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On Trades Unions in Relation to National Industry.

BY ELIJAH HELM.

[Read February 8th, 1871.]

ALTHOUGH Trades Unions are of comparatively modern growth, there have existed, from very ancient times, associations closely resembling them in their purposes and practices. These associations, usually known as Guilds, prevailed widely throughout Western Europe, and during several centuries influenced powerfully its social and industrial life. Their general purpose appears to have been, to afford to their members mutual help and defence. At first, and generally during seasons of conflict and disorder, when the governing power was weak or negligent, they performed such duties as, in more stable, and especially in more recent times, are assigned to the State. Some Guilds fulfilled towards their members such functions as are now discharged by Friendly and Insurance Societies. In the cities and towns, many Guilds were established for the protection and encouragement of trade. Such were the Merchant-guilds, and the Craft-guilds, the latter of which included not only traders, but also such handicraftsmen as were free, and possessed of the full rights of citizenship. The members of the Craft-guilds were, to some extent, small capitalists, and some had associated with them one or two servants and apprentices, who were also subject to the Guild-laws. One of the objects of the Craft-guilds was to secure excellence of workmanship. Where material was supplied to the craftsmen

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to be worked upon, the Guild became responsible for the proper execution of the work, and had, consequently, a strong interest in its being well done. The products of skilled labour were very costly, for there was, as yet, little or no machinery to save labour. Bad workmanship was, therefore, a most serious matter. The efficiency of the craftsman was a question of vital public importance. The Craft-guilds strictly limited the number of apprentices to each trade. They, therefore, became real monopolies, and at one time the privilege of admission had acquired a high money value.

For a long time, the State not only recognised the Guilds, but sanctioned their monopolies; whilst it prevented all association on the part of those who were excluded, both in towns and in the country, by a series of Combination laws, which extended, with some intermissions and alterations, from the middle of the fourteenth century to the year 1824.

During the times of the Guild monopoly, various statutes were passed, whose purpose was to fix the rate of wages, and the prices of commodities, especially of necessaries. Many of these statutes were framed in the interests of the Guilds, though others were intended to preserve the public from being charged too high a price for articles of general consumption. The condition of the labourers who were outside the Guilds, and especially of those in agricultural districts, was, through many generations, deplorable. The country abounded with able-bodied persons, styled in the statutes, "sturdy rogues and vagabonds." Various acts were passed with the object of compelling them to labour, and fixing the rate of wages, yet forbidding them to wander in search of employment, or to change their occupation, whilst the Craft-guilds shut them out from the skilled trades.

At length, improvements in technical methods, and the introduction of machinery, began to disturb the system of hand labour. New centres of industry, which were necessarily established at a distance from the seats of the Craft-guilds, gave employment to those who had been excluded from the Guilds. Auxiliary move-

ments, tending in the same direction, were the result of the exclusive spirit in other quarters. The Corporation and Test Acts, the Five Mile Act, and other statutes for the protection of the Church, drove out from the ancient cities experienced craftsmen, who contributed to the success of the new industrial system, in which the modern features of organized industry and large establishments began to supersede the old order of small handicrafts.

Thus the general tendency of custom and legislation during the handicraft period was, to limit the number of artisans, to keep the unskilled workmen of the towns and rural districts in a state of poverty and semi-slavery, and, finally, to aid in the foundation of a new and successful rival to the Craft-guilds.

The transition from handicraft to manufacturing industry involved a quick development of the principle of division of labour, and the employment of large capital. Its tendency was to reduce the cost of manufactures, and to increase their production, extending at every stage the comforts of the people, not only by enabling them to purchase more largely of manufactured articles, but also by procuring in exchange for such articles the products of other countries, and especially of tropical climates. Such an extension of manufacturing power required additional labour, and the rural populations flocked to the manufacturing centres in large numbers. To them the transition was an undoubted gain. They soon, however, began to find the advantage of union, and hence arose the modern Trades' Societies. Several were formed even under the Combination Laws, and after their repeal the number of Unions increased rapidly. At first they were local, and their leaders ignorant and violent. Their tendency has been of late years to amalgamate, to cover larger areas, to select abler and more judicious officers, and to seek their ends rather by conciliation than by violence.

Much unmerited repugnance to Trades Unions has arisen in the public mind, from a vague impression that the notorious violence

and tyranny of some of them are characteristic of most. Nothing could be more erroneous. The Report of the Royal Commission on Trades Societies, issued in 1867—8, shows that the atrocities practised in Sheffield, and in the Manchester building trades, within the last few years, are without parallel elsewhere. The reports of former commissions, those of 1824, 1825, and 1837, represent such practices to have been common enough forty or fifty years ago, but they are now very rare. The more the right to combine has been acknowledged, the more have combinations lost their objectionable features. The best and most powerful of them, the Amalgamated Society of Engineers, and the Amalgamated Carpenters and Joiners, have an organization and practice as far removed from those of the old local unions, as a court of justice is from a rabble of rioters executing lynch law.

