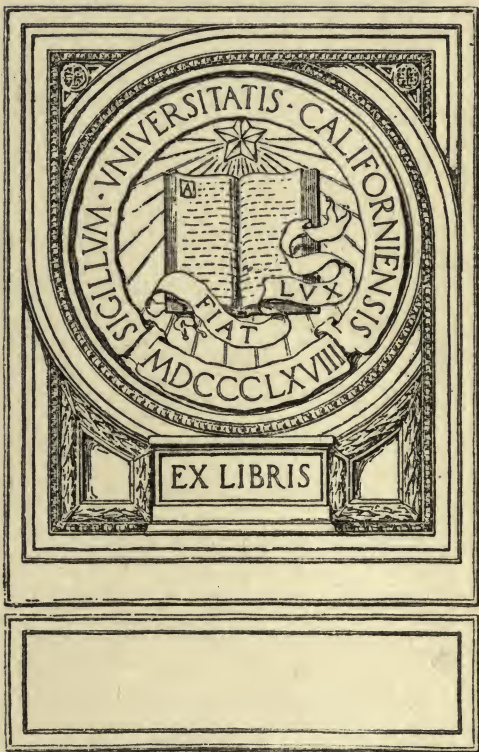


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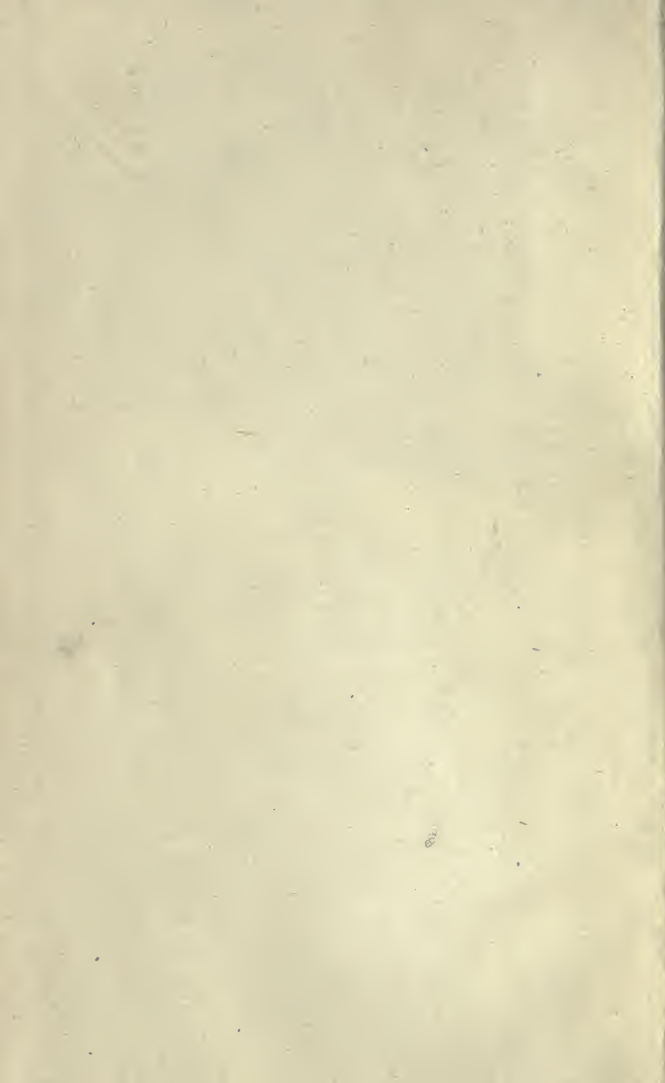
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**THE RESTORATION OF TRADE
UNION CONDITIONS**



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THE RESTORATION OF TRADE UNION CONDITIONS

BY
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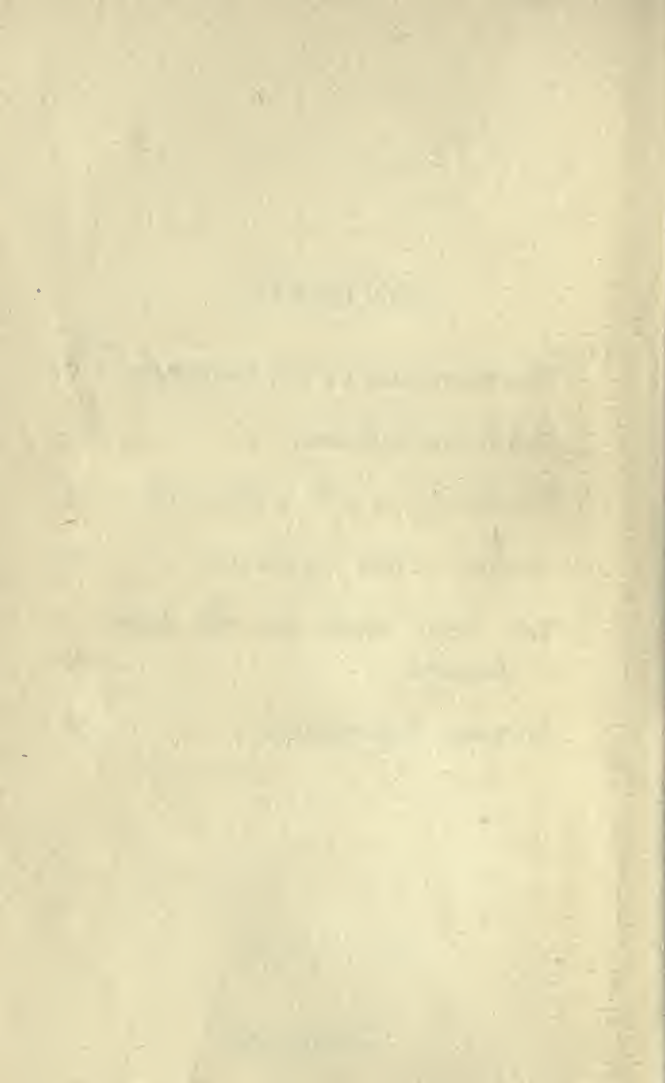
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CHAPTER I

THE SUSPENSION OF THE CONDITIONS

IN the increasing stress of international competition, much will depend for this country on the rapidity and the smoothness with which our industries can resume their normal work. If this resumption is hampered by ill-feeling and suspicion between employers and workmen—still more, if it is delayed by industrial war—the loss to the community will be incalculable. A grave peril hangs over the nation on the coming of peace. Second only in urgency to the problem of demobilization is the problem of the restoration of what are called Trade Union conditions. Unless this most difficult position is candidly faced in all its

aspects, by the Trade Unions as well as by the employers, and above all by the Government, before the war has come to an end, and unless a solution is timely found which all parties will accept, and which will not be prejudicial to the nation's industrial development, there is serious danger, throughout the whole of the engineering and some other trades, of calamitous industrial strife.

THE TRADE UNION NETWORK.

The outbreak of war found the British engineering, and, indeed, most other manufacturing industries, carried on under a complicated network of usages and regulations, differing from district to district, and often from establishment to establishment. These customs and rules had been built up during several generations, with the more or less explicit acquiescence of the employers. They were sometimes embodied in

written codes or agreements, drawn up and signed by Trade Unions and Employers' Associations, or by particular employers for the conduct of their own establishments. Sometimes they were recited in Trade Union books of rules, known to the employers, or in local working rules to which the employers of the district had agreed. Very often, however, many of the usages and customs were not embodied in any written document, and existed independently of any Trade Union; arising, in fact, among workmen who were non-unionist quite as much as among Trade Unionists, and representing, in an effective way, the spontaneous public opinion of the workshop.

This network of rules and agreements, usages, and customs was more extensive than is usually realized.¹

¹ The most extensive collections of Trade Union rules and other documents are those at (1) the Fabian Research Department, 25

It covered different points in different trades, and often in different districts of the same trade. Taking the network as a whole, and at its widest, it embraced not only the standard rates of wages, and the length of the normal working day, together with the arrangements for overtime, night-work, Sunday duty, mealtimes, and holidays, but also the exact classes of operatives (apprenticed or skilled, semi-skilled or unskilled, labourers or women) to be engaged or not to be engaged for various kinds of work, upon particular processes, or with different types of machine; whether non-unionists should be employed at all; what processes should be employed for particular tasks; what machines should be used for

Tothill Street, Westminster, which will supply information to any inquirer; and (2) the British Library of Political Science at the London School of Economics, Clare Market, Kingsway, W.C.

particular jobs; how the machines should be placed in relation to each other, and the speed at which they should be worked; whether one operative should complete a whole job, or attend only to one machine, or form part of a team of specialized operatives each doing a different process; what wages, if any, should be paid in the intervals between jobs, or whilst waiting for material, and what notice of termination of engagement should be given; whether boys or girls or young persons should be employed at all, or in what processes or with what machines, or in what proportion to the adult workmen; whether the remuneration should be by time or by the piece, and under what conditions, at what rates and with what allowances; and—perhaps where it prevailed most severely criticized of all, but by no means universally existing—what amount of output by each operative should be considered

a fair day's work, not to be considerably exceeded under penalty of the serious displeasure of the workshop.

