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THE MINIMUM WAGE  
AND THE  
WORKING CLASS  
PART TWO

MINIMUM WAGE UP TO THE  
FIRST LABOUR GOVERNMENT

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# THE MINIMUM WAGE AND THE WORKING CLASS

## *Part Two: Minimum wage up to the first Labour Government.*

### *Introduction*

The first part of this investigation outlined the manner in which the concept of the minimum wage is being redefined in Ireland. It was shown that the idea which has come to dominate thinking on the subject is a different concept than the one around which it was originally formed in pre-First World War Britain. It was also shown that the Irish Parliamentary Party under John Redmond was non-committal on the idea of the minimum wage until it became a practical prospect after the governing Liberal party began to support the idea in 1909. Redmond and the Irish nationalists then adopted a policy of outright opposition which continued until the First World War during which time members of the Irish Parliamentary Party began to articulate a different opinion on the subject.

It was the Irish Parliamentary Party which, by holding the balance of power at Westminster, sustained the Liberal Party in Government from the 1910 general election onward and Redmond, through a refusal to ally himself with the anti-war element in the Liberal Party directly facilitated the declaration of war in August 1914. He did this on the promise that Home Rule would result from such support and then, as the war entered its second year with the prospect of an ongoing war, he added a second line to his pro-war sales pitch on the basis that the Irish economy would gain economically as a result of the war - a so-called "*war dividend*". Redmond believed that British government orders with Irish industries would generate significant industrial growth for the country.

However, as things turned out, while some sectors gained from the "*war dividend*" (notably agriculture and industries of the north of Ireland), the war did not result in any significant programme of investment in the industries of the south of Ireland. Although there were individual examples of large Government orders being placed with some factories (the Kynoch factory in Arklow being the most obvious) Government orders which resulted in any investment of scale were rare and usually reserved for those instances where the Government had no other choice. In the case of the Kynoch factory the pyrites found in the geology around Arklow were easily extractable and of a richer content than anything found outside Spain at the time and given the importance of pyrites to the production of explosives the British Government was compelled to place large orders with that factory. Despite Redmond's hopes, generally speaking, British investment in Irish industry was kept at a minimum and the war actually hindered, rather than assisted the development of industry in the south of Ireland. This of course need not have been the case. If Britain had treated Ireland with any kind of equality there is no doubt but that southern Irish industry would have prospered. But Britain at the time retained the same imperial attitude towards the country (or at least that part of the country outside the industrialised Belfast hinterland) which viewed it primarily as a source of foodstuffs and labour.

British attitudes on this issue were epitomised by Government reactions to the attempts of Irish industrialists to re-establish a War Office Receiving and Testing Depot in Ireland in the years up to and during the First World War. Such a facility was required to enable Irish manufacturers to compete on fair terms for War Office contracts. A War Office Testing Depot had existed in Dublin up to 1854 when the British involvement in the Crimean War led to its removal

with its functions, as far as Irish industry was concerned, being transferred to Woolwich in south-east London. There appears to have been no rational reason for this decision and the general suspicion was that the British Government was seeking to discourage any development of industry in the south of the country that might result from the allocation of War Office contracts. Without that facility Irish industry was compelled to compete at a disadvantage for such contracts. After 1854 any Irish manufacturer who wished to tender for British Government contracts was compelled to submit his tender together with samples of his products to Woolwich. He then had to wait until it was assessed for suitability in terms of price and specification. In those instances where the specification needed altering he was compelled to go through the process again and all the while losing time and ground to competitors on mainland Britain. Also, in those instances where he might be fortunate enough to gain a War Office contract his consignments were regularly examined in the Testing Depot at Woolwich to ensure a consistency of quality and on those occasions where a particular consignment was rejected he was expected to carry the burden of the cost of transporting the consignment to and back from Woolwich to enable rectification or a replacement to be supplied. All of this placed a disproportionate weight on the shoulders of Irish manufacturing and compounded the existing imbalance between small scale Irish production methods and large-scale industrial process on the mainland.