The purposes of Trades Unions are so varied, that it is impossible, in a short space, to compass them in detail. They are generally described as intended—

1. To watch over and promote the interests of labourers in their respective trades ; and

2. To afford relief to members, or their families, when deprived of their earnings by sickness, accident, decay, or death.

Before entering further into particulars, I propose to lay down a few principles, to which national interests require, that all movements of this nature should conform.

1. It is the paramount interest of the nation that every person should, according to ability, be productively or administratively employed ;

2. That the largest possible production of the highest possible kinds and quality required, should be attained ;

3. It is contrary to the national interest, and ultimately destructive of industry itself, that these ends should be gained at the cost of any preventible sacrifice of the health, or general welfare of the people.

The first two of these principles require for their realization

freedom, individual enterprise, and education. The third requires legislative restraint. Freedom of trade, freedom of labour, and hope of gain, guided by intelligence and regulated by wise legislation—such are the fundamental requisites of a prosperous National Industry.

The one object common to all Trades Unions is to secure the highest average rate of wages that can be obtained in the several trades. It is justified on the ground that individual workmen have no means of holding out and reserving their labour for a better market; the effect being, that, as in the case of an auction sale without reserve, the price must depend solely on the competition of buyers; being high only when demand is brisk, and much depressed when it is not. It is assumed, that the capitalist *can* hold out, and is thus enabled to obtain labour at his own price, whenever trade is bad, and competition for labour consequently inactive. This is only true, however, in cases where capital can be easily withdrawn from an unremunerative trade. Wherever a large portion of an employer's capital is fixed, he will generally prefer working without profit, or even at some loss, to incurring the greater loss arising from the deterioration of machinery and buildings, which is the result of ceasing operations. During the past few years, there have been long periods during which capital in the Cotton trade has been employed at a positive loss. Many hundreds of thousands, if not some millions of pounds, have been paid in wages, which have never been returned to the employers in the price of the manufactured product, and which have therefore been wholly lost. The impossibility of withdrawing fixed capital from a particular trade, is, therefore, as real a hindrance to the freedom of the employer in bargaining, as is the want of capital to the freedom of the workman. Yet it is still true, that the isolated labourer cannot, except in prosperous times, obtain as good terms in the sale of his labour, as when his demand is supported by a Union ready to give him moral and pecuniary help. The right to make use of this advantage is undeniable, and is now generally conceded, so far at least as it

affects the rate of wages. The Report of the recent Royal Commission, and other evidence, go to show that it is even a public benefit. There seems no reason to doubt that it tends to render wages more uniform in the same trade, and less fluctuating from time to time. Regularity and steadiness, both of work and wages, appear to be, above all things, instinctively desired by workmen; and certainly it would seem to be for the general good, that steady and regular incomes should be realized by that class which has least to fall back upon in times of distress, and which so soon becomes liable to the demoralizing influences of public or private alms. In some important trades, as, for example, in the Cotton trade, wages are now settled by conferences between the Union committee and a committee of employers. This plan possesses the essential features of the Court of arbitration at Nottingham, and has, on the whole, been found to work well. On both sides mutual respect is created, by the knowledge that the responsibilities involved are large, and the power to support all just requirements, ample. Such a system is, no doubt, comparatively easy of application where piecework is adopted, and where the trade is open.

Whether it is in the power of Trades Unions [to raise the average rate of wages higher than the uncontrolled action of supply and demand would carry them, is a question that requires some discrimination in its treatment. Whenever the capitalist is receiving a larger profit than usual, a combination of workmen may gain an advance somewhat earlier than it would have been attained from the natural process which draws capital into prosperous businesses, and so increases the demand for labour. Such earlier rise in wages will, however, operate, to some extent, as a check upon the investment of fresh capital, and will moreover bring in an additional supply of labourers. This again, is only a steadying operation. But whenever not more than the average rate of profit is being earned, it is impossible to raise wages, except by diminishing profits, and so driving capital out of the trade—unless the price of the product can be proportionately

raised also. Now, it is obvious that when the product is subject to foreign competition, as most products are, a rise which is not the natural result of increased demand is impossible. It may, indeed, happen, that by a sufficiently strict limitation of the numbers of the employed, by a rigid exclusion of "interlopers," a rise may be gained, or a fall prevented; but the inevitable result will be, a withdrawal of capital, a declining trade, and diminished employment, at the cost, to the union, of keeping on "donation," or out of work benefit, a considerable number of its members. There is a trade which has apparently arrived at this point, and I shall allude to it hereafter.*

It is sometimes vaguely said, that in this matter of wages, the interests of employers and employed are identical. But that is hardly the truth. They are indeed reconcilable; that is to say, if there were wisdom enough, and justice enough on both sides, a settlement of any given case might be discovered, which would be generally satisfactory. It does not require much wisdom on the part of an employer, to see that it is to his interest that the wages of his workpeople should not be so low as to deprive them of such conditions of comfort as are essential to health of body and mind—that they should neither be starved, nor discontented, nor inert. Nor does it need great wisdom on the part of the workman to see that his interest lies rather in the augmentation than the destruction of his employer's capital. But on both sides there is a conviction that, long before the point at which the process of reflex injury would begin, there is space for encroachment. This is the debatable ground of all wages disputes, and herein the interests of employers and employed are not identical, and only harmonious so far as it is the interest of each that a sense of justice, or satisfaction, should prevail in the mind of the other.