ADVANTAGES OF THE NETWORK.

To their own particular network of rules and customs each set of workmen attached enormous importance—an importance so great that employers had often found it desirable to acquiesce in or even explicitly to agree to its continuance in order to arrive at any agreement as to rates of wages. Nor was the workmen's attachment to their customary usages and rules entirely unreasonable; or, as the political economists would now say, without some economic justification. These conditions, as the workmen held, formed an essential part of their individual contracts for service. What the employer paid for was their labour exercised under these conditions.

Invidious as some of them might appear to persons without the wage-earner's knowledge, they had been found by experience, so it seemed to the men, to be indispensable safeguards of the customary rate of wages—necessary defences against a progressive degradation of their standard of life.

Nor was the existence of such a network of usages altogether detrimental or distasteful to the employer doing a steady-going business in quiet times. It may be that it prevented the greatest possible output. Some managers might resent this or that rule or custom, or chafe against this or that restriction on their autocracy. The capitalist eager to "Americanize" his workshop might deplore the restrictions thus placed on production as uneconomic. But the typical English employer found that he was not doing so badly. He knew what to expect from his factory. Observance of the usages made for smooth running.

Just as the weight of the atmosphere is not felt as pressure, the long-continued customs of establishment that sought no change sometimes failed even to reach the employer's consciousness. He was often unaware of their existence.

Suddenly came the war, and the need for an enormous increase of production not only of shells but of all that war consumes; the insistence by the War Office and the Admiralty on the immediate supply of things which had not hitherto been made; the plain need of using every kind of factory, whatever may have been its previous product, in the new and gigantic task; and, at the same time, the absorption into the Army of many thousands of the men who had hitherto done the work of the kind now required.

WAR CHANGES.

To meet the need all sorts of changes had to be made—factories had to be extended or adapted, new and additional machinery had to be introduced, processes had to be changed, the relation of the operative to the machine had often to be revolutionized, a great development of standardized or repetition work replaced the series of slightly differing tasks to which the skilled mechanic had hitherto been set; and, as the demand grew, fresh classes of operatives had to be brought in, non-unionists, unapprenticed men, semi-skilled men, labourers, boys, even women and girls. The network of agreements and usages, rules and customs stood everywhere in the way of these industrial transformations. What might be unobjectionable or even mutually serviceable in peace was obviously not suitable for the

exigencies of war. It was not a time for mere revision, or for any nicely calculated less or more. The Trade Unions—which were the only bodies with whom negotiations could be carried on, although the tens of thousands of non-unionists were equally concerned—were accordingly asked by the Government, in conjunction with the Engineering Employers' Federation, to consent, for the duration of the war, at one blow to give up not this or that Trade Union rule or custom, but any part of the network which any employer thought was in any way interfering with the utmost possible production.

It must be remembered that by no means the whole of the network has been given up. What the Engineering Employers' Federation were specially concerned about, as frankly explained in their proposals of November 1914, was to get complete freedom for each employer to "dilute"

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labour by setting one or two skilled mechanics to help and direct a score of less skilled workers ; to break up the jobs so as to bring them within the capacity of semi-skilled workers ; to introduce automatic machinery and engage non-unionists and unapprenticed men, labourers, and women ; to work, if need be, an unlimited number of hours seven days a week, without regard for Factory Acts or holidays ; to substitute for the standard time rates whatever piecework or bonus systems they found convenient ; and, above all, so to speed up the machinery and abrogate all customary limitations on individual output as to get the very maximum of production.

LABOUR'S SACRIFICE.

Upon the strong appeal made by the Government the Trade Unions, without a single exception, agreed to do what the national interest required.

It was not a matter of bargain with this or that union only with which special terms as to waiving the exact restoration of the conditions might conceivably now be arranged. Practically the whole world of Labour was concerned. The terms offered by the Government were accepted, on behalf of Labour as a whole, by the Parliamentary Committee of the Trades Union Congress and the Management Committee of the General Federation of Trade Unions, by the Federation of Engineering and Shipbuilding Trades, the Amalgamated Society of Engineers, and half a dozen other engineering unions, by the Shipyard Trades' Agreement Committee and the main shipbuilding unions, by the National Union of Railwaymen and the 'Transport Workers' Federation, by the General Union of Textile Workers and the National Union of Boot and Shoe Operatives, by the Furnishing Trades Association and

the half a dozen principal wood-working unions, by the British Steel Smelters and other metal unions, and by the three principal unions representing over a quarter of a million labourers and nondescript workers. All these organizations "placed on one side," said a grateful Minister of Munitions eighteen months later,

the whole armour of Trade Union regulations upon which they had hitherto relied. For the weapons slowly forged during long years of struggle . . . directly or indirectly, might have tended to reduce the output during the war. The Government asked Labour to put all these on one side. It was a great deal to ask. I doubt if any community has ever been asked for greater sacrifices, but with a loyalty and statesmanship which cannot be overestimated the request was readily granted. The Trade Unions required, and they were right to require, a scrupulous record and recognition of what they were conceding. It was promised to them as a right, but they will receive more, not

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only the restoration of the system they temporarily abandoned, but the gratitude of the Army and the nation. (Mr. Montagu in the House of Commons, August 15, 1916.)

It is only just that the magnitude of the sacrifice made by organized labour should be remembered. But its very magnitude now increases the national difficulty.

CHAPTER II

THE NATION'S PLEDGE

THE abrogation of the Trade Union rules and workshop customs was required only for the duration of the war. The most explicit pledges were given, not once, but repeatedly; not to any particular Trade Union but to the Labour movement as a whole; not only by one Minister only but by many, representing all sections of the Coalition Government; and not by the Government alone but also by the Engineering Employers' Federation, and by innumerable employers individually — that whatever rules and practices were thus laid aside should be restored at the conclusion of the war.

So completely was this understood that provision was made that the

employer should place officially on record all the changes in working conditions that he might make during the war. But the restoration was not made dependent on the record, the completeness of which the Trade Unions were given no opportunity of verifying; nor was the pledge in any way limited to a restoration of the changes that the employer might choose to record. The pledge was complete and unconditional that the employer should in every case (to use the words of the important Shells and Fuses Agreement of March 5, 1915) "reinstatement the working conditions of his factory on the pre-war basis." Nor was the pledge limited to a restoration of conditions embodied in documents; whatever had been actually practised, whether with the consent of the employer or not, was to be reinstated. "Any departure during the war," said the Treasury Agreement of March 19, 1915, "from the practice ruling in

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our workshops, shipyards, and other industries prior to the war shall only be for the period of the war." This was specifically agreed to by every employer doing any Government work, for (as Mr. Henderson told the House of Commons on July 1, 1915) it was "made a condition of Government contracts" from March 1915 onwards.

ABSOLUTE RESTORATION.

The pledge of the restoration was not conditional, as has since been suggested in some quarters, on restoration being eventually asked for, or insisted on, by the Labour movement, or by any particular Trade Union or workman after the war. The promise of restoration was embodied as complete and without reservation, unconditional and absolute, irrespective of the desires of any Trade Union, in the Munitions of War Act, 1915, where any failure on the part of any

employer to carry it into effect was made, not a matter of contractual obligation which might be waived by the other party, but a criminal offence, punishable in the Munitions Tribunals by a fine to the Crown for each day or part of a day that the failure continued, no condition or excuse or extenuation or waiver being provided for. The Munitions of War Amendment Act, 1916, specifically repeated the same pledge with regard to the introduction, during the war, of non-union labour "into any class of work in a controlled establishment in which it was the practice prior to the war to employ union labour exclusively." A similar pledge was given with regard to the Royal arsenals and dockyards. The Government as an employer is technically not bound by the Munitions Acts, but the Prime Minister expressly promised, without condition or reserve, that, "subject to exceptional cases, the spirit of the Act should be observed

by Government Departments" (House of Commons, August 21, 1916). In short, as Mr. Lloyd George said on June 23, 1915, the abrogation "during the war" was agreed

on the honour and pledge of the nation that things would be restored exactly to the position they were in before the suspension of all these restrictions and practices that interfere with the increase of the output of war materials.

(House of Commons, June 23, 1915.) We promised, said the present Prime Minister to the Trade Union Congress on September 9, 1915,

that we would give a guarantee that at the end of the war the pre-war conditions would be restored. How have we done that? We have done it, not merely by solemn declarations on the part of the Government, but we have embodied them in an Act of Parliament. We have a statutory guarantee carried unanimously by Parliament, by men

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of all parties . . . all sorts and conditions of men. They are all in it, and they are all committed to that guarantee.

It is this solemn national pledge, given absolutely and unconditionally and not dependent on any application or request by any Trade Union or any workman, or upon any record or agreement by this or that employer, that the pre-war conditions and practices, whatever they were, should be restored at the end of the war, of which the Trade Union Congress and the Labour Party Conference reiterate that they expect the fulfilment.

THE TRANSFORMATION OF INDUSTRY.

