different centres of employment. Between these centres there is little communication. Within these centres the workers may, if the centres are large and the employments various, be able to take advantage of the competition of employers for their services to

raise wages. If the centres are small and the employments few, they may be faced by an informal but effective monopoly. The wages paid to a group of workers in a given industry and a given area depend, in fact, very often not on the conditions obtaining in that industry and that area, nor on the conditions obtaining in that industry in other areas, but on the conditions obtaining in that area in other industries. The prevalence of a low rate of wages in one district in which an industry is carried on is not in itself a proof that the industry in that district cannot pay more, or would suffer if wages were raised. The prevalence of a high rate of wages in that part of the same industry which is carried on in another district is not a proof that the industry can afford to pay more than it can in the district where low wages are paid. Both the relatively low wages in one district and the relatively high wages in another may be due to causes which are, as it were, irrelevant to the industry itself, and of a local and external character. In these circumstances the interference of the State with wages need not imply any interference in the organisation most suitable to the industry. It may merely mean that that organisation is prevented from being disturbed and diverted on to anti-social lines by the peculiar circumstances of special localities. It may mean its restoration to the normal conditions which would obtain if these disturbing causes were absent. It may be analogous, in fact, not to a surgical operation, but to the provision of a specific which preserves a person in his ordinary health by rendering him immune against certain local and noxious influences.

These general considerations appear to be confirmed

by the circumstances of the tailoring trade. If one examines the local variations of wages in that industry, what one finds is that, while the same kinds of clothing are made in several different parts of the country, earnings for the same work vary enormously according to the district in which it is carried on. These variations correspond roughly to two factors—first, the opportunities open for other kinds of female employment; second, the character of the employments pursued by men. In Hebden Bridge and Leeds women earn 4d. to 6d. an hour for work on which in London or East Anglia they used, before the Trade Board's determination, to earn 2½d., for in Leeds and Hebden Bridge the woollen or cotton mills offer abundant employment for women, and employers must see that they earn fairly good wages in order to secure their services. In Manchester they earn 3½d. to 5d., for they live in a district where there is a keen demand for women as cotton weavers. The far lower earnings of tailoresses in the eastern counties and in London are not due to the fact that the industry there is of a different kind, but are caused by the general industrial character of those districts. In the eastern counties men's wages are low; there is a large agricultural population within easy reach of Colchester and Norwich; because men's wages are low, large numbers of their wives and daughters have to supplement the family income, and women's labour is cheap. In London there are, of course, many highly paid male workers. But in East London there is a vast body of workers, including probably some 20,000 engaged about the docks alone, whose annual earnings are low, because, whatever their hourly rate, their employment is irregular. The presence of this mass

of precariously employed and ill-paid male labour causes the organisation of many, though not all, firms in the tailoring trade in London and in the East Anglian centres of the industry to be different from that which obtains in the north. In Yorkshire and Lancashire there is little homework among tailoresses. In London 11·4 per cent., and in Colchester more than 37 per cent., of the women engaged in tailoring were in 1911 employed at home.¹ In the north of England there seems to be less married women's labour in the tailoring industry than there is in the south, as the following figures will show ² :—

TABLE VIII.

	Total number of tailoresses in 1911.	Unmarried.	Married.	Widowed.
Leeds . .	15,917	12,476 or 78·4 p. ct.	2,800 or 17·6 p. ct.	641 or 4 p. ct.
Manchester .	15,905	4,575 or 77·5 p. ct.	887 or 15 p. ct.	443 or 7·5 p. ct.
London. .	31,718	21,163 or 66·7 p. ct.	6,835 or 21·5 p. ct.	3,720 or 11·7 p. ct.
Essex . . (i.e. chiefly Colchester)	3,598	2,463 or 68·5 p. ct.	814 or 22·6 p. ct.	321 or 8·9 p. ct.

If we group the workers according to age, we find the same variation in type between Leeds and Manchester on the one hand and London and Essex on the other. In the two former places the proportion of women under thirty-five engaged in the industry is markedly larger,

¹ See back, p. 22.

² Census of England and Wales, 1911, vol. x. pt. ii.

and the proportion over thirty-five markedly smaller, than it is in the two latter.¹

What these facts appear to mean is that in the north of England women work in the tailoring trade when they are young in order to save something for the time when they marry or grow old. In London and Colchester they have to work when they are older

¹TABLE IX.

	MANCHESTER.		LEEDS.	
		Percentage.		Percentage.
Under 14 . . .	4	0·06	411	2·6
14 and under 18	1254	21·2	3230	20·3
18 " 20	583	9·9	1825	11·4
20 " 25	1364	23·1	4004	25·2
25 " 35	1295	21·9	3823	24·0
35 " 45	740	12·5	1713	10·8
45 " 55	402	6·8	620	3·9
55 " 65	191	3·2	231	1·4
65 and upwards	72	1·2	60	0·4
Total . . .	5905		15,917	

	LONDON.		ESSEX.	
		Percentage.		Percentage.
Under 14 . . .	9	0·02	...	...
14 and under 18	5418	17·08	634	17·6
18 " 20	3340	10·5	342	9·5
20 " 25	6507	20·5	719	20·0
25 " 35	5937	18·7	692	19·2
35 " 45	4244	13·4	518	14·4
45 " 55	3132	9·9	362	10·1
55 " 65	2067	6·5	227	6·3
65 and upwards	1064	3·4	104	2·9
Total . . .	31,718		3598	

partly because they have not been able to obtain a competence when they were young, principally because, owing to the under-payment or disorganisation of male labour, the earnings of their husbands are not by themselves sufficient to support the home. In the former district, therefore, the workers have been trained to the trade in their youth, and follow it as a profession. In the latter, a large number of women have not received any regular training at all. They take up the trade when driven to do so by necessity; and some employers are tempted to plead that lower rates are justified by this very lack of training. For it is, of course, very largely from the wives and daughters of the worst paid and most irregularly employed male workers that the ranks of the home-workers in the tailoring trade are recruited.¹ What happens in fact is that wages are lower in certain districts than in others, not because the industry cannot afford to pay as much in the former as in the latter, but because the conditions in other industries—in London, in particular, dock labour—are such that women are obliged to work on any terms that they can get. The disorganisation or low wages of one industry spreads like an infection to industries which are apparently quite unconnected with it.

It would appear, then, from a study of the local variations of the wages of women engaged in tailoring that the low wages which characterise certain districts are not primarily due to the special character of the industry in those districts, but to the fact that the special character of other industries creates a supply of women's labour which has been artificially cheapened by the necessities of their families, and of which some,

¹ See Table XVI., p. 195.

though not all, firms take advantage. A possible conclusion, at any rate, is that, if a Trade Board deprives these firms of their adventitious advantage, they will find no more difficulty in paying workers higher rates than is experienced at present by employers in those districts where higher rates are paid already. There will, of course, be a period of transition. Businesses which have become accustomed to subsist by means of artificially cheapened labour sometimes display the characteristics ascribed by the Poor Law Report of 1834—whether rightly or wrongly we need not now inquire—to those agricultural labourers whose wages had for a generation been made up out of the Poor Rates. They come to think of low wages in some way as a right which is due to them from society. They make up for their own deficiencies by relying on reducing wages. They are recruited by persons who would not hold their footing in the industry if they were faced with the necessity of paying the wages which are paid by their competitors in other areas. They protest against the suggestion that their special advantage shall be withdrawn. In short, in the strict sense of the word, they are pauperised. But since there is no actual physical impossibility which prevents them from conducting the industry upon the same lines as their competitors, the mere removal of the cause which has hitherto hindered them from doing so is usually likely in itself to be the cure of their disease.

To say this, indeed, is to understate the facts. What the experience of some firms in the tailoring industry seems to suggest is not merely that the low wages of the worst-paying districts are not a necessity, but that they are a dubious advantage to the firms pay-

ing them, and that the advance in wages brought about by the Trade Board, so far from hampering the expansion of the tailoring industry, is likely actually to benefit it. The mere fact that, without (as has been shown) any other special advantages, the districts in which wages are highest have secured in the last twenty years at least their share of the industry, suggests that high wages are at any rate compatible with its prosperity. The following figures show the percentual increase in the number of persons engaged in the tailoring trade as a whole, which took place in different areas between 1891 and 1911¹ :—

TABLE X.

Town.	Average earnings for full time in 1906. ²		1891.	1901.	Increase per cent. 1901 over 1891.	1911.	Increase per cent. 1911 over 1901.	Increase per cent. 1911 over 1891.
<i>Bristol—</i>	<i>s.</i>	<i>d.</i>						
Men .	34	9	1,339	1,709	27·6	1,898	11·05	41·7
Women .	11	10	3,437	4,863	41·3	5,032	3·4	46·4
<i>Essex²—</i>								
Men .	28	0	1,709	2,318	35·6	2,363	1·9	38·2
Women .	12	8	3,463	4,366	26·07	3,598	-17·5	3·8
<i>Leeds—</i>								
Men .	31	11	4,773	5,792	21·3	7,625	31·6	59·7
Women .	13	8	10,916	14,021	28·4	15,917	13·5	45·8
<i>London—</i>								
Men .	36	2	27,474	31,389	14·2	33,275	6·0	21·1
Women .	11	11	24,872	33,114	33·1	31,718	-4·	27·5
<i>Manchester—</i>								
Men .	33	11	3,611	4,091	13·2	4,356	6·4	20·6
Women .	13	7	3,736	5,507	47·4	5,905	7·2	58·1
<i>Norwich—</i>								
Men .	28	4	675	645	-4·4	660	2·3	-2·2
Women .	10	9	1,431	1,635	14·3	1,292	-20·9	-9·7

¹ Census of England and Wales, 1891, 1901 and 1911.

² Report on Earnings and Hours of Labour in 1906, Cd. 4844 of 1909, pp. 102-109.

³ The earnings given are those for the South Midland and

It will be seen that the growth of the industry has taken place at least as rapidly in districts¹ where wages are relatively high as in those where wages are relatively low. The immediate causes through which this divergence of wages has come about are not obscure. They consist partly in the fact that in the north of England wages are raised by the demand for women's labour in other industries, partly in Trade Unionism, which is relatively strong in the north and was, till recently, virtually non-existent among women in the south. There would, indeed, appear to be a *prima facie* ground for holding that since the high-wage districts have more than held their own, high wages are at any rate not an obstacle to the successful development of the industry.

The opinion that the firms paying higher wages than their competitors are, at any rate, not severely hampered by this policy, may be thought to be an amiable, but academic, theory. Lest, therefore, it should appear presumptuous for a person unconnected with the industry to put forward such a conclusion, one may add that it is suggested by the comments of some employers. Their remarks must not, of course, be strained too far. They are merely *obiter dicta* by persons of wide practical experience. As such,

Eastern counties. Those of women in Essex (which are not stated separately in the Report of 1906) would probably be somewhat lower.

¹ It might, of course, be argued that both the high wages and the striking expansion of the industry in the north of England, and the low wages and the smaller expansion of it in the south, are due to the fact that the former possesses extraneous advantages for the manufacture of clothing which the latter does not. For the discussion of this point by the Trade Board, see back, pp. 108-110.

however, they are perhaps worth quoting, as showing a standpoint which does not always find in economic discussions an expression proportionate to its importance. "Recently," said a manufacturer of slop cottons, who sells them both abroad and to English firms making both slop cottons and ordinary clothing, "I attended a meeting of the Employers' Association. Some of the manufacturers present had been objecting to the suggestion that the Trade Board should fix a minimum rate of more than 2½d. for women workers. The women I employ earn between 4½d. and 7d. per hour; and when the other day I offered them a time-rate of 5d. on some new work, for which no piece-rates had been fixed, they refused it as too little. The employers who objected to a minimum rate of more than 2½d. were my own customers and competitors, men who found it cheaper to buy goods from me than to make them themselves." "Badly paid labour," said an employer, "is the dearest you can employ. We have captured the juvenile clothing trade, the men's stock trade, the men's measure trade, and the men's overcoat trade. We must have the best labour in the market, and to get it we must pay the best price." "It is the Leeds finish," said another, "which gets us the trade. We can't get the finish without skilled workers, and to get skilled workers we must pay them properly." "There is only one reason," said a large Midland manufacturer, "why certain employers asked for lower rates, and that is that they are behind the times. They think they have an advantage over us because they pay lower wages, and are reluctant to part with it. But we can pay higher rates and beat them all the time. Given equally efficient management, organisation

and machinery, you can always produce the same results. Our competitors will have to overhaul their businesses. It is a universal experience in every industry that, when a burden is placed on it by legislation, leakages, which would otherwise be tolerated, are examined and stopped." Statements such as these are, of course, merely the views of the individuals by whom they are made, and it is not possible for an outsider to determine how far they are reliable. It will perhaps be agreed, however, that they suggest, at any rate, that one source from which the higher rates established by the Trade Board are likely to come is changes in the organisation of the industry consequent upon the introduction of those rates themselves. Economic processes, in short, are not reducible to sums in simple arithmetic. The reaction which follows an increase or reduction in wages is not merely quantitative, but qualitative. Hence all forecasts based on the assumption that the effect of a rise in wages is capable of being deduced from stable premises, like all similar forecasts as to the probable operation of Factory Acts, are necessarily and invariably fallacious. The premises are not stable, they are modified by the consequences. The consequences are comparable to the effect not of mechanical stresses, but of chemical reactions. There is more in the result than appears in the components, an unknown factor whose operation defies deductive reason. In warfare, to take an analogous case, that unknown factor which decides campaigns in defiance of military logic is the spirit of the army. In industry the unknown factor is the character of the workers and the character of the management.

(iii) THE EFFECT OF THE MINIMUM RATES ON THE WORKERS

In spite of the short time that the minimum rates have been in operation, the suggestion that an advance in wages reacts favourably on the efficiency of the workers is, at any rate partially, confirmed by the results of the Tailoring Trade Board. It seems to be a not uncommon experience that an increase in output has followed the establishment of minimum rates, though we are not in a position to say how general it has been. "The girls," said the foreman of a works, "do 33 per cent. more work than before." "Now that the wages have been raised," said another, "it has encouraged the girls to do more. We turn out with 85 workers as much as we previously produced with 100." "The general thing," said the manager of a factory employing 550 workers, "is for the girls to do more work in the same time since the rates came into force. This compensates us for the advance in wages." "The learners, who are the only class affected in our factory, turn out," said another, "more work than they did before. A learner paid 3s. will earn as much as 5s. ; one paid 6s. 4d. will earn 8s. 6d. or 9s." "If anything," stated a manufacturer, "there has been a decrease in the cost of production. The Act has caused an increased output per machine, has increased the steadiness of work, and has diminished the time lost." "The Trade Board rates," said another, "have increased the output per machine, to exactly what extent it is as yet impossible to say." "We get more out of our machines than we did prior to the Act." "The output has been increased owing to the increased earning power of the lower grade of workers." "The Act has

not raised prices or the cost of production; indeed the latter has probably been slightly lowered." Statements such as these may be supplemented by the figures¹ of some wage sheets which we have been

¹ The following evidence is based on an inspection of wage books in a large town in the north of England. None of the firms represented had raised their piece-rates:—

Firm.	Worker.	Age.		Average time lost per day in June 1912.		Average time lost per day in June 1913.
A.	Button-sewer.	17	Earnings in June 1912. s. d. 6 10 9 3 10 3 7 4	75 min.	Earnings in June 1913. s. d. 15 6½ 14 1½ 16 1½ 16 0½	20 min.
B.	(a) Coat-finisher.	25	Earnings for 5 weeks in 1911. s. d. 11 6 8 4 9 10 10 4 10 7½		Earnings for same 5 weeks in 1913. s. d. 14 10 13 9 15 1½ 14 5 14 8	
B.	(b) Coat-finisher.	33	Earnings for 5 weeks in 1911. s. d. 15 2 15 9 15 3 15 1½ 14 11		Earnings for same 5 weeks in 1913. s. d. 16 10 17 1 16 9 17 4 18 0	
B.	(c) Coat-finisher.	22	Earnings for 4 weeks in 1911. s. d. 18 5 19 1½ 17 10 19 7		Earnings for same 4 weeks in 1913. s. d. 19 2 19 10 18 4½ 19 3½	

Other reports state—

Firm C.—"There were some girls whose wages for a full

allowed to examine. What they show is that the weekly earnings of the workers have, at any rate in some instances, increased more than in proportion to the increase in piece-rates paid to them. In these cases it seems not unfair to conclude that the output per worker has increased, and that to that extent the cost of higher wages has come neither out of prices nor out of profits. Whether this conclusion is welcome or unwelcome, it seems, should it be confirmed by further inquiry, to carry with it three corollaries. They are, first, that there is no evidence that the rates hitherto fixed, or any rates likely to be fixed in the near future, have imposed, or are likely to impose, a burden that the industry as a whole, as distinct from individual firms, cannot bear; second, that the low wages hitherto obtaining among the worst paid section of the trade were not economically necessary, but were due partly to custom, partly to the helplessness of the workers concerned, partly to a mistaken policy on the part of their employers; third, that a minimum wage does not by itself bring about any considerable redistribution of wealth.

week in 1911 sometimes dropped as low as 9s. and seldom rose to 12s. These, according to the books, were in 1913 earning over 13s. and up to 17s. Thus E. S., aged 27, averaged 10s. per week during October and November 1911, and 15s. 7d. during October and November 1912. The Act had forced her to keep better time and work more steadily."

Firm D.—"Prior to the passing of the Act some of the poorest workers averaged between 9s. and 10s. a week for a full week. These now earn not less than 14s. for a full week."

Firm E.—"During some weeks prior to the Act some girls earned as low as 10s. The minimum now is about 14s."

Firm F.—"The average earned before the Act was about 13s. Now it is nearer 16s."

The cause of the increased output, which is attributed by so many employers to the Trade Board, is to be found partly in the effect of the minimum rate upon the workers, partly in the effect of the minimum rate upon the management of the industry. The suggestion that an advance in piece-rates would react favourably upon the efficiency of the workers was one which a considerable number of employers were disposed at first to dismiss. A view which frequently occurs in the "objections" submitted by them was that the workers did not want to earn more than a low weekly wage, and that the effect of raising the piece-rates would merely be that they would produce less work. The arguments used in support of this opinion were various—that the workers were girls living at home,¹ that they were married² women and widows, that they were supported from other sources,³ and that for these reasons they did not need more than a comparatively low weekly

¹ "A great deal of the labour employed in factories is recruited from the daughters of working men in regular employment, and, therefore, it is not necessary for these girls or women to earn more than a sufficient wage to clothe themselves and provide some small weekly wage towards the support of the home."

² "Many hundreds of workers are married and many are widowed. The married women only endeavour to earn a few shillings at odd hours at home in order to add to their husbands' wages, the widows to add to some slender allowance they may be in receipt of."

³ "50 per cent. are 25 years of age or under; and with few exceptions are single women. Of the latter about 86 per cent. live at home, and about 50 per cent. live rent free. It is only necessary, therefore, for the employer to provide wages sufficient for food, clothing, and pocket money. . . . The responsibility of a home to maintain is a sufficient incentive to industry and application, but this does not hold good with young unmarried women."

wage. "They are content," stated one firm in its "objection," "to go easy and earn from 10s. to 12s. per week." "Our girls are quite content," said another, "to earn 8s. to 10s. a week." "We have found," said a third, "that a very large percentage (at least 50 per cent.) of our female labour has not the slightest desire to earn more than 12s. a week."¹

We have quoted these forecasts of the effect of a rise in wages because they suggest some of the reasons which cause low wages to be accompanied by low efficiency, and show by contrast how it is that an advance in the piece-rates has been accompanied by an advance in output. The onus of the arguments used rests on the assumption that women workers, because they are women, are satisfied with a low fixed standard. That this statement represents faithfully the experience of certain manufacturers is undeniable. On the other hand, it was contradicted confidently by others. It may be suggested that, in reality, the effect of an advance in piece-rates depends very largely on the standard to which the workers are accustomed, and that this standard itself

¹ Employers, when cross-questioned as to their evidence for saying that an advance in rates merely means less work, have often replied by pointing out that the workers' earnings and output rise in the week before holidays, the conclusion being that when they want to earn more they can earn it. This argument is surely invalid. No one denies that a worker can increase her earnings for a *short time* by exceptional effort. But precisely because the effort *is* exceptional, she cannot keep it up. It probably would not harm a man (it might do him good) to work 18 hours a day once or twice a year. But it does not follow that because he can do it once or twice he is idle in not doing it always.

depends on the general level of wages already obtaining. In particular it may be suggested that the practice of basing rates not upon the value of the work done, nor upon what a business can afford to pay, but upon the supposed necessities of the workers, is likely to be in the nature of an invitation to inefficiency. If logically carried out, it means, in the first place, that the workers tend to be kept not far from subsistence level, and that they have little chance of satisfying the new wants that are indispensable to a rising standard of life. "In this part of the country," said the manager of a southern factory, who had come from Yorkshire, "the women don't work as hard as they do in the north, because they have such a low standard of living. They do not know how to spend their money." The explanation is not, one may suggest, a natural incapacity on the part of the workers concerned to "spend their money," it is that hitherto they have had so little money to spend that the possibility of permanently living on a more generous scale never occurs to them. Owing to the low wages paid by their employers, they have never had the opportunity of realising what life on larger earnings can be like, and therefore acquiesce in the continuance of a low level of earnings and production.¹ The attitude which bases women's wages on their "needs" leads to inefficiency in

¹ That a strike of women workers is a thing incredible seems to be almost a proverb in parts of the country. But one cannot have it both ways. If one wants workers who are cheap and docile, one cannot also get workers who are energetic and efficient. If one wants workers who are efficient, one must realise that such workers will know their own value and will insist on being offered reasonable wages and conditions of labour.

another way. [The workers in some firms are actually afraid to produce more than a customary amount for fear that the piece-rates should be cut down. This practice is so obviously short-sighted from the point of view of the employer, that some employers deny that it ever occurs. But the evidence showing that it does is too considerable to be disregarded. The result is obvious. Faced with the alternatives of earning 11s. a week on a higher piece-rate or of earning the same sum on a lower piece-rate, the workers naturally choose the former, and take care that they do not incur the risks inseparable from earning more than the management thinks "necessary." Much is often said of the danger of "discouraging enterprise" on the part of those directing industry. But it is not always sufficiently realised that the enterprise of the worker is equally essential, and that the enterprise of the workers is effectually discouraged by such a policy. And in the third place, the low weekly earnings result not only in psychological but in physical characteristics, not only in mental inertia but in actual physical debility. Of course, it is not possible to reduce the difference between well-nourished and ill-nourished workers to a statistical shape, or to prove by figures that high wages are the *cause* of the energy of one group, and low wages the *cause* of the lack of energy of the other. But consider for a moment these two budgets.¹ The first is that of a cotton weaver; the second is that of a tailoring machinist.