No difference of opinion is likely to arise with respect to the public good of the relief afforded by Trades Unions in sickness, or other temporary calamity. The habit of providence and mutual help engendered, is not less advantageous to the members, than is

* See page 72.

its fruit to society, which is thereby relieved of a certain amount of almsgiving, or poor-rate. It is sometimes contended that the trade and benefit funds of Unions should be kept separate. The majority of the Royal Commissioners concur in the opinion, that when blended, as they usually are at present, there is no security for the payment of the benefit liabilities, since benefit funds may, at any time, be applied to trade purposes. The Amalgamated Carpenters' and Amalgamated Engineers' Societies were reported to the Commissioners, by experienced actuaries, as practically insolvent. The answer of the Societies is, that they are accustomed, from time to time, to make special levies, which constitute a valid reserve fund, though not called up. The answer appears sufficient. And, on the side of the public at large, it is certainly much better that the funds should not be separated. Consider, what a source of danger to the progress of industry, as well as to the unionists themselves, it would be, if every Trade Society should maintain a special fund for trade purposes. The ordinary charges upon such funds could not possibly absorb the amount that would, in a very short time, be accumulated, with even the smallest subscription. They would thus become the fruitful seeds of strikes, as they have often proved to be in former times, when the unions discharged none of the functions of Benefit Societies. The present system, on the contrary, induces a wholesome caution in the minds of the leaders. They are compelled to consider carefully the merits of any given dispute before permitting a strike, whose support would trench heavily upon the fund from which the constantly-recurring benefit claims have to be paid. Deficiencies would, it is true, be made good, by a general levy. But that would be, in effect, an appeal to the public opinion of the trade; and although the members might be disposed to give a tacit approval of any strike supported out of a plethoric strike fund, they would be apt to visit with no gentle chastisement any officers who might have countenanced an unnecessary strike, which would touch the pockets of every member. Some societies confine their benefit aid to burial grants. It would,

doubtless, be a further advantage to them and to the public, if the grants were made to cover losses by sickness, accident, or want of employment, as in the case of the two societies already referred to. The practice of granting "donation" to members out of work, leads to the quickest and easiest mode of adjusting local differences in the demand and supply of labour. The officials of the Unions are compelled to keep themselves well informed as to the redundancy or scarcity of workmen in different localities; and to relieve their funds from the support of the unemployed, by transferring them, with all possible speed, to the places where they may get work. The advantage to National Industry of this regulation is obvious and great.

Another useful function of Trades Societies, and one that reflective minds will admit to be of importance, is the care for the health and safety of workpeople, wherever liable to be endangered, as is sometimes the case in manufacturing operations. I do not here allude to those unjust regulations common amongst some of the building trades, which, on humanitarian grounds, prevent grown men from working at any speed, or for any number of hours they may choose. Such rules are, really, expedients for prolonging work, and employing increased numbers of men. I refer, rather, to the influences which may be brought to bear on public opinion and on the Legislature, for the purpose of procuring enactments for the protection of health and life, wherever good cause can be shown. It is surely an encouraging feature that the tendency of parliamentary practice has been of late years to impose such restraints upon freedom of trade as may be shown to be necessary, on the ground of the health of the people. Nor can any well-founded grievance, if adequately and intelligently set forth, long fail to reach the public ear and move the public conscience, and thus make legislation easy, and indeed necessary. The Miners' Associations constantly use their organization in this direction. It would be well if Trades Unions sought to gain their ends more frequently in this way. For surely any regulation involving important interference with personal

freedom, if justifiable at all, should be enforced only by the State.