Under the continued incitement and pressure of the Ministry of Munitions, the employers in all the industries supplying the thousand and one different things that the Government required gradually transformed their

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factories and workshops, not only as regards buildings and machinery, but also as regards the hours of labour, mealtimes, overtime, and holidays; the methods and rates of remuneration; the conditions of engagement, suspension, and dismissal; the disciplinary code, with its fines and other penalties; the relation of the operatives to the machines and of the various grades and classes of operatives to each other; and, above all, as regards the grades, classes, ages, trades, and sex of the operatives employed. It is suggested that no such sweeping transformation in the organization of British industry—a transformation occurring not in any one trade only but simultaneously in nearly all branches of manufacture—has taken place since what is known as the Industrial Revolution of 1780–1825. The present revolution, compressed within little over a couple of years, has been rendered possible only

by the abrogation of the network of usages and regulations, customs and rules which the Trade Unions so patriotically allowed "for the duration of the war."

So smoothly has the revolution been made in the great majority of cases—so completely have employers been set free to alter the working conditions—that they are often unaware of the extent to which their alterations infringed the old network of rules and customs. The actual changes made have naturally varied from trade to trade, from district to district, within any one trade, and even from establishment to establishment. They have not been restricted to the "Controlled Establishments," now nearing 5,000 in number; nor to those other thousands to whom some of the provisions of the Munitions Acts limiting the freedom of labour have been applied by official order; nor yet to the innumerable other firms employed on "war

work." Nor has their operation been confined to the orders of the British Government or its Allies. There is scarcely a branch of manufacturing industry that has not been affected, from steel-smelting to the making of scientific instruments, from saw-milling and shipbuilding to every corner of the furnishing trade; from processes in all the metals and chemicals to work in leather, glass, pottery, india-rubber, textiles, paper, and food preparations, not even wholly excluding the transport, distributive, and municipal services. It is, of course, not the case that every factory has been transformed in all respects. The extent of the transformation in each case has depended on the nature of the industry, the efficiency and energy of particular employers, the amount of pressure applied by the Ministry of Munitions, and even the degrees to which those concerned in particular establishments have known how to

capture the heart and enlist the co-operation of those whom they employed.

THE TRADE UNIONISM THAT CONTINUES.

Nor does the abrogation of those Trade Union rules and agreements, customs, and usages which have been found to restrict output or diminish production mean, as some people seem to imagine, the total suspension of Trade Unionism. As a matter of fact, the Trade Unions have in nearly all cases greatly increased their membership during the war (allowance being made for members with the colours); and a large part—in many Trade Unions the major part—of their activities has remained unaffected. Twenty years ago, in analysing in detail the whole field of Trade Union action,¹ we described these activities

¹ *Industrial Democracy*, by S. and B. Webb.

(apart from the Friendly Society side) as falling into two classes, namely, those inspired by the Doctrine of Vested Interests and those inspired by the Doctrine of the Common Rule. We pointed out that the activities of the former class, inherited from the past (whilst entirely justified as weapons of defence), had invidious results, were becoming less effective even as weapons of defence, and characterized only a portion, and, as we thought, the least successful portion, of the Trade Union world. The activities of the other class, leading to a reliance on the maintenance of the Standard Rate and the Normal Day, without restriction of numbers or limitation of output, and without any invidious exclusiveness, were coming more and more to be the characteristic features of British Trade Unionism, and were, in our judgment, not merely harmless to British industry but actually productive of great economic and social

advantages to the nation as a whole as well as to the workmen. Now, it is significant that it is only the Trade Union activities of the former class, based on the Doctrine of Vested Interests, which have been found obstructive or in the way of increased production, and which have therefore been suspended. The very extensive range and volume of Trade Union activities of the latter class, based on the Doctrine of the Common Rule, which some of the strongest Trade Unions (for example, the Cotton Spinners) have found so efficacious, have not been interfered with; and these remain in full force. This may explain the fact that, notwithstanding the suspension of all the Trade Union rules and agreements, customs, and usages that the employers have cared to suspend, the strength and activity of Trade Unionism have steadily increased, so that, whether in membership or in funds, the forces of Trade

Unionism are actually more extensive than they have been at any previous time. The strength of the Trade Union position does not lessen the difficulty of the situation.

THE INDUSTRIAL CHANGES.

We shall realize better what is the character of the "Trade Union conditions" that have been suspended if we state the changes in the organization and management of the factory that their abrogation has permitted. During these fateful two years the employers in practically all industries have, to a greater or less degree—

(i.) Changed the processes of manufacture, notably so as to enable work formerly done by skilled craftsmen to be done by women or labourers ;

(ii.) Introduced new and additional machinery with the same object ;

(iii.) Engaged in work or on processes

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formerly done by skilled craftsmen, boys, women, and unapprenticed men ;

(iv.) Increased the proportion of boys to men ;

(v.) Substituted piecework and bonus systems for time wages ; and that without any printed and collectively-agreed-to piecework list of prices, or other protection against a future cutting of rates ;

(vi.) Increased the hours of labour, sometimes refusing also any satisfactory addition for overtime, night duty, and Sunday work ;

(vii.) Speeded up production, getting rid of all customary understandings among the workers of what constituted a fair day's work, or what times should be taken for particular jobs ;

(viii.) Suppressed demarcation disputes and ignored all claims, whether to kinds of work or particular jobs, of particular unions, particular grades, particular sets of craftsmen, or a particular sex.

It is these changes, avowedly made only for the duration of the war, which the nation has been most solemnly and unconditionally pledged—by a whole

series of Cabinet Ministers, by two successive Premiers, by a unanimous House of Commons, and by the entire newspaper Press—to undo and reverse on the conclusion of the war. Nor has the pledge been given only by the statesmen and politicians. Every manufacturing employer who has, since March 1915, received a Government contract has individually pledged himself in writing in similar terms; whilst every firm, whether or not a controlled establishment or engaged in Government work, which has had any section of the Munitions Acts applied to it has come under a like obligation. There can be no doubt or quibble about it. We have pledged our faith, individually and collectively, to “reinstate the working conditions . . . on the pre-war basis”—to see that all the departures—

“from the practice ruling in our workshops, shipyards, and other industries

prior to the war shall only be for the period of the war"—to ensure "that things would be restored exactly to the position they were in before the suspension of all these restrictions and practices that interfere with the increase of the output."

WHAT THE NATION HAS GAINED.

It is idle at this stage to consider whether the Government and the House of Commons, together with the various employers' associations, were wise in pledging themselves in such unequivocal terms to an exact and specific restoration of the "pre-war conditions" and "the practice ruling in our workshops," or in requiring employers individually to bind themselves by a similar obligation. The employers, like the Government and the nation as a whole, have signed and sealed this "scrap of paper." And we cannot deny the advantages that we have drawn from the temporary

abrogation of the network of rules and agreements, usages and customs that it procured. It is not merely that the Ministry of Munitions has got delivered during these two years, as it tells us, an incredible quantity, far in excess of any previous record, of shells and guns and every kind of supplies needed for the Armies and Navies of ourselves and our Allies—the workpeople toiling so incessantly during “all the hours God made” that the Government itself has been driven, on the remonstrances of Sir George Newman’s Committee, to impose new limitations in order to prevent too large a proportion of them from breaking down in health.

What is perhaps of more permanent importance from the employers’ standpoint is that they have discovered how to increase the output of their establishments without increasing the number of skilled operatives; and, at the same time, how to diminish the “labour-cost” of their products, irrespective of

any reduction of the rates of wages. A large section of British industry has at last learned by experience, as it had long admitted in theory, the lesson of the economic advantage of a large output, of production for a continuous demand, of standardization and long runs, of the use of automatic machinery for the separate production of each component part, of team-work and specialization among the operatives, of universalizing piece-work speed and of not grudging to the workers the larger earnings brought by piece-work effort. We do not think it is any exaggeration to say that the 15,000 or 20,000 establishments, large or small, in every conceivable industry, with which the Ministry of Munitions, the Board of Trade, the War Trade Department, and the Admiralty have been in touch, are now turning out, on an average, more than twice the product per operative employed than they did before the war; whilst, assuming the

same standard rates of wages, grade by grade, the labour-cost works out considerably lower than under the old system.

Employers, at any rate, are abundantly convinced of the economic advantages of the new industrial revolution that has been effected. Not from engineering alone, but from industry after industry comes the report that productivity and profits have alike so much increased that any reversion to the old state of things would be disastrous; and that the continuance of the new organization and practice of their factories is indispensable if this country is to be able to face the impending fierce competition for the world's trade. Moreover, the practical difficulties of reinstating in each factory the working conditions on the pre-war basis are very great. There is no complete statement of what were the usages and customs, or of what was the ruling

practice, of each establishment. The records of changes which the employers were ordered to keep have, in many cases, not been kept at all; and probably in no case have they been kept with completeness.

A BARGAIN NOT KEPT.