At the end of the nineteenth century a systematic lobbying campaign began in Ireland to have such a facility re-established in the country. The campaign included the Irish Trades Union Congress as well as various business interests and Chambers of Commerce. Yet, despite the handicap created by the absence of that facility, Irish industry was experiencing healthy growth in the years leading up to the First World War. The Land Acts of 1903 were beginning to show dividends not only for Irish agriculture but in the wider economy as some of the surplus capital generated by land reform began to find its way into Irish industry and helped to stimulate growth in that sector until the First World War intervened. The effects of British requirements during the war stopped such development in its tracks. Writing in 1918, Edward J. Riordan, an economist and Secretary of the Irish Industrial Development Association, had this to say:

*"Abundant evidence is available to prove that for at least ten years prior to 1914 Irish industries were steadily increasing in number and output, and that the spirit of*

*Irish enterprise was extending its wings wider than in the previous decade. But during the past four years these wings have been ruthlessly clipped. Let us review some of the chief restraints which have been imposed upon our industries.*

*Since the outbreak of the present War the British Government has acquired control of:-*

- 1. Raw-materials of practically every kind.*
- 2. Plant and machinery necessary for the manufacture of all description of products.*
- 3. Shipping; railways; and canals.*
- 4. What are designated as 'essential industries,' i.e. ship-building; the production of foodstuffs, etc.*
- 5. Output of industries, and prices or products.*
- 6. The sanctioning of raising of capital for new undertakings.*
- 7. Restriction of exports to countries abroad.*

*. . . . Perhaps the best way to visualize the effects of this system of control is for the reader to imagine for a moment that he is, if he is not, an Irish manufacturer. He possesses a factory and a trained staff of workpeople; his customers place orders with him, as they were wont to do before the War; he requires certain kinds of raw-material, or perhaps plant and machinery to enable him to execute these orders; the sellers of the latter items inform him, as they are compelled to do, that they may only supply his requirements when he provides them with a Government Permit. Consequently, he applies to a Government Department for a Permit authorising him to purchase his requirements, and receives, in return, a set of forms which he must fill up – giving full particulars as to the purpose for which he requires a Permit, if the goods are required in respect of the execution of a Government or 'essential industry' contract; if they are not so required, he receives a notification that his application cannot be acceded to. In other words, broadly speaking, his output must be confined to (1) Government contracts; (2) the needs of agriculture; (3) the production of necessary foodstuffs; or (4) the production of 'essential articles' – these latter are defined by the Government and have been reduced to almost a minimum number of items. If he is not engaged in producing goods included in these categories, he is left with the alternative of closing his factory, dismissing his workers, and - ?" (Restraint of Industry, by E.J. Riordan. Published in *Studies: an Irish Quarterly Review*, vol. 7, no. 26. June 1918, pp.307-308).*

Thus it was that from the early days of the war Irish industry was subjected to the twin obstacles of the absence of a War Office Receiving and Testing Depot in the country and the increasing regulation of industrial production by the British Government. In October 1916, under pressure from Irish industrial interests to establish a War Office Receiving Depot, Lloyd George took refuge in a totally superfluous commitment to an independent investigation into the need for such a Depot. The investigation was undertaken by Sir Maurice Levy and resulted in the obvious conclusion that the existence of such a Depot would be of significant benefit to Irish manufacturers. Levy's report was available in November 1916 and yet, the British Government continued to prevaricate and delay until the very end of the war when one was nominally

opened in Dublin but too late for its existence to serve any meaningful purpose.

The fact of the matter is that British interests during the war precluded any real effort to encourage the development of the industrial sector in the south of Ireland. Although Britain did require certain things from Ireland these requirements could only be met through the discouragement of industrial growth, the perpetuation of a low paid workforce and a useful reservoir of unemployed labour. Aside from the obvious need of foodstuffs supplied from Ireland, as the war progressed what the British war economy increasingly required was a reservoir of labour available to fill the gaps left in its own industries by the wholesale removal of its workers – something that was demanded by the inexorable growth of its army. While the use of women became the main source by which these gaps were filled there remained important areas where the existence of an alternative source of labour was advantageous. Consequently, from the British point of view it would not be sensible to permit any significant stimulation of industry in the south of Ireland and, as a corollary of that, to permit the emergence of any significant improvement in wages and conditions among the Irish workforce. As the war progressed it was the growing realisation of this and the emerging political threat from Sinn Fein that led some members of the Irish Parliamentary Party to become increasingly vocal in their criticism of the British government for its systematic failure to allocate more orders for Irish produced goods and its failure, beyond some cosmetic gestures, to make any concerted effort to extend the protection of British trade and wage boards to the workers of Ireland. (In 1910 and 1911 individual Irish Nationalist MPs like Thomas Kettle, Joe Devlin and J.J. Clancy had taken issue with the ongoing failure of the British Government to put the 1909 Trade Boards Act into operation in Ireland – a rather ironic position given the role the broader party had played in placing obstacles in the way of the automatic extension of the Act to Ireland – see *Part One* of this series).