And here we touch the border of a question that, as yet, seems to be unsettled in many minds, viz., the extent to which Trades Unions have a right to interfere with individual freedom. It is obvious that any person entering a Trade Society, must surrender a portion of his freedom. He yields some personal liberty, that he may gain what he considers at least an equivalent, in the strength of union. On him, the Society has obviously certain definite claims. Has it any upon a person, who, choosing to earn his bread in the same trade, does not choose to enter the Society? Some defenders of Trades Unions say it has, on the ground that he shares in any advantages which, on behalf of the trade, the Union may succeed in gaining. Others, with less temerity, admit that refusing to work with non-unionists is unsocial. They think, however, that it is not matter for legislative notice, and that it must be left to die out by "gradual improvement of tone." No doubt, it is competent for any person to refuse to work with any one whose company he does not desire. But this is not the question. It is, rather, whether a *corporation* has any right to issue a mandate requiring its members, under penalties, to do acts which are destructive of private liberty or of public welfare. It is absolutely essential, not less to individual liberty than to National Industry, that every person should be free to follow any honest calling for which he may be fitted, so long as he does not deprive any one else of such liberties as are common to all. This question is sometimes argued as if it were a matter lying entirely between the non-unionist and the individual unionist. But it is not so. It is a question of individual right against corporate interests. The State is the only corporation whose interests can override individual rights; and that is true only because the interests of the State are the interests of all. If, therefore, the Legislature should confer upon Trades Unions the power of virtually coercing non-unionists, it must be done on the ground of public utility, of which the Legislature must itself be the judge, and not for the interests of the Unions. No doubt, the Union has a certain

compulsory power over its own members, but not the power of compelling them to take away the freedom of those who are not members. Regulations against the employment of non-unionists, are the mildest form of interference with private liberty that is practised by Trades Unions. Others, of a more unjustifiable character, and of rarer occurrence, such as "rattening," "picketing," and other forms of molestation, admit of no defence whatever. I do not pretend to determine by what method the freedom of the non-unionist should be by law secured to him. The question is one rather of jurisprudence than of political economy.

A very limited number of Trades Unions have regulations against the introduction of machinery, whilst a larger number do not allow payment of wages according to piecework. A few trades also prescribe a maximum rate of working, wherever wages are paid according to time. All these usages have one and the same effect, viz., to check production, and to prevent the economizing of labour. The practices are inexcusable in the more skilled and highly paid trades. Indeed, everywhere they are to be condemned; but if any extenuation may be offered, it is in the case of unskilled labourers, whose number is rendered artificially superabundant by the exclusion from the skilled trades of many who would have entered them. No doubt other causes, such as want of education, idleness, or intemperate habits, tend constantly to reinforce, beyond measure, the class whose work is simply labour, requiring neither thought nor skill. But many of them are the victims of Trades Union monopoly, and on their behalf, as well as in the interest of the Nation, some effort is urgently needed to break down the artificial barriers which exclude them from the better paid callings.

The most formidable of these barriers is the practice of limiting the number of apprentices in particular trades; of insisting upon a long apprenticeship, where the nature of the trade does not really require it, or upon highly-skilled workmen doing work which persons of less skill might perform. Regulations of this nature tend obviously to keep up the wages of a limited number of persons

at the expense of depriving others of the power of earning as much as they otherwise might. The practices are usually defended on the ground, that existing journeymen have paid a certain consideration, in the shape of an apprenticeship, for the privilege of working at the trade, and that they have therefore an exclusive right to exercise it. The same argument would hold good equally against the introduction of machinery. A further justification consists in an appeal to certain practices in the legal and medical professions. But the restriction which prevents an attorney from taking more than two articulated clerks, or from taking more than the customary fees, is a regulation made by law in the presumed interests of the public. If unnecessary, it should be abolished. There are no further restrictions, as far as I know, in the professions, except those requiring proofs of efficiency in medical men. That, however, is an arrangement obviously convenient to the public; but the entrance to the profession, and the means of acquiring it, are open to all competent persons.

It may further be said, that not only is a grave injustice done to those who are excluded from the skilled trades, but national interests require that none should be prevented from contributing to the national production by these artificial restrictions. They have all the effect of protective duties, and as far as they succeed in checking industry, or artificially enhancing wages, they are not only taking bread out of the mouths of those who are excluded, but constitute a tax upon the rest of the community. No doubt, any journeyman has a right to refuse to give instruction in his art, without such compensation as he may require; but he has no right to prevent any other person from giving it. Still less has he a right to prevent any person from learning it himself. Nor has any corporation a right to prevent any of its members from giving instruction. The insisting upon a long apprenticeship in trades which are easily learnt, is equally wrong. In whatever trade the necessary skill is difficult of attainment, the difficulty is itself a real protection; and, practically, this is the only protection which

the professions have. In fact, in those trades which do require this special skill, there is rarely any restriction imposed by the Unions, and in such cases employers are actually averse to employing many apprentices, and prefer to pay a higher rate of wages to skilled journeymen. It is in those trades, or sections of trades, whose processes are easily learnt, that conflict arises. I am not prepared to say that there may not be cases where, on national grounds, the State may find it to its interest to take the necessary steps for securing a high class of workmen. But any work of this kind is clearly the province of the Legislature. In Bavaria, Saxony, and Switzerland, a number of Trade Schools, wholly or partly maintained by Government, has been established. They are worked in connection with the Elementary School system. A youth under this arrangement learns to understand something of the requisites of many trades, and of his own fitness for each, before committing himself finally to any one. Whether such a plan can, in any considerable degree, substitute the English system of apprenticeship, it is not easy to determine. But at any rate, it may prove a valuable adjunct to it in certain cases; and it is to be hoped that ere long some earnest effort will be made in this direction.