For this failure to carry out the bargain which it made with the Trade Unions, and to obtain the evidence which would at any rate have facilitated the eventual fulfilment of the Government pledge, the Ministry of Munitions (which was, of course, busy about other things) is itself responsible. For many months no steps were taken to require employers to forward the records provided for by the statute; it is believed that no employer out of the whole 5,000 or 10,000 has been prosecuted for failure to comply with this provision; and to this day no systematic arrangements have been

made with the Trade Unions concerned to get the records agreed to, contemporaneously with the changes, by both parties. The Government is therefore estopped from now taking refuge in the imperfection of the records. And the changes (which could, of course, be proved by other evidence, including, in many cases, the signed agreements of the employers and the Employers' Association as to the pre-war practice) have often been enormous and far-reaching.

During the past two years the factories have, in many cases, been enlarged or completely rearranged; the application of power has been revolutionized; the provision for lighting, heating, and ventilation has been transformed. The course of manufacture and the appliances have been changed. Many tens of thousands of automatic lathes and other machines have been installed, frequently of kinds never before employed in the establishments

in which they are now working, and in some cases not previously in use in this country. The addition made to the machinery—almost all of it in the establishments doing “war work”—is estimated to run, in the aggregate, into hundreds of millions sterling. A large proportion of this machinery has been put up for the new processes which have been introduced in connection with the standardization of parts and the long runs of repetition work; and for all this the old time-work rates of wages have been superseded by new piecework and bonus systems. With the rapidly progressing “dilution of labour” and the substitution of team-work for individual production, the old rates of speed and the old standards of output have become wholly obsolete.

Finally, in order to work the new machinery and to execute the newly devised processes, as well as to replace the skilled mechanics called to the colours, new classes of operatives,

who would never have been allowed inside the establishments prior to the war, have been taken on and trained to the new jobs to the extent of several hundred thousand, a very large proportion of whom are quite certainly determined to continue in the new vocations that they have gained—craftsmen belonging to other trades, unapprenticed handimen, semi-skilled men, nondescript persons from all sorts of occupations, hobbledehoy youths, and, last of all, women, some of whom have now made themselves capable of the work of the all-round skilled craftsman.

AN ANXIOUS QUESTION.

How are the employers going to fulfil the terms of the Government contracts that they have been signing since March 1915, which all include, as we have seen, an explicit undertaking that the changes

in their establishments are to be only for the duration of the war? How is Mr. Lloyd George going to carry out the promise that he made—in so doing only repeating the undertaking of the Treasury Agreement, and the pledges in which Mr. Bonar Law, Mr. Asquith, and other Ministers joined—that things should be restored “exactly to the position they were in before the suspension of all the restrictions and practices that interfere with the increase of output”? The position is not made easier by the fact that many firms, and a large proportion of the newly introduced operatives, have no desire for any such restoration. Some employers, doubtless forgetting the obligations by which they have individually bound themselves in their Government contracts, make no secret of their intention to allow in their establishment no such reversion to methods of working, processes of

manufacture, and systems of remuneration which they denounce as obsolete and uneconomic. Nothing will induce them, so some have declared, to restore the network of rules and agreements, usages and customs under which their factories were working prior to the war.

It is scarcely to be wondered that an uneasy feeling is spreading among the Trade Unions as to whether the pledge, so solemnly and so repeatedly made to them, is, after all, going to be fulfilled.

CHAPTER III

THE DANGER OF A SHAM RESTORATION

AS we have shown, we are face to face with the unpleasant fact that the nation has given a solemn pledge to labour which it cannot possibly fulfil. Without Mr. Wells's "Time Machine" we cannot return to an era that is past. The pre-war conditions cannot be restored. Things cannot be put back in the position they were in prior to the new industrial revolution. The network of agreements and rules, customs and usages, which made up the practice of the workshop, had reference to factors which have, to a large extent, been changed or replaced. The old network, in so far as it has been suspended, would, if it could be restored,

fit neither the new machines nor the new organization of the establishment, neither the new processes nor the new classes of operatives, neither the new intensity of production nor the new methods of remuneration.

To take only one instance, the restoration of "the practice ruling in our workshops, shipyards, and other industries" would involve, in the case of the Amalgamated Society of Engineers alone, and confining ourselves for the moment to the evidence of the printed rules, agreements, awards, and declarations of employers and employers' associations which are in the possession of the Trade Union, (1) the exclusion of all the women, unapprenticed men, men from other crafts, labourers, and in many factories also the non-unionists, from all strictly engineering work; (2) the total abolition of "dilution" and team-work in all its forms; (3) either the scraping of the many millions of pounds'

worth of new automatic machines, or their manning, even when they were used for simple operations, exclusively by skilled engineers at the old standard rates; (4) the abandonment of any form of "scientific management" wherever it has been introduced; (5) in nearly all establishments the abolition of piecework or bonus systems of remuneration, where they have been newly adopted, and a resumption of the old weekly standard rates; and, in short, (6) a return to the arrangement under which a skilled mechanic, attending to a single machine, occupied exclusively with a single job, did it from start to finish at a fixed weekly wage.

Moreover, it must be remembered that it was, in addition, particularly the unwritten usage of a customary limitation of individual output that the employers and the Government were anxious to get abrogated; and this, too, would have to be reinstated

and permitted, as part of the practice of the workshop, practically wherever the workmen chose. Other Trade Unions are in a position to prove their "pre-war conditions" on similar lines.

FACE TO FACE WITH FAILURE.

To put it plainly, we could not restore that part which has been abrogated of the network of agreements and rules, usages and customs, that existed before the war, even if this could anyhow be done, without undoing the new industrial revolution; and without making, in a reverse direction, as sweeping a change throughout British manufacturing industry as has been effected by that revolution. We may as well admit to ourselves, straight away, that, in face of so great a national loss, and of the opposition both of the employers and of the new classes

of operatives who would have to be turned out, together with that of their sympathizers in other social circles, no Government could insist on carrying out the pledge; and that, in spite of its plighted troth, no Government will try.

The position is therefore grave. The eagerness of the Minister of Munitions has committed us to a national promise, which procured for us, collectively as a nation and individually as employers, very great advantages; and now we find that we cannot keep our word.

Up and down the country the workmen will be very angry; and, as we must own, with some cause. In every branch meeting, at every workshop bench, at every Labour Conference, the tale will be discussed of how, when the Government was in a hole, and the employers were eager for war profits, the opportunity was taken to play upon the workmen's patriotic feelings to induce them to make what

the responsible Minister described as perhaps as great a sacrifice as has ever been asked of any community; of how the Trade Union leaders, in the name of the workmen, and often against local opposition, made this sacrifice of "the whole armour" of Trade Unionism, in reliance on the pledge of the Government and the employers that the "pre-war conditions" of the workshop would be in their integrity restored; and of how, when the time came, the nation and the employers, having secured all the advantages, broke their word, and the workmen found themselves done! For a whole generation the Great Betrayal will be talked about and bitterly resented. It will not be a good basis on which to build the national co-operation and industrial efficiency that we desire.

DANGER OF SHAM RESTORATION.

What, then, can be done? There is one line of policy which may be

confidently predicted to lead to muddle and disaster, discredit, and class-bitterness, and which nevertheless is dangerously likely—because it seems to get over the difficulty for the moment—to be the one to which the Government will be tempted. That is the policy of a sham restoration. The workman, who is still too often regarded as “half-devil and half-child,” may be deceived. The Trade Unionists, as the Board of Trade and the Ministry of Munitions have come to believe, can be cajoled into anything! We must, it will be said, have a conference or, if need be, a series of conferences, and get adopted some sort of compromise. Find out privately from the big engineering employers the utmost that they can without detriment concede; discover discreetly from the members of the executives of the principal Trade Unions concerned on which turns of phrase their members lay most stress; and it will not pass

the wit of the Civil Service to compose a form of words which will seem to satisfy the workmen, and yet will, in effect, not upset the new organization of the factory ; which will assert the monopoly of the skilled craftsmen to certain kinds of work, yet will, in fact, so define them as to allow the automatic lathes to be worked with diluted labour, or by the labourers who have become so proficient ; which will avowedly maintain engineering as a man's trade, and yet not dismiss more than a small proportion of the women from the engineering workshops ; which will in bold words uphold the principle of the standard rate, and yet not upset, or even bring under collective bargaining, the newly introduced piecework scales and premium bonus systems, in which it is always open to the employers arbitrarily and insidiously to cut the rates and reduce the times.

FACILE NEGOTIATIONS.

Moreover, it will be only a paper agreement, without authoritative interpretation or effective sanction. The employers will know, without even an official hint, that the terms drafted will not be enforced or even be enforceable by the Government at all; and will therefore not need to be as strictly obeyed as the Factory Acts; whilst the necessarily general terms of such a universal treaty will be interpreted by the myriads of employers themselves each in his own way. When the secret negotiators and the expert draughtsmen have formulated their scheme there will be a private conference, of the kind of which there have been so many within the last two years, made up of representatives of "the Trade Unions concerned," selected for the Government by the hand of one of its many "Labour" Advisory Committees. This select

conference, without reporters, will be very persuasively addressed by Ministers—perhaps by the Prime Minister—and the difficulties will be discussed with a great show of frankness. The matter will be treated, it may be predicted, not so much as the fulfilment of an unconditional national pledge to the Trade Union movement as a whole, as an intervention of the Government to compose the differences as to the restoration found to exist among the Trade Unions themselves; and much will be made of the incompatibility between the desires in the matter of the skilled craftsmen and the labourers, and between those of rival crafts.