The situation of the working class in Britain was very different to the situation confronting the working class in Ireland. While the war could be said to have led to an increase in the influence of the trade union movement in both Ireland and Britain the factors which generated this development in both countries were in marked contrast to one another. While in Ireland the trade unions were developing their influence through the twin causes of the condition of the working class and a resultant anti-establishment outlook which echoed the growing revolutionary feeling in the society, in Britain the trade unions were extending their influence through the adoption of an increasingly complicit position within the war effort. It was the price which the British establishment was prepared to pay for such complicity that formalised the social influence of the trade union movement in Britain. In Ireland, on the other hand, no such price was required. The British State, in following its interests, adopted policies in Ireland that discouraged the growth of the industrial sector and paid no attention to the trade union movement in the country. It simply went about serving its war interests in ways that brought in their wake the further alienation of the Irish working class from the British State.

In the meantime, in Britain the issue of the minimum wage had been given further impetus by the war and became a measure of the growth in trade union influence in society. Although the concept of the minimum wage continued to have a relevance to the working class in Britain and Ireland it took a different course in its subsequent history in both countries. As the minimum wage first assumed a legal existence in Britain and evolved in its earliest form in the British context it is necessary to examine the route of its development in

that environment before embarking on an examination of the manner in which it evolved in Ireland after 1922.

### **What type of minimum wage – nationally or locally determined?**

As mentioned, the first part of this investigation pointed out that the original idea of the minimum wage was one that did not view it as a universal “*one rate fits all*” concept. In fact it originally evolved as an abstract concept which was expected to manifest itself in the practical world in terms of different wage rates applying to different trades and/or localities. In other words, the minimum wage as a concept was one which established a moral imperative and the way that moral imperative was designed to operate in the real world was through a multiplicity of variable minimum wages. This is not to say that the idea of a universal “*one rate fits all*” minimum wage was absent from the early debates on the subject only that this concept of the thing was not the one which was politically effective and had no practical manifestation for most of its political life.

The first significant political expression of the concept of the universal minimum wage occurred in 1911, two years after the Trade Boards Act had ensured that the relative (or sectoral) minimum wage was the one which set the agenda for practical political debate. In that year Will Crooks, the maverick Labour M.P. for Woolwich, introduced a Bill in the Commons proposing a general legal minimum of thirty shillings a week for all adult workers.

Although the Bill was thrown out, continuing interest in the idea of the minimum wage was assured through the passing of the Coal Mines (Minimum Wage) Act of 1912 - an *ad hoc* measure passed by the Government as a means of ending the standoff between the miners and mine-owners during the strike of that year. The circumstances behind the passing of that Act were explained in a booklet on the minimum wage published in the United States in 1915:

*“In the House of Commons, the Coal Mines Act was passed on a second reading by 213 to 38 votes and it went through the Lords without a dissenting voice. The labour members of the House of Commons did everything in their power to prevent the passing of the law in its present form. They tried to have a clause inserted in the law establishing a flat minimum wage of a specified amount throughout the whole country, but the government was opposed to any such flat minimum, for they believed that it would impose an undue hardship on certain classes of operators in mines of an inferior quality. The government believed that it was better all round for each district to determine its own minimum wage rates adapted to its own peculiar circumstances and needs. After the passing of the law, the employers declared themselves prepared to cooperate with the government in its administration. The workers, however, still maintained their attitude of opposition. The majority of them were still opposed to resuming work; but the leaders of the miners concluded that nothing was to be gained by opposing the government, and as a means of overcoming the opposition of the radical element, they proposed that a two-thirds vote should be necessary to inaugurate it. As the radicals were not able to obtain the required two-thirds’ majority, it was decided that the miners should return to work and try to make the best out of the law as it had been passed.” (A Legal Minimum Wage, by John O’Grady. Published by National Capital Press, Washington D.C. 1915, pp.76-77).*

Although the 1912 Act was an endorsement of the minimum wage it was constructed around a relative minimum wage and not the absolutist concept of the thing as argued for by Will Crooks in his Bill the previous year.