The whole system of restriction upon entrance to the skilled trades is *an attempt to protect the interests of middle-aged men against the rising generation*. It is contrary to the spirit of Christian civilization, which, as it advances, tends to regard the interests of the growing and coming generations as paramount. But under this system, a man learns to prefer that he should get two or three shillings a week more, and let some of his children grow up unskilled, and with diminished power of self-support, than that he should run the risk of earning a little less, and give his children an opportunity of earning a great deal more. I have assumed that these restrictions do secure a present advance; but, as I shall hereafter endeavour to prove, that is only possible in certain cases.

I have hitherto tried to show, that Trades Unions are not only

allowable, but of positive public benefit, so far as they are the means of affording the workman the advantage of sufficient strength in bargaining for the conditions of the sale of his labour; that the unions should have no powers of coercion which involve interference with the private rights common to all; and, further, that if, in the interests of the public, any such interference is necessary, it is the sole province of the State to make it.

The relations between Capital and Labour which are most favourable to the progress of National Industry, whatever they may be, should tend to secure the results already laid down as essential, viz., the largest possible production, and the highest possible state of efficiency of the whole industrial population. To this end it is necessary that the reward of industry, *i.e.*, wages, should be large enough to maintain the efficiency of the industrial machinery; or, in other words, to provide for the health, comfort, skill, and intelligence of the working population. Now, of course, these conditions of efficiency cannot be gained, unless there is a sufficient fund for the purpose; and this fund,—investing-capital, or capital seeking investment,—is very indefinite and elastic, increasing with the inducements of profit and security; and going abroad in search of more favourable conditions whenever these cannot be adequately obtained at home; or, it may be, withdrawing itself from investment altogether.

The true interest of both Labour and Capital is, therefore, to procure all possible facilities for the maximum production; to promote the efficiency and economy of Labour; and to provide for the security of Capital, by peaceful relations between the two. It is too often forgotten, that the profits of the employer are not the mere interest on his capital, but comprise, also, the reward of his skill and knowledge in the conduct of his business, and compensation for the risks of loss. Every unnecessary restriction put upon an employer is, therefore, either a direct loss, or a difficulty to be surmounted by extra skill, for which he will be compensated in the

long run by increased profit. Risky and difficult businesses are proverbially the most profitable, risk and difficulty being discouragements to investment.

In most trades, increased cost means, necessarily, a diminished volume of business; but there is one exception that requires special notice, that of the Building trade. Dwellings are amongst the articles of prime necessity, and must therefore be obtained to the required extent, with less regard to cost than most things. Moreover, the capital invested in providing them must be invested at home. Building materials are, as a rule, too bulky to be imported. It is probably in this trade that restrictions on production are most common. They do not, however, drive capital away, but by rendering production costly and investment risky, enhance the value of buildings and raise rents; or, what is the same thing, they foster the erection of inferior buildings. Yet even here we find that the lighter building materials, manufactured by means of capital invested abroad, are being introduced.*

It is impossible to state to what extent British capital has gone beyond our shores for investment, or how far the produce of foreign labour and capital have been substituted for British of late years. Still less is it possible to gauge the extent to which such changes are due to restrictions upon freedom of Labour. So far as they may be the result of the natural advance of wages, they must be regarded with composure. There is little in the Report of the Royal Commission to throw light on this question. A few words may, however, be quoted. Mr. Mundella says:—"I have known strikes to drive away trade; and I have known strikes to introduce trade in other localities abroad." In the glass trade, Dr. George Lloyd, of the firm of Lloyd and Co., Birmingham, says:—"Foreign competition is increasing daily, almost. There are many articles now, which are introduced from the continent, in flint glass, which formerly

* As a single example of this, it is stated that the whole of the window frames, and other portions of woodwork of the new St. Thomas's Hospital, in London, have been imported from abroad.

were inadmissible, partly because they were of inferior quality, and partly because they were inapplicable to the English market, and were more expensive. Now the quality is improving, and the cost of production and labour is greater in England than it is abroad." "This is one of the trades in which," says the Report, "the employers are especially hampered by the union rules respecting the number of apprentices." To give some idea of the changes in this particular trade, I have compiled the following figures from the Statistical Abstract for the fifteen years ending December, 1869:

| | COMPUTED REAL VALUE. | | |
|---|----------------------|-----------------|-----------------|
| | 1855—1859. | 1860—1864. | 1865—1869. |
| <i>Imports</i> of glass of all kinds, (except common bottles) | £. 697,025 | £. 1,962,932 | £. 3,912,865 |
| <i>Exports</i> of do., (except do.) | 1,404,682 | 1,934,901 | 2,281,810 |
| Excess of <i>Exports</i> | 707,657 | | |
| Excess of <i>Imports</i> | | 28,031 | 1,631,055 |

It thus appears, that, whilst in the five years 1855—59, we *exported* 101·5 per cent. more glass than we imported, in the five years 1865—69, we actually *imported* 71·5 per cent. more than we exported. There is here the strongest evidence of a declining trade; and it is one of those which are most strictly guarded by a limitation of apprentices. No wonder that there are said to be many journeymen out of employment in this trade. Of course it is possible that some other reasons may be given to account for this comparative falling off; but as yet I have seen no explanation, except that by trade restrictions the cost of production is being kept higher than the trade can bear and prosper.