At the right moment the carefully drafted compromise will be produced, and persuasively explained. Of course, no opportunity will be given for its scrutiny at home, for it to be submitted to a legal adviser, or even for private discussion. The workmen will

not even be allowed to bring their solicitor or other skilled advisers with them. The conference will be asked to come to a vote. Some verbal amendments may be made. When the vote is taken it may very probably be found that more than half of these specially invited representatives—partly out of inability to think, then and there, of any practicable alternative, partly under the influence of the speeches, and partly because of honest desire to serve the Government—will have voted for the very specious compromise.

DOWN THE SLOPE.

The rest will be fatally easy. Any dissentient Trade Union executive need only be told that the movement as a whole has accepted the terms, and that no exceptions can be made—and then, as a special favour, a separate agreement will be privately made with that

union, conceding some slight alterations to meet the particular circumstances of its industry. The various compromises will then be submitted to the memberships of the several organizations as the best terms that their National Executive could obtain; and there will be much angry discussion. Some districts will oppose acceptance, but others will acquiesce, with more or less protest, in the terms, to which, in the absence of any stated alternative, their minds will by that time have become accustomed. There may be strikes here and there, but they will probably sputter out. The workmen, as they will presently discover, will have been done. Not the old network of rules and regulations, customs and usages, will have been restored; but a new general agreement will have been substituted for it under which the new organization of industry will, with a certain amount of local friction, continue to

work. The nation will be satisfied that it has, more or less, kept its word. The corner will have been turned. Each trade will then be left to make, by its own subsequent negotiations, and at the cost of its own fighting, the modifications in particular points which employers and workmen will promptly desire and fight over.

THREE BAD RESULTS.

Now, this policy of a sham restoration, however discreditable to our national honour, is so plausible to the bureaucratic mind that it is desirable to explain very definitely why it will be as disastrous for the nation as for the workmen; and, in the long run, even for the employers.

It will, in the first place, not bring industrial peace. The terms arranged will not provide, and will not have been intended to provide, any real protection or genuine safeguard, in

substitution for "the whole armour of Trade Union regulations" that will have been got rid of, for the standard of life of the skilled craftsmen. This standard of life will, the whole armour of Trade Unionism having been thrown away, inevitably be undermined by the admission of labourers and women at lower rates, by the competition between processes, and by the perpetual "cutting" of piecework prices or premium bonus times, unsafeguarded either by standard lists or collective bargaining, that the sham restoration will have been deliberately designed to leave open. The result will be, not peace, but a perpetual succession of strikes, great and small, in all the industries affected; strikes that will be for a whole generation embittered by their relation to the great betrayal which will be perpetually recalled.

In the second place, no such sham restoration will secure to the relatively badly organized labourers, and still less

to the women—these two classes now comprising literally more than half the staff in our manufacturing industries taken as a whole—any definite minimum standard, not even the “pound a week” which Mr. Lloyd George, Mr. Montagu, and Dr. Addison, as Ministers of Munitions, have tried and failed to make anything like universal. This failure to secure a living wage to the weaker half of all our manufacturing operatives will make neither for continued efficiency nor for industrial contentment. Although the labourers and the women are still badly organized, they are not incapable of resistance. Already in 1913-14 there were more stoppages of work due to strikes of women or labourers than to strikes of the skilled craftsmen. And the number will grow.

Finally, and to the employer eager for industrial progress most important of all, sham restoration will do nothing to prevent—on the contrary, it is

bound greatly to stimulate—those spontaneous reprisals of the workshop against the cutting of rates, or any abuse of piecework, which are summed up in the phrase “Ca’ canny.” It was more than anything else this secret and nevertheless widespread refusal, not in the engineering workshops only, but also in innumerable other trades, to do more than was considered “a fair day’s work,” that the employers sought once for all to get rid of by what they called the abrogation of Trade Union conditions. The sham restoration of these conditions, and the sullen resentment that it will inevitably cause throughout the whole world of labour, is the very way to bring back and increase the silent limitation of output that British employers fear more than anything else. That demon cannot be exorcized by tricking the workmen’s representatives into any sham restoration of Trade Union conditions on the old lines to

which the employers could be persuaded to agree, or which would be compatible with the new industrial revolution. If the Government is short-sighted enough to try this dishonourable course of a sham restoration, to which it may be departmentally advised, it may achieve a momentary appearance of success, but it will not have averted the very grave peril that hangs over British industry.

It has been said, indeed, that if things are to be put back as they were before the war, the same argument applies to wages; and that the Trade Unions will therefore not wish to press their claims at such a cost. This is a profound mistake. To begin with, it cannot honestly be contended that the pledges given, and specifically enacted in the Munitions Acts, either included or contemplated any revision of the rates of wages. The pledges have to be fulfilled whatever the rates of wages. Moreover, "real wages"

have fallen, not risen. Money wages have nowhere risen in proportion to the rise in the cost of living. Thus, if it is argued that putting things back as they were before the war includes a reversion to pre-war money wages, it must also, it is clear, include a reversion to pre-war prices, which it is impossible to secure.

NO SEPARATE NEGOTIATIONS.

It follows that matters would not be bettered if the Government threw the whole responsibility on the employers in the engineering and other industries principally affected, and told them to negotiate with the Trade Unions concerned, in order, severally, to make the best bargain that they could. The transformation of each industry affects not one but several dozen Trade Unions. The nation's pledge was given not particularly to the Amalgamated Society of Engineers,

but to the entire Trade Union world. Moreover, it was not given merely generally, but also to each Trade Union and even to each workman,¹ separately and specifically; and there would be no settlement until every one of the Trade Unions had been settled with. In view of the rivalries and conflicting interests of the sixty or seventy Trade Unions represented in the engineering industry alone; in view of the very different claims and demands of the skilled craftsmen, the semi-skilled men, the labourers, and the women, all of whom would have to be separately represented; in view, moreover, of the conflicting claims of a "Right to the Trade" and of the outstanding demarcation disputes, it may be safely said that (whilst the device of separate negotiations might be used to divide the Trade Union

¹ Every workman may proceed in the Munitions Tribunal to secure restoration of the Trade Union conditions.

forces, and to settle with some Unions, while refusing to others any fulfilment of the pledge given to all alike) no amicable general settlement can possibly be reached along the line of separate negotiations. And the Government is responsible before the nation for arriving at an amicable general settlement, without the cordial acceptance of which by the rank and file of the workmen throughout the whole of each industry the elimination of "Ca' canny" cannot be secured.

CHAPTER IV

WANTED—A NEW SETTLEMENT

THE warning conveyed in the previous chapter shows that what is wanted is not any restoration of those "Trade Union conditions" which have been suspended to the position in which they existed before the war. In any real sense such a restoration has been rendered impracticable by the new industrial revolution; and any disingenuous pretence will lead only to trouble.

What is wanted is a new settlement of industry on a basis that will secure to the wage-earners, honestly and effectively, what they have really at heart; and at the same time allow to the managers of industry that freedom of initiative and power of direction

which is, whether under individualism or collectivism, indispensable to industrial progress. Have we, in the nation, the statesmanship for such a new settlement?

The Minister who will have to grapple with the task will be beset with difficulties. He will have to deal, on the one hand, with employers who are heartily sick of the trammels and annoyances to which they have been subjected in the past by the ill-conceived restrictions forged out of the suspicions and by the innate industrial conservatism of the workmen; and who frankly declare their intention to manage their factories henceforth in whatever way they think best. He will have to meet, among the workmen, not only the reluctance of Trade Union leaders to abandon old weapons, but also the influence, increased by every betrayal and by every act of autocracy of the employers, of those who do not want to make the "capitalist

system" work smoothly, because they fondly imagine that its imminent "breakdown" will usher in a Utopian State.

Nor will such a new settlement be possible if it is true that between the real objects of the employers and those of the wage-earners there necessarily yawns an impassable gulf; if national efficiency is not a necessary condition of genuinely securing the interests of either party, and compatible with obtaining the utmost results for both; and if the most hopeful evolution of society, whether this is to be towards an equalitarian Socialism or towards any other goal, does not lie in always making the best, rather than the worst, out of what we find at the moment to hand. It is in the belief that these propositions have at least a strong presumption of validity that the following analysis of the conditions of a new settlement is offered for consideration.

EVILS TO BE WARED OFF.

We shall do well to consider, not so much the precise stipulations that employers and workmen have sought to enforce in the past, as the objects which they have had in view. Thus, the customs and conditions which the workmen have given up, at the request of the Government, for the duration of the war, represent a large part of the protection which the workmen have gradually built up for themselves against manifest evils. What are these evils?

(There is, first, the danger of unemployment of each particular set of workmen, either immediately or at some future time. This fear gives most of the bitterness to the troublesome demarcation disputes among the different crafts; maintains the spirit of exclusiveness which seeks to keep out unapprenticed men, labourers, or women; lies at the root of the objection

to boy labour; and strengthens the objection to long hours of labour, habitual overtime, increased use of machinery, and generally the "speeding up" of production, as all tending to "deprive other men of work." If the workman were somehow relieved from his fear of there presently being "not enough jobs to go round," and guaranteed against involuntary unemployment, he could afford to forgo many of the above restrictions.)