¹ Board of Trade's Report on Expenditure of Wage-earning Women and Girls (Cd. 5963 of 1911, pp. 10, 15).

COTTON WEAVER

Income

	Total for 52 weeks.	Average per week.
	£ s. d.	£ s. d.
Wages	75 2 0½	1 8 10¾

Expenditure

	Total for 52 weeks.	Average per week.
	£ s. d.	s. d.
Board and lodging	35 10 8	13 8
Extra food	0 16 5½	0 3¾
Fares (excluding holidays and picnics)	0 6 1½	0 1½
Dress	8 10 6½	3 3¼
Expenses of illness	1 16 10½	0 8½
Holidays and picnics (in- cluding fares)	5 14 4	2 2½
Amusements	1 13 2½	0 7¾
Educational, political, and propagandist	1 3 10	0 5½
Books and papers	1 2 4	0 5¼
Stamps and stationery . . .	0 4 1	0 1
Presents and collections . .	2 1 6½	0 9½
Trade Union	0 17 4	0 4
Miscellaneous	1 0 2½	0 4½
Total	60 17 6½	23 5

TAILORING MACHINIST

Income

	Total for 52 weeks.	Average per week.
	£ s. d.	s. d.
Wages	27 0 1½	10 4½
Sick club allowance	0 7 11½	0 1½
Co-operative dividend	0 4 0	0 1
Total	27 12 1	10 7½

Expenditure

	Total for 52 weeks.	Average per week.
	£ s. d.	s. d.
Board and lodging	15 0 0	5 9½
Extra food	0 4 3	0 1
Fares (excluding holidays and picnics)	0 2 6	0 0½
Dress	5 15 1½	2 2½
Sick insurance	1 4 6	0 5½
Holidays and picnics (in- cluding fares)	0 4 4	0 1
Amusements	0 3 8½	0 0¾
Educational, political, and propagandist . . . . .	...	...
Books and papers	0 1 5	0 0½
Stamps and stationery	0 1 7½	0 0½
Presents and collections	1 8 4½	0 6½
Trade Union . . . . .	...	...
Miscellaneous	0 8 4½	0 2
Total	24 14 2	9 6

The reader will realise the significance of the comparison without any lengthy comment by us. The weaver spends on board and lodging more than twice as much as the tailoress, on extra food nearly four times as much, on dress half as much again. Clearly the former has a far fuller supply of the necessities of life than the latter. But no human being can live on necessities alone. Expenditure on "holidays and picnics," "amusements," "books and papers" is not a luxury : it is a necessary, if by "necessary" one means an indispensable condition not of animal existence, but of an intelligent life and energetic work. And, compared with the weaver, the tailoress spends on such things next to nothing at all—1d. a week on "holidays and picnics" against the weaver's 2s. 2½d., ¾d. a week on "amusements" against the weaver's 7¾d., ¼d. instead of the weaver's 5½d. on "books and papers," and nothing at all on a Trade Union, to which the weaver pays 4d. Is not the report from which these figures are taken only too correct, when it speaks of "the deficiency in the supply of food, clothing and bright surroundings necessitated by low wages, and the resulting *inefficiency* of the worker"?¹ Is it not reasonable to conclude that the low standard of living which is alleged as the explanation of low earnings is itself often the product of the low earnings which it is used to explain, and that an increase in earnings caused by an increase in piece-rates will in turn result in greater efficiency on the part of the worker?

That these suggestions are not mere hypotheses is shown both by the example of the better-paid women's industries and by the results of the Trade

¹ Cd. 5963 of 1911, p. 5.

Board. To anyone acquainted with the trades where women earn comparatively high wages, the idea that they must *always* have a low fixed standard of life, and that when they have earned sufficient to maintain that they do not desire to earn any more, seems, indeed, almost fantastic. The average earnings of cotton weavers are probably nearly double the earnings of women engaged in the tailoring trade. They are often members of families where the combined earnings of the members amount to from £4 to £6 a week. But no Lancashire weaver dreams of being satisfied with low weekly earnings merely because her father is a spinner. She is paid on the same list as the men, wishes to earn as much as she can, and certainly does not fail to take advantage of any increase in the piece-rates to increase her weekly earnings. Because she is protected by a powerful organisation, she has, for a woman worker, a relatively high standard of living, judges her actual earnings not by some imaginary minimum which is "all that is necessary for a woman," but by the maximum that, given fair conditions and good material and machinery, she can reasonably expect to get from the existing piece-rates, and aims at producing sufficient to yield her that amount. Nor is there any special mystery about the cotton trade which makes it different from other industries. In the tailoring trade itself, those employers whose workers are accustomed to relatively high earnings find, *mutatis mutandis*, exactly the same results. Against the doctrine put forward by certain (though by no means all) southern employers, that workers in their districts differ from those in the north in having a low fixed standard of living, and not "wanting," therefore, more than a certain wage, must be set

the statements of other southern manufacturers, and the experience of those north-country firms which have factories in the south and which are therefore in a position to compare the relative efficiency of northern and southern workers. "I established a factory in the south of England," stated a Yorkshire manufacturer to us, "and therefore had an opportunity of discovering whether it was true that the industry was handicapped in the south by inefficient labour. I found that the girls there were just as good workers as in the north, provided they were properly paid. . . . The manufacturers in — are beaten because they pay low wages." "Higher wages," stated another manufacturer in a similar position, "certainly pay us. We let the girls fix the piece-prices for different kinds of work for themselves, and hardly ever pay less than they ask. To be well paid gives the workers dignity and self-respect. They take more pride in and care of themselves. They *think* they are worth more, and therefore they *are* worth more." And this evidence is confirmed by the experience of several firms since the establishment of minimum rates by the Trade Board. The increased output which has followed its determination is due, as we shall show later, to other factors besides the increased efficiency of better-paid workers; but that it is due to some extent to that cause there is no doubt whatever. "There was a rise of about 25 per cent. in the finishers' piece-rates," stated a large manufacturer, "in order to bring them up to the minimum. But when the new rates were introduced, the girls earned easily considerably more than the minimum." "Piece-rates have been raised," said another, "on every class of work, and the result of raising them

has been to encourage the girls to do more work. Naturally so, for they work more cheerfully. They come to be paid with very different countenances from what they used to have." "The Trade Board," said the manager of a large firm, "has made 80 to 90 per cent. of the girls more thrifty. You cannot expect a girl who is paid from 8s. to 10s. a week to do much work. Since the rates came into force, the general thing is for the girls to do more work in the same time. Once they have earned the minimum, and felt what it is like to have more money to spend, they go ahead and don't fall back." "Output per head has increased," said another; "as a general rule the girls work better if they are paid more." Indeed, the psychological effect of relatively high and relatively low rates on the workers would appear to be exactly the reverse of that often ascribed to them. So far from low rates "making them work," they often produce listlessness and despair. So far from high rates "encouraging slackness," they stimulate the workers to earn as much as possible while at work upon them. If one can earn 13s. 6½d. fairly comfortably, one naturally tries to earn more, for then one can keep something worth having to spend on oneself. If one can only earn 10s. a week by working one's hardest, it is only natural to drop to 8s., for neither 8s. nor 10s. are worth working hard for. Though this elementary fact in the psychology of labour is constantly overlooked, the workers are perfectly conscious of it. "When we're on bad work," said one, "we go easy, for one can't make any money worth having anyway. It's when we get good work at a fair price that we wire in." "Before the Act came into force," said another, "we did not earn as we might have

done. It was so little that we had to give up all of it at home anyhow." A girl who before the Act averaged about 8s. 5d., and after it 15s. 5d., was asked how it was she made so much more. She explained that, since the Board's determination became operative, she was expected to earn not less than 13s. 6½d., and that, now that her earnings were raised to that amount, she worked with a better heart, "because it is so much more interesting to take home 16s. than only the minimum." Moreover, the fact that the "ordinary worker" now has a legal right to a minimum of not less than 3½d. an hour has affected her attitude to the industry in two other ways. In the first place, since she no longer need have the same anxiety lest, if she earn more than 11s. or 12s. a week, her piece-rates will be cut, she knows that if she exerts herself the benefit will accrue to herself, and not simply result in her working harder for the wage which she was previously getting. In the second place, since she knows that wherever she goes she can get the minimum, she is to a far less degree dependent than she used to be upon the particular employer for whom she was working. "Formerly," said a manufacturer, "my girls used to stick to me for a long time together. Now they know they will be paid 3½d. wherever they go, they are much freer and more ready to move in search of better jobs." What this means is that the workers have at last security for a wage which, though still low, is higher than a large number of them were being paid before. The result is that they are more hopeful, more alert, and more enterprising. The State has given them a little help. Therefore they are more prepared to fight their own battles and help themselves. Even from a purely economic point of

view they are better workers, because they are less spiritless and more hopeful.

(iv) THE EFFECT ON THE MANAGEMENT OF THE INDUSTRY

The effect of the advance in wages on the personal energy of the workers is not, however, the most striking illustration of the way in which higher earnings may be held to contribute to the efficiency of industry. The wages of most women workers in the tailoring industry are still so low, and the period which has elapsed since they were raised so short, that no marked or general influence upon the workers' standard of life can be expected to result from them. It is in the lesson which it has given in the better management of industry that the Trade Board supplies the most striking illustration of "the economy of high wages." It is evident that the wages earned by the workers must depend to a considerable extent not only upon the piece-rates, but on the equipment provided and the way in which the work is organised by employers. Indeed, the method of management adopted by a firm may make all the difference between comparatively high and comparatively low weekly wages. The weekly earnings of women in the tailoring trade are far higher in Yorkshire than in London. But when some workers from Yorkshire visited an exhibition of sweated clothing held in London, they went home saying, "We wish we were paid the same prices as sweated workers." The explanation was that weekly wages depend not only upon the piece-rates paid for the work, but on a variety of details as to organisa-

tion and machinery, which may be grouped together as management. What the experience of the Trade Boards suggests is that the efficiency or inefficiency of management is not constant throughout an industry, as it would be if each business conformed roughly to an identical standard, but that it is closely connected with the level of wages, and that, while good management makes it possible to pay higher wages, a rise in wages tends to be accompanied by more efficient management. "More efficient" is, of course, a question-begging phrase, and there are methods of management which those who practise them call efficient, and those who suffer from them describe as tyrannical. But apart from these abuses, which are mentioned in their own place, the evidence of more than one industry placed under the Trade Boards Act suggests that almost the first effect of an advance in wages is to lead the employers most affected by it to search, and search successfully, for ways of producing cheaply to which they were indifferent before the advance took place. To the light which this fact throws upon the general question of the probable effects of legally obligatory minimum rates we return later. We must now present some of the detailed evidence by which it is established.

Almost the commonest statement made to us in the course of our inquiry is that the effect of the minimum rates will be to "improve the organisation of industry." One of the arguments for a differential rate submitted to the Trade Board was that recently "wages have increased considerably, largely owing to improvements in machinery brought about to a great extent by the Trade Boards Act, as a result of the necessity of paying higher wages," and the

Trade Board, while pointing out that the statement appeared inconsistent with the demand which it was intended to support, replied that, "if the mere prospect of the fixing of a minimum rate has a stimulating effect on organisation and efficiency, the actual fixing will prove, in Norwich as elsewhere, a beneficial influence still more potent." "Where the price of labour is high," stated a large manufacturer, "the main difference between firms is the difference between better and worse management." "The only way to meet the increased cost of labour," stated a firm with factories in London and the eastern counties, "is the better organisation of industry." "The difference," said another, "between an up-to-date, well-organised factory and an old-fashioned one offers a margin over which wages can be raised." He added that the invariable effect of legislative interference with an industry was to lead employers to introduce improvements in organisation and equipment which would not otherwise have been made. Whether this statement is true or not as a general rule, there is no doubt that the establishment of minimum rates in the tailoring industry has been very generally followed by changes in methods of management and organisation, and that in the opinion of competent observers these changes, though often individually minute, have led to an increase in the technical efficiency of the industry. "Manufacturers," said one of them to us, "have been lifted out of a groove, and have had to take stock of their position. The general effect of the minimum rates is to cause firms to overhaul their methods of production and organisation. They do not trouble to do so until they are compelled. I believe that the Act, by directing the attempts of employers

towards better organisation, will prove to have been a blessing to them."

Organisation is a vague word which includes large matters of policy and details so small as to seem too trifling to mention. The effect of the Trade Board has been seen in four main directions. It has been responsible for a closer supervision of earnings and of work. It has led to more careful attention being given to the training of workers. It has caused processes to be redivided and to be grouped differently. It has stimulated the introduction of new kinds of power and of better machinery. When the minimum rates were made obligatory in February 1913, what many firms did was to send for their women workers, or at least for such of them as had previously earned less than the minimum, and to inform them that they would now be expected to earn not less than 3½d. per hour. At the present time a common practice appears to be for a list of the piece-workers who earn less than the minimum to be made out each week, and for the workers concerned, or at least those of them who are regarded as "ordinary workers," to be sent for to the office and to be asked how it is that they have been unable to earn it. At the same time supervision of the work-room has been tightened. The output of machines is more carefully watched. In several different centres of the industry time-clocks have been introduced. The piece-workers "clock on" when they come in, and "clock off" when they go out, as the firm is obliged to see that they earn not less than the minimum during the whole time that they are in the factory. The number of foremen and forewomen has in some cases been increased, and they are instructed to see that no time is wasted. Intervals for resting and

talking are rarer. Greater punctuality is demanded. In those factories where, prior to the fixing of minimum rates, the women worked at high pressure, the difference is not so marked as it is in more easy-going businesses, where, if earnings were lower, the speed of production was not so great. But, speaking generally, one may say that the mere fact of setting up a standard reacts on the efficiency of the whole factory, which tends to be tuned up, as it were, to a new key. The change is obviously to the advantage of the management, which, though it pays larger sums in wages each week, gets a larger output from its machines. Its effect on the workers is more equivocal. It is certainly a good thing that a firm should be under an obligation to watch their earnings and feel a responsibility for seeing that they do not fall below a certain figure. In some firms this seems to be quite a new departure. Before the establishment of minimum rates, some employers (though, of course, not all) felt little responsibility for the weekly earnings of their workers. They knew what the piece-rates were, but they did not reflect what wages they could reasonably be expected to produce. All that they were concerned with was to make sure that they did not pay higher piece-prices than their competitors, and if the piece-workers complained that they could not make them yield reasonable weekly wages, they would sometimes retort by telling them that they were idle, that they should work harder, that they should be more punctual. Now that employers are bound under a penalty to see that the piece-rates are such that the ordinary worker *can* earn not less than a certain weekly wage, they examine the wage sheets in a manner unknown before. If the

result is that they advance the piece-prices or make some such improvements in organisation or equipment as are described below, the workers gain, of course, as well as the management from the increased efficiency of the business. Unfortunately, there is another alternative. To introduce technical improvements requires intelligence and may require capital. If the views expressed to us by a considerable number of manufacturers may be trusted, it would appear that some firms possess neither. Their only idea of increasing the output is to drive the workers harder than before; and, since the Tailoring Trade Board has not fixed minimum piece-prices, but only a minimum time-rate, it is possible to try to force the workers by undue pressure to earn the minimum time-rate on piece-rates which will not produce it except at the cost of nervous overstrain. Some women workers have spoken to us very bitterly of the manner in which they are harassed and intimidated. "At Messrs. — the manager will sometimes stand by the side of one girl for forty-five minutes, telling her to see how quickly she can do the work, and then they base their piece-prices on the result." "The firm tried at first to make us earn the minimum on the old piece-rates. The girls are had up and told that if they don't earn the minimum they will have to go. There is a man walking up and down shouting to you, 'Keep your noses down.' It is a system of slave-driving and sweating. They get a week's work out in three days." "After the rates came into force the manager selected one particularly strong girl and asked her as a special favour to do in three-quarters of an hour a job for which the ordinary time was nearer one and a half hours. She made a tremendous spurt and did it. After finishing the

job her hands were shaking, and when we asked her if she could keep it up, she said she was nearly dead, and could hardly do anything else all day. Nevertheless, the manager now uses that time as a spur to drive the girls. Many of them are sweating themselves to death in order to earn the minimum, and sometimes one or other of them is so exhausted that she cannot come the next day." Cases like this show that if "speeding up" is sometimes legitimate—for example, when it merely means the provision of better facilities or the requirement of more regular attendance—it is sometimes carried out in an extremely reprehensible manner. Legally, of course, the Board of Trade has power to proceed against an employer who behaves in the manner described in these three instances. For it is evident that if the piece-rates are such that the girls can earn the time-rate only by excessive exertion, then they are not sufficient to yield 3½d. per hour to the "ordinary worker." In practice, of course, it is extremely difficult to check such abuses. Our own view, however, is that they are somewhat less common than they were when the minimum rates first became obligatory, and are likely to be less common still in the future. In the first place, as the Investigating Officers gain experience, they are better able to detect those piece-rates which will not produce the minimum time-rate unless the workers are over-driven. In the second place, the effect of the Trade Board has been, as we have already pointed out, to give an impetus to Trade Unionism, and Trade Unionism is obviously the proper instrument for dealing with personal misbehaviour on the part of foremen and managers. But it is essential that the authorities should let it be known that they will take proceedings

whenever speeding-up takes the form of an attempt to make the workers earn the minimum time-rate on unreasonably low piece-rates.

More careful supervision of work, whether accompanied or not by unfair pressure upon the workers, is not the only way in which manufacturers have tried to meet the increased cost of higher wages. Nor, in the case of the more intelligent firms, is it the most important way. Anyone who will do so can drive work through a little faster by a process of intimidation and persecution. But it is obvious that such procedure leaves the more permanent and larger causes of a low output untouched, and is, indeed, likely to add another by no means insignificant one to them by reason of the bitterness which it rouses. In the case of the better managed firms the effect of the Trade Board's rates has been to stimulate the employers to meet them not merely by "speeding up," but by the more careful training of workers and by the improvement of processes and equipment. The training of learners entering the clothing industry has been hitherto in many firms extremely haphazard. As has been already pointed out, there are parts of the country where a large proportion of the recruits to the industry consist of women of advancing years, who have never been trained to follow it in their youth, and who take it up as adults to supplement their husbands' earnings. Even apart from these workers, who have obviously picked up the trade as best they could, there are many juvenile workers who, though nominally learners, receive little instruction in the industry on which their livelihood will depend. The defects which attend the learning of a trade carried on in large factories are common to so many industries, and have been discussed so often

in recent works upon juvenile labour, that we need not do more here than point out that they appear to be shared by the tailoring industry. We have already stated that the Trade Board, by insisting, as a condition of the issue of learnership certificates, that learners shall have reasonable opportunities for learning, has done something to lay the foundation of a better system. What it is important to notice here is that, while some firms state that they will not take learners in the future, and some anticipate that learners will be unduly specialised, there are others which have been led by the Trade Board to introduce better and more systematic training. The explanation given us has been that in future adult workers will have to be paid more, and that, therefore, the prudent course for an employer is to see that they are properly trained when they are young. "Up to about eighteen months ago," a large manufacturer told us, "we had no regular system at all of teaching learners. The result was that they picked the trade up, and became very inefficient workers, earning a low wage because they were not worth more. When the Trade Boards Act was passed I realised that different methods of training would have to be adopted. It became necessary to make them worth the wage which they would have to be paid. Our present system, therefore, is to set one worker to train four learners at a time. . . . There has already been a marked change in the capacity of some of the workers." "We have made a new departure," said another firm, "in the matter of training. We started a school for learners and paid one of our employees to teach them." "We now pay a woman to teach our learners instead of letting them pick up the trade" is reported by two other firms. "Since

an employer must now pay progressive rates to learners," stated a foreman, "he takes care to see that they are carefully trained so as to be worth the extra money." It would not, so far as we can judge, be true to say that such experiments have been a *general* result of the Act, and some firms have stated that they think the advance in learners' rates will have the opposite effect. But it is evident that one way in which a far-sighted employer can meet the cost of extra wages is more careful training.

More common than such attention to the conditions of learnership has been a rearrangement of the work to be done. One obvious opening for ingenuity in the manufacture of clothing is the discovery of better methods of dividing and grouping different parts of the work. In any large tailoring factory work is much divided, and the garment may pass through as many as twenty or thirty hands before it is completed. But there is no standard method of subdivision, and each firm determines the exact arrangement of processes in accordance with its own predilections. The differences between them may be small, and they may all conform to a general type, but when many thousand garments are being turned out in the course of a year, even small differences or improvements make a large difference both in the wages of the workers and in the output of the firm. More careful subdivision is perhaps, indeed, a factor which partially accounts for the ability of employers paying relatively high wages to compete successfully with those paying relatively low wages. A woman worker from the south of England found employment with a Yorkshire firm as a "sleever." When she saw the price paid for the work she protested that she could not earn a living wage on it, as it was half

that which she had previously been paid. But at the end of the week she found that she had earned a higher wage on a relatively low piece-rate than she had before been accustomed to earn on a relatively high one. The explanation was simple. [In the factory where she had formerly been employed, the girls putting in sleeves had to fetch them for themselves. In the factory to which she went, a man was employed to keep them supplied with sleeves as they were required. To the worker this small detail meant higher weekly earnings. To the employer it meant that at the cost of one extra man he got a greater output from each of the women, and turned out the work with a smaller number of workers than would otherwise have been necessary.] His own calculation was that it saved him £60 to £70 a year. "No one," said a large manufacturer to us, "can hope to compete unless his work is properly subdivided. That is why homework does not really pay." The truth of this statement is borne out by the evidence which has come to us of the effect of the Trade Board rates in causing a redivision of work in factories. Sometimes the changes are minute. "Trouser-makers," said a small master, "now have to subdivide the work more carefully so as to keep the skilled man to the skilled job. This will bring the skilled adult worker up to the higher rates, while the apprentice is kept to the cheaper class of work." Another small firm has specialised its workers, and in particular has turned trimming into a separate process to be done by a special group of workers. A third has separated buttonholing from bar-tacking. A fourth has achieved a small saving by organising its finishing differently. In the larger firms more important departures are made and larger economies are effected.