If, on the side of labour, its interests lie so obviously in fostering the investment of capital, the interests of the latter are not less clearly involved in promoting the efficiency and intelligence of

labour, and in securing peaceful relations between employers and employed. Especially is this the case with those whose fixed investments in buildings and machinery, in some measure, bind them to an almost permanent relationship with the employed. And now that Trades Unions are become a great fact in English industrial life, it would surely show great want of sagacity to ignore them. The violence and unwarrantable interference with the conduct of business, so common formerly, were naturally and rightly resented by employers. But these objectionable features are abating, and there seems every reason why the evidently peaceful intentions and useful services of the best of the Unions should be acknowledged and welcomed. A member and former officer of the Amalgamated Carpenters' Society writes to me as follows:—" Strikes throughout our society are fast becoming things of the past; and disputes are now being prevented, or if that be found impossible, referred to a more peaceful (and what is more to us) a more economical mode of settlement."

Mr. Mills has pointed out,* that the strongest hope for checking the evils of commercial crises, if not for preventing them, lies in a more widely diffused knowledge of those economic laws under which commercial transactions are carried on. Every step in this direction is also a step towards removing the causes of strikes and wages disputes. Commercial crises affect the business classes first, but they eventually fall, with disastrous results, upon the industrial classes, as Mr. Mills shows in his tables of the correspondence between the various stages of a commercial cycle and the deposits in Savings' Banks, as well as in the fluctuations in the numbers of paupers relieved. A knowledge of the elements of economic science is also most necessary for workmen, and especially for the leaders of Trades Unions, so that they may understand the causes which affect the course of trade, and which finally are the reasons for alterations in wages.

* Transactions of the Manchester Statistical Society, 1867-8.

I have only space for a few words on the subject of Co-operation and Industrial partnerships which have been of late much lauded as remedies for disputes between Capital and Labour. Each of them has, no doubt, its merits, but it does not appear to me that they can ever become of such importance as to supersede the present system of employer and employed. Co-operation, as a means of investing small savings, is a way by which some workmen are enabled to step into the rank of capitalists. Industrial partnerships are practicable in but a few cases. The more enthusiastic supporters of these systems appear to dream of a time when all capital invested in business will be possessed by those who work with their hands. Trades Unionism assumes that the relationship between employer and employed is permanent, as permanent as any human relationship, but it seeks to secure such conditions as will infuse a reasonable amount of comfort, intelligence, and brightness into the life of the workman, and to assure to him, as far as possible, a regular income. The mass of mankind prefer a steady and assured position of moderate comfort, to the fluctuations and vicissitudes of an adventurous and anxious career, such as the career of a capitalist usually is, and such as it must necessarily be with those who attempt to struggle out of the rank of manual labour, into that of a "Captain of Industry." To me, it seems that Trades Unions, when purged from the evils that mar some of them, are by a long way more practicable, than either of the other two systems, both as a means of promoting the efficiency of National Industry and as a remedy for industrial disputes.

As a specimen of a well conducted Trade Society, the main features of the Amalgamated Society of Carpenters and Joiners may here be given. It consists of 237 branches, mostly scattered throughout the British Isles, six of them being in the United States of America. It has 10,346 members. It affords pecuniary help to its members in case of sickness, accident, loss of tools by fire, water, or theft, decay or disablement after 50 years of age, at the death of members or their wives, and a small allowance when

out of work from any cause. It carefully notes local differences in the demand and supply of labour, and transfers workmen from place to place, according to the wants of trade. Its object is more the equalization of wages, regard being had to local requirements, than an advance in any particular locality. It lays down no rules with respect to work, wages, or hours; and does not support any strike against piece-work, except, where, by a joint agreement between employers and employed, its abolition has been already agreed upon. It has established evening schools in various places for the general and technical instruction of both members and non-members in the trade. The report of one of the school committees says, of the advanced classes, that: "The pupils receive instruction in geometrical and free-hand drawing, and drawing of various description of joiners' and masons' work, handrailing, circles, and circles upon circles, skew arches, all-raking, and other intersections, enlargement and diminishing of mouldings, making and modes of hanging shutters, doors, and windows of all descriptions, and of the scientific manner of setting out masons' and joiners' work."