Secondly, there is the danger of a reduction of the standard rate. This—coupled with the fear of unemployment—is at the root of the objection to the introduction of new machines which enable unskilled or semi-skilled labour to be substituted for the fully qualified craftsmen; it intensifies the objection to the introduction of women and labourers; it inspires the resistance to an undue multiplication of apprentices or the improper use of boy labour; it leads men to object to

systems of remuneration by piecework or bonus systems in which the employer can at any time "cut rates"; it increases the bitterness of demarcation disputes, which are nearly always complicated by the craft at the lower rate being preferred by the employer; and, finally, it adds new weight to the danger of a period of unemployment, when employers can seldom refrain from attempting reductions of wages, either individual or general.

Thirdly, there is the helplessness in which, since the industrial revolution, the individual workman stands in relation to the capitalist employer, and still more in relation to the great joint stock company and the national combine or trust. It was to remedy this helplessness that Trade Unionism arose. The workman seeks (*a*) protection against caprice or tyranny, notably at the hands of foremen; (*b*) some opportunity of deciding, in

concert with his fellows in the workshop, as to the conditions in which they have to spend their working lives; and (c) jointly with the other workmen an equal share with the employers in the making of the contract under which he gives his services. This desire to remedy the individual helplessness of the workman inspires his insistence on Trade Unionism; and his resentment of the employer's constant wish to limit the power and strength of the union, by encouraging the presence of non-unionists or even by refusing to employ unionists, and by fostering the divisions between unions.

WAGE ASPIRATIONS AND FREEDOM.

Fourthly, the workmen are naturally not contented with the mere maintenance of existing conditions and the prevention of unemployment. They claim, in addition, the right to progressive improvements in wages,

in correspondence with the increasing productivity of the nation's industry. They claim, in particular, that the wages and other conditions of the "sweated trades," and of all those workers still below anything that can be called a living wage, should as soon as possible be levelled up to a decent standard. But these entirely justified aspirations for improved conditions of life do not, so the economists tell us, and every big employer confirms the statement, necessarily involve a diminution in the profitableness of industry, either to the State or the private employer. An increase in remuneration is as welcome to the workmen, whether it comes from improvements in production or by way of diminution of the capitalist's dividend.

Fifthly, we have to face the fact that the workmen expect and desire more than material advantages, more even than security and leisure. They

are to-day full of yearnings—none the less potent because they are vague, and none the less influential because they characterize chiefly the more thoughtful and the better educated rather than the half-brutalized mass whom employers sometimes think of as the whole—for a higher status for labour, in the industrial as in the political world. This does not mean profit-sharing (an exploded futility which is simply anathema, and must on no account be thought of—its mere mention will wreck any settlement), nor yet the elevation of one or two tame representatives of the workmen to the board of directors, where they are as much out of place as a financier would be at a forge. What it does mean is that the whilom autocratic employer, like the nineteenth-century king, will have to “grant a constitution.”

Finally, and most fundamentally of all, the workmen cling to their freedom

to engage or not to engage in service with whom they choose; and, on the expiration of their wage contracts, to quit their employment, if they like, whether individually or in concert with each other. The right to strike must, it is clear, remain absolute.

THE EMPLOYER'S STANDPOINT.

On the other hand, employers seek to protect themselves against any action by the wage-earners, whatever its motive, which interferes with a progressive increase in the efficiency of industry. They object to any limitation of the workman's output, however effected; to any restrictions which hamper the installation of the best machinery, or the speed at which it is worked; to anything which prevents the introduction of new processes; and to any limitation on their freedom to engage, or to promote, or to put to any kind of work any operative,

whatever his training, age, or sex. All this is with a constant desire to reduce the cost of production; and employers rightly assert that every such reduction is a national gain.

But we must distinguish. Employers are apt to confuse a reduction in the cost of production—that is to say, in the human effort and sacrifices involved—with a reduction in the rates of wages that they have to pay. Such a reduction of wage is, of course, *not a reduction of the cost of production at all*, but merely an alteration in the way in which the product is shared. It is not necessarily, or even usually, of any national advantage; and it may be, and, in view of the inadequacy of current wages for the fullest efficiency, in most cases is, a national disadvantage. To the workman a reduction of wage rightly seems to be, in no real sense, a reduction in the cost of production, or otherwise than a dead loss; it seems to him, at best, the taking

of an unfair advantage of strength; and it may amount to fraud or what is very near theft. There must clearly be no room, in the new settlement, for such pretended reductions in the cost of production.

Finally, employers lay great stress—not, as some of them wrongly express themselves, on autocracy in the factory—but on full freedom to dispense as they think fit with the services of any or all their employees, at the expiration of their wage contracts. This is the converse of the workman's right to strike. The employer will naturally not give up his right to lock out.

Are these fundamental requirements of the workmen and the employers incompatible with each other, or with the national interest? Does it transcend the powers of industrial statesmanship to work out a new settlement for industry in such a way as honestly to secure to each party what it really

desires? It will involve the abandonment of some cherished traditions of all parties, including the Government. It must necessarily include very great concessions to Labour, as the nation has its broken word to redeem, and not merely acquiescence but cordial acceptance to obtain. But it need not, it is submitted, involve either detriment to British industry or the employers' ruin.

CHAPTER V

THE FIVE POINTS OF THE NEW CHARTER

WE have sketched the fundamental requirements of the workmen and of the employers, and we have pronounced them, under certain conditions, capable of reconciliation without detriment to the former or the ruin of the latter. Let us consider the terms of a new industrial charter. We may arrange them under five heads :

I. The Prevention of Unemployment.

(Many of the Trade Union conditions that we have pledged ourselves to restore have for their object, as we have seen, to protect the skilled

craftsmen from unemployment. We cannot, as a nation, have the shameful audacity to refuse to restore these conditions without offering an equivalent guarantee against unemployment. It is impossible to hope to get the skilled engineers, for instance, to endure without revolt the sight of labourers and women doing engineers' jobs if trained engineers are simultaneously walking the streets in search of work. The same is true of other trades. The first and the most indispensable condition of industrial peace under the new settlement is that the Government shall undertake, by the means that are thoroughly understood in the Board of Trade, to prevent the occurrence of unemployment, in the same sense that it prevents the occurrence of cholera. There will always be sporadic cases, but any continued or widespread unemployment must be henceforth, not merely relieved by

doles or futile relief works, or even by insurance, but actually prevented from occurring. This can be done, as soon as the Government chooses, by nothing more recondite than such a systematic rearrangement of the necessary works and orders of the Government Departments and local authorities over each decade as will maintain approximately level from year to year (including the fluctuating wage bill of capitalist employers) the aggregate wage total of the kingdom.¹

A PROGRAMME OF PUBLIC WORK.

During the first decade after peace, for instance, there will inevitably be enormous public works and orders of the most diverse kind, probably entailing an aggregate expenditure of

¹ See the whole scheme worked out in *The Prevention of Destitution*, by S. and B. Webb (Longmans, 6s.).

many hundreds of millions sterling. It is not suggested that even one piece of work should be undertaken merely for the sake of giving employment. But if these inevitable public works and orders are left to be executed, as they have hitherto been, regardless of the state of the labour market, we shall have a worse chaos (and more financial waste) than ever. If the Government guarantees the Trade Unions against unemployment, it would actually save money by framing a ten years' programme and giving out its orders for all the work that was not urgent deliberately in such a way as to keep the national wage total approximately level throughout the decade. This need cost literally nothing (except the "intolerable toil" of taking thought) to the Government or the nation.

Such a policy of actually preventing the occurrence of unemployment

will be as advantageous to the employer as to the workman. The employers will gain greatly in continuity of production; capital would be fully employed as well as labour. What they must forgo is the intention or desire, secretly cherished by the less reputable among them, of taking advantage of periods of unemployment to worsen the conditions of labour. Any such worsening, it need hardly be said, is against the national interest, and must anyhow be prevented. It must, however, be ruefully admitted that the Trade Unions will be slow to believe even the most solemn Government declaration and pledge that this policy of preventing the occurrence of unemployment is to be forthwith adopted. It is part of the penalty for our breach of faith that something more specific will be required, in addition, by the principal unions. In view of our special obligations to these unions

in the skilled crafts, whose regulations we are not able to restore, and whose cordial acquiescence in the new settlement we have to procure, the Government might well undertake (in the event of its measures to prevent the occurrence of unemployment being so far unsuccessful in particular trades) to pay to the Trade Union, as liquidated damages, and quite apart from unemployment insurance, £1 per week for every member for whom the employment exchanges were unable to find a situation under the conditions specified in Part II of the National Insurance Act. If the Government honestly and energetically carries out the proposed pledge to prevent the occurrence of unemployment—which, be it remembered, is quite practicable—such a supplemental guarantee would cost the Treasury nothing.