Thus the manager of a large factory in the eastern counties states that, though wages have risen, the cost of production is unaltered, because the work is now arranged differently, and a larger output is obtained for the same wage bill. Another firm in the same district introduced a manager from Leeds. He found the factory divided into small sections, each under its own foreman, and within each of which the workers were specialised. Arguing that in a small factory such a degree of specialisation did not pay because the speed of working which it produced was more than counterbalanced by the overlapping between departments, he abolished the system of watertight compartments, trained the workers to several processes, and transferred certain operations from the finishers to the machinists. The result of these and other changes was that, without the piece-rates being advanced, the proportion of piece-workers earning less than the minimum time-rate was reduced from between 40 and 80 per cent. to between 5 and 10 per cent., and that their output for the same hours was estimated to have increased by about 30 per cent. The question of overlapping between departments, which is mentioned in this instance, is, indeed, a crucial one. Owing to the high degree of subdivision which obtains in a clothing factory, the workers engaged upon one process are dependent for work upon the workers engaged in another. If a business is well managed there is a regular flow of work through all departments, so that none are congested and none are without employment. But to arrange the work so that it shall go forward smoothly and without interruption requires careful organisation, and there is a constant tendency for one group of workers to be overwhelmed with work while

another group is slack. The hardship which this inflicted on the piece-workers, who might have to wait for some hours in the factory without earning any wages, has already been noticed. But it is pertinent to a consideration of the sources from which a rise in wages has been met to point out that such defective organisation is extremely uneconomical from the point of view of the employer, part of whose machinery and other capital is standing idle. As the evidence already presented suggests, business is largely governed by custom, and defective organisation has been tolerated. The Trade Board, by giving as its opinion that piece-workers must earn at least 3½d. per hour during *the whole time* that they are in the factory, whether they are actually working or not, has given just the impetus needed to induce hesitating employers to pay attention to tiresome details by which the overlapping between different departments can be prevented or minimised. The result is that there is less waiting for work, and that, on account of this, the same output can be produced in shorter hours, so that, when there is an unavoidable shortage of work in any department, the workers can go home instead of being detained in the factory without anything to do. "We have been steadily reducing the amount of time lost on every machine, with the result that we have increased the output and, if anything, reduced the cost of production." "The Act has not caused any speeding up, but has resulted in a careful investigation being made into the output of the workers. We were surprised to find that there was an average loss of one hour per day by all employees. This has since been diminished." "There is now more careful management and distribution of work, with the result that less time is lost." "There

used to be a good deal of time wasted in clothing factories. The girls often were kept waiting for work for an hour or more. Now more attention is paid to management." "Before the Trade Boards Act the factory used to be kept open from 8 to 6, and the workers would not be fully employed all the time. Now the output has increased about 33 per cent., and the hours have been reduced from 9 to 5, as, if the factory had to be closed for a few half-days owing to slackness, some of the girls would leave to go somewhere where there was more work." Such statements on the part of manufacturers show that the anticipation that the minimum rates would lead to more careful organisation has been justified. On the other hand, the change obviously means not only higher earnings, but more continuous work at higher pressure, though sometimes during shorter hours, for the girls. On the whole, in spite of the complaints of inhuman speeding up, they seem to prefer the new régime to the old, and emphasise particularly the advantage of not being kept waiting for work. "There has been a certain amount of irritation," stated a Trade Union official to us, "because foremen do not allow girls to sit wasting their time. But the new attitude is not unreasonable, and is, on the whole, beneficial."

The final source from which the increased cost caused by higher wages can be met consists in the introduction of better machinery. That the Trade Board was expected to increase the use of machinery in the tailoring trade is shown both by the opinions expressed in the "objections" forwarded by employers to the Board, and by the fact that in the advertisements inserted in trade papers machine-making firms have, for the last two or three years,

expressly mentioned the Trade Board as a reason for buying machines. The tailoring industry is, indeed, one where the opportunities for meeting increased costs by machinery are exceptionally great. On the one hand, there is scarcely a process which cannot be performed by machinery at least as efficiently as, and more cheaply than, by hand, provided firms are willing to incur the initial expense of putting it in. On the other hand, at the present time, so far from their being anything like the similarity of equipment throughout all firms in the trade, which obtains (for example) in the cotton industry, there is the greatest diversity in the degree to which the resources of science and invention are used by different firms and in different districts. Thus some firms still use the old-fashioned treadle to drive sewing machines; others use steam; others use electricity. In some firms clothing is made throughout by the use of machinery, hardly a stitch, even in the finishing of it, being put in by hand. Others use sewing machines, but get the making of buttonholes, the sewing on of buttons and the finishing done by hand. Other firms use buttonholing machinery, but not machinery for sewing on buttons. Probably the majority use machinery for all processes except finishing, but get the finishing done by hand. So great are the potentialities of machinery in the tailoring trade, and so unequal is the extent to which they are exploited by different firms, that it is quite impossible at any given moment to say that *this* is a machine process and *that* is not; and when the Trade Board tried to draw a line between those operations which were done by the aid of machinery and those operations which were done

entirely by hand, it had to abandon the attempt as impracticable, because the processes falling on each side of the line varied from district to district, and even from firm to firm.

The opportunity for introducing machinery, and, therefore, the opportunity for meeting the cost of higher wages by means of it, depends obviously upon the existing equipment of businesses. Broadly speaking, one can say with truth that in those parts of the country where, before the Trade Board's determination, wages were relatively high, the use of up-to-date power-driven machinery was most general, and that it was least general in those parts of the country where wages were low. The classical example of a district where machinery is used throughout the manufacture of men's clothing is Hebden Bridge. In that town the wages of women range from 4d. to 7d. per hour, and have been, therefore, almost unaffected by the Trade Board. In order, however, that with these high wages the industry should be carried on at a profit, it was necessary that firms should be equipped with the most efficient machinery. "Our trade," said an employer, "has been stolen from the sweater," and the clothing made at Hebden Bridge competes in the poorest markets with the clothing made at the lowest rates of wages in East London. At Hebden Bridge, therefore, clothing is manufactured throughout by machinery. There are no homeworkers, because nearly all the finishing, which in other places is usually done by hand, is there done by machinery. What is true of Hebden Bridge is true also, though perhaps to a somewhat less degree, of Yorkshire and Lancashire as a whole. "We have to keep our machinery efficient," said a Leeds manufacturer, "for if a

worker enters a factory and finds that it is not up-to-date, she walks out again." One reason for the superior equipment of the manufacturers in these districts is the fact that they have been compelled, partly by the relative scarcity of women's labour, partly by Trade Unionism, to pay higher rates. Hence, in Leeds, Manchester, Hebden Bridge and Newcastle, we did not find more than a few cases in which the establishment of minimum rates by the Tailoring Trade Board had led to the introduction of new or better machinery. Long before rates were fixed by the Trade Board, the firms in those districts had been compelled to use all the available resources of invention in order to compete with the low wages of the south and east. As we have seen, they do, in fact, compete successfully.

The firms on which the Trade Board has had the greatest effect in stimulating mechanical improvements are, of course, those which made least use of them prior to its determination, and are found principally in the southern, south-western and south-eastern counties. The suggestion made by certain manufacturers that the workers in those districts are distinguished from the workers in Yorkshire and Lancashire by some mysterious natural incapacity for working with machinery is disproved (if it is necessary to disprove it) by the fact that many of the southern firms are as well equipped with machinery as are those elsewhere. There can be little doubt that the real explanation why the equipment of many southern firms has hitherto been relatively backward is to be found in the fact that, owing to the circumstances described above, they have been able to avail themselves of low-priced labour. There is no reason in

the nature of things why the manufacture of men's clothing should not be in the south of England as entirely a machine industry as it is in the north. But the tailoring industry is one in which there are a large number of processes where machinery and hand labour are competing with each other. Though, on a long view, the former has steadily been replacing the latter, they are still competitors, and manufacturers may find it profitable to dispense with machinery in certain operations, provided the price of hand labour is sufficiently low. In East London and the eastern counties—to mention two examples—they have at their door a large supply of women workers who, owing, in the first instance, to casual labour among men, and, in the second instance, to the low wages of agricultural labourers, are driven to work at any price rather than have no work at all. Hence in these districts, prior to the establishment of minimum rates by the Trade Board, a large number of workers were employed in doing by hand what in the districts where higher wages must be paid was done by machinery; and since, where machinery is not used, a manufacturer can save establishment charges by giving work out to be done at home, low wages were accompanied not only by ineffective methods of production, but by home work. Nor was the technical backwardness caused by low wages the worst evil. What happened was that the industry was entered by firms who, through want of capital, could not have hoped to compete if expensive machinery and elaborate organisation had been as indispensable as they are in the better-paid districts. They became, as it were, parasites living on diseased organs and aggravating their disease, a vested interest opposed at once to higher

wages and to the technical improvements which higher wages would render indispensable, and which they, in many cases, could not afford to introduce.

The effect of the minimum rates on the firms who are unable to bear the cost of reorganisation has already been described. They have lost part of their trade, and have had to work for reduced profits. But some of the firms, who have not in the past put in up-to-date machinery, have been prevented from doing so simply by the fact that women's wages were so low that the necessary capital outlay did not seem worth making, and these firms have now been obliged to bring themselves into line with their better-equipped competitors. Inquiries as to the increased use of machinery which we have addressed to several large firms of machine-makers have usually received the answer that there is no doubt that a large amount of work which was previously done by hand is now done by machinery, and that, though this is partly due to the natural development of the industry, it is also in part to be associated with the rise in wages caused by the Trade Board. In some cases the first step taken has been to substitute power-driven machinery for machinery driven by treadles. The difference between the earnings of piece-workers employed on machines driven by power and machines driven by treadles was put by one firm, after an examination of its books, at 2s. in every 12s., which means, of course, that the output of the former is about 16 per cent. greater than that of the latter. "It is undoubtedly true," writes a manufacturer of sewing machines, "that machinery is fast superseding some kinds of hand labour in the tailoring, and further that high-speed power machinery is more and more

taking the place of treadle machines for the reason that an increased output is obtained." "That's all the Trade Board's work," said the head of a large firm, as he pointed to the new plant which had just been introduced for driving the machinery by electricity. Even in our by no means extensive experience we have come across several examples of this change from treadles to gas engines or electricity being made, and our impression is that it has been a fairly common one among the more backward firms in the industry. Power-driven machinery was, however, so generally used among the larger firms before the establishment of minimum rates by the Trade Board, that this change is one by which only highly conservative firms are likely to be affected. The introduction of special machines for special purposes has probably been more common. Several firms have informed us that they have put in machinery for sewing on buttons, instead of, as prior to the Trade Board's determination, getting them sewn on by hand. "As a result of the Trade Board," stated one, "we have put in a buttoning machine, which in the course of the last month put buttons on 16,000 garments. To button knickers by machine costs 1d. per dozen pairs; to do it by hand costs 4d. per dozen." "We are going to introduce a buttoning machine," said another. "One girl at 4s. a day can do on a machine the work which it would need six or seven finishers to do by hand. The reason why such machines are not more generally put in in our section of the trade is that they are sold at a price which for the small man is prohibitive." Other firms have carried out more extensive additions to their equipment. "We have just spent £300 on machinery," said one, "and we

propose to spend another £100 in two or three months." "We have just spent £1000 on machinery," we were told by a fourth, "including pressing, felling, edge-sewing, buttoning and buttonholing machines. We have raised the piece-rates for finishing, trouser-making ($\frac{3}{4}$ d. per pair), lower-grade machining ($\frac{1}{4}$ d. per pair), and coat finishing (1d. per garment), but the cost of production has been considerably reduced," owing, it would appear, to the increased output. It is not possible, with the information at our disposal, to say how far these statements can fairly be regarded as typical. They suggest, however, that one source from which the advance in wages has been met is the increased use of machinery. The inworkers are, of course, first affected by the change. But it is likely ultimately to diminish home-work, and this agrees with the evidence which has come to our notice as to the erection of new factories by several firms.

(v) GENERAL CONCLUSIONS

We have presented the evidence of improvements in the efficiency of workers and in the organisation of the tailoring industry in some detail because it establishes a point which is of some importance for the understanding of the probable effects of the establishment of minimum rates of payment. What it suggests is that, in industries where employers are not subjected to the levelling pressure of Trade Unionism, wages tend to vary very largely from district to district, that in the districts where they are least the low price of labour reduces the efficiency of the workers and tends to encourage slackness of management, and that there is, therefore, a margin over which wages can be raised by

the action either of Trade Unionism or of a Trade Board without raising the cost of production or prices, a margin which is measured by the difference between the productive capacities of the low-wage and high-wage districts. It is this fact which constitutes the real answer to the suggestion that an increase in wages brought about by the action of a Trade Board is likely in the long run to result in increased prices or in the curtailment of the expansion of the industry. If it is confirmed by the experience of other industries, it ought substantially to modify the spirit in which questions of wages and labour legislation are often approached. An assumption which is still not uncommon is that the self-interest of competing employers is the guarantee that the most efficient methods of industrial organisation will be adopted. The workers, it is now admitted, are in a weak position to drive a bargain, and for this reason need the protection of Trade Unionism and of the law. But such intervention will only secure them a larger share of the product ; it will not increase the product itself. That, it is argued, is maintained at the maximum of which a business is capable by the natural desire of manufacturers to secure for themselves the largest possible profits. Expelled from the wage contract, the economic man is still supposed to control the direction of industry. If it is not explicitly stated, it is constantly assumed, that at any one moment an industry is organised in the most efficient way which the resources of science make possible, and that the " representative firm " is one which is perpetually endeavouring to introduce the latest improvements in organisation, machinery, and general equipment ✓

This assumption is, indeed, almost necessary, if

not to the economic theory which states that wages are determined by the net value of the worker's product, at least to the corollary often drawn from that theory that wages tend to approximate to the maximum which the resources of an industry allow. For, unless it is made, the worker could retort that the product has been reduced through no fault of his own, but through bad management. In reality, except in a few strongly organised industries, no assumption could be farther from the truth. What is true is that competition does keep competing employers up to the mark *in those matters which come within their immediate purview*, and the significance of which needs no special effort either for their understanding or for their application. No man buys dear if he can buy cheap, or sells cheap if he can sell dear. But there are a large number of matters which do not ordinarily come within the purview of more than a small number of exceptionally enlightened employers, because they have not any immediate competitive significance, and, with regard to these, the actual practice of employers is no guide to the practice which is either economically or socially most beneficial. In the words of Mr. Rowntree,¹ himself a large employer, "It may be argued that employers only pay low wages because it is to their advantage to do so; that they are so shrewd, and competition is so keen, that if efficiency wages were more profitable, they would always be paid. However valid such an argument appears, like many theoretical arguments it will be found to have very little validity if tested by actual experience. . . . Employers, like other people,

¹ "The Effect of Minimum Wage Legislation upon British Industry," by B. Seebohm Rowntree, in the *Financial Review of Reviews*, July 1914, pp. 776-777.

get into ruts, and the payment of low wages may be the result, not of a carefully thought-out policy, but of an old custom which might very profitably be superseded." The ordinary barrister does not spend time in considering how legal procedure can be improved. On the contrary he finds *Jarndyce v. Jarndyce* a gold mine. The ordinary employer of labour does not spend sleepless nights reflecting whether by raising wages he could not increase the efficiency of his employees, or whether he could not meet the extra cost by better organisation and machinery, until the need of attending to such matters is forced upon his notice. While to the outside observer such matters appear fluid, to those actually engaged in the industry they usually present themselves as conditions which are more or less fixed, which "will last our time," and to alter which would involve capital expenditure and the tiresome work of reorganisation. For this reason a demand for an advance in wages cannot be satisfactorily met merely by the demonstration that an employer or a group of employers "cannot afford to pay more." For the product out of which wages are paid is not a fixed quantity. It varies with varying conditions, among which are the level of wages themselves and the quality of the management; and, unless wages and other conditions of work are already such as to produce the maximum output possible, an employer who advances this plea lays himself open to the retort, "If you cannot pay more, you are not fit to be an employer." In fact there are probably not many industries where the actual product is identical with the potential product under good conditions of labour and management. The melancholy reflection, "O si homines scirent quantula sapientia guber-

nentur!" has an industrial as well as a political application.

The effect of an advance in wages in such conditions is, as one manufacturer after another has stated, to increase the efficiency of the worst-paid workers and to level up the organisation of the most backward to that of the most progressive firms. That low rents make farmers indifferent to the need of improvements is a famous doctrine which has played a considerable part in English agricultural history. But it is not always realised that the effect upon industry of low wages is exactly similar to that ascribed—whether rightly or wrongly—to low rents in agriculture. They pauperise the employer by giving him an advantage which his competitors do not possess, which he has not earned by labour or forethought, and which enables him to hold his own, at least temporarily, without the application of brains and capital. If he could not obtain fresh relays of workers he would realise that it was in his own interest to offer them good conditions. But, since these are always being provided for him by the growth of population, he is able to compete by paying low wages and attracting fresh recruits when one set is exhausted; and he thus resembles a farmer who spoils land by bad farming towards the end of his lease. A minimum wage sets up a standard of management to which the worst-equipped firms in the industry must conform. Its effect is thus to apply to the manufacturer, though in a much softened form, the same tests of efficiency which are applied to workmen. If a workman cannot get a certain amount of work off his machine, he is dismissed, on the ground that he is not profitable to the employer. But in the absence of a minimum wage

an employer may be as incompetent as he pleases, he may be careless as to organisation and parsimonious in the matter of equipment, and yet maintain his position merely because labour is cheap. What the establishment of minimum rates by a Trade Board does is to exclude from the industry those employers who cannot attain the level of efficiency which is measured by their ability to pay a low minimum. If the effect of it were to transfer business from them to their better equipped competitors, there would be some migration of industry and consequent local distress in the immediate result. So great, however, are the opportunities for skilful organisation offered by most modern machine industries, so much are they neglected when employers can pay any wage they please, and so potent are the effects of the erection of a standard to which they must conform, that the establishment of minimum rates has been followed, at least in the tailoring industry, by a general increase of efficiency both among workers and among manufacturers.

We may now sum up the main conclusions of this chapter—

(i) There is no evidence that any appreciable rise in prices has been caused by the establishment of minimum rates of payment in the tailoring industry, though there has probably been some decline in the quality of clothing.

(ii) A few of the more backward firms, and some middlemen, have lost part of their trade to their competitors. As there has been no decline in the export of clothing, and as many employers were already paying higher wages, there is no reason to suppose that the output of the British tailoring trade as a whole has been, or is likely to be, curtailed.

(iii) The fact that the tailoring trade has developed rapidly in the districts where wages are highest, and that these districts compete successfully with those where wages are lowest, suggests that the low wages of the latter are not necessary to the continuance in them of the industry.

(iv) The effect of the fixing of minimum rates by the Tailoring Trade Board has been to increase the efficiency both of workers and of employers in the more poorly paid districts. Though it has caused a certain amount of " speeding up " of an undesirable kind, the increased costs of production have, on the whole, been met by better organisation of work and by better machinery.

V

THE EFFECT OF THE MINIMUM RATES ON EMPLOYMENT

ONE of the commonest objections brought against all attempts to establish minimum rates of payment is that their effect must be to produce or to increase unemployment. This criticism is far older than the Trade Boards Act of 1909. When in 1818 a committee of the House of Commons was taking evidence on the operation of the Acts regulating wages in the silk-weaving industry of London, one of the few employers who desired their repeal told the Committee that the Acts resulted in the workmen being "deprived of their work."¹ The standard rates fixed by Trade Unions were met by the economists of the mid-nineteenth century with the same objection; and a witness before the Royal Commission on the Poor Laws, which reported in 1909, gave it as his opinion that one way of diminishing unemployment would be for Trade Unions to accept lower rates of payment. But it is naturally in connection with modern proposals, to make the payment of not less than a certain rate legally obligatory, that this line of argument has been most fully developed. Several witnesses before the House of Commons

¹ Second Report of Minutes of Evidence before Committee on Ribbon Weavers, 1818, Evidence of Mr. Stephen Wilson.

Committee on Homework urged that the proposed establishment of a Trade Board would be "to throw so many people out of work." "As long as we cannot cope," remarked one lady, "with the question of the unemployed, we ought not to throw anyone out of work who has employment, even if it is badly paid."¹ Nor is this view confined to the indiscriminating opponents of all interference with women's labour who advanced it most vigorously before the Committee. Persons of wide experience and devoted public spirit, who are anxious to see a far more stringent control of industry by the State, have criticised minimum wage legislation on the ground that it is likely to involve "increased employment of young persons and increased irregularity for adults."² Economic theorists seem to give a qualified endorsement of the same opinion. "One wonders," wrote Professor Smart in 1895 of the demand for a minimum wage in the coal-mining industry, "whether the men generally realise what such a policy involves: namely, that all but the best workers will be excluded from the pits."³ "It must be remembered," says Professor Pigou in discussing the minimum wage in *Wealth and Welfare*, "that though the aggregate earnings of workpeople as a whole are improved, the earnings of some workpeople are likely to be reduced to nothing at all."⁴

That the establishment of legally obligatory

¹ Minutes of Evidence before the Select Committee on Homework, 1908, Evidence of Miss Lawson, 3076.

² "Sweated Industries and Wages Boards," by Margaret E. Macdonald, in *Economic Journal* for March 1908, p. 144.

³ Smart, *Studies in Economics*, 1895, p. 101.

⁴ Pigou, *Wealth and Welfare*, 1912, pt. iii. chap. vii. pp. 342-343.

minimum rates, at any rate on their first introduction, causes a displacement of a certain number of the more poorly paid workers, is probable in itself and, as we shall see later, is partially confirmed by such evidence as we have been able to collect. It is perhaps worth pointing out, however, that even if the effect of the Trade Boards Act had been to intensify distress among a certain class of workers, that fact, though important, would by itself no more imply a condemnation of the system than a demonstration that it had benefited certain classes would by itself be its final justification. The establishment of minimum rates of payment may undoubtedly involve an interference with the vested interests of such workers as are unable to earn them, which is more or less serious according to whether that class is large or small, and according to the level at which the rates themselves are fixed. But in this respect the policy of the minimum wage does not differ from any other kind of social intervention, or indeed from the ordinary changes of economic life which arise from the normal conduct of industry. From the point of view of the person who loses employment, it is irrelevant whether the cause of his displacement is action on the part of the State, for example a factory Act, or action on the part of his employer, for example the reorganisation of a business. The effect on the individual concerned is certainly not more mischievous in the former case than in the latter. Whenever an employer discovers a new process, whenever a change in fashion causes the production of one class of goods rather than of another, whenever Parliament raises the age of compulsory school attendance or passes new factory legislation, whenever a Poor Law Authority

decides to substitute a "strict" for a "lax" system of relief, there is an interference with vested interests from which small or large classes of wage-earners suffer, and suffer, often, without any such compensation in the shape of an advance in the lowest earnings as has been brought about by the Trade Board. The Poor Law Reform Act of 1834, which took away without any *solatium* the income on which many thousands of working people had been taught to rely for more than a generation, the policy of Free Trade and the policy of Protection, the constant introduction of machinery in expanding industries, all involve or have involved a disturbance of reasonable expectations compared with which the displacement of labour by the establishment of minimum rates is a *bagatelle*. The dislocation caused by the first application to an industry of a minimum wage is, in fact, a particular case of a general and much more extensive problem, and must be judged not in isolation, but in reference to it. Any argument against the Tailoring Trade Board based merely on the fact that it had made more precarious the livelihood of the older and slower workers, would be at least equally valid against the introduction of power-driven sewing machines, or, indeed, against the erection of factories themselves. It is possible to hold—as has been held in the past—that the ideal of economic life is security, and that economic "improvements" which jeopardise the livelihood of those affected by them are not improvements at all. It is something worse than illogical to tolerate the infliction of suffering with complacency when it is incidental to increasing the profits of the manufacturer, and to hold up pious hands when it is incidental to raising wages. There

is no reason why the devil should have all the good catchwords; and to the employer who displaces workers by introducing machinery, but laments their displacement when wages are raised, or to the philanthropist who sees nothing objectionable in a change of fashion, but is horrified at the idea of distress being caused by the establishment of a minimum wage, one may answer that this policy must be judged by the same standards as they claim to have applied to their own; not by the immediate dislocation which it causes, but by its general results upon social welfare.