In conclusion, I am inclined to think that the basis of all further improvement in the efficiency of National Industry, must be sought in the prevalence of a complete system of National Education, followed up by an extension of legal restrictions upon the employment of children and young persons. The latter would tend to improve the wages of adults, whilst the former would prepare every child to become an efficient contributor to the national wealth, enabling each one to develop the powers conferred on him by the Creator, and to use them in the sphere most congenial to his nature. From the earliest efforts of the young workman, through every part of his career, there is no period when a good early education will not make him a better citizen, producing more and better work. He will know too how to make the most of the various circumstances of his life, its vicissitudes, its progress, its defeats, its victories. Ignorance means incapacity and inability to

profit by experience. Education means aptness to learn, readiness to be guided by events, and it infuses strength of character, enabling men to bridge over the weak places in their experience. Ignorance is apt to magnify disaster, to render men bewildered and incapable when hard times come, and so drives thousands into drinking habits and other degrading ways of drowning cares in forgetfulness. Persons who fall into these snares rarely come out of them, and what is worse, they rear generations to succeed them in the same state of helplessness and degradation. Their children are all their days in a state of semi-pauperism. Their dull lives are devoid of brightness and of every human comfort, and but little raised above those of brute beasts. They do not care to earn more than will maintain them in their miserable condition, and if they do get more, it is squandered in dissipation. They marry early and have families who live on as their parents did. What they want is not alms, but a spirit that will not be content with such a lot. Education will help them to exercise self-denial, to labour more continuously, to be more thrifty. Early marriages will become less frequent, as a higher standard of comfort prevails. The reformation must begin from within, in the character and aspirations. We have in our large cities and even in our agricultural districts, the raw material of a new source of national wealth. At present, this class is a serious drag and burden upon the industry of the more intelligent working class.

It is to be hoped that, ere long, some system of Trade Schools will be established, that these classes may be trained for useful employment, and instead of every English workman having, as he is now said to have, a pauper or a criminal on his back, he may have by his side an intelligent co-workman, producing something to be exchanged for the products of his own industry, instead of being obliged to support the pauper for nothing.

APPENDIX.

During the discussion which ensued upon the reading of the preceding paper, the following statistics relative to the expenditure of certain Trades' Unions, were given by Mr. Baker, who adduced them as valuable and interesting testimony to the provident features which obtain among the larger unions, and the relative smallness of the per centage expended on aggressive trade objects.

AMALGAMATED SOCIETY OF ENGINEERS. Founded, 1851. No. of members, 33,539; of branches, 317. Income for 1869, £82,407.

In the nineteen years of its existence it has paid:—

| | £ | Per cent. of gross income. |
|---|----------|-------------------------------|
| To members out of work | 457,624 | = 46.1 |
| For sick allowances | 179,165 | = 18.0 |
| „ Accidents and funerals | 73,450 | = 7.5 |
| „ Benevolent grants | 14,877 | = 1.5 |
| „ Superannuations | 53,327 | = 5.3 |
| <i>Benefits</i> | 778,443 | = 78.4 |
| „ Trade disputes (for 11 years past) | £28,200 | = 2.8 |
| „ Grants to other trades | 10,425 | = 1.0 |
| <i>Trade</i> | 38,625 | = 3.8 |
| „ Estimated working expenses .. | 100,000 | = 10.1 |
| Balances in hand | 76,176 | = 7.7 |
| Gross income | £993,244 | |

This Amalgamated Society includes, Engineers, Millwrights, Machinists, Moulders, &c. Since 1851, the average of wage and hours of labor in these industries remains nearly the same.

AMALGAMATED SOCIETY OF CARPENTERS AND JOINERS. Founded, 1860. No. of members, 9305; of branches, 224. Income for 1869, £21,803.

In the ten years of its existence it has paid:—

| | £ | Per cent. of gross income. |
|-----------------------------------|-----------------------|----------------------------|
| To members out of work | 22,916 | = 24·2 |
| For sick allowances..... | 18,052 | = 19·1 |
| ,, Accidents and funerals..... | 5,430 | = 5·7 |
| ,, Benevolent and tool grants.... | 3,917 | = 4·2 |
| <i>Benefits</i> | <u>50,315</u> | <u>= 53·2</u> |
| ,, Trade disputes | £8,106 | = 8·6 |
| ,, Grants to other trades .. | 451 | = 0·5 |
| <i>Trade</i> | 8,557 | = 9·1 |
| ,, Estimated Working Expenses.. | 18,000 | = 19·0 |
| Balance in hand | <u>17,626</u> | <u>= 18·7</u> |
| Gross income..... | <u><u>£94,498</u></u> | |

The wage and hours of labor in these trades, during the past ten years have been largely modified, partly by the action of the Union, and partly by the demand for skilled building labor.