Crooks’ 1911 Bill and the Coal Mines (Minimum Wage) Act of 1912 served to highlight the differences in the trade union and Labour movement on what exactly its vision was in terms of the minimum wage. On the one hand there were those who believed that the minimum wage should be a fixed wage to be applied throughout the country with no concessions to local economic or trade conditions. On the other, there were those who believed that the minimum wage was the abstract ideal which, in monetary terms, should be calculated on a district by district and trade by trade basis. One of the leading voices which highlighted the difference in this vision was Philip Snowden, who at the time of Crooks’ Bill was Labour M.P. for Blackburn and went on to become the first Labour Chancellor of the Exchequer in Ramsay MacDonald’s 1924 Government.

In 1912, in the aftermath of the Coal Mines (Minimum Wage) Act, in an attempt to provide some clear thinking for Labour on the issue, he wrote a short book entitled “*The Living Wage.*” In this book he outlines what he believed to be a logical position for the trade unions and Labour on the question. This is what he had to say regarding the provision for a 30s. per week universally applied minimum wage:

*“The aim of the demand for a living wage is to secure a wage which will enable the workman to meet the expenses of living, and a universal minimum wage of a uniform sum would certainly be as unjust as it is impracticable. If the much talked of 30s a week minimum wage could be paid without ruining industry, it would create wide disparities in the relative comfort of workmen. The agricultural labourer on 30s a week would be in affluence compared with the labourer on the same amount who had to live in London. So long as the present wide difference exists between the cost of living in a large city and a remote country village that fact would have to be taken into consideration in the fixing of a living wage.” (The Living Wage, by Philip Snowden, M.P., with a preface by Harold Spender. Published by Hodder and Stoughton, London, [1913], pp.136-137)*

Thus was highlighted the obvious difference in the labour movement between the absolutists and the relativists in terms of the minimum wage. Then, on 13 March 1913 Snowden, on behalf of the Labour Party, introduced an amendment to the Address relating to the King’s Speech which drew attention to the fact that “*Your Majesty’s Gracious Speech contains no specific mention of legislation securing a minimum living wage and for preventing a continuance of such unequal division of the fruits of industry by nationalisation of land, railways, mines and other monopolies.*” In the course of introducing his amendment Snowden drew attention to the Coal Mines (Minimum Wage) Act of the previous year and advocated its extension to the rest of the working class. In the debate which followed he nowhere explained how he defined the minimum wage and he left the question as an open one on many other occasions. This should not be a surprise as Snowden’s main preoccupation at this time was to have the principle established and not to confuse the public on the issue. As he said in his book on the Living Wage:

*“Agitations for a universal minimum wage of 30s a week are excellent propaganda, but as practical proposals such demands only lay themselves open to destructive criticism. If we can get the idea of a living wage or of a minimum wage into the heads of the people, we shall have done a very useful piece of work. We shall have got the people*

*to recognise that the community has an obligation upon it to see that none of its workers is doing useful labour at a remuneration which does not allow a human existence. We shall have got rid of the idea that the workman must be the last of the co-partners in production to be considered." (ibid., p. 134).*

In advocating the extension of the terms of the 1912 Coal Mines Act to the rest of the working class he was not endorsing the idea of a universal minimum wage as that Act was essentially based on a relativist understanding of the minimum wage. The following month, on 9 April 1913, Will Crooks once more raised the issue in Parliament when he introduced a motion to the Commons on 9 April 1913 which was seconded by George Barnes, M.P. for Glasgow Blackfriars (onetime General Secretary of the Amalgamated Society of Engineers and Chairman of the Labour Party prior to Ramsay MacDonald). Crooks' motion was as follows:

*"That the right of every family in the country to an income sufficient to enable it to maintain its members in decency and comfort should be recognised; and this House is therefore of opinion that the Trade Boards Act should be so extended as to provide for the establishment of a minimum wage of at least 30s. per week for every adult worker in urban areas and a minimum wage that will secure an approximately equal standard of life for every adult worker in rural areas; and this House also declares that the Government should set an example by adopting the minimum of 30s. per week in its own workshops and insert it as a condition in all contracts."*

This represented a significant departure from his 1911 Bill. While continuing to insist that all adult workers should receive a thirty shillings minimum Crooks' motion conceded that there should be a different minimum for urban and rural workers, something that he believed could be successfully introduced via an extension of the trade boards. However, although it represented a modification of his 1911 position, what he now proposed was even more impracticable and the illogicality of this position was exposed in the subsequent debate on the motion. The man who put the critical argument against the Crooks motion was Percy Alden M.P. and his speech encapsulated the difference between the two means by which a minimum wage was increasingly being addressed.