According to the arguments ordinarily adduced, the establishment of minimum rates may cause unemployment in either or all of three ways. It may, in the first place, result in particular firms abandoning some or all of their business. It may, in the second place, induce a rise in the cost of production which raises prices, with the result that there is a diminution in, or diversion of, the demand for the goods produced. It may, in the third place, even where the volume of production remains unaltered, lead to a dismissal of the slower workers as not worth the higher rates, and to firms either turning out the same work with a smaller staff, or substituting other and more efficient workers for those who have been dismissed. Of the first and second contingencies we have already spoken. Though only one case has come to our notice of a firm giving up tailoring altogether, we have met with instances in which firms found that part of their trade was no longer remunerative, and, as a consequence, employed fewer workers. On the other hand, since there is as yet little sign that the advance in wages has seriously affected prices, the probable effects on the demand for clothing of a rise in its price need not be considered.

Indeed, one may go further and say that the statement of many of the firms whom we have interviewed, that in the twelve months following the Trade Board's determination they have been busier than in the twelve months preceding it, and that they have been unable to obtain sufficient workers, is itself a *prima facie* reason for supposing that the total number of workers employed in the tailoring industry cannot as yet have been seriously, though, owing to increased output per head, it may have been slightly, diminished. This conclusion is consistent with the fact that advances in wages have been secured in the past year by operatives in the clothing trade over and above the minimum fixed by the Trade Board; for, if employment had been diminished, it is not likely that wages would have been raised. All that these facts mean is, of course, that the clothing trade as a whole has been exceptionally active during the past twelve months, and that its prosperity has not suffered from the establishment of minimum rates by the Trade Board. When trade begins to fall off, there will, no doubt, be the usual growth of unemployment.

Such a state of things is, however, quite compatible with the displacement of particular groups of workers because employers do not regard them as worth the higher rates. Our impression is that the Trade Board's determination has caused a reorganisation of the learnership system which is likely to cause fewer workers between fourteen and eighteen to be employed in the future, a considerable number of dismissals of the slower adult women in the districts where wages have in the past been lowest, and a quickening of the already existing tendency to concentrate in factories work which would previously have been given out to be

done in the workers' homes. Owing to the great variety of conditions under which learners are employed by different firms, the task of the Trade Board in fixing rates for them was an extremely difficult one. On the one hand, there are in the tailoring trade a certain number of old-fashioned firms which take apprentices in return for a premium and give them a thorough training. On the other hand, there are a far larger number of firms where labour is subdivided and specialised, and where learners are employed only on one or two processes. In the latter businesses wages naturally tend to be higher than they are in the former, and it was mainly with an eye to this type of organisation that learners' rates were fixed by the Board. They were based, it will be remembered, on a minimum of 3s. per week for girls under fifteen, and of 4s. 2d. a week for boys under fourteen, the scale of wages advancing according to age and experience. These rates have meant an advance in the earnings of learners over the whole country, including those places where the wages of adults have been little affected. As many as forty-four out of forty-six firms, from whom we obtained information on this point, state that they now pay higher wages to learners than they did before the issue of the Trade Board's determination, and their evidence is confirmed by that of almost all the workers interviewed. It was the practice of some firms to pay female learners nothing at all during the first three months or the first six months of their employment. It was the practice of others to pay boys fairly well up to fifteen or sixteen, but then to keep them for some years at a rate which, though reasonable for a boy, was low for a young man. "Before the Act came into force learners had to work one month for nothing :

now they get 3s." "Learners were previously paid 3s. for the first month : now they are paid 4s." "The wages of learners have been raised from 2s. 6d. to 4s." "My wages were raised when the Act came in from 3s. 6d. to 8s. 4d." Evidence such as this comes from almost every part of the country. Firms have met this increase in wages in different ways. Some have adopted the policy of specialising learners to single processes in order to make them worth more at once. Others have adopted the more far-sighted policy of training them more thoroughly than before in order to make them worth more in the future. Others are endeavouring to dispense with learners altogether or to manage with fewer learners than before. Twelve out of 108 firms replied to the question whether they had dismissed anyone by saying that they had dismissed some of their learners, while others reported that they expected to employ fewer learners in the future. The reasons for this policy are obvious. In the first place, since the rates rise with age, there is a natural temptation for employers to look askance at all persons entering the trade, except at the earlier ages at which low rates can be paid. "We have decided," said one firm, "to take on no more learners who have passed the age of fourteen." And this is likely to have momentous consequences, especially in London. The tailoring trade in East London has been recruited very largely from among adults, who are often immigrants or "greeners." But if a man starts it over the age of twenty-one years, he must be paid 6d. per hour after twelve months' learnership. "The rate," stated a master tailor, "will discourage the adult apprentice, since after the year he must be paid the full minimum rate. He may, of course, be

put on piece-work, but in small shops this is always difficult, and such people will find it harder to get work in future." In the second place, the steps by which the rates progress have been criticised as likely to lead to the dismissal of workers who have reached a certain age. The determination of the increments to be given at different ages is necessarily somewhat arbitrary, and it is probable that no arrangement would have given complete satisfaction. The special points on which criticism seems to be most common are the rise in the rates of female learners from 3s. during the first six months of employment to 6s. during the third six months, and the rise in the rates of male learners from 11s. 6d. between seventeen and eighteen to 14s. 7d. between eighteen and nineteen, and 17s. 8d. between nineteen and twenty. We heard of a case in which twenty-two female learners were dismissed at the end of their first year of employment, and, though no striking instance of youths being dismissed between seventeen and nineteen has come to our notice, several employers have stated that they anticipate that that will be the result. The general conclusion that we have reached is that, while it is too early yet to express a decided opinion as to the effect of the minimum rates on the employment of learners, dismissals of learners have so far not been common and have affected only isolated individuals, but that employers are selecting their workers more carefully, and, in particular, that it will be less easy for the trade to be recruited by adults.

If the insistence that learners shall be paid a minimum wage on starting work and that their wages shall progress with age and experience leads to the abandonment of the practice, which has hitherto obtained in some factories, of relying on cheap juvenile labour to perform

work which should be done by adults, any reduction in the number of learners caused by the Trade Board will not be an unmixed evil. The question whether the minimum rates fixed by the Board have led to the dismissal of adult workers raises more serious issues. It must be remembered, however, in approaching it that the risk of jeopardising the employment of the old or slow worker is one that was present to the minds both of those who drafted the Trade Boards Act and of the Trade Board itself. To meet the case of the infirm or physically disabled, section 6 (3) of the Act provides that, "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 provision 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." In accordance with this section the Trade Board has laid down that applications for permits should be made by the person suffering from physical disability, and that they should, except in cases where the applicant has been seen by an officer of the Trade Board, be accompanied by a medical certificate.

Section 6 (3) of the Act removes the danger that time-workers afflicted with some physical injury may be prejudiced by the establishment of minimum rates. It does not do anything to deal with the problem created by the existence of a certain number of workers who, without suffering from any actual infirmity, are, for one reason or another, slow or inefficient workers. It is in connection with these that the possibility of the minimum rates causing unemployment was most generally emphasised. How great a part it played in the objections advanced by employers we have already pointed out. "Should your proposed minimum rate of wages come into force we cannot possibly continue to employ such girls as these," wrote one firm, "as we should be paying them 3s. a week more than they earn." "The proposed minimum rate," stated another, "would exclude fully 90 per cent. of this class of labour from being utilised in the future." "There are too many," urged a third, "of the naturally slow and incapable engaged in factories for the employer to be independent of them, and it would certainly mean that a large number of them would have to be dismissed." In support of these statements some firms adduced their wage sheets showing that the weekly earnings of piece-workers employed on the same work at the same rate varied by as much as from 50 to 100 per cent. The device by which the Trade Board endeavoured to meet the case of the slow worker has already been described. It consisted of an agreement that, by way of protecting the employer against "subordinary" workers, a firm should be held *prima facie* to be complying with the Board's determination if 80 per cent. of its workers were earning the minimum time-rate. But the pro-

portion is not a rigid one. It will vary with the class of workers employed. When an Investigating Officer finds that less than 80 per cent. are earning the minimum, he will naturally be suspicious. But if an employer can prove that in his factory there is a larger proportion than usual of "subordinary" workers, he may still be held to be obeying the Act.

The elasticity which is introduced into administration by this interpretation of the clause in the Act providing that "ordinary" workers must earn the minimum time-rate has grave disadvantages, which are discussed below.¹ But it obviously diminishes the incentive which might otherwise be felt to dismiss slow workers. If an employer can demonstrate that his workers, or some of them, *are* inefficient, he does not risk a prosecution by keeping them on. Nor can he avoid prosecution by dismissing them, for in that case the proportion of workers of more than ordinary ability would be increased, and their weekly earnings should, therefore, be higher. But the incentive to dismiss slow workers is not altogether removed. For an employer can make his wages *appear* to be better by getting rid of the less efficient workers, and he is, in that case, perhaps more likely to escape an awkward catechism from the Investigating Officers. The question whether many dismissals have actually taken place we have attempted to answer by inquiries among employers and workpeople, the result of which are set out in the following table. It gives the number of firms in different districts which state that they have dismissed one or more workers as a result of the Trade Board's determination. The information relates exclusively to adult workers employed on the premises of

¹ See pp. 240-249.

employers. It does not refer either to learners or to homeworkers.¹

TABLE XI.

	Number of firms giving information as to dismissals.	Firms who have not dismissed any workers.	Firms who have dismissed 1 or more workers.	Particulars.
North-Eastern and North-Western Districts. }	59	46	13	<ol style="list-style-type: none"> 1. "2 out of 20 women dismissed" (10 %) 2. "10 or 12 out of 50 women dismissed" (20 %). 3. "12 out of 300 women dismissed" (4 %). 4. "5 %, mostly chronic inefficient" (5 %). 5. "1 or 2 out of 130 women dismissed" (under 2 %). 6. "1 or 2 out of 200 women dismissed" (under 2 %). 7. "1 or 2 out of 78 women dismissed" (under 2 %). 8. "1 or 2 out of 110 women dismissed" (under 2 %). 9. "Have reduced staff." 10. "Have weeded out bad workers." 11. "When Trade Boards Act came in, all my women workers left." 12. "Girls are now turned off almost before the work is done." 13. "Both at A's and B's the Trade Boards Act has caused many dismissals."
South Midlands and South-Western Districts. }	21	10	11	<ol style="list-style-type: none"> 1. "Several dismissed out of about 130 women." 2. "15 dismissed out of 95 (several came back later)" (16 %). 3. "40 dismissed out of 550 (several came back later)" (7 %). 4. "A few out of 100 women." 5. "About 10 % have been dismissed" (10 %). 6. "Dismissed 1 worker." 7. "Several inefficient have been warned or dismissed." 8. "A few workers dismissed, mostly younger girls." 9. "A few workers dismissed, mostly younger girls below average intelligence." 10. "Some younger workers gradually weeded out; more careful selection in future." 11. "When work was slack worst workers dropped and not re-engaged."

¹ For "Homeworkers," see Chapter VI. pp. 210-220.

TABLE XI.—(continued).

	Number of firms giving information as to dismissals.	Firms who have not dismissed any workers.	Firms who have dismissed 1 or more workers.	Particulars.
Eastern District and London. }	15	3	12	1. "5 % slow workers weeded out from 250" (5 %). 2. "1 dismissed out of 500" (under 1 %). 3. "Very few dismissals of slow workers." 4. "5 % slow workers dismissed. Work lost through orders going to firms which evade rates; hence 71 women reduced to 21." 5. "A number dismissed since the Trade Boards Act." 6. "1 machinist dismissed." 7. "12 or so dismissed out of 120" (10 %). 8. "Several had to leave because increased cost of manufacture caused loss of orders." 9. "20 dismissed out of 80" (37 %). 10. "Weeded out workers gradually over two or three years; always used to weed out workers to some extent." (Trade Union secretary states 2 or 3 workers dismissed out of about 750). 11. "Dismissed 27 old workers out of 350" (7 %). 12. "A very few women discharged out of 98."
Total,	95	59	36	

Out of 95 firms giving information on this point, 36 state that they have dismissed one or more adult workers as a result of the Trade Board's determination; and dismissals appear, as would have been expected, to have occurred most commonly in those districts where the advance in wages has been greatest. Clearly some employers have been led by the Trade Board to consider whether certain workers were worth employing, and have answered that question in the negative. In certain cases the

proportion of workers dismissed by a firm has been considerable. Usually, however, it has been comparatively small. Among the 36 firms mentioned above, there was 1 which, soon after the Trade Board rates had become obligatory, had dismissed ¹ 37 per cent. of its women workers, 1 which dismissed 20 per cent., 1 which dismissed 16 per cent., 3 which dismissed 10 per cent., 2 which dismissed 7 per cent. It is not meant, of course, that in each case these proportions were dismissed simultaneously, but that these proportions were dismissed between the date when the minimum rates became obligatory and the date when information on the subject was obtained by us. What our evidence suggests, indeed, is not the wholesale reduction of the staffs previously employed, but the drifting away of one or two workers from this firm and one or two workers from that, sometimes at considerable intervals of time. That, in spite of some striking reductions in the number employed by particular firms, this gradual displacement has been the rule in firms which have dismissed any of their employees is, on the whole, suggested by the statements of the workers who have given us information on this point. If the homeworkers, whose evidence we discuss later, are set on one side, these number only 118, and it would not, therefore, be right to rely too much upon the information given by them. But when dismissals are taking place, the rumour of them spreads rapidly from one worker to another; indeed, we have in

¹ There was one firm which stated that the loss of part of its trade had caused it to reduce 71 workers to 21. Apparently this was not (like the rest) a case of dismissing workers because they were slow.

more than one place been told of dismissals by several different workers, and only discovered later that they were supplying several versions of the same case. It is only in rare cases that our informants have been able to point to any dismissal of workers *on a large scale*. At Newcastle, where a Trade Union secretary was interviewed, no cases of dismissal were known to him; at Hebden Bridge only five cases had occurred between February 1913 and February 1914, a number whose smallness is the more remarkable because of the very large increase in men's wages which took place there. Out of 70 workers at Leeds, Manchester and Liverpool, 2 had been actually dismissed, 11 (all working at different firms) had been threatened with dismissal unless they earned the minimum rates fixed by the Trade Board, 8 had heard of cases in which dismissals had taken place. Out of 52 interviewed at Birmingham, Bristol,¹ Swindon and Colchester, 3 had been dismissed themselves, 15 had been threatened with dismissal, 6 had heard of workers being dismissed. Without stressing this information too much, one may say that it does not suggest that any large body of workers have been displaced because they were not worth the minimum. Of the dismissal of any considerable number of men we have no evidence at all. The largest number of women workers dismissed from any one firm that has been brought to our notice is 40.

This, it may be said, is serious enough, and so it would be if it meant that all the workers of whom employers complain — whether rightly or wrongly

¹ But we have had indirect evidence that there have been a considerable number of dismissals, especially of young girls, at Bristol.

we need not now inquire—that they are “slow” or “inefficient” or “apathetic” were permanently excluded from the tailoring industry. In reality, these alleged deficiencies are, at any rate in many cases, not a constant and unalterable characteristic, but one which the mere establishment of minimum rates, by setting up a standard both for the worker and for the management, has itself done something to remove. We need not repeat what we have said above as to the effect of the Trade Board in leading to the more careful training of the workers, to more intense work, and to economies in the organisation of business. These changes have their unpleasant side, for they may mean that a firm resorts to unjustifiable methods of speeding up its workers when it ought to raise its piece-rates. But they have taken place very generally, and they obviously suggest ways by which workers may be brought up to the minimum instead of being dismissed. We have repeatedly been told by firms that in one way or another, sometimes by better training, sometimes by better machinery, usually by more careful organisation, they have succeeded in bringing up to the minimum workers whom they had previously stated to be incapable of earning it. The statements as to the inevitability of dismissals on a large scale, which are contained in the “Objections” submitted to the Trade Board, are not reliable as an indication of what actually occurs, as they were in some cases obviously compiled *in terrorem*, and painted a dark picture in order to induce the Board to lower the minimum rate. Indeed, on visiting one firm whose objection foretold numerous dismissals, we were informed that not a single worker had been displaced. More-

over, since time is required in order that the new standards may be adopted, the immediate displacement of workers on the first application of the minimum rates is no proof that the workers displaced will be permanently excluded from the employment even of the firms which dismissed them. In two of the most serious cases of workers being displaced which have come to our knowledge, dismissal followed by re-engagement is, in fact, what actually happened. In the first instance, a firm which had tried for some time to force the slower workers to earn the minimum time-rate on inadequate piece-rates dismissed 40 of them, in order thoroughly to frighten them. Its proceeding was a piece of reprehensible tyranny, but it did not involve the workers affected in permanent unemployment, for in a short time they were all taken back. In the second instance, the advent of a new manager, who declared he would make the workers earn the minimum time-rate without raising the piece-rates, resulted in 20 of them being dismissed. Happily, however, this policy was of short duration. His removal to another district brought the reign of terror to an end, and most, though not all, of the workers were re-engaged by the same firm.

Nor does it follow that, even where the workers who have been dismissed do not recover work, as in these cases most of them did, with their old employer, the aggregate volume of employment is diminished. In the first place, several cases have come before us in the course of our inquiries which suggest that the displacement of workers does not represent the permanent exclusion of any class from the industry, but a reshuffling of jobs. When the minimum rates

became obligatory many employers were led to overhaul their businesses. They decided that they would "weed out" the less efficient workers and engage others. But when they had done so they found that, as their competitors were doing the same, it was not easy to discover the others who were to be engaged. Meantime, as their businesses did not fall off, they wanted as many workers as before. Insensibly, therefore, they took on workers displaced from other firms when they applied for work, and endeavoured to meet deficiencies by more careful supervision. Thus two "jacket hands," who were dismissed from a firm in Liverpool, went straight to another and found employment at more than the minimum rates. A worker who was earning 9s. when the minimum rates became obligatory asked for 13s. 6d. and was dismissed, but obtained work almost immediately elsewhere. Two workers dismissed from a firm in the eastern counties immediately obtained work in another district. A homeworker dismissed a learner who was working with her, but the firm increased the number of learners whom it taught on the premises, and the girl whom she had dismissed was taken into the factory. In the second place, there is reason to believe that the dismissal of workers represents in some cases not so much a decrease as a concentration of employment. Students of Trade Union Unemployment figures will recollect that in several Unions which pay out-of-work benefit the unemployed percentage represents a comparatively small number of individuals who are receiving benefit for considerable periods of time, not a large number who are receiving it for short periods. What this means would appear to be that in trades where the standard rate is relatively high, employers do not necessarily

employ fewer men, but employ more constantly the more efficient and more rarely the less efficient, than they do in trades where no standard rate exists, so that, though a standard rate need not involve more men being unemployed, it does involve more unemployment for a man who is unemployed. To put it in other words, where workers are so helpless that they will accept any kind of wage, employers will often accept any kind of men, while, where the wage is raised, selection takes place. We cannot prove that this has been the result of the minimum rates fixed by the Trade Board, for no information as to the personnel of those who have been displaced is at present available. It may be suggested, however, that this is a result which is likely to follow almost inevitably from the raising of the standard of work, and the more careful selection of workers which has been one consequence of the establishment of the Trade Board. In the case of homework, where an employer has the alternative of giving out small quantities of work to numerous workers, or larger quantities to a smaller number of workers, there are clear indications that this concentration of work has already begun to take place. But the effect of the minimum rates on homework raises such large questions that we reserve them for the next chapter.

It seems to us, therefore, that, except in comparatively rare instances, no serious displacement has hitherto taken place in the tailoring trade through the operation of the minimum rates. Nor do we anticipate that it will. What is more likely to happen is that the trade will be recruited somewhat more slowly in the future, partly because the effect of the advance in wages is to increase the output of firms, and so to

enable them to meet the increase in their trade without a corresponding increase in their staff, partly because it is no longer so profitable as it was to employ cheap juvenile labour. The prognostications of numerous dismissals as the result of an advance in wages appear, indeed, to overlook the fact that the personnel of every industry is constantly changing in the normal course of events, through the influx of new workers and the efflux of old workers. That influx is likely in the future to take place somewhat more slowly, because with higher wages and better management each worker produces more, and it is significant that the dismissals brought to our notice have usually been dismissals of young workers. But, since the trade is constantly growing, there is no reason to anticipate any considerable unemployment of workers who are already in the trade. Indeed, if fewer workers are required to produce a given output, and the total demand for clothing does not grow as rapidly as it has grown hitherto, the result to be anticipated is not the dismissal of existing workers, but the engagement of somewhat fewer recruits. We may cite as an analogous case that of the cotton industry. If the output of women ring-spinners were as small in Lancashire as it is said to be in China, the number required to produce the amount of yarn now made by ring-spinners in Lancashire would be four or five times as large as it is, for one Lancashire ring-spinner earning from 18s. to 25s. per week is stated to produce as much yarn as five Chinese ring-spinners; earning 5s. or 6s. each. Clearly, however, it would be very irrational to express this fact by saying that the relatively high wages of Lancashire ring-spinners had caused unemployment in the cotton industry. It is probable that, as wages are raised by the Trade

Board, the larger output per head will cause the number of persons in the tailoring industry to increase somewhat less rapidly from decade to decade. But it would be equally unreasonable to describe that result as implying that the Trade Board had been productive of unemployment.