In 1860 and in 1869, in the five following towns, they compare thus:—

| | LONDON. | | MANCHSTR. | | SHEFFIELD. | | DEVONPORT | | BIRMINGHM. | |
|---------|---------|-------|-----------|-------|------------|-------|-----------|-------|------------|-------|
| | Hours. | Wage. | Hours. | Wage. | Hours. | Wage. | Hours. | Wage. | Hours. | Wage. |
| 1860... | 58½ | 33/0 | 55½ | 28/0 | 58½ | 26/0 | 60 | 19/0 | 59½ | 25/6 |
| 1869... | 56½ | 37/8 | 54½ | 32/1 | 55½ | 30/0 | 58½ | 25/0 | 56½ | 30/7 |

OPERATIVE STONE-MASONS' SOCIETY. Founded, 1840. No. of members, 17,200; of Lodges, 315. Income for 1869, £23,054.

Since 1840, this society has paid:—

| | £ | Per cent. of gross. income. |
|--|-----------------|--------------------------------|
| To members in quest of work, travelling and donations | 43,528 | = 15·5 |
| For Sick allowances | 45,959 | = 15·3 |
| „ Accidents and funerals | 26,674 | = 9·5 |
| „ Benevolent grants to disabled, &c.. | 23,486 | = 9·4 |
| „ Superannuations | 989 | = 0·4 |
| | <hr/> | <hr/> |
| <i>Benefits</i> | 140,636 | = 50·1 |
| „ Trade disputes, &c..... | 62,457 | = 22·2 |
| „ Working expenses | 74,008 | = 26·4 |
| Balances in hand..... | 3,496 | = 1·3 |
| | <hr/> | <hr/> |
| Gross income | <u>£280,597</u> | |

This Union is more a trade than a benefit society, the larger number of its members belonging only to the trade section. For the past four years it has been vigorously combating payment by the hour, and the several prolonged strikes to which it has been committed appear to have well nigh exhausted its funds.

IRONFOUNDERS' SOCIETY. Founded, 1809. No. of members, 8,990; of Branches, 102. Income for 1869, £32,738.

From 1848 to 1869, it has paid:—

| | £ | Per cent. of gross income. |
|---|-----------------|-------------------------------|
| To members out of work | 296,154 | = 63·0 |
| For sick allowances | 63,098 | = 13·4 |
| „ Accidents and funerals | 29,963 | = 6·4 |
| „ Superannuations..... | 20,288 | = 4·3 |
| „ Emigration grants | 3,351 | = 0·7 |
| | <hr/> | <hr/> |
| <i>Benefits</i> | 412,854 | = 87·8 |
| For trade disputes, estimated for twelve years | 8,422 | = 1·8 |
| Estimated working expenses | 48,000 | = 10·2 |
| Balances in hand | 650 | = 0·2 |
| | <hr/> | <hr/> |
| Gross income | <u>£469,926</u> | |

It thus appears from the foregoing figures, that these four Trades' Unions have a total of 69,034 members; a present income of £160,002; and that over an average of 20 years they have expended:—

| | £ | Per cent. of the whole. |
|------------------------------|-------------------|----------------------------|
| In Out of Work Benefits..... | 820,222 | = 44·6 |
| „ Sick „ | 306,274 | = 16·7 |
| „ Accident & funeral „ | 135,517 | = 7·3 |
| „ Benevolent grant „ | 42,280 | = 2·3 |
| „ Superannuation „ | 74,604 | = 4·1 |
| „ Emigration „ | 3,351 | = 0·2 |
| Total Benefits | 1,382,248 | = 75·2 |
| *Trade purposes | 118,061 | = 6·4 |
| Working expenses | 240,008 | = 13·1 |
| And have Cash balances | 97,948 | = 5·3 |
| | £1,838,265 | |

COMPARATIVE TABLE OF PRECEDING AVERAGES.

| SOCIETIES. | Out of Work. | Sick. | Accidents & Funerals. | Benevolent Grants. | Superannuations. | Emigration. | Total Benefits. | Trade Purposes. | Working Expenses. | Cash Balances. |
|-------------------------|--------------|-------|-----------------------|--------------------|------------------|-------------|-----------------|-----------------|-------------------|----------------|
| Engineers' | 46·1 | 18·0 | 7·5 | 1·5 | 5·3 | .. | 78·4 | 3·8 | 10·1 | 7·7 |
| Carpenters and Joiners' | 24·2 | 19·1 | 5·7 | 4·2 | .. | .. | 53·2 | 9·1 | 19·0 | 18·7 |
| Stone Masons' | 15·5 | 15·3 | 9·5 | 9·4 | 0·4 | .. | 50·1 | 22·2 | 26·4 | 1·3 |
| Ironfounders' | 63·0 | 13·4 | 6·4 | .. | 4·3 | 0·7 | 87·8 | 1·8 | 10·2 | 0·2 |
| Actual Averages | 44·6 | 16·7 | 7·3 | 2·3 | 4·1 | 2 | 75·2 | 6·4 | 13·1 | 5·3 |

* Represents an average of 15 years only. If taken at same ratio for 20 years, it would stand £141,673 = 7·6, and Out of work Benefits would be £796,610 = 43·4.



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