*"May I, without seeming to be in any sense hostile to the general principle and tone of the speeches which have been made, point out that this Resolution is inconsistent with itself? You cannot have a universal minimum wage side by side with the application of the Trade Boards Act. The Trade Boards Act presupposes a different method for fixing a minimum wage altogether, and the mistake that it seems to me the hon. Member makes is in inserting this 30s. into a Resolution which asks the House of Commons to apply the Trade Boards Act. That seems to me to be the fundamental blunder. . . .*

*May I take one or two cases? A universal State minimum is almost impossible of application unless you fix a rather low minimum. I do not see how you can, for example, say that in every district and in every trade there shall be one universal minimum. I really do not think that is possible, and I fancy that if you were to apply that universal minimum of 30s. the effect would be, right away, without making any distinction, and the Resolution makes no distinction whatever between men and women, that hundreds of thousands of women would be thrown out of employment. . . . I am in favour of the minimum wage law, and I am in favour of the application of the Trade Boards Act. I am in favour of the fixing of a minimum wage in every trade, but it*

*is because of that that I oppose the putting of this 30s. into the Resolution, because it effectually prevents you from dealing with an individual trade. That is the only method by which we shall ever get a minimum wage in this country. The only method is by taking an individual trade and suiting yourself to the conditions and needs of that trade in each individual district and locality. I have always approved of the working of the Trade Boards Act. The hon. Members who moved and seconded the Resolution both approve of the working of that Act, and they support it by their Resolution. I really cannot understand why, having given their adhesion to the working of the Trade Boards Act, they should insert a 30s. minimum in the Resolution which practically destroys that Act.*

*. . . . There are some small provincial towns where 20s. a week goes as far as 30s. in London. London is altogether different in character. The Norfolk County Council says that it will not pay 15s. a week to its road men. You have at the same time agricultural labourers in that county who are being paid 13s. and 14s. a week. The hon. Members who moved and seconded the Resolution surely would not contend that road men and agricultural labourers in Norfolk are at all in the same position as agricultural labourers in some portions of the country, or road men in other portions of the country. The conditions are quite different in different parts of the country. . . . You cannot lay down one hard and fast definite rule for all trades, industries, and localities. It seems to me that the result, if you tried to do that, would be to throw a very large number of people out of work.*

*. . . . I trust those who sit on the Labour Benches will see their way to accept some modification of their own Resolution. I am sure there are in this House a large number of men who would like to vote with them, and who believe that a minimum wage should, if possible, be fixed by law. I speak for myself, and I say that there is nothing I want to see more than a minimum wage fixed in every trade, and certainly in every trade where the workers have low pay. There are men on both sides of the House who would vote for such a Resolution. I would urge hon. Members not to put us in the position of voting against this Resolution which we cannot consistently support. I have always declared myself in favour of extending the Trade Boards Act. Part of this Resolution approves of that very method. I say, therefore, it would be better and wiser on the part of those who moved the Resolution to omit 30s., which makes it impossible for us, or for any Government, to apply it under the Trade Boards Act. Let us try to get something which is possible, and not something which is impracticable." (Hansard, House of Commons debates, 9 April 1913).*

Percy Alden came from a working class background (his father was a master butcher in Oxford) and as a type of Liberal Christian socialist had been instrumental in politicising the working class of West Ham in London in the 1890s where he had undertaken social work among the poor and unemployed. His interest in the question of unemployment led him to travel to Germany, the Netherlands and Belgium in the early years of the twentieth century to investigate the way in which those countries dealt with the issue. Arising from his investigations he concluded that unemployment was the inevitable outcome of inefficiencies resulting from the economically destructive operation of the free market and something that needed to be solved by an ethical reorganisation of industry. According to his entry in the British Dictionary of National Biography, his publicising of the German system of labour exchanges contributed to the development of Beveridge's ideas on the subject. He was a member of the Rainbow Circle (a group which sought to bring Liberal