VI

THE EFFECT OF THE MINIMUM RATES ON HOMEWORK

(i) THE GENERAL CHARACTER OF HOMEWORK AND HOMEWORKERS

THERE is one section of workers under the Tailoring Trade Board whom we have reserved for special treatment, because the peculiar position which they occupy in the industry causes special problems to be raised by the question of the effect of the minimum rates upon them. That class consists of the homeworkers or outworkers. Under the heading of outworkers are often included not only workers performing work at home, but small masters who take out work from larger firms, get part of it done in their workshops and distribute the rest among a clientèle of workers employed at home. It is with the latter class that we are principally concerned in this chapter; for the sake of clearness we shall call such workers homeworkers, and the masters who often, though not always, act as intermediaries between them and the ultimate employers, sub-contractors.

The total number of women homeworkers employed in those sections of the tailoring industry which are under the Tailoring Trade Board cannot be

stated with any precision, though it is conjectured by persons of experience to be between 15,000 and 22,000.¹ What it is more important to notice is that, while in certain large centres of the industry homework is almost non-existent, in others the number of homeworkers is extremely large. An explanation of the curious unevenness in the geographical distribution of homeworkers has already been suggested in Chapter IV.² In view of the fact that in Hebden Bridge homework does not exist, and that in Leeds and Manchester it exists only on a comparatively small scale, it cannot be said to be an economic necessity. Nor, indeed, is it certain that it is an unmixed advantage to the employer where it does exist. As we have already pointed out, the general opinion of large manufacturers in the north of England appears to be that it is impossible to secure from homeworkers the same uniformity of production as can be obtained from workers who are all employed under the same conditions in the same factory, and even among the firms who do employ numerous homeworkers opinion is by no means unanimous that the work is done more cheaply when given out than in a factory. The reason why homework flourishes in certain districts is not because it has been deliberately adopted by manufacturers as the method of production which is either most economical or productive of the best results in point of quality, but because it is the line of least resistance. If all work is done in a factory, a larger capital equipment is necessary than when a considerable proportion of it is given out, and, since the tailoring trade is seasonal, part of the plant must stand idle in slack seasons,

¹ See back, p. 13.

² See pp. 112-113.

unless the output can be regularised, which is not easily done. If the employer only provides sufficient plant to cope with part of his work, and gives the rest of it out to be done at home, he escapes part of the cost involved in keeping a large factory standing idle, saves interest charges, and at the same time shifts on to the homemaker expenses in connection with lighting, heating, floor space and even machinery which he would otherwise have to bear. Since manufacturers live in the present as much as other men, the disposition to grasp these obvious advantages is natural enough, even though efficient organisation and machinery might in the long run lead to better results. The only question which remains is whether there is a sufficiently large number of women who will be willing to work for sufficiently low wages to make the policy practicable and cheap. In districts where women have alternative employments at reasonable wages, as in the textile towns of Lancashire and Yorkshire, or where the wages of men are relatively high, as in the mining villages of Durham, the necessary supply of homeworkers is not forthcoming, and tailoring is carried on entirely on the premises of the employer. When the casual labour of men, as in London, or their low wages, as in the eastern counties, drives large numbers of married women into the labour market, the temptation to give out work is irresistible. However low their earnings, the manufacturer who employs them often appears to himself a kind of philanthropist, because without him they could have no employment at all.

The nature of the relationship between the homemaker and the ultimate employer and the quality of the work done at home vary from place to place.

The homeworker may come into direct contact with the head office of the large firm; or she may be given work by its local salaried agents; or she may get work from it only indirectly and through a middleman. In rural districts it is common for a manufacturer to deal directly with the homeworker, those in his immediate neighbourhood fetching work from his warehouse and bringing it back in person, those who live at a greater distance having it distributed to them and fetched from them, when completed, by the employer's vans. This system also obtains in large towns, and some firms have established warehouses of their own in the districts in which the homeworkers live. The more ordinary arrangement, however, at any rate in London, is for the ultimate employer to give out work to a subcontractor or middleman,¹ from whom it is fetched and to whom it is returned by the homeworkers, the advantage to the employer being that the subcontractor saves him the labour of dealing directly with several hundred homeworkers, distributes to them the work which he supposes each best qualified to do, brings the finished articles back in one lot, and saves the employer from the responsibility of supervision, including, one must unfortunately add, responsibility for seeing that workers earn the minimum rates. The phrase subcontractor or middleman is, however, ambiguous, as it includes under one category persons who have nothing else in common. At one end of the scale is the Jewish small master, who is given work because he is a highly skilled specialist, and because, while paying relatively high wages, he can make it both better and cheaper than it can be done in a factory.

¹ For a further discussion of the middleman's position, see Chapter VII. pp. 233-240.

At the other end is the subcontractor who executes no work on his own premises, and is simply an intermediary between the employer and the homeworker. Between the former, who usually employs no homeworkers at all, and the latter, who employs no one but homeworkers, there are subcontractors who employ homeworkers in smaller or greater numbers as they approximate to one extreme or the other. On the relative importance as employers of homeworkers of the large firms giving work to them direct, the Jewish small master or subcontractor, and the non-Jewish subcontractor, some light is thrown by the following figures,¹ which relate to London:—

TABLE XII.

	Number of firms visited.	Employing homeworkers.	Not employing homeworkers.	Largest number of homeworkers employed by one firm.
(a) Large manufacturers	21	10	11	63
(b) Jewish contractors .	20	6	14	5
(c) Non-Jewish „ .	20	almost all	...	...

Not only did the last group of firms, the non-Jewish contractors, nearly all employ homeworkers, while the majority in the two previous groups did not, but the homeworkers employed by the last group greatly exceeded the workers employed by them on their own premises. They numbered 304 against 184 in-workers.

The character of the work done by the homeworkers

¹Tailoring Trade Board Papers, No. 924.

is as various as the organisation under which it is performed. We do not allude to the kind of garments (coats, vests, trousers, etc.), which is unimportant, but to the processes upon which the homeworkers are engaged, and more particularly to the quality of the work. For the first point we must refer the reader to Table XVII. (page 196), where it will be seen that out of 523 homeworkers in London from whom information on this point was obtained, 323, or 61·8 per cent., were finishers. Finishing, indeed, is by far the most general process upon which homeworkers in the tailoring trade are employed, both because it can be performed without the use of a machine, and because it requires little, if any, training. The second point, that of the quality of the work performed by homeworkers, is a matter of some importance. While it is well known that the quality of the work given out to the Jewish small masters is very often superior to that which is done in the factory, it is often assumed that only the poorest and cheapest quality is given out to homeworkers, and that the lowness of their earnings is explained by the inferiority of their work. In reality no such general classification is possible. The cheapest and worst class of clothing, the clothing which has abandoned all pretence of being anything except the temporary integument of bipeds, is made for the "shipping" trade, and is supplied to South African races who are required by the law to be clothed, but are not obliged by custom to be dressed. Of such clothing a great deal, it is true, is made by homeworkers. But a great deal is made also in subdivisional factories with the use of machinery, and, according to some manufacturers, the latter method is little, if any, more expensive than

the former. Nor is it the case that the homeworkers are *predominantly* engaged upon the very lowest quality of clothing, or that it is when they are engaged upon this that their earnings are lowest. Many of them are making garments which are superior in quality to those made not in the best, but in the inferior, workshops, and it frequently happens that the lowest type of garments on which the lowest rates are paid yield a better weekly wage to the worker than garments of better quality which are paid for at higher rates. This fact reinforces the evidence, adduced above from the absence of homeworkers from particular districts, for supposing that homework is not, from the point of view of the industry as a whole, an economic necessity without which certain branches of the manufacture could not be carried on. What it means is that, *given proper machinery and organisation*, reasonable wages can be earned by factory workers making the very poorest class of clothing, and that what drags down the earnings of the homeworkers is not merely, or even principally, the fact that the goods are of inferior quality and paid for at lower rates, but that they are working without proper organisation and machinery.

When one turns from the general conditions of homeworkers to inquire who exactly the homeworkers are, one finds oneself in a world whose intricacies no statistics can unfold, and within which every variety of human experience is represented, a microcosm whose inhabitants seem at first sight to resemble each other in nothing except their insecurity, their helplessness, and their isolation. There is the woman who works at home because domestic circumstances do not allow of her working in factories, the woman who

would like to work in factories but who cannot maintain the speed demanded of inworkers, and the woman who takes homework only now and then and who is not a regular wage-earner at all. In the first class are a certain number of workers who do tailoring at home not because they are driven to it by necessity, but because they want to lay by a little money of their own, or because they have a certain amount of time on their hands. "Thank God, I haven't got to live by it," said a worker to us, "but I pity them as has." But these workers, the childless wives of well-to-do artisans, or the mothers of children who can keep them without their working, are not numerous. The vast majority of homeworkers work because of the immediate and pressing necessity either of keeping themselves or of supplementing the family income. If they had no home ties, or if they could work at high pressure, they would often prefer to work in factories. For tailoring at home "is a starved life," "no life at all for a young woman like me"; and those of them for whom domestic duties make factory employment impossible sometimes describe with pride how they have been visited on behalf of their employer and begged to "work in." Among them is every shade of poverty, from the temporary distress of a woman whose husband is out of work through seasonal slackness, or the more irremediable misfortune of the wife of an undertaker who has taken to tailoring because "people aren't dying half fast enough" and of a debt collector who is ruined because debts have been paid up, to the permanent, grinding poverty of the casual labourer. The common view that it is the women working for pocket money who acquiesce in the lowest prices and the

hardest work seems to us to need a considerable amount of qualification. Women are no more naturally blacklegs than men are, and in our experience those who have any real option of taking or refusing work hold out for their price.¹ What drags down the rates is that the vast majority of homeworkers have no real option at all. Living in a world of naked

¹ The following figures attempt to show roughly whether workers who are entirely dependent on their earnings are worse off in the matter of pay than workers who are not. It would appear that they are.

TABLE XIII.

TAILORESSES.		Good pay.	Medium pay.	Bad pay.	Total.
Single .		17	18	14	49
Married {	Not dependent on earnings .	76	45	29	150
	Partly dependent .	27	52	42	121
	Wife chief breadwinner .	20	22	40	82
Widowed {	Help from children .	11	14	13	38
	Dependent on earnings or				
	Relief	27	27	27	81
Total .		178	178	165	521

At least half a dozen "good pay," "not dependent," work to get "extras" for a delicate child or to keep an invalid relative. Among the "good pay," "wife chief breadwinner," are several cases where the husband has been temporarily disabled, or become an invalid and the family had been in better circumstances.

motives which is governed by work, hunger and fear, fear that there may be less work and more hunger, the wives of men who are paid starvation wages, or who are irregularly employed, snatch work for the sake of their children as a wild animal forages for its cubs, and with the same heroic indifference to the effects of their self-devotion upon themselves. No wonder that they underbid each other, and, when they do not laugh incredulously at the suggestion that prices may be raised, tremble lest the incredible event should happen and leave them with no employment at all. No opinion was expressed to us more constantly or with greater bitterness by the more prosperous workers than that "married women and Jews have ruined the trade." Homework is a plant which flourishes in a soil prepared by the underpayment or irregular employment of men, and the wages of dockers, carmen and a host of casual or sweated male workers are made up by the ceaseless labour of women in thousands of homes. Though the types of women engaged in homework are various, those of which we have just spoken preponderate so enormously that in tables where numbers are grouped together hardly any other type seems to appear. Tables XIV., XV. and XVI. set out the facts as to the age, conditions as to marriage, and husband's or father's occupation, of two small groups of homeworkers (*a*) in East London, (*b*) in Colchester.

The general features of the picture contained in these tables are unmistakable. The type of homeworkers varies little, it would seem, in London and Colchester. The majority of them are middle-aged or elderly women. Two-thirds of them are married, only about one-fifth in Colchester and one-tenth in London are single, and the rest are widows.

They are predominantly the wives and daughters, usually the wives, of men¹ whose employment is

TABLE XIV.
Ages of Homeworkers.

	(a) LONDON.	(b) COLCHESTER.
65 and over . . .	62 or 9.7 per cent.	6 or 3.8 per cent.
55 and under 65 . . .	80 „ 12.5 „	23 „ 14.6 „
45 „ „ 55 . . .	145 „ 22.7 „	37 „ 23.5 „
35 „ „ 45 . . .	209 „ 32.7 „	57 „ 36.3 „
25 „ „ 35 . . .	124 „ 19.4 „	30 „ 19.1 „
20 „ „ 25 . . .	15 „ 2.3 „	2 „ 1.3 „
Under 20 . . .	4 „ 0.6 „	2 „ 1.3 „
Total answering .	639	157

TABLE XV.
Condition of Homeworkers in respect of Marriage.

(a) LONDON.			
Total answering.	Married.	Widowed.	Single.
745	507 or 68.1 per cent.	152 or 20.4 per cent.	86 or 11.5 per cent.
(b) COLCHESTER.			
Total answering.	Married.	Widowed.	Single.
167	113 or 67.6 per cent.	22 or 13.2 per cent.	32 or 19.2 per cent.

¹ Compare *West Ham*, by E. G. Howarth and M. Wilson, 1906, p. 268, where figures are given establishing the same fact.

TABLE XVI.

Occupations of Husbands or Fathers of Homeworkers.

	(a) LONDON.	(b) COLCHESTER.
Agricultural labourers .	...	14
Labourers unspecified .	63 or 16·1 per cent.	...
Dock labourers .	59 „ 15·1 „	...
Other labourers (builders, gas, engineers, copper- smiths, electricians, fish)	17 „ 4·3 „	33
Carmen	50 „ 12·7 „	...
Artisans	101 „ 25·8 „	27
Seamen	15 „ 3·8 „	9
Transport workers (exclud- ing dock labourers, sea- men, and carmen) .	12 „ 3·1 „	...
Public services (postmen, policemen, soldiers, etc.)	9 „ 2·3 „	...
Miscellaneous . . .	66 „ 16·8 „	17
Total answering .	392	100

casual or whose wages are low, and who are described as “labourers” of one kind or another. Both in London and Colchester about one-quarter appear to be the wives of artisans.

Let us try to fill in these rough outlines. On what sorts of work are homeworkers principally engaged? What proportion of them are self-supporting? From what sources are their supplementary incomes, or the main incomes which homework supplements, derived? In the following table an attempt is made to answer these questions:—

TABLE XVII.

		"Right out" Workers.	Machinists.	Finishers.	Total.
Aged or in- firm	Self-supporting . . .	8	20	58	86
	Help from relatives or friends . . .	...	8	22	30
	Parish relief . . .	...	...	9	9
	Old age pensions . . .	1	...	21	22
Total .		9	28	110	147
Able-bodied under 50	Self-supporting . . .	15	47	42	104
	Help from relatives or friends . . .	...	...	...	...
	Parish relief . . .	...	1	1	2
Total .		15	48	43	106
Mainly supported by husband's earnings, all ages and degrees of infirmity .		18	82	170	270
Grand Total .		42	158	323	523

From these tables the following facts emerge :—

(i) Of 523 homeworkers 42, or 8 per cent., were "right out" workers, doing the whole of a garment, except, of course, the cutting; 158, or 30·2 per cent., were machinists; 323, or 61·8 per cent., were finishers.

(ii) Of the whole number 270, or 51·6 per cent., depended mainly on their husbands' earnings; 253, or 48·4 per cent., depended entirely upon their own work and upon resources other than the earnings of their husbands.

(iii) Of the 253 who depended mainly upon home-work and sources of income other than husbands'

earnings, 147, or 58·1 per cent., were aged (over 50) or infirm, 106, or 41·9 per cent., were able-bodied and under 50. It is evident, therefore, that many of the homeworkers are not "ordinary workers," in the sense of section 8 of the Trade Boards Act.

(iv) There is a marked difference between the three groups of "right out" workers, machinists, and finishers in respect of (a) age, (b) whether they are or are not self-supporting.

(a) Excluding those in each class who are supported by their husbands' earnings, and whose age is not given, one finds that of 24 "right out" workers, 15 are able-bodied and under 50, 9 are aged or infirm; of 76 machinists, 48 are able-bodied and under 50, 28 are aged or infirm; of 153 finishers, 43 are able-bodied and under 50, 110, rather more than two-thirds, are aged or infirm. Finishers are therefore, on the whole, the most helpless class.

(b) Excluding again those in each class who are supported by their husbands' earnings, one finds that of 24 "right out" workers, 23 are self-supporting; of 76 machinists, 67 are self-supporting; of 153 finishers only 100 are self-supporting. To put the same thing in another way—

Of 30 workers receiving help from relatives (other than husbands), none are "right out" workers, 8 are machinists, 22 are finishers. Of 11 workers receiving parish relief, none are "right out" workers, 1 is a machinist, and 10 are finishers.

Of 22 workers receiving old age pensions, 1 is a "right out" worker, none are machinists, 21 are finishers.

(ii) THE EARNINGS OF HOMEWORKERS

We have described at some length the organisation of homework and the economic character of homeworkers, because, without some such introduction, the effect upon them of the Trade Board's determination can scarcely be understood. Had the Tailoring Trade Board, like the Chain-making and Lace-making Boards, succeeded in fixing general minimum piece-rates, the fact that a large number of homeworkers are slow, aged, or more or less infirm, would have been relatively unimportant. Neither the employer nor the investigating officer would have been under the necessity of considering the workers' earnings. The former would merely have had to observe the prices fixed in the list, the latter to see that he complied with them. The worker would have known exactly what she ought to be paid, and, when she was paid less, the discovery of breaches of the determination would have been, as at Cradley Heath, relatively easy. The advantages of fixing minimum piece-prices are so overwhelming, that an attempt to do so was made by the Trade Board. Inquiries into piece-prices actually paid were carried out by investigating officers to supply material for a piece-list, and a committee sat for some months endeavouring to draft one. The question of the practicability of doing so is a technical matter upon which an inexperienced opinion is valueless. But it may be said that both employers and workers agreed that to fix general minimum piece-prices was at the moment impracticable. The fact that the task should have been undertaken successfully by the Clothing Boards of certain Australian States is no indication that the same can be done in England, where the

trade is much larger and more intricate, engaged in making a far greater variety of articles under a far greater variety of conditions than in Australia. Of the two principal difficulties, the enormous differences in quality between different grades of the same article, and the fact that the yield of piece-rates depends not only upon their level, but upon the organisation and equipment with which the employer works, both seem almost insuperable. It has already been shown that the presence or absence of machinery, the degree to which work is subdivided, and the care taken to keep the worker regularly supplied with work, may make a difference in her earnings of several shillings per week. But in these respects both districts and individual firms show every degree of variation from each other. If general minimum piece-rates were fixed for the whole trade, so as to allow the worker to earn the minimum time-rate in a well-organised factory, those employed in less efficient factories and all homeworkers would earn far less than the minimum time-rate. If the minimum piece-rates were fixed so as to yield the minimum time-rate to the solitary homeworker, the effect would presumably be that the incentive to improve machinery and organisation would be removed, and that the workers who are now earning considerably more than the minimum time-rate would see their earnings reduced. At present, in considering whether an employer's piece-rates are adequate, the Trade Board authorities allow for differences in organisation and equipment, and do not accept evidence that the piece-rates of inworkers are satisfactory as in itself a proof that they are adequate in the case of outworkers. General minimum piece-rates which took no account of the extreme

varieties in the conditions under which the work is carried on would almost inevitably, since the trade is not standardised, prejudice either the workers whose earnings are at present lowest, or the workers whose earnings are at present highest. Even supposing this difficulty to be overcome, there would remain the more serious one, which consists in the great range of different qualities in articles which are called by the same name. The worker's earnings depend not only on the piece-rate, nor only on the piece-rate and her equipment, but on the amount of work which she is required to put into each garment. Indeed, from most of the evidence which we have seen, it would appear that even among homeworkers the lowest earnings are found, not among those who are making the very cheapest clothing on which the piece-rates are lowest, but among those who are paid higher piece-rates, but who earn less because the class of clothing is somewhat better and more work must be put into it. The contractors who give out garments are quick to notice any inferiority in the work put into them. In one case which we met a woman was reported to be earning less than the minimum time-rate. Evidence was adduced to the effect that the explanation was not that the piece-rates were too low, but that she was a skilled worker who could not work badly enough. On advice given her, therefore, she did the next batch a little more quickly and carelessly, only to have them ripped up by the middle-woman on the ground that she would not pass work like that. If these differences in quality were broad and determinate, it would be possible, of course, for the Board to fix different minimum piece-rates for each quality, as it has done in the case of the four

qualities of hand-hammered chain. But they are often mere *nuances* which, though they make all the difference to the worker's earnings, are not susceptible of definition. An attempt to fix general minimum piece-rates might, therefore, result in the same prices being established for work which, though nominally the same, required in reality very different degrees of exertion ; with the consequence that they did not yield the minimum time-rate on articles where any but the quickest and roughest work was required. While, therefore, it is to be hoped that the attempt to fix minimum piece-prices may be resumed with better success on some future occasion, it is not surprising that for the present it should have broken down.

The failure to fix minimum piece-prices, while it means that it is peculiarly difficult to enforce the Trade Board's determination in the case of homeworkers, does not mean that their rates have not been raised. Among the homeworkers who have given us information there were some who spoke of the Act with enthusiasm, one worker describing how she wept with incredulous joy when a rise in the rates was announced to her, another how she at once decided to set aside her extra earnings for old age, while others have dwelt on what the advance has meant to them in the shape of bread and other necessities. In the following table an attempt is made to state what proportion of two small groups of homeworkers have had their rates raised since the Trade Board's determination came into force. As homeworkers do not quickly forget so important a fact as an advance in piece-rates, these figures may, in our opinion, be regarded as reliable.

TABLE XVIII.

Piece Rates raised or unaltered.

(a) COLCHESTER.		
Workers answering.	Rates raised.	No change.
138	49 or 35·5 per cent.	89 or 64·5 per cent.
(b) LONDON.		
Workers answering.	Rates raised.	No change.
555	136 or 24·5 per cent.	419 or 75·5 per cent.