II. The Maintenance of the Standard Rates.

Second only to protection from unemployment, as the motive for the Trade Union conditions that we are pledged to restore, is that of maintaining the standard rates of wages. It is clear that if we have to go back on our word, and refuse to restore these conditions, we must in common decency undertake that there shall be nowhere any lowering of, or nibbling at, the standard rates. Moreover, it is certain that any attempt, after the war, to reduce rates, at any rate so long as the cost of living remains high, will lead to serious industrial trouble. The "good employer," the employer on a large scale, the well-equipped and competent employer, does not seek any such reduction; on the contrary, he is often found conceding conditions superior to what is the standard in his industry. But in every large industry

there are low-paid districts, in which, mainly through local weakness of organization, rates of wages are below the prevailing standard. Sometimes a whole class of work, like agricultural implement making or sewing machine making in the engineering industry, will be paid at rates scandalously below that of other branches of the industry. More important still, there is usually a fringe of employers who, because of their inferior equipment, or their own incompetence, or merely because of their short-sighted desire to squeeze the last drop of blood out of those who are subject to them, habitually refuse to pay the standard rates; and thereby often harass the better employer by their cut-throat competition.

MINIMUM NOT MAXIMUM.

Now, in order effectively to maintain the standard rate in any industry,

the facts must first be ascertained and authoritatively recorded ; and a precise standard rate, for an equally precise normal week, either uniform throughout the kingdom for each class of work, or varying according to exactly delimited and completely coterminous geographical districts, must be definitely prescribed. The standard rate, it must be remembered, is never anything but a minimum. No employer is prevented from paying more, and, in fact, there are always some who do pay more, whilst no workman is prevented from asking more. There is no prevention of competition, least of all any attempt to give the inferior man the same chance as the superior. On the contrary, all experience shows, as the economists theoretically demonstrate, that the fixing of a uniform minimum rate actually improves the position of the efficient man or the man of good character relatively to the inefficient or the "boozer."

Competition is limited only on the downward way.

So far as the low-paid trades are concerned, what would suit best would be an extension of the Trade Boards Act (suitably amended) to practically the whole range of industries in which the great bulk of the operatives get less than 30s. per week. The coal-miners have now their own arrangement on a similar basis. Much the same arrangement would be acceptable to the railway employees, the employees of the National Government and the local authorities. Probably all occupations without effective Trade Union organization would find advantage in such a plan.

ASCERTAINMENT OF RATE.

This would apparently not be acceptable to the skilled and well-organized men in such industries as engineering and shipbuilding, the

cotton trade, building, furniture, and many small but strongly combined crafts—which are just those to which we are under a special obligation to make good our broken pledges. We are in the difficulty that we cannot very well safeguard their rates until it has been definitely ascertained what they are. In their case what seems best appears to be the formation of a joint board of employers and employed, to which all employers in the industry and all Trade Unions claiming to include any considerable number of workers in it should be invited to take part for this special inquiry.

This joint board should be required, within a certain time, to formulate for the whole industry a precisely defined standard rate (with possible variations for particular districts) applicable to each grade and section of the industry, and based upon the existing practice of the best employers

in the industry; in the event of the failure of the board to agree upon this issue of fact (what standard rate does, in fact, represent the existing practice of the best employers) the bare issue of fact to be decided, after hearing and inquiry, by Sir George Askwith. This is not compulsory arbitration. There is no suggestion of any decision as to what the rate of wages ought to be. All that would be in question would be what was, in fact, the actually prevailing rate, disregarding alike the 15 per cent. of employers who paid more and the 15 per cent. who paid less. The standard rate so ascertained for the normal week (with any deductions and allowances provided for) should be enforceable as a minimum on all employers, and not subject to reduction on any excuse whatever. Any increases in the wage rates or improvements in conditions to be settled by agreements between Trade Unions

and employers' associations as heretofore.

PIECEWORK.

With regard to piecework, it is plain that, in order to protect the standard rate, the employer cannot be allowed to fix the rates (or times of bonus systems) as he chooses, or merely by individual bargaining. The joint board settling the standard rate must settle also its equivalent in piecework, as is habitually done by the trade boards. This should be on a uniform basis of time and a quarter or time and a third. Where the nature of the work forbids a standard list to be made, there should be in all cases a guarantee that no workman whom the employer chooses to put on piece rates should receive less than time and a quarter or time and a third for each week, deficiencies not being carried forward. Moreover, the power to see that the piecework price

is really equivalent to the standard time wage (at time and a quarter), so far as the ordinary workman is concerned, working at the normal speed, under normal conditions, shall be entrusted to a couple of salaried rate-fixers, one appointed by the employers' association and the other by the Trade Union, who shall be called in to adjudicate by any employer or any workman, and whose decision as to the equivalent piece-work rate shall, if they agree, be final. If they do not agree, they shall jointly nominate an umpire, with whom they shall consult, and whose decision shall be final. The necessary staff of rate-fixers shall be appointed to enable all disputes to be settled without delay, work proceeding meantime uninterruptedly. This is the device which has proved successful, under one or other name, among the brassworkers and some of the coal-miners.

There would need to be many minor safeguards of the standard rate, including :—

(a) Each workman to be paid for a full week until definitely discharged with the necessary notice, irrespective of interruptions due to weather, shortage of materials or orders, stoppages of machinery, etc. ;

(b) Work in excess of the normal week to be paid for at overtime rates of time and a half or double time ;

(c) No deductions to be made for fines, breakages, bad work, etc.

III. A Constitution for Factory and Industry.

It is clear that the British workmen will, after the war, less than ever consent to sit down quietly under industrial autocracy. There are employers who are claiming to-day that they are henceforth going to be "masters in their own works," and that they

intend to run their own factories as they think best. That way lie "Ca' canny" and spasmodic rebellions. If the Factory Acts and Mines Acts and Shop Hours Acts and Trade Boards Acts do not serve to warn such employers that the day for industrial autocracy has gone by, they must be reminded, not only of their penal liability under the Munitions Acts, but also of the specific obligations to which they have individually set their hands in their contracts with the Government entirely to restore the pre-war working conditions of their factories. They cannot be allowed, even if they would, to stand in the way of a national settlement. They will do well to agree quickly, lest worse things befall them.

(It is, in fact, imperative that the new settlement, if it is to have any chance of cordial acceptance, should include a definite constitution, both for the little kingdom represented by each

establishment, and for the industry of which it forms part. Such a constitution must, we suggest, include—

(a) Universal acceptance of Trade Unionism by employers—making it a penal offence for an employer to have a rule against engaging trade unionists, or for him to refuse unreasonably to receive the Trade Union officials or to negotiate with them.

(b) Workshop committees or shop stewards to be provided for in every establishment having more than twenty operatives, to whom the employer should be required to communicate at least one week prior to their adoption any proposed new rules, and also any proposed changes in wage rates, piecework prices, allowances, deductions, hours of labour, meal times, methods of working, and conditions affecting the comfort of the workshop.)

These workshop committees should, it is suggested, be frankly representative, partly of the several Trade Unions to

which the employees may belong, and partly of the employees as such, whether members of Trade Unions or not. Possibly a good arrangement would be for half the members to be nominated in due proportion on behalf of those employees who were members of the several unions, and the other half to be elected by the whole body of employees. It should be the duty of workshop committees to see that no cutting of piecework prices and no reduction or other "nibbling" of the standard rate takes place, or any worsening of conditions, and in any such case both to make representations to the employer and to communicate with the Trade Union concerned. In such matters its function should be purely defensive. The employer would not be required to receive and consider any representation asking for an advance in wage rates or other improvement of conditions unless it has received the

endorsement of the Trade Union. The works committee should not be permitted to take any action contrary to the conditions agreed to between the employers and workmen of the district; and its constitution must, of course, not include any clause or agreement restricting the freedom of employers or employed as to strikes or lock-outs.

(c) Can we add to this Constitution a clause providing for a deliberative, national council for each industry? An interesting proposal has been made by Mr. Sparkes, a London master builder, for a permanent "Industrial Parliament for the Building Industry," to be composed of twenty members appointed by the National Associated Building Trades Council and a like number representing the Federation of Building Trades Employers. Such a body, meeting regularly for stated sessions, might work out greatly improved conditions for the industry. He suggests that:

"The Parliament would not concern

itself with the adjustment of differences or the settlement of disputes. Means already exist for conducting such negotiations and settling such issues. The function of the Parliament would not be judicial or conciliatory, but constructive.

“The agenda of the Parliament would be determined from time to time according to circumstances as they arose. The following matters call urgently for attention from such a joint council of employers and employed in the building industry at the present moment:

1. *Regularization of Wages.*—The provision of a graduated scale of minimum rates designed to maintain *real* wages as nearly as possible identical throughout the country. Subsequent advances to be on a national basis.
2. *Unemployment.*—To acquire a fuller participation in the control of the Board of Trade Labour Exchanges, and to supplement their work by improved organization special to the building trade for (a) the decasualization of labour, and (b)

by minimizing the fluctuation of trade by intelligent anticipation and the augmentation of demand in slack periods, in co-operation with the National Housing and Town Planning Council and the Local Government Board.