influence and leadership to the growing labour movement) and was also a member of the Fabian Society. His opposition to conscription in a parliamentary debate on the subject on 6 January 1916 led to a breach with the Liberal leadership and during the war he was a supporter of the cause of the conscientious objectors. He joined the Labour Party at the end of the First World War but became disillusioned as a result of Ramsay MacDonald's first Labour government and in late 1927 rejoined the Liberal Party. Although he never stated it as such, his position in response to the Crooks resolution that the "only method [of gaining an effective and meaningful minimum wage - ED] is by taking an individual trade and suiting yourself to the conditions and needs of that trade in each individual district and locality" was the only one which ensured that the trade union movement remained central to the thing – a fact understood by Ernest Bevin in later years when the idea of the universal minimum wage threatened the survival of the Joint Industrial Councils (more on this later).

For the moment, the advent of the First World War was to provide the conditions by which the trade union movement could further advance its role in "each individual district and locality" in British society.

### **Industrial relations and social cohesion in the First World War.**

The importance of harmonious industrial relations to the war effort ensured that the trade unions would take a central role in how the war economy was eventually organised. During the first year of the war when the full implications of a protracted conflict had not yet become apparent government planning reflected a more relaxed attitude towards industrial relations and the trade unions. However, by the Spring of 1915 with the realisation that Germany was not about to be easily subjugated there was a distinct change of mood.

*"In August, 1914, one month after the beginning of war, an industrial truce was declared as a result of a special conference called by the Joint Board of the Trades-Union Congress, the General Federation of Trade Unions, and the Labour Party. This truce provided for an immediate effort to terminate all existing trade disputes and the discouragement of strikes and lockouts during the war period. As a result strikes were terminated, demands submitted to arbitration, and trade-union movements halted. Labour surrendered many attempts to increase and strengthen its position in industry. But this truce fell down, as is shown by the occurrence of important strikes, because of the 'profiteering' of employers and the rise in the price of food. In March, 1915, the government took the next step in its programme of securing industrial peace by voluntary co-operation of labour. This attempt, which was of a more formal nature, resulted in the Treasury Agreement. The important feature of this agreement was that 'during the war period there should in no case be any stoppage of work upon munitions or other war work.' Disputes were to be settled by voluntary arbitration and negotiation, and no binding effects were given to the agreement." (Compulsory Arbitration in Great Britain During the War, by Milton Moses. Published in the Journal of Political Economy, Vol. 26, No. 9, November 1918, p.882).*

In fact, the Treasury Agreement of 19 March 1915, although generally understood to have been a voluntary agreement on the part of the unions was entered into against the backdrop of the Defence of the Realm Act and its voluntary status should be viewed accordingly:

*"An amendment to the Defence of the Realm Acts was adopted, which authorized the military and naval authorities to require that factories where work for military or naval service could be carried on be placed at their disposal and that work in such establishments be carried on under the direction of the Minister of Munitions. Armed with this persuasive instrument, the Chancellor of the Exchequer (Mr. Lloyd George) and the Chairman of the Board of Trade (Mr. Runciman) held a conference with representatives of the principal trade unions on the day following the adoption of the amendment. As a result of this conference, the famous Treasury Agreement was reached. By this agreement the trade unions (through their representatives) agreed to relax their trade union practices and customs which would have hindered the carrying out of the policy of dilution and which had the effect of regulating and restricting output. Employers in government factories and in establishments controlled by the government might introduce female labour and unskilled male labour to do work which had hitherto been done by unskilled (sic - this clearly was meant to be stated as skilled – ED) male labour.*

*The government, on its part, promised that at the end of the war the trade union rules and practices prevailing at the beginning of the war should be restored; that a record would be kept of the nature of departures from practices prevailing at the time of the agreement; and that employers would restore to their old positions, or to others most nearly resembling them, skilled workers who had withdrawn from industry to join the fighting forces. It also was agreed that the semi-skilled labourers substituted for the skilled workers should be paid at the usual rates of pay for their district. The government also promised that profits of employers engaged in the production of munitions should be definitely limited. The government proceeded at once to keep its part of the agreement by the passage of the Munitions of War Act, 1915, which imposed upon employers in controlled establishments the conditions of the Treasury Agreement and limited profits in these establishments by requiring that 80% of the profits in excess of those earned in peace times should be paid into the Treasury." (Lessons from English War Experience in the Employment of Labour, by M.B. Hammond. Published in The American Economic Review, Vol. 8, No. 1, March 1918, p.152).*

As the subsequent Munitions of War Act of July 1915 showed, what was important from the Government's viewpoint in securing the Treasury Agreement with the unions was not so much the outlawing of strikes and stoppages (which the Munitions of War Act was later to cover by statute) but the acceptance on the part of the unions of the erosion of demarcation and dilution of practices and customs – something that it would have been much more difficult to achieve through legislation.