It will be seen that about one-third of the homeworkers interviewed in the Colchester district and about one-quarter of those interviewed in East London have had an advance in their piece-rates since ¹ the minimum rates were made obligatory on 20th February 1913. It will be understood, of course, that advances are still taking place as the result of correspondence between particular firms and the Trade Board authorities, and that it is probable, therefore, that an unknown proportion of those whose rates have not been raised will have them raised in the future. The proportion of homeworkers affected is, however, strikingly small. It will be recollected that it was suggested on page 80

¹ The Colchester figures were collected up to January 1914, and the London figures up to March 1914. Subsequent advances do not, therefore, appear in them.

that more than one-third of *all* the female in-workers in the tailoring industry ought, on the basis of the Board of Trade Report on Earnings and Hours of Labour, to have an advance in their earnings in order to bring them up to the minimum time-rate fixed by the Trade Board. It was shown that, in fact, of a small group of workers representing all parts of the country about one-third had received an advance.¹ Now the earnings of the northern workers were, before the Trade Board's determination came into force, relatively high. The earnings of homeworkers in East Anglia and in London were peculiarly low. The fact that only one-third of those interviewed in East Anglia, and only one-quarter of those interviewed in London, appear to have had their piece-rates advanced, offers *prima facie* a ground for anxiety lest the Trade Board's determination should be meeting with a certain amount of evasion.

A closer examination of the earnings of the homeworkers is not easy, but we have attempted it in the following table. This sets out (i) those who, according to their own evidence, are, and those who are not, earning the minimum time-rate in a small group of workers in Colchester, (ii) the same particulars for a group of workers in East London, together with an analysis of the workers according to age, physique and training, the application of which will appear later. The figures have been collected by getting homeworkers to state their earnings per day, and the number of hours worked per day. The obvious criticism upon them will be that such statements are incorrect. Before discussing this criticism, it is perhaps desirable to present the figures.

¹ See back, pp, 68-69.

TABLE XIX.

COLCHESTER.				
Total answering.	Earning minimum.	Not earning minimum.		
95	41	54		
LONDON.				
(a) Under 45.				
		Earning minimum.	Not earning minimum.	Total.
Able-bodied	{ Trained .	96	25	121
	{ Untrained .	13	34	47
	{ Doubtful .	21	23	44
	Total .	130	82	212
Defective	{ Trained .	1	6	7
	{ Untrained .	2	3	5
	{ Doubtful .	2	9	11
	Total .	5	18	23
Total under 45 .		135	100	235
(b) Over 45.				
Able-bodied	{ Trained .	47	37	84
	{ Untrained .	...	13	13
	{ Doubtful .	4	16	20
	Total .	51	66	117
Defective	{ Trained .	6	54	60
	{ Untrained .	1	11	12
	{ Doubtful .	1	...	1
	Total .	8	65	73
Total over 45 . . .		59	131	190
Total under and over 45		194	231	425

It will be seen that out of 95 homeworkers in the Colchester district rather less than one-half were earning at the time of our inquiry the minimum time-rate, and that out of 425 homeworkers in East London 45·6 per cent., again rather less than half, were earning it. If these figures are correct, and if there is no special factor (such as the inclusion of an abnormal number of subordinary workers) to explain them, they suggest that a large proportion of homeworkers are being deprived of the wages to which they have a legal right. Are they correct? Now it must be admitted at once that statements by homeworkers as to the time which they have taken to earn a given sum are often extremely unreliable, as their work is liable to interruptions of which they have not the habit of keeping an exact account. Further, they are likely to under-estimate their weekly earnings and to over-estimate their daily hours, rather than to commit the reverse error. It is proper to say, therefore, that these figures probably yield somewhat too dark a picture of the homeworkers' condition. On the other hand, this does not mean that they can be simply waived aside. They should be compared with the figures already given (Table XVIII.) as to the proportion of homeworkers whose rates have been raised. Homeworkers, as stated above, can answer the question, "Have your piece-rates been raised since February 1913?" with accuracy, when they cannot state with similar accuracy their weekly earnings and daily hours, and it seems reasonable, therefore, to treat their statements on the former subject as a check upon their statements on the latter. It will be seen that the relatively small proportion of homeworkers in the group investigated who appear to be earning the

minimum time-rate agrees with the relatively small proportion shown to have had their piece-rates raised (Table XVIII.) since the Trade Board's determination was issued. As there is no doubt that before the Trade Board's determination the vast majority of homeworkers were earning less than the minimum time-rate, and as only 24·5 per cent. of those interviewed in London have had their piece-rates raised as a result of it, it is not surprising, though it is regrettable, that only 45·6 per cent. should be stated to be earning the minimum time-rate subsequent to the issue of the determination.¹

Such a statement does not *necessarily* mean that the Trade Board's determination is being generally infringed. It will be remembered that by section 8 of the Trade Boards Act an employer's piece-rates need not be such as to yield the minimum time-rate to *all* the workers employed by him, but only to the *ordinary* workers. The administrative difficulties arising from the interpretation put upon this section we discuss in the next chapter. It is obvious that in a district or a section of the industry where an abnormally large proportion of workers are earning

¹ However much the figures in Table XIX. may be discounted, the reader will probably hold that, when confirmed by those in Table XVIII., they constitute at least presumptive evidence that some evasion is taking place. For another thing, the information as to work done and time spent upon it was collected with great care, general statements not being accepted unless checked by exact evidence as to the hours of beginning and leaving off work and interruptions. Moreover, though it was, of course, out of the question to time more than a few workers, a certain number were timed by visitors, and, when this was done, the homeworkers' statements were found to be approximately correct.

less than the minimum time-rate, the explanation may possibly be found in the fact that they include an abnormally large proportion of workers who, because of age, infirmity or lack of training, are "subordinary." How far the presence of such workers accounts for the fact that more than 50 per cent. of the homeworkers interviewed in East London appear to be earning less than the minimum time-rate, we have tried to indicate in Table XIX. A glance at it shows the following points:—

(i) The proportion of workers earning the minimum is much larger in the group under 45 years of age than in the group over 45. In the first, out of 235 workers, 135, or 57·4 per cent., are earning the minimum, 100, or 42·6 per cent., are not earning it. In the second, out of 190 workers, 59, or 31 per cent., are earning the minimum, 131, or 69 per cent., are not.

(ii) Both in the group over 45 and in the group under 45 the proportion of "able-bodied" workers earning the minimum is considerably larger than the proportion of "infirm" workers earning it. In the first group, out of 212 able-bodied workers, 130, or 61·3 per cent., are earning the minimum, 82, or 38·7 per cent., are not; but of 23 defective workers, 5 are earning the minimum, 18 are not. In the second group, out of 117 able-bodied workers, 51, or 43·6 per cent., are earning the minimum, 66, or 56·4 per cent., are not; out of 73 defective workers, 8 are earning the minimum, 65 are not.

(iii) The figures of "trained" and "untrained" workers are too small to be reliable. But the proportion of the former earning the minimum appears throughout to be larger than that of the latter earning it. The total number of "trained" workers is 272, and

of these 150, or 55·1 per cent., are earning the minimum, while 122, or 44·9 per cent., are not earning it. The total number of "untrained" workers is 77, and of these, 16 are earning the minimum, while 61 are not earning it.

These figures, it may be said, show that the fact that more than half the homeworkers are not getting the minimum time-rate does not mean that employers are evading the Trade Board's determination; it only means that the homeworkers include a very large proportion of incompetent workers. This statement assumes that the question whether a homemaker is "ordinary" or not is to be decided not by the standard obtaining among homeworkers, but by the standard obtaining among factory workers, or perhaps (though such a combination is almost meaningless) by the standard obtaining among homeworkers and factory workers considered together. Now, as a matter of fact, even on this assumption, the figures do not dispose of the suggestion that the Trade Board's determination is being infringed. Clearly in the class of workers under 45, who are able-bodied and trained, the percentage getting less than the minimum should be non-existent or extremely small, for an employer cannot first pick his workers so as to exclude all who are aged, defective, or untrained, and still plead that he is allowed to fix piece-rates which yield the minimum to only 80 per cent. of them. He cannot plead the percentage rule for the reason that his workers are already highly selected, are in fact not "ordinary," but "extraordinary" or "super-ordinary." But even in this select class, as many as 25 out of 121, just over 20 per cent., are not earning the minimum. It would seem, there-

fore, that if these figures are correct, the piece-rates paid to the homeworkers interviewed are not adequate, and that the determination is being to some extent evaded, *even on the assumption that the test whether a homeworker is "ordinary" or not is not the standard of homeworkers, but the higher standard of workers who are young, strong and trained.*

This assumption, however, is itself a most questionable one. It is not unreasonable, indeed, that the Trade Board should hold that an employer should not be penalised if his rates do not yield the minimum to workers who are exceptionally slow, though, as we shall show later, this provision is somewhat dubious from a legal point of view, and though the considerable administrative difficulties which it causes make it desirable that, if retained, it should be supplemented by some machinery of the kind suggested in the following chapter. But to take, as the measure of whether a worker is or is not slow, a standard which is attained by only a small proportion of the class to which she belongs, and to say that she need not earn the minimum fixed by the Trade Board if she does not attain to that standard, is not merely to make allowance for the exceptional failings of individuals, but to say that there are whole classes of workers to whom the Trade Board's determination is not applicable. This was certainly not the intention of Parliament, which was specially concerned with homeworkers. Nor is it a reasonable construction of the wording of section 8 (b) of the Act. When the question arises as to whether piece-rates are adequate to yield the minimum time-rate to the "ordinary" worker, the word "ordinary" must surely be interpreted with reference to the class of workers to whom the individual in

question belongs, who are working under approximately the same conditions as herself. If piece-rates are inadequate to yield the minimum time-rate to more than 45 per cent. of the homeworkers, then surely, in the meaning of section 8 (b), they are inadequate to yield them to the "ordinary" worker, and it is as unreasonable to hold that the vast majority of homeworkers need not earn the minimum because homeworkers are as a class older or slower workers than inworkers, as it would be to argue that piece-rates need not yield the minimum time-rate to inworkers in London, on the ground that they are, as a class, older and slower workers than the inworkers in Leeds. The homeworkers who cannot earn the minimum on existing piece-rates are, in fact, the *ordinary* homeworkers, for they are the majority of all homeworkers. The homeworkers who can earn the minimum are *extraordinary* workers, for they are in a minority. If the ordinary homeworkers are to earn the minimum time-rate, the piece-rates must be raised. As long as they are not raised, the Trade Board's determination is being infringed, and an unknown number of employers should be prosecuted and fined. The grave administrative difficulties of enforcing section 8 (b) are not forgotten and are discussed in the next chapter. But the first essential point to realise is that it is at least doubtful whether the Tailoring Trade Board's determination is being observed.

(iii) THE EMPLOYMENT OF HOMEWORKERS

While no serious volume of unemployment appears as yet to have been caused among factory workers by

the Tailoring Trade Board's determination, there is one large class of persons whose economic position, precarious at best, might appear to be peculiarly likely to be jeopardised by it. That the effect of establishing legally obligatory minimum rates would be to drive homework into factories is an opinion frequently expressed both by the critics and by the advocates of the policy of the minimum wage. "It is likely," says the author of an interesting article in the *Women's Industrial News*, "that one effect of wage-boards here, as in Victoria, will be to accelerate the extension of factory workers."¹ "It has been admitted again and again," stated a witness adverse to legislation before the Select Committee on Homework, "that the effect of these bills will be to drive work into the factories; and most people advocating these bills have spoken in public again and again of their desire for the abolition of homework."² "The tendency of the operation of the Act," wrote a correspondent in *The Outfitter*, a year before the minimum rates came into force, "will be for the extension of the factory system."³ The fear that the homeworker might be prejudiced by the establishment of minimum rates of payment was one argument advanced by the advocates of the alternative proposal that homeworkers should be required to be licensed with a view to the more efficient inspection of domestic workshops. And one of the commonest objections to the Trade Board system made by the public which

¹ Publication of the Women's Industrial Council (1900), *The Minimum Wage*.

² Minutes of Evidence before the Select Committee on Homework, 1908, 2733.

³ *The Outfitter*, 2nd December 1911.

takes an interest in social questions, has been that it is likely to do away with homework.

The question which is raised by these anticipations is not, as we understand it, that of the relative desirability of homework and factory work *per se*. It is that of the effect of a sudden cessation or diminution of homework upon the condition of the workers who have hitherto eked out a living—one can hardly say lived—by means of it. Whatever may be the attraction of domestic industry in certain economic environments, no one, if it did not exist in the tailoring industry, would propose to-day to invent it. Ever since the Report of the Lords' Committee of 1888 to 1890 on the sweating system, it has been regarded as *par excellence* the stronghold of "sweating," even to the extent of causing the industrial grievances of the factory worker to be overlooked; and the official designation of the Committee of the House of Commons, whose report prepared the way for the Trade Boards Act, was, absurdly enough, a "select committee on homework." Indeed, so strongly have the evils of homework been felt, that in one large class of contracts it has been forbidden altogether. Government departments and Local Authorities purchase between them enormous quantities of clothing, and in every Government contract, and in the contracts of most of the important Local Authorities, there is a clause binding the successful tenderer to see that all articles, whether clothing, boots, Admiralty howsers, or any other article, shall be made entirely "upon the premises of the contractor." If, therefore, the Trade Board had the effect of discouraging homework, it would merely be carrying out a policy deliberately adopted by the House of Commons, by Government

departments, by Local Authorities and by Trade Unions. Nor is there any likelihood of that policy being reversed. There is no doubt that factory production usually (though not always) offers better conditions of employment, higher earnings, and infinitely greater facilities for Trade Unionism. There is no doubt, again, that homework is not an essential part of the tailoring industry, in the sense that the trade could not be carried on equally effectively without it, since, as we have already pointed out, homework is a system peculiar to certain parts of the country, and is localised in those districts where, as in the eastern counties, the wages of men are low, or where, as in East London, there is a large male population whose employment is irregular. If, therefore, the minimum rates caused homework to be greatly diminished, the effect would merely be to assimilate the conditions of the trade in the southern, south-eastern and south-western counties to those obtaining in parts of the north. The decay of homework would not mean a smaller volume of production. It would mean that all processes were executed in factories with the aid of power-driven machinery, instead of some being executed in factories and some at home. The trade, as a whole, would not be curtailed any more than the textile industries were curtailed when they moved from the cottages of the handloom weavers into the shadow of the tall chimneys. The issue, in fact, is not between homework and factory work as alternative types of industrial organisation, but between the vested interests of the present generation of homeworkers and the improvement of the conditions of those who succeed them. This question is serious enough, but it is obviously one in which the speed at

which the change (if there is any change) takes place is a crucial factor. If homeworkers were being dismissed with the rapidity that accompanies the introduction of machinery, the hardship caused would be considerable. If they disappeared through the existing generation of homeworkers ceasing to be recruited as it gave up work, the alteration in the character of the industry would, compared with many changes in industrial organisation, be almost painless. The situation is best summed up in the words of a Trade Union official: "We should like to eliminate homework, but we cannot stop it at once, as that would cause hardship to the workers dependent upon it."

Is homework diminishing in the tailoring trade as a result of the establishment of minimum rates, and, if so, is the process likely to be gradual or catastrophic? The results of the Trade Board's determination are obscured by those of the Insurance Act, which has been a much more conspicuous cause of a decrease in the amount of work given out. Nor have the effects of the minimum rates been identical in all parts of the country. In Manchester, where the number of homeworkers is relatively small, workers employed by six firms stated that their employers had given out more work since the rates became obligatory than ever before. In Bristol, London, and the eastern counties, where the number of homeworkers is much larger, we have met with striking examples of the curtailment of homework. On the whole our evidence suggests that, in the districts where homework has hitherto been most common, two considerations are leading employers to do a greater proportion of their work than before in

factories. In the first place, there is the fact that, unlike the Chain Trade Board, the Tailoring Trade Board fixed only minimum time-rates, and left the employer to fix his piece-rates so as to yield the minimum time-rate to the "ordinary" worker. Now there is always some initial difficulty in saying what piece-rates will produce 3½d. an hour, even when the work is being done on the premises of the employer. But in the case of homeworkers the difficulty is redoubled. Since the hours during which, and the speed at which, the work is done cannot be checked, a firm may find, when visited by an inspector, that the rates which it thought reasonable are quite inadequate. Naturally, therefore, if it wishes to comply with the Trade Board's determination, it is most likely to be on the safe side if it does as much of its work as possible in the factory. In the second place, there is the reaction upon organisation of the straining after greater efficiency, which it has been one effect of the Trade Board to produce. Against the cheapness, the elasticity and the saving on capital outlay which make homework attractive to employers, there has always to be set the fact that usually the work done is of inferior quality, and that in any case it is impossible to secure the same standardised finish from women working in isolation, under various domestic conditions, and without supervision, as it is from those who go through the same training, are parts of a single organisation, and work under the eye of the same foreman or manager. In practice, therefore, it has been the custom of many employers to give out only articles of an inferior quality to be made up at home, and firms situated in districts where homework is non-existent, so far from regretting it, usually claim

that its alleged advantages are illusory. "No one," said a Leeds employer, "can compete unless the work is properly subdivided, and with homework proper subdivision is impossible." "The outside worker," said another, "has been disappearing quite independently of the Trade Boards Act. She can't do the same consistent work as is done in a factory. When twelve different women work twelve different machines in twelve different homes, it cannot be of so high a quality as when it is done in a factory." To break an economic tradition requires more than the arguments of self-interest, and as long as homework was cheap it continued, though it was probably somewhat diminishing. Now that homeworkers must earn 3½d. an hour, and that employers have been obliged to overhaul their methods of organisation, homework shows some signs of being discredited even in those districts where in the past it has been regarded as an essential of the tailoring industry.

That the effect of the minimum rates will probably be to concentrate an increasing proportion of work in factories is evident from the steps already taken by certain businesses. Out of 33 firms employing homeworkers from whom we obtained information, 13 stated that they were giving out less work than before. In certain cases this means a definite cessation of employment for those who had previously worked for them. One firm, for example, had dismissed 50 per cent. of its workers, another 75 out of about 400 homeworkers, another its whole staff of 20. More usually the change is a gradual one. Thus, one firm gives out work to its existing homeworkers, but does not take on any new ones; another continues to give work to those who have worked for it for some years, but not

to those who have recently started doing so ; two others have taken all except a small minority of older workers into their factories, and continue to employ the latter at home ; another, whose trade is expanding, bought a new factory when the Trade Boards Act was passed in the anticipation that factory production would pay better than homework. That, even though a considerable number of the displaced homeworkers—as in two of the instances given above—are themselves taken into factories, these changes in organisation are accompanied by some change in the *personnel* employed, goes without saying. The difference can be expressed by saying that tailoring becomes less of a by-employment and more of a profession. It has already been pointed out that there is a remarkable discrepancy between the type of women workers employed in London and the type of women workers employed in Leeds. In the former place, where there is much homework, 33·2 per cent. were, in 1911, married or widowed ; in the latter place, where there is little homework, the proportion of married or widowed was only 21·6 per cent. What seems likely to happen as a result of the establishment of minimum rates is that the type of workers in London will approach more closely to that of Leeds. The figures, which we give on p. 194, show, what is known from other sources to be true, that a large proportion of the London homeworkers are elderly women who are driven to homework in order to eke out the inadequate wages or casual employment of their husbands. Such workers are likely to play a less important part in the industry, and the younger workers, to whom, as in Leeds, it is a regular occupation, a more important part.

Whatever may be thought of the ultimate effects of this change of *personnel*, the extent of the immediate hardship which it causes will depend primarily upon the speed with which it takes place, upon whether the employment of the existing generation of homeworkers is stopped abruptly or whether homework diminishes gradually as the present workers give it up. Though cases have been cited above of the hardship caused by a sudden change of organisation, the general impression derived from our inquiries is that the effect of the minimum rates has not, as yet, been felt in any serious curtailment of work. That there has been no large diminution in the total number of homeworkers in one of the principal centres of the tailoring industry in London is suggested by the following figures, which are taken from the list compiled by the Medical Officer of Health :—

<i>Tailoring Outworkers in Bethnal Green.</i>	
Average number, 1907 to 1912 inclusive.	Average number, 1913.
585	543

There appears to have been a small diminution in the number of homeworkers in Bethnal Green. But it is too small to form the basis of any theory as to the effect of the minimum rates on homework. As a matter of fact, before the Trade Board had even issued its proposal to fix, there was a far more extensive variation in the number of tailoring homeworkers in this borough, which was 481 in 1909, rose to 960 in

1910, fell to 607 in 1911 and to 527 in 1912. The figures for 1913 represent, therefore, an actual *increase* on those for 1912.

The absence of any striking diminution in the number of homeworkers is compatible with a decrease in the amount of work given out. The same number of workers may be kept on the books of employers, and may thus appear on the lists of Medical Officers of Health, but they may all have less work to do. To test how far this has occurred the homeworkers interviewed were asked to state whether they had received less work. Their answers are set out in the following table :—

TABLE XX.

(a) LONDON.				(b) COLCHESTER.
	Rates raised.	Not raised.	Total.	
More work since minimum rates became obligatory . . .	6	13	19	..
Less work . . .	35	121	156	48
Same amount of work	57	139	196	82
Given up work . . .	9	15	24	3
Cannot say . . .	15	90	105	34
Total .	122	378	500	167

The figures in this Table show that a considerable proportion of the homeworkers, in London 31 per cent. and in the Colchester district 28·7 per cent., thought they had received in 1913 less work than in previous years. What would seem to be

happening is that employers are tending, as several have stated, to "concentrate" their work, that is, to pick the most efficient homeworkers and to keep them more regularly supplied with work than hitherto, while, as a result, giving out somewhat less work to the remainder. That some change in the balance between homework and factory work is going on is evident. It is evident also, however, that so far the change has been a gradual one. If it continues to be gradual, there will be little need to regret the disappearance of a form of employment which has been used in the past to drag down the economic standards not only of the workers immediately concerned in it, but of factory workers as well, whose demands for an advance have repeatedly been met by the threat to give out work at lower prices to homeworkers. But the decline of homework will make it all the more urgent to deal with the disgraceful conditions of male labour of which it is the correlative, in particular with the low wages of those who are called "unskilled" workers, and with the organisation of casual labour. Further, it points to the need for lowering the age at which old age pensions become payable. As has been already shown, a large proportion of homeworkers are, in London at any rate, elderly women, and if the effect of the minimum rates, and still more of the Insurance Act, is to diminish their opportunities for employment, it is necessary that they should become pensionable nearer to the age when they can no longer hope to get work in a factory.