3. *Employment of Partially Disabled Soldiers.*—To consider the employment of partially disabled soldiers, and to ensure that the pensions granted by the nation shall not become the means of reducing the standard of wages.
4. *Technical Training and Apprenticeship.* — To make provision for adequate technical training for the members of the industry. Apprenticeship, and the regulation of the conditions of entry into the industry.
5. *Publicity.* — To issue authoritative information upon all matters whereon it is deemed desirable that leaders of public opinion, the Press, and the general public should have exact information.

6. *Investigation into Possible Lines of Improvement.* — To investigate, in conjunction with experts, foreseeable developments, probable changes, and suggested improvements, such as :

Scientific management.

Industrial control and status of labour.

Improvements in design and standards of workmanship.

Closer association between commercial and æsthetic requirements.

Additions to this list would be as occasion arose."

There would be many advantages, to employers as well as to the community as a whole, if such a deliberative body in each industry could sit regularly to consider its requirements, quite irrespective of any differences between masters and men.

IV. No Limitation of Output.

The foregoing heads of the Charter—the Prevention of Unemployment, the Maintenance of the Standard Rates, and the Grant of a Constitution—will seem to some employers to represent an enormous concession to labour. Yet they are the very lowest terms on which, if we fail to restore the pre-war network of Trade Union conditions in accordance with our plighted word, there is any chance of securing the new settlement which is so indispensable to efficient production. And it must be remembered that, as every competent employer knows, none of these three concessions reduce by a single penny the margin between cost and price, which is the employer's profit. On the contrary, by securing continuity of employment, which involves continuity of profit-making as well as continuity of wage-paying, the aggregate

profits of each decade will actually be increased.

What is most vital to national efficiency, as it is to the employers' hope of profit, is to get rid, fully and permanently, of the workman's tendency silently to restrict his output. This has been in the past the sullen reprisal of the workshop to the employer's constant attempts to cut rates and to his peremptory turning off of hands whenever work was slack. We can get rid of it only by really maintaining the standard rates and preventing unemployment. Making these two concessions, the Government can legitimately ask for a frank abandonment of a practice which does more harm to British industry than all the strikes and lock-outs.

V. Freedom for Every Worker.

(Once unemployment is prevented and an effective guarantee for the

maintenance of the standard rate is conceded, together with a constitution for the factory and the industry, the claims of the labourers and the women to remain in their new jobs, and of the employers to organize their factories on new principles, become tractable.

In return for these concessions the Government may fairly ask from the Trade Unions complete freedom for the employer for engaging any person whatever, for any sort of work; complete freedom for any person to do any task or carry out any process; and complete freedom for the introduction of any machinery or process. What is and will remain indispensable is that whoever is engaged should receive, not what wage the employer may dictate, but the full standard rate for the work, as authoritatively prescribed and enforced. This maintenance of the standard rate for the work done, of course, is the very

cornerstone of the edifice. If employers are not prepared to forgo their previous practices of "cutting rates" and striving to get "cheap labour"—which did not really pay them—they will not get freedom to improve the organization of their factories.

(If the Government asks the skilled crafts to forgo the restoration of their monopoly, the skilled craftsmen have an irresistible claim to have (i.) an absolute guarantee against unemployment; (ii.) an absolute guarantee that their standard rates shall suffer no reduction, now or in the future.

On the other hand, if these two guarantees are effectively secured to them, it is suggested that there is no reason why, in the interests of a national settlement, the skilled crafts should not abandon their monopoly, and allow the employer to put any person, male or female, to any work, conditional on (i.) the fixed standard rate for the work as actually

performed being paid ; and (ii.) on the person immediately joining the Trade Union concerned (which must, of course, be open to that person.)

(It is worth remembering that freedom of choice of men has long been conceded by the cotton spinners—one of the strongest and most successful of unions—upon exactly these two conditions. The London Society of Compositors takes up practically the same line.

Indeed (if effective guarantées are given against unemployment, and against any reduction of the standard rate), the concession to the employers of complete liberty of choice of operatives is really advantageous, in leading to a constant preference for the more skilled and more efficient operative, and so to an actual advancement of skill.

Here then are the “Five Points” of the suggested New Charter which employers and workmen might alike

be asked to accept as the basis for that new settlement of industry which the new industrial revolution and the nation's inevitable failure to fulfil its pledge of the restoration of Trade Union conditions render indispensable. It is only by frankly putting before the Trade Unions a large and sweeping scheme, which will genuinely safeguard their interests, that their cordial acceptance of the new state of things can be secured. Without some such new settlement, cordially accepted by all parties, the future is dark.

APPENDIX

BIBLIOGRAPHY

PARTICULARS as to the successive action taken with regard to Trade Union conditions will be most conveniently found in the *Labour Year-Book* for 1916 (Fabian Bookshop, 25 Tothill Street, Westminster, price 2s. 6d., postage 5d.), especially Part I, "Labour and the War." The *Labour Year-Book* for 1917, to be published in a few months, will contain the later documents. See also *Labour in War Time*, by G. D. H. Cole (Bell, 2s. 6d.); the various Reports of the Government Committee on Production (February 16 and 20, and March 4, 1915); the Munitions of War Acts, 1915 and 1916; the *A.S.E. Journal* (monthly) during 1915 and 1916; the *Labour Gazette* (monthly). The following Fabian Tracts may be consulted; No. 176, *The War and the Workers* (1d.); No. 178, *The War, Women, and Unemployment* (2d.); No. 181, *When Peace Comes: the Way of Industrial*

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For an employer's view see *Some Aspects of Labour and its Claims in the Engineering Industry*, being the Presidential Address to the Glasgow University Engineering Society by J. R. Richmond.

After-the-war conditions are dealt with in the Garton Foundation *Memorandum on the Industrial Situation after the War* (Harrison & Sons, 1s.); *Great Britain after the War*, by Sidney Webb and Arnold Freeman (George Allen and Unwin, 1s.); *The Elements of Reconstruction*, reprinted from *The Times*, with introduction by Viscount Milner (Nisbet & Co., 1s.). See also the War Emergency Workers' National Committee pamphlets on *The Problem of Demobilization* (1d.), *The Prevention of Unemployment* (1d.), and *Report of the Joint Committee of*

Women's Industrial Organizations (2d.). The Fabian Research Department will publish shortly a detailed report on *Women in the Engineering Industry*.

The best analysis of systems of piece-work remuneration, and of the very grave economic objections to it where the rates are not safeguarded by law or collective bargaining, will be found in *Industrial Democracy*, by S. and B. Webb (Longmans, 12s.), and *Methods of Industrial Remuneration*, by D. L. Schloss (Williams and Norgate).

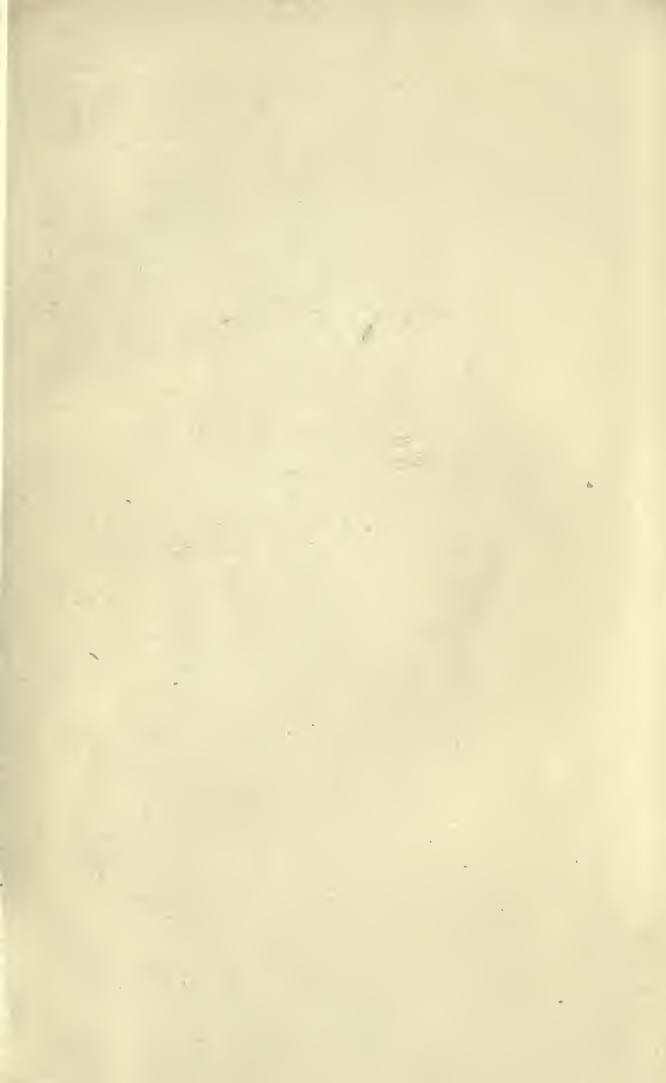
All the above can be obtained at the Fabian Bookshop, 25 Tothill Street, Westminster, S.W.

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