From the Government's point of view by early 1915 what was required was a combination of policies which effectively militarised civil society and towards that end it made a concerted effort to propel the trade union movement in directions which ensured industrial harmony. Legislation, although a useful tool in this regard, had its limitations and so there emerged a sustained campaign for voluntary agreements and accommodations within the world of industrial relations. Yet, it was always difficult to keep the lid on class warfare and, despite having the leading trade unions on board, the continued activities of the unofficial shop stewards movement continued to stimulate the fear that class war might rend the fabric of social cohesion. This was a perennial fear among the ruling class and as such it was a fear which was

not confined to the period of the duration of the war. However, it was the war which pushed these fears from something that had existed previously as a form of class psychosis into something that played a formative role in the evolution of Government policies, in particular how it viewed the trade unions.

Such was the concern about the possibilities of social cohesion holding up during the war that "Section F" of the British Association sponsored a meeting "of many sections of the business and industrial world" in Manchester on 8 September 1915 on the subject of formulating "the means of promoting industry harmony." Section F of the British Association was the section which specialised in economics, statistics and industrial relations. The man who gave the opening address to the meeting was Professor Adam Willis Kirkaldy, an expert on industrial relations who the previous year (1914) had published a book entitled "Economics and Syndicalism". In 1916 he became President of the British Association and in his speech he expressed the prevailing fear of the establishment of the dangers it was facing at this time:

*"Surely the last twelve months have cast a lurid light over what friction-gone-mad can accomplish, and we need to realize very clearly that friction-gone-mad in the industrial world may well produce greater calamities and sufferings than have resulted in the international sphere from the tearing up of a 'scrap of paper.' I am convinced, from what I have seen during many years spent in close touch with industrial England, that this country is threatened by a danger far greater than can come from the German or any other external enemy. Friction has existed in many different spheres, but in its most acute and dangerous form it has manifested itself in the industrial spheres." (British Labour replacement and conciliation 1914-21: being the result of conferences and investigations by committees of section F of the British Association, Part I on replacement co-ordinated and revised by Miss L. Grier, director and lecturer in economics, of Newnham College, Cambridge, and Miss A. Ashley, M.A. Part II on conciliation edited by A.W. Kirkaldy, M.A., B.Litt. (Oxford), Dean of the Faculty of Economics and Commerce, University College, Nottingham. Published by Sir Isaac Pitman & Sons Ltd, London, 1921, p.119).*

When Kirkaldy warned that the breakdown in industrial relations posed a greater danger than Germany to British interests he was expressing the great fear of the British ruling class at this time and it was the reason that attention became focused on this area after the Government realised that Britain was facing a much longer war than it had originally envisaged in 1914.

Besides businessmen and industrialists, representatives of the trade union movement also attended the Manchester meeting. These included Will Thorne, who spoke on behalf of the Trade Union Congress and Alfred Evans, General Secretary of the National Union of Printing and Paper Workers. At the end of the discussions the meeting decided to appoint a committee to investigate the state of industrial relations in Britain and to compile a report based on their investigations into the causes of industrial unrest. The Committee was to be chaired by Professor Kirkaldy with Mr. Egbert Jackson acting as its Secretary. Committee members consisted of: The Rt. Hon. Charles Booth (the social analyst), the Rt. Hon. C.W. Bowerman, M.P. (trade unionist and Labour politician), Sir Hugh Bell, Bart. (ironmaster and colliery owner), Sir Charles Wright Macara, Bart. (cotton factory proprietor), The Ven. Archdeacon William Cunningham, F.B.A. (economic historian and Church of England clergyman), Mr. Sidney Ball

(socialist and educational reformer), Mr. Harry Gosling, J.P., L.C.C. (trade unionist and politician), Mr. Howard Heaton, and Mr. Pickup Holden (cotton factory proprietor). The work of the Committee was directly funded by the British Association and in the course of its investigations it consulted widely, visiting the major industrial centres of the country to conduct interviews and meet representatives of both sides of the industrial divide. It produced its report in time for the next meeting of the British Association held in Newcastle the following September 1916. However, because it was not an official Government investigation the British Association Committee did not have any real authority and as such its influence was restricted to that of information provider. Nonetheless, some of the recommendations, particularly those associated with the establishment of joint bodies of employers' organisations and trade unions, appear to have informed those later produced by the Whitley Committee.

### **The Whitley Committee 1916 - 1918**

Although it helped to set the context for the evolution of war-time industrial relations thinking the British Council Committee investigation of 1915-1916 did not contribute anything to the practical development of the Trade Board scheme then in operation. What it did do however was to provide the trade union leadership with an assurance that its interests were to be given serious consideration. However, as a means of encouraging and assuring the trade unions it was also necessary to show that the ground they had conceded in cooperating with the organisation of the war economy would not only be returned to them in the aftermath of the war but that their position in the realm of industrial relations would continue to advance.

So it was that the interests of the trade unions became part of Government post-war industrial planning as early as 1916 under the auspices of the Committee on Reconstruction. In October 1916 a sub-committee of that body was established as the *Committee on Relations between Employers and Employed* under the chairmanship of J.H. Whitley, M.P. and its terms of reference were as follows:-

1. To make and consider suggestions for securing a permanent improvement in the relations between employers and workmen.
2. To recommend means for securing a systematic review, by those concerned, of industrial conditions affecting the relations between employers and workmen, with a view to improving conditions in the future.

The committee consisted of the Chairman and twelve members with the trade union side represented by: Frederick Stephen Button, formerly member of the executive council of the Amalgamated Society of Engineers (precursor of the Amalgamated Engineering and Electrical Union); John Robert Clynes, M.P. and president of the National Union of General Workers; Arabella Susan Lawrence, London County Council and member of the executive committee of the Women's Trade Union League; and Robert Smillie, president of the Miners' Federation of Great Britain (the precursor of the National Union of Mineworkers). As well as these there were three other members who could be relied upon for their pro-trade union sympathies. These were: the anti-imperialist economist John Atkinson Hobson; Mona Wilson (not to be confused with the Canadian nurse of the same name) who was a National Health Insurance Commissioner; and James Joseph Mallon, the social reformer. This gave the trade union side an influential say in the committee's findings. The findings were initially produced in five reports. The first report was signed on 8 March 1917; the second and third on 18 October

1917; report four on 31 January 1918 and the fifth on 1 July 1918.

In the same years that the Whitley committee was submitting its five reports the Government passed two pieces of legislation which had a more immediate bearing on the issue of the minimum Wage. In 1917 the Corn Production Act represented a kind of hybrid arrangement with a central board setting a national minimum wage for agricultural labourers at a nominal 25s per week but empowering district boards to establish a fluctuating rate in the regions. There then followed the Temporary Regulation Act of 1918. This Act could be said to have introduced a kind of minimum wage across almost the entire working class and it was introduced to protect the wartime level of wages from a potential catastrophic decline as a result of the labour market being flooded with demobilised servicemen while the economy switched from a war footing to a peace economy. However, again it must be added that the Act operated in tandem with existing local and trade sectoral minimum wages and was not operating in the modern context of the universal minimum wage and was not designed to replace existing arrangements.

What distinguished all of these Acts, the Munitions Act of 1916, the Corn Production Act of 1917 and the 1918 Temporary Regulation Act of 1918, is the fact that they were all designed to be temporary expedients to deal with a specific problem or crisis and were never intended to be permanent. The Corn Production Act was repealed in 1920 and with it went (at least for the time being) the wage protection to agricultural labourers that it contained, and the Temporary Regulation Act was only meant to apply for eighteen months.

While these pieces of wartime legislation helped to keep the debate on the minimum wage alive within the trade union and Labour movement, in practical terms they left no post-war meaningful legacy for the ongoing debate. That legacy, despite being subject to establishment attack after the war, was comprised of the Trade Boards Act and the Whitley Report.

What became known as the Whitley Report is in fact the First Report and it is from that report that the main Whitley Scheme emerged. The concentration on the First Report however has historically created the impression that the entire exercise was undertaken outside the inherited industrial relations environment