VII

ADMINISTRATION

THE task of enforcing the payment of the minimum rates, which in the case of the chain-making industry is a relatively simple one, is in the case of the tailoring trade extremely difficult and complex. The tailoring trade is distributed over the whole country. It includes every type of business from large factories to small workshops. It employs numerous outworkers who are constantly leaving and entering the industry, and who, in spite of the lists compiled by Medical Officers of Health, are extremely difficult to trace, because they frequently change their addresses. In the section of the industry which needs protection most there is no organisation, and, though a Homeworkers' League has recently been established in East London, it seems hopeless to expect that Trade Unionism will ever flourish among the most helpless section of the women. Of the homeworkers some had never heard of the existence of the Trade Board three years after it had been established and six months after the minimum rates had been made obligatory by the Board of Trade; others, a large majority of those from whom we received information, had never been visited by an Investigating Officer; while some few described the minimum wage as the "medium" or "premium" wage, regarded

the prospect of inspection with terror, and thought that the Trade Boards Act was an Act which said they were to be dismissed if they did not work hard enough to earn 3½d. per hour. In these circumstances the initiative in discovering irregularities lies entirely with the Investigating Officers. They can expect little assistance from Trade Unionism, and none at all in those districts where breaches of the Trade Board's determination are most likely to occur. Hitherto, indeed, the visits paid on account of information received from workers have been singularly few, actually less than those paid on account of information received from employers, and there is no likelihood that the situation will change within any period short enough to be taken into account. Most important of all, the fact that the Trade Board has not yet found it possible to draw up a list of minimum piece-prices makes the work of inspection much more laborious and uncertain in its results than it is in the chain-making industry. The Investigating Officer has no list with which to compare the piece-rates paid for different processes. He has, therefore, to form his own judgment as to whether they are such as to yield the "ordinary" worker the minimum time-rate. In each case he must not only decide whether workers are ordinary, or subordinate, or extraordinary; he must also allow for differences in machinery and organisation which make the same piece-rates adequate in one firm and inadequate in another. In practice, of course, he can be guided by certain rough working rules. If he finds more than 20 per cent. of the piece-workers earning less than the minimum time-rate, if he finds nearly all the piece-workers earning only just about the minimum time-

rate instead of some earning well above it, if the workers appear to be working at excessive pressure, he has a *prima facie* case for presuming that there is some irregularity. In cases of uncertainty he can have recourse to "tests," selecting a certain number of workers and timing them. But clearly the element of opinion is much more predominant in the enforcement of the tailoring time-rates than it is in the enforcement of the chain-making piece-rates. Both the nature of the trade and the absence of a minimum piece-list make the revision of piece-rates a task of great difficulty, which involves in some cases months of correspondence.

While the circumstances which hamper the Investigating Officers also make it difficult for an inquirer to come to a confident conclusion as to how far the minimum rates are enforced and how far they are evaded, our impression is that there is a real risk of the Trade Board's determination being evaded in certain localities and in certain sections of the trade. This does not mean that wages have not been raised, or that evasion is general. The matter is one about which it is exceedingly difficult to obtain precise evidence of a trustworthy character, and it must be admitted at once that it is quite possible that other inquirers would reach different conclusions. So far as our information goes, however, it does suggest that a considerable number of the most helpless women workers are not being paid the minimum time-rate, and that this is specially so in the case of homeworkers. Such a view seems to be partially confirmed by the large proportion of cases in which the Investigating Officers have found it necessary to direct employers to raise their rates, and by

the evidence as to the large percentage of home-workers earning less than the minimum which we have already discussed. The following figures summarise the results of 339 visits (exclusive of visits made in continuation of cases already begun) made by Investigating Officers between 1st October 1913 and 31st March 1914 :—

Visits paid.	No irregularity found.	Notices not posted.	Piece-rates needing revision.	Time-rates needing revision.	Arrears due.	Cases noted for further inquiry.	Learners not certified.
339	128	65	24	70	80	44	84

It will be seen that in only 128 cases out of 339 was no irregularity detected, though the irregularities found were often, of course, quite trifling. In actually 94 cases, more than one-quarter, either piece-rates or time-rates needed revision. The fact that the cases in which piece-rates¹ were discovered to require to be raised were much less numerous than those in which time-rates were found to need raising is significant of the difficulties of administration and of the facilities which the tailoring trade offers for evading the Trade Board's determination. The piece-workers are predominantly women, and the time-workers are predominantly men. It is the former whose earnings are most likely to fall below the minimum. But so difficult is it to prove that an employer's piece-rates are too low to yield the minimum time-rate to the "ordinary" worker, that the cases in

¹ But it must be remembered that an advance in a single piece-rate may raise the earnings of a large number of workers.

which the poorly paid piece-workers can be proved to be entitled to an advance in rates are actually fewer than those in which an advance has been secured for the relatively well-paid time-workers.

These facts do not mean that the enforcement of the minimum rates is impracticable. They mean that in order to enforce them the Trade Board must be equipped with a sufficiently large staff to be able to keep regularly in touch with all the danger areas of the trade. It is when one examines the attempts to enforce the minimum rates in the tailoring trade that the administrative machinery established by the Board of Trade appears most defective. It consisted, till April 1914, of 7 Investigating Officers, of whom one was employed continuously in the Central Office. In April 1914, 3 additional officers were appointed, and at the present time there are, therefore, 9 officials engaged in inspecting, in the tailoring trade alone and apart from the other trades¹ under the Trade Boards Act, 1000 factories, about 3200 workshops, and some 15,000 to 20,000 outworkers in Scotland, England and Wales, together with an uncertain number of factories, workshops, and outworkers in Ireland. It is obvious that with such an equipment it is not possible for the Trade Boards Department to carry out systematic inspection. Not only can it not cover more than a small fraction of the ground, but it cannot even touch more than a small proportion of the workers and employers in those areas where it is known that evasion is most likely.

¹ And apart from the additional workshops (some 4000 or 5000 in number) which will have to be inspected when the minimum rates are extended to the retail bespoke trade (see back, p. 9).

The following table of employers visited between 31st October 1913 and 31st March 1914 shows the work of the officials during a period of six months:—

TABLE XXI.

	Scotland.	N.E.	N.W.	Midlands.	E.	L. & S.E.	S.W.	Total.
Employers visited . . .	4	74	30	38	25	167	63	401
To secure observance of minimum rates—								
(a) Special	3	29	10	21	16	98	30	207
(b) Routine . . . .	...	32	17	16	9	26	22	122
In regard to facilities provided for learners . . .	...	6	...	...	...	...	...	6
In regard to application for permits of exemption . .	...	9	2	1	...	6	...	18
To explain the provisions of the Act or the Determination . . . .	...	2	2	...	...	7	2	13
Other matters	1	6	...	4	1	52	11	75

It will be seen that in the course of six months just over 400 employers were visited. Since, apart from homeworkers, the total number of tailoring factories and workshops at present under the Trade Board is about 4200, it is evident that at the present rate of inspection it would take about five years for all of them to be visited once. In fact, of course, there are a considerable number which do not require to be visited regularly. But, even apart from this, the disproportion between the field to be covered and the resources of the Trade Board authorities is serious, for it must be remembered that many firms require to be revisited

at short intervals. It is particularly regrettable that only 167 employers should have been visited in London and the South-East. In London all the difficulties of inspection are at their greatest. Among the more poorly paid workers there is no organisation whatever ; homeworkers are more numerous and even more helpless than elsewhere ; and since it is in London that small masters engaged in the very lowest branches of the shipping trade are principally to be found, the temptation for some London employers to meet their difficulties by evading the payment of the minimum rate is peculiarly strong. In the unorganised districts many women workers live constantly on the verge of a reign of terror. They may know that the rates are being evaded in their case. But they dare not complain, and they dare not communicate with an inspector. In such circumstances nothing but the strictest administration can ensure that the benefits of the Act are secured for those who need them most, and whose condition formed the principal argument for its passage. With the present staff systematic inspection cannot be carried out. It has been suggested, indeed, that systematic inspection is not necessary, and that all that is required is to follow up such complaints as from time to time are made. Such a suggestion, based, as it is, on the idea that the workers under the Trade Board can be relied upon to bring cases of evasion to the notice of the authorities, shows a complete misapprehension of the conditions actually obtaining among the more poorly paid classes of workers in the tailoring trade, who, in most cases, are far too dispirited by years of underpayment to venture to risk their livelihood by agitating for redress.

The insufficiency of inspection is not the fault of

the Investigating Officers, but of the authorities responsible for staffing the office. No doubt pleas of economy¹ may be advanced. But economy ceases to be economical if it is carried beyond a certain point. If it is worth while passing an Act, it is worth while paying a few thousand pounds extra per annum in order that it may be effectively administered. What would be thought of a local authority which pleaded as an excuse for neglecting the protection of property that it could not afford to maintain the requisite police force? The workers engaged in a trade for which a Trade Board has fixed minimum rates have the same legal right to be secured the payment of them as a property holder has to the peaceable enjoyment of his property. The omission to provide an adequate staff of Investigating Officers is fair neither to the workers nor to those employers who are doing their best to comply with the Act. Several manufacturers have told us that they were glad to be obliged to pay more, provided that their competitors were brought into line, and have expressed anxiety lest certain among them should be infringing the Act. Unfortunately it is not possible to say that their anxiety is unfounded.

The first and most obvious need, then, is for the appointment of several more Investigating Officers, and their appointment, not when the creation of new Trade Boards creates additional work, but *now*, in order that the existing work may no longer be neglected. Apart from an increase in the

¹The estimated annual expenditure on the Trade Boards Office for 1914-15 is apparently between £13,000 and £14,000, *viz.* salaries, £8570, travelling and incidental, £5150 (estimates for civil services for year ending 31st March 1915, class II., p. 44).

staff, it is a question whether efficiency would not be increased by some measure of administrative re-organisation. We have already pointed out in discussing the work of the Chain Trade Board that the present status of the Trade Boards Office is a provisional one. Though its business is of great and growing importance, it is not an independent department itself, but virtually a sub-department of the Board of Trade, which appoints Investigating Officers and sanctions expenditure, and whose permission, therefore, the Trade Board authorities have to obtain before they can initiate legal proceedings. This arrangement, which was a natural one when the Trade Boards were first being brought into existence, is not likely to be permanent when their work has grown largely in volume and occupies a prominent place in the public eye. It has the obvious disadvantage of leading to unnecessary delay in matters, such as the initiating of legal proceedings, where prompt action is desirable; and, though this particular difficulty would be got over by empowering the Trade Boards Office to consult a solicitor when it thought fit, instead of having to refer all legal business to the Board of Trade's solicitor *via* the Board of Trade, it is probable that its effectiveness would be increased if it were given the status of an independent department. Further, it is perhaps worth consideration whether the time has not come for trying to co-ordinate more effectively the work of those branches of different departments which are all undertaking the supervision of the conditions of labour. At the present time an employer is visited by factory inspectors on behalf of the Home Office, Investigating Officers on behalf of the Board of Trade-

Insurance Officers on behalf of the Insurance Commissioners. There is, indeed, an agreement between the Trade Board authorities and the Factory Department of the Home Office to communicate to each other matters discovered by their respective officials. The present co-operation is, however, loose and irregular. Even if it would not be possible for factory inspection under the Factories and Workshops Acts and the enforcement of minimum rates under the Trade Boards Act to be carried out by the same individual on the same occasion, it can scarcely be doubted that the Factory Department of the Home Office must have accumulated information which would be of use to the Trade Board authorities and *vice versa*, and that the efficiency of both would be increased if they formed branches of one department. What the recent development of social legislation indicates, in fact, is the creation of a single department, different branches of which could be responsible for the administration of different sections of it, rather than the maintenance of several different departments whose staffs act in more or less complete independence of each other.

Such a large reorganisation would obviously need careful consideration. Another suggestion could, if thought desirable, be more easily carried out. It has been stated to us both by employers and workers that a desirable step would be a partial decentralisation of administration. Were such decentralisation carried out, the responsibility for initiating prosecutions would rest, of course, as now, with the central authorities. But it has been suggested that District Offices ought to be established in the principal centres of the industry, and that an attempt should be made

by this means to give a larger share in the administration of the Act to the District Trade Committees, and to create a local public opinion. With regard to the possibility or wisdom of giving the District Trade Committees any very definite status as organs for supervising the enforcement of minimum rates, we feel a certain scepticism. Hitherto, for the reasons explained in Chapter II., they have not shown much vigour or independence. Moreover, it is questionable whether it would be desirable to ask them to report upon such questions as whether the Trade Board authorities should undertake the prosecution of an employer. It must be remembered that the lowest wages tend to be localised in certain areas, and that, even apart from the danger of log-rolling, it is conceivable that a District Trade Committee might be dominated by a local opinion with low standards, which on a national Trade Board tends to be neutralised, but which in any particular area might be obtrusive. There is more to be said for the proposal to establish District Offices. But its utility depends entirely on the way in which it is carried out. In the case of the more helpless classes of workers, one great obstacle to efficient administration is their own ignorance and timidity. They have a very vague idea as to what the Trade Boards Act is; they have no idea at all as to how they can use the law for their own protection; all they know about an inspector is that they run the risk of dismissal if he is known to have questioned them. Nor would they dream of putting their grievances into writing. It would not be any use, therefore, merely to establish an office in a second storey in an obscure street and (while carrying on routine visits as usual) to wait till some

exceptionally enterprising worker discovers its existence and plucks up courage to enter it. What is wanted, in the first place, is to advertise the Act, and, in the second place, to let workers know that if they are not earning the minimum they can secure advice and assistance without any risk of being discovered, and without the necessity of writing a letter on the subject to a distant and much-dreaded authority. They ~~must~~, in fact, *be taught how to use the Trade Boards Act*, just as in those parts of the country where Labour Exchanges have been a success workers were taught to use them by an energetic campaign of propaganda carried on by managers and District Officers. What this means is that the District Office of the Trade Boards should be established in a conspicuous place, that it should have a very simple abstract of the Act and of the Trade Boards' determinations in large print placed in its front window, together with an invitation to workers who have any complaints to make to attend and consult the Investigating Officer in the evening under a pledge of secrecy. In London several such offices would be necessary, though they need not be open every day, and their existence would have to be periodically notified to homeworkers by means of circulars addressed to all those on the lists in the possession of Medical Officers of Health. Further, the officers of the Trade Boards should arrange a continuous series of public meetings, to which workers engaged in the trade should be invited, and at which the objects, procedure, determinations and administration of the Trade Boards should be explained. We are informed that advertisement and propaganda are not in accordance with the practice of the Civil Service. Probably that is the

reason why a good deal of social legislation is of little service to those whom it is intended to benefit.

However energetic administration may be, and however much the staff of Investigating Officers may be increased, the fact still remains that some of the principal difficulties of enforcing the Trade Board's determination are due to defects in the Trade Boards Act itself. We do not propose to discuss the larger additions¹ and alterations which will be desirable when an amending Bill is introduced into Parliament. But there are two points in particular which deserve attention. The first defect consists in the fact that, in the event of a breach of the Trade Boards' determination by a middleman, who takes out work from an employer and pays less than the minimum rate to the persons doing the work, the Trade Board can take proceedings only against the middleman, and has no power to make the ultimate employer a party to the case. In the Bill as first drafted the Trade Board was given power to proceed (if it thought fit) against the employer as well as against the middleman, but in the House of Commons the Bill was amended to the present form of the Act. At first sight the amendment seems a reasonable one. Why, it may be asked, should an employer

¹ Thus: (i) The Boards should be empowered to fix a maximum working week and the proportion between juvenile workers and adults. (ii) The six months during which the minimum rates have a limited operation should be abolished. (iii) The Boards should be empowered to require a compulsory return of hours and earnings from all employers. (iv) Investigating Officers should be empowered to obtain evidence from workers on the employers' premises and in his time. (v) Employers should be under a legal obligation to keep an exact record of the hours and earnings of workers in a form prescribed by the Boards.

be made responsible for the underpayment of a worker of whose existence he is ignorant? But this argument, which was, no doubt, the motive inducing the House of Commons to make the change, ignores several important facts. *First*.—If the ultimate employer is not liable for proceedings when the worker is underpaid, he is able to reap the benefits to be derived from the beating down of wages, while escaping any responsibility for doing so. The so-called middlemen and middlewomen are often no more in a position to bargain with the ultimate employer than the homeworkers are to bargain with them. They are competing keenly and must take the work at the price offered; most of them, of course, start as workers themselves. The ultimate employer, therefore, gains if the middlemen cut the prices paid to the workers, for in that case the middlemen can take work at a lower price from him, and in fact, by the pressure he puts upon them, he almost compels them to do so. But he escapes all responsibility. He is careful not to ask what prices they pay their workers, and whether the workers are earning the minimum time-rate. If the middleman says he must have a higher price, the firm which gives him work merely threatens to withhold it. The *profit*, therefore, of evading the Act goes to the ultimate employer. The *penalty* for evading the Act falls on the middleman. The ultimate employer is, of course, perfectly well aware of this, and when he is unscrupulous he shifts his responsibility by actually giving out *more* work to middlemen than he did before the Trade Board's determination came into force. "Since the minimum rates were fixed," said a large employer, "the shipping trade has become simply a warehouse

trade." What this means is that the firm gave out to middlemen work which it would previously have done on its own premises. It thus escaped any risk of prosecution for paying low rates on the class of work where low rates are most likely to be paid, and got the work done cheaply by beating down the middlemen to such a point that it was almost inevitable that they should pay less than the minimum rates.

A concrete example will show how the terms obtained from the wholesaler by the sub-contractor sometimes make it impossible for the latter to comply with the Trade Board's determination. Mrs. X., a middlewoman giving work to twenty homeworkers, was required to raise her rates for finishing to a certain figure, on the ground that her existing piece-rates were inadequate to yield the minimum time-rate to the ordinary worker. Being in doubt as to what she should do, she consulted the Association of Makers of Ready-Made Clothing for the Shipping Trade, and, on being told that she would receive advice only if she gave full information as to her business, supplied the Association with figures showing the price paid to her by the wholesaler, the price paid by her to homeworkers for machining and finishing, her gross and net profit at the rates paid hitherto, her gross and net profit at the rate which it was suggested she should pay in the future. The figures which she gave were as follows :—

	Quality A. s. d.	Quality B. s. d.	Quality C. £ s. d.	Quality D. s. d.	Total. £ s. d.
Price per dozen paid by wholesaler to Mrs. X., a middlewoman	6 6	7 0	0 8 0	9 0	
Price per dozen paid by Mrs. X. to home- workers for machin- ing and finishing .	5 0	5 6	0 5 9	6 6	
Gross profit per dozen	1 6	1 6	0 2 3	2 6	
Average number given out per week .	100	50	250	50	
Gross profit per week.	s. d. 12 6	s. d. 6 3	£ s. d. 2 6 10½	s. d. 10 5	£ s. d. 3 16 0½

	£	s.	d.
Deduct from gross profit per week, viz.		3	16 0½
Weekly outgoings		2	15 0½
	s.	d.	
(viz. Soap, five bars	2	8½	
Lustre, 10 reels.	3	4	
Pressers	{	15 0	
	{	11 6	
Carriage, 1s. per 100 both ways		9	0
Coke, coal, and wood.		2	6
Gas		0	6
Rent of two rooms		6	0
Fares to city		1	0
Insurance		3	6)
Net profit per week	£	1	1 0

It will be seen that when paying rates which appeared to be inadequate she was making a gross profit of £3. 16s. 0½d. and a net profit of £1. 1s. If she had raised her piece-rates to the extent suggested,

her weekly income would have been diminished as follows :—

	A.	B.	C.	D.	Total.
	s. d.	s. d.	£ s. d.	s. d.	£ s. d.
Gross profit per dozen	1 3	1 0	0 1 9	2 0	
Average number given out per week .	100	50	250	50	
	s. d.	s. d.	£ s. d.	s. d.	£ s. d.
Gross profit per week .	10 5	4 2	1 16 5½	8 4	2 19 4½

	£	s.	d.
Deduct from gross profit per week,			
viz.	2	19	4½
Weekly outgoings.	2	15	0½
Net profit per week	0	4	4

Clearly in this case the wholesaler, not the middlewoman, was getting the advantage of the low rates paid to the homeworkers. It was not possible for the latter to raise her rates, unless she got a better price from the former.

Second.—A closer examination of the actual relation between ultimate employers and middlemen will show that there is little substance in the argument that to make the former liable for underpayment is to run the risk of penalising him for offences which he cannot control or prevent. The first effect of the amendment which we propose would be, of course, to cause employers to take steps to prevent the middlemen whom they employ exposing them to legal proceedings. In some cases this might be done by dropping one link in the chain of contracts and dealing direct with the workers. In other cases the goods would be distributed and collected not by

speculative independent sub-contractors, but by a salaried agent of the firm. This practice already obtains among many firms who give employment to outworkers in villages, and there is no reason why it should not become far more general than it is. As it has the incidental advantage of checking the cut-throat competition for orders which at present goes on between middlemen, its extension would remove one cause which leads to the beating down of wages. In other cases what would happen would be that the employer selected his middlemen more carefully, was at pains to employ only those who were least likely to infringe the Act, warned them that no more work would be given them if they did so, or even bound them not to do so by an express agreement. The middleman, who is often now the employer's agent *de facto*, would become, in short, his agent *de jure* as well.

Third.—The amendment we propose is not without precedent in English legislation. Its principle is analogous to that of the Workmen's Compensation Acts. Down to 1880 the employer had no legal responsibility for injuries incurred by the workman in the course of his employment. The Employers' Liability Act of 1897 made him liable for any injury caused by the negligence of his managers or foremen. The Workmen's Compensation Acts made him liable for injuries whether caused by the negligence of his agents or not. At the present time an employer must compensate any workman injured, unless it is the workman's own fault. The employer may individually be in no way responsible. The cause of the injury may be the carelessness of a fellow-workman. But it is held that it is the employer's duty so to select

his staff and organise his business that accidents may not occur, and he is therefore penalised if they do. It is surely equally reasonable to hold that it is the duty of an employer so to select his sub-contractors that the law requiring the payment of not less than a certain minimum to the worker is not infringed. In fact, however, the amendment we propose, though analogous to the Workmen's Compensation Acts in placing responsibility on the ultimate employer, is much less drastic than they are, inasmuch as the liability imposed on the employer is less extensive and more easily discharged. No one supposes that the directors of a company can test every link in the crane chains supplied them, or even that they can prevent the majority of accidents which occur. But they are made responsible for compensating injuries caused by all accidents, whether preventible or not. When an employer gives out work to a middleman, who in turn gives it out to homeworkers, the employer has considerable responsibility for the rates which the latter are paid. He can, if he pleases, fix his own prices at a level which makes it impossible for the middleman to comply with the Trade Board's determination. He can, if he pleases, turn the middleman into his salaried agent (as has been done by some employers in the chain trade), or bind him to pay the workers piece-rates which will enable them to earn the minimum time-rate fixed by the Board. All we propose is that that *de facto* responsibility should be recognised.

Granted that the proposal is not inequitable, it has many advantages. The Trade Board authorities, instead of being obliged always to proceed against a middleman, who may sometimes be a man of straw,

would be able to make the ultimate employer, for whom he is acting, a party to the case. Instead of knowing that even if they stop underpayment by one middleman, the employer may merely give extra work to the five or six others whom he employs and who may be equally infringing the determination, they would be able to deal directly with the firm which employs them all. The employer, knowing that he might be held liable, would have an incentive for offering better prices to the middlemen, and the middlemen would have less excuse for cutting down the prices they pay to the workers. It would, in fact, be possible to deal with the causes of underpayment at the source, and to fix liability where, at any rate in many cases, the liability ought to lie.

The second point which calls for attention is not, perhaps, a defect in the Act so much as in the interpretation placed upon it. We refer to the construction at present put upon section 8 (*b*), which states that an employer shall "be deemed to pay wages at less than the minimum time-rate . . . 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." This section of the Act, which sanctions the existence of a class of piece-workers who need not earn the minimum time-rate, seems capable of being interpreted in two different ways. The question is in what precise sense the word "ordinary" is to be understood. It has been argued with much plausibility that this section should be read in connection with section 6 (3). Section 6 (3) empowers the Board to exempt from the operation of the minimum rates certain time-workers, those, namely, affected by

"any infirmity or physical injury which renders them incapable of earning that minimum time-rate," and whose case the Board is of opinion "cannot suitably be met by employing the worker on piece-work." Section 8 (b) exempts from earning the minimum time-rate piece-workers who are not "ordinary." The two sections, that is to say, appear to be co-ordinate, one exempting certain time-workers, the other exempting certain piece-workers, from the operation of a general rule laid down in the rest of the Act. Now clearly for the purposes of section 6 (3) "ordinary" workers are those who are not suffering from "any infirmity or physical injury"; workers who are not ordinary are those who are so suffering. Is there not a *prima facie* case for holding that the word "ordinary," when applied to piece-workers by section 8 (b), should be read with reference to the distinction between workers who are infirm and workers who are not infirm applied to time-workers by section 6 (3) ?

If section 8 (b) were construed in this manner, an employer's piece-rates would have to be sufficient to yield the minimum time-rate to all workers except those who had received a certificate of exemption on the ground of physical infirmity. In fact, however, the section has not been so interpreted. In reply to a deputation of clothing manufacturers, the Board of Trade stated that they recognised a class of workers who were not actually infirm, but who were slow, and who might be termed "subordinary" workers. Whether this construction of section 8 (b) is good in law is not for the layman to say. It will be observed that it gives the employer of piece-workers an advantage not shared by the employer of time-

workers. The latter must see that *all* his workers, except the actually infirm, earn the minimum. The former need only see that his rates are sufficient to yield the minimum to those of his workers who are of ordinary competence. It is most desirable, however, that it should be tested in the courts at an early date, as the longer it stands, the greater the dislocation involved in abandoning it, in the event of its being held to be incorrect. If the present interpretation is continued, it must be realised that it involves certain administrative difficulties. The motive of it is obvious. It was intended to protect employers against being penalised because the exceptionally slow worker is not earning the minimum time-rate, and to protect the exceptionally slow worker against being dismissed. But let the reader put himself for a moment in the place of an Investigating Officer. He finds that a worker is not earning 3½d. per hour, and when he calls the employer's attention to the fact, he is told that the worker in question cannot work so fast as the "ordinary" worker. But with whom is the Investigating Officer to compare her in order to test whether she is "ordinary" or "subordinary"? Clearly it will not do to compare her with the other workers in the same factory, for if that were done, all workers, however efficient, who were below the average of the workers in that factory, need not get the minimum time-rate. Is the standard the "ordinary" worker in the same district, or in the country as a whole, or in the same branch of the trade? For the country as a whole there is, we venture to say, no such thing as an "ordinary" worker. It may be conjectured that slow workers in Hebden Bridge work faster than quick workers in (say) Swindon, and do so, in fact,

because they earn better wages than the latter, and if they are to be included in the standard by which the latter are judged, then, other conditions in respect of wages and management being at present what they are, nearly all the workers in whole districts are "subordinary." We have already dwelt on this point in our chapter on homework. If the individual homeworker is to be tested by other homeworkers, then a large number of homeworkers who ought to be earning the minimum time-rate are not doing so. If she is to be compared with the ordinary factory worker, then considerably more than half of the homeworkers in London are, in all probability, "subordinary." What standard Investigating Officers apply in practice it is extremely difficult to say. As far as can be judged, they tend to compare workers with others in the same district, and not to measure London by Leeds. Even so, the difficulty remains that in any individual case, especially the case of a homeworker, there is much uncertainty. What ought to be a matter of fact becomes a matter of individual opinion. It is as though Home Office Inspectors, instead of seeing that the temperature of cotton mills does not exceed a certain figure, had merely to see that it is not so hot as to inconvenience the worker of "ordinary" health.

The worst of this state of things is not merely that individual injustice is done through the underpayment of particular workers, but that the whole standard of administration tends to be lowered. On the one hand, there is a wide margin of error of which an unscrupulous or enterprising employer can take advantage. On the other hand, the Trade Board authorities tend to be stopped from taking legal

proceedings even where legal proceedings are desirable. When a question arises as to the adequacy of any piece-rate, the burden of proof, according to a strict interpretation of the Act, lies not upon the Trade Board authorities, but upon the employer. He has to show that any workers who are getting less than the minimum time-rate are subordinate. In practice, however, in spite of the words of the Act, the burden of proof tends to rest upon the Trade Board authorities. At present the only way of making an employer prove that his piece-rates are satisfactory is to prosecute him. Rightly or wrongly, like all other public departments, they wish to be fairly sure of securing a conviction before they take a case into court. The effect of section 8 (b) as to "ordinary" workers is to make anything but moral certainty very difficult to attain, and they do not like prosecuting a man on the strength of a moral certainty. Hence they tend to be caught in a dilemma. To make an employer prove that workers getting less than the minimum are not ordinary workers, it is necessary to prosecute him. But they do not venture to prosecute him unless they are already satisfied that the workers are ordinary workers, which they cannot be until the employer produces the whole of his case. The effect of this ambiguity is suggested by the fact that the cases in which piece-rates have been readjusted at the request of the Trade Board authorities are considerably fewer than those in which time-rates have been raised. Now the piece-workers are predominantly women and the time-workers are predominantly men, and it is the former who especially need protection. The explanation of the difference is that if an employer disputes the view that a piece-rate

is insufficient, it is extremely difficult to bring his offence home to him.

We have dwelt at some length on the administrative difficulties caused by the interpretation at present given to section 8 (b), not only because they seem to result in a considerable number of workers being deprived of adequate protection, but because it would appear that they can be very largely removed. If the interpretation at present put upon section 8 (b) were given up, one obstacle hampering efficient administration would, it seems to us, disappear. If, however, that interpretation is correct, and is upheld by the courts, it may be suggested that the Act ought to be amended. The amendment might take the form of making it clear that the piece-rates must be adequate to yield *all* workers, except those suffering from actual infirmity, the minimum time-rate. If, however, it is thought essential to allow for workers who, though not infirm, are nevertheless slow, it would perhaps be possible to meet their case with the same expedient which the Act already applies to time-workers who are suffering from some definite physical defect. Section 6 (3) of the Trade Boards Act provides, it will be remembered, that the Trade Board may issue certificates exempting time-workers suffering from some infirmity from the application of the minimum rates, and may fix a lower rate for them. Why, it may be asked, should not the abnormally slow piece-worker be treated in the same way? If that were done, all workers would be legally entitled to earn the minimum time-rate except those workers for whom special certificates had been issued, and the employer who wished to employ workers at less than the minimum time-rate would have to obtain special

permission to do so from the Trade Board authorities. The certificates of exemption would be valid for (say) one year, at the end of which they would automatically terminate unless renewed by the Trade Board. The advantage of this amendment would be that the administrative difficulty which exists at present would be removed. The Investigating Officers would not be obliged to consider in each case whether the worker was "ordinary" or not, and employers, workers and Trade Board authorities would have the guidance of a perfectly simple rule. If a worker had received a permit of exemption, the employer could legally pay her less than 3½d. per hour; if she had not, the employer who paid less than 3½d. per hour would be liable to prosecution. His compliance or non-compliance with the Trade Board's determinations would thus become a question of fact, instead of being, as now, a question of opinion. The objections to this amendment are twofold. In the first place, it would considerably increase the business of the Trade Board authorities, who would receive numerous applications for certificates of exemption, and would have to decide whether to grant or withhold them. In the second place, it might lead to the dismissal of slow workers by employers who were unwilling to go to the trouble of applying for certificates of exemption. While there is some substance in the first objection, it is not as serious as might at first sight be supposed. The apparent increase in business would be greater than the real increase. Cases of slow workers would be dealt with, as it were, wholesale instead of retail and as they arise; and while for the first few months after the change the work of the Trade Boards Department would be heavier, it would be saved the

enormous correspondence which arises now in the case of a dispute as to whether a worker is or is not "ordinary." As to the importance of the second objection it is hardly possible to come to a definite conclusion. As far as the homeworkers are concerned, it probably has considerable weight.

If both these amendments are thought too drastic, there is another way of meeting the difficulty caused by the present construction of section 8 (b) which is not open to the same objection. The problem of determining who is an ordinary worker is not peculiar to trades scheduled under the Trade Boards Act. It arises in connection with the Miners' Minimum Wage Act, though in a slightly different form. When a hewer does not earn the minimum fixed for his district, and claims to have his earnings made up to it at the end of the week, it may happen that an employer disputes his claim on the ground that he is inefficient. The procedure which is then followed is to refer the point first of all to the decision of a committee of two workers and two managers, and subsequently, failing agreement by them, to an arbitrator. What we suggest, if the more radical amendments proposed above are unacceptable, is that a somewhat similar procedure should be adopted by the Trade Boards, and that in the event of a dispute arising as to whether a given piece-worker is or is not inefficient, the matter should be referred to an arbitrator or referee, appointed under the Act, whose decision would be final. The employer would be informed that by a certain date he must submit to the referee all evidence which he cares to present to prove that certain workers are not ordinary, and that, if he does not do so, his case will go by default and the workers will be held to be

ordinary, in which case he will be liable to prosecution. The arbitrator would, of course, be entirely independent of the Trade Board authorities. His decision would be given on the facts laid before him by the disputing parties, and would take the form of a statement that such-and-such a worker is or is not "ordinary." His duties would, in fact, be analogous to those of an arbitrator appointed under Part II. of the Insurance Act, to whom questions of disputed benefits, or as to whether certain workers and employers are or are not included in the Act, are referred. Reference to him would not, of course, be a substitute for legal proceedings, as he would have no power to decide whether an employer had or had not broken the law. Whether the stage of discussion by two representatives of each side, which, in the case of the miners, precedes reference to an arbitrator, should be introduced into the trades under the Trade Boards Act is a question about which opinions will vary. To us it appears that there would be nothing impracticable in the District Offices summoning in rotation two employers and two workers, from a panel appointed in advance, to discuss whether a given worker was "ordinary" or not, and that anything which gives the workers a greater share in the administration of the Act is clear gain. Whether this stage is introduced or not, however, the appointment of referees would greatly simplify the administration of the Act. In the first place, it would relieve both employers and the Trade Board authorities of the interminable correspondence which is apt to arise when the former argue that certain workers are slow or inefficient, and the latter hold that they are not. If the point in dispute were not settled after a

brief discussion, it would be referred forthwith to an impartial authority in the form of a question, and he would answer the question in the negative or affirmative, as the case might be. Instead of a dispute as to facts dragging on for months, or even for years, it would be finally settled within a reasonable time, and no employer would be able to stave off proceedings merely by refusing, as he now does, to reveal the whole of the evidence on which his contention rests. In the second place, the amendment would enable the Trade Board authorities to secure the more effective enforcement of the Trade Board's determinations. Once the decision of the arbitrator or referee had been given, they would, in considering whether an employer was paying less than the minimum rates, be dealing with matters of fact, not with matters of opinion. Being no longer hampered by uncertainty as to whether a particular piece-rate or group of piece-rates are or are not adequate, they would be able to take legal proceedings with greater confidence than is possible at present. From a stricter administration of the Act the majority of employers have, it need hardly be said, everything to gain. The workers would gain equally. Instead of being met, when they earned less than the minimum, with the employer's statement that they were slow or inefficient and therefore need not earn it, they would be able to appeal through the Trade Board to an authority by whom the employer's statements as to the adequacy of the piece-rate for the "ordinary" worker could be tested.

We may now summarise our remarks on the administration of the Trade Boards Act, in so far as it relates to the tailoring trade—

- (i) There is reason to believe that the Tailoring

Trade Board's determinations are to some extent evaded in those districts where wages are lowest, and particularly by those employers who employ numerous homeworkers.

(ii) The staff of Investigating Officers should be largely increased at once, as, apart from the work which will devolve upon it when rates have been fixed for the trades brought under the Act in 1913, it is far too small to cope with the four trades first scheduled.

(iii) Consideration should be given to the questions (a) whether the Trade Boards Office should not be made a separate department distinct from the Board of Trade; (b) whether a department should not be created to administer all legislation, including the Mines and Factory Acts and the Trade Boards Act, involving the inspection of the conditions of labour; (c) whether District Offices should not be established in the principal centres of the tailoring industry.

(iv) The Act should be amended so as to empower the Trade Board authorities, in the case of payment of less than the minimum rates by a middleman or sub-contractor, to proceed not only against the middleman, but also against the ultimate employer.

(v) It is desirable that it should be definitely decided whether the present interpretation of section 8 (b), according to which not only infirm but slow piece-workers may be paid at less than the minimum time-rate, is correct. If it is correct, it is a question whether the Act should not be amended so as either (a) to require employers to fix piece-rates yielding the minimum time-rate to all workers except such as have had certificates of exemption granted on their

account; or (b) to direct the appointment of an arbitrator or referee to whom the question whether any worker is or is not ordinary could be referred, and whose decision upon this point would be final.

VIII

SUMMARY AND CONCLUSIONS

UNLIKE the small and localised chain-making industry, which was discussed in a previous monograph, the tailoring trade is so widely extended, so intricate, and carried on under such a variety of different conditions, that the establishment of minimum rates of payment by the Tailoring Trade Board may be regarded almost as an *experimentum crucis*. If minimum rates can be enforced in this particular industry without mischievous economic reactions (such as the creation of unemployment), they can, one is inclined to say, be enforced in almost any other. It must not be forgotten, of course, that the time which has elapsed since the rates were fixed is too short for a final judgment to be pronounced upon the system. On the one hand, the unusual activity of trade may have masked consequences which will appear when the boom is over. On the other hand, the Trade Board authorities have scarcely had time as yet to do more than learn their work, and the standards of administration are likely to become stricter as their experience grows. Subject to these qualifications, a summary of the principal points which seem to emerge from our inquiries may be of some service to the reader. They are as follows :—

(i) *Women's Wages*.—According to the Report of the

Board of Trade on Earnings and Hours of Labour, at least 58 per cent. of the women in the branch of the tailoring industry affected by the Tailoring Trade Board were in 1906 earning less than 13s. 6½d. per week. As the piece-rates must now be such as to yield not less than 13s. 6½d. to 80 per cent. of the piece-workers in the employment of a firm, it would appear that the earnings of at least 38 per cent. of the women piece-workers, and probably of more, must have been increased as a result of the Trade Board's determination, provided that the determination is observed in practice.

(ii) *Men's Wages*.—According to the same Report, nearly 24 per cent. of the men employed in the branch of the tailoring industry affected by the Trade Board were in 1906 earning less than 25s. per week. As the men are mostly time-workers, it would appear that about a quarter of them must have obtained an advance in earnings as a result of the Trade Board's determination. In certain districts, *e.g.* Hebden Bridge and Norwich, the proportion affected is much larger.

(iii) *General conditions of employment*.—As the Trade Board has expressed the opinion that workers must earn not less than the minimum time-rate during the whole time that they are in the factory, whether actually working or not, employers are tending to regularise their output, and thus to prevent the workers having to wait without work. In several districts a reduction of hours has been indirectly caused by the Trade Board's determination.

(iv) *Trade Unionism*.—The effect of the Trade Board has been to give an impetus to Trade Unionism. The membership of several unions in the tailoring trade has increased, and considerable advances have

been secured by Trade Union action since the minimum rates fixed by the Trade Board became obligatory. There is little evidence that the minimum has tended to become the maximum.

(v) *Prices*.—The prices of clothing have risen since the minimum rates were fixed, as they did in the seven preceding years. But there is little reason to suppose that the rise in prices is due to the Trade Board's determination.

(vi) *Effect of minimum rates on the industry*.—Some of the firms paying the lowest rates of wages have lost part of their trade, and some of the sub-contractors have had their profits reduced. There is no sign, however, that the advance in wages has caused, or is likely to cause, English manufacturers of clothing to lose foreign markets. The explanation of this is to be found in the fact that the effect of the advance in wages has been to increase the efficiency of workers, and to cause employers to introduce improvements in organisation and machinery, which those of them who had been able to obtain cheap labour had hitherto neglected.

(vii) *Employment*.—Certain firms have dismissed workers on the ground that they were not worth the minimum rates fixed by the Trade Board. The number so dismissed does not seem to have been large, and many of those who were displaced on the minimum rates first becoming obligatory regained work almost immediately.

(viii) *Homework*.—Of homeworkers interviewed, only 24 per cent. in London and 35 per cent. in Colchester had had their piece-rates raised since the minimum rates became obligatory. Fifty-four out of 95 in Colchester, and 231 out of 425 in London were, according

to their own statements, not earning the minimum time-rate.

(ix) *Administration*.—Considerable difficulty is experienced in enforcing the Trade Board's determination, especially upon employers of homeworkers. This is principally due to the fact that the Trade Boards Office is understaffed, and that adequate inspection is therefore impossible. It is essential that the number of Investigating Officers should be largely increased in the near future. Further, it is questionable whether the Trade Boards Office should not be made into a separate department independent of the Board of Trade, and, in particular, whether it should not cease to be dependent upon the Board of Trade, as it now is, for permission to prosecute employers for a breach of the determinations.

(x) *Amendments to the Act*.—With a view to increasing the efficiency of administration, the Trade Boards Act should be amended in the following particulars :—

- (a) The Trade Boards should be empowered to require employers to make returns as to wages and hours.
- (b) The Investigating Officers should be empowered to require from employers facilities for interviewing workers on the employers' premises.
- (c) The Trade Boards should be empowered, in the case of a breach of a determination by a middleman or sub-contractor, to prosecute not only the middleman or sub-contractor, but the ultimate employer.
- (d) If the present interpretation of section 8 (b) is upheld, the Act should be amended on the lines suggested in Chapter VII.

APPENDIX

TRADE BOARDS ACT, 1909

[9 EDW. 7. CH. 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

1. *Application of Act to certain trades.*—(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. *Establishment of Trade Boards for trades to which Act applies.*—(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.

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. *General duties of Trade Boards.*—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.

MINIMUM RATES OF WAGES

4. *Duties and powers of Trade Boards with respect to minimum rates of wages.*—(1) Trade Boards shall,

subject to the provisions of this section, fix minimum rates of wages for time work 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.

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.

5. *Order giving obligatory effect to minimum rates of wages.*—(1) Until a minimum time-rate or general mini-

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

(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 derogation 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.

7. *Limited operation of minimum rate which has not been made obligatory.*—(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. *Provision for case of persons employed by piece work where a minimum time-rate but no general minimum piece-rate has been fixed.*—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.

9. *Prevention of evasion.*—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 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.

10. *Consideration by Trade Board of complaints as to infraction of minimum rates.*—(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

II. *Constitution and proceedings of Trade Boards.*—

(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. Establishment of District Trade Committees.—(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.

(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.

13. *Appointed members of Trade Boards.*—(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 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

14. *Appointment of officers.*—(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.

15. *Powers of officers.*—(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 persons 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 molests 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. *Officers to produce certificates when required.*—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.

17. *Power to take and conduct proceedings.*—(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 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.

SUPPLEMENTAL

18. *Regulations as to mode of giving notice.*—(1) The Board of Trade shall make regulations as to the notice to be given of any matter under this Act, with a view to bringing the matter of which notice is to be given so far as practicable to the knowledge of persons affected.

(2) Every occupier of a factory or workshop, or of any place used for giving out work to outworkers, shall, in manner directed by regulations under this section, fix any notices in his factory or workshop or the place used for giving out work to outworkers which he may be required to fix by the regulations, and shall give notice in any other manner, if required by the regulations, to the persons

employed by him of any matter of which he is required to give notice under the regulations :

If the occupier of a factory or workshop, or of any place used for giving out work to outworkers, fails to comply with this provision, he shall be liable on summary conviction in respect of each offence to a fine not exceeding forty shillings.

19. *Regulations to be laid before Parliament.*—Regulations made under this Act shall be laid as soon as possible before both Houses of Parliament, and, if either House within the next forty days after the regulations have been laid before that House resolve that all or any of the regulations ought to be annulled, the regulations shall, after the date of the resolution, be of no effect, without prejudice to the validity of anything done in the meantime thereunder or to the making of any new regulations. If one or more of a set of regulations are annulled, the Board of Trade may, if they think fit, withdraw the whole set.

20. *Interchange of powers between Government Departments.*—(1) His Majesty may, by Order in Council, direct that any powers to be exercised or duties to be performed by the Board of Trade under this Act shall be exercised or performed generally, or in any special cases or class of cases, by a Secretary of State, and, while any such Order is in force, this Act shall apply as if, so far as is necessary to give effect to the Order, a Secretary of State were substituted for the Board of Trade.

(2) Any Order in Council under this section may be varied or revoked by any subsequent Order in Council.

21. *Expenses of carrying Act into effect.*—There shall be paid out of moneys provided by Parliament—

(1) Any expenses, up to an amount sanctioned by the Treasury, which may be incurred with the authority or sanction of the Board of Trade by Trade Boards or their committees in carrying into effect this Act ; and

(2) To appointed members and secretaries of Trade Boards and to officers appointed by the Board of Trade under this Act such remuneration and expenses as may be sanctioned by the Treasury ; and

(3) To representative members of Trade Boards and

members (other than appointed members) of district trade committees any expenses (including compensation for loss of time), up to an amount sanctioned by the Treasury, which may be incurred by them in the performance of their duties as such members; and

- (4) Any expenses, up to an amount sanctioned by the Treasury, which may be incurred by the Board of Trade in making inquiries, or procuring information, or taking any preliminary steps with respect to the application of this Act to any trade to which the Act does not apply, including the expenses of obtaining a Provisional Order, or promoting any Bill to confirm any Provisional Order made under, or in pursuance of, the provisions of this Act.

22. *Short title and commencement.*—(1) This Act may be cited as the Trade Boards Act, 1909.

(2) This Act shall come into operation on the first day of January nineteen hundred and ten.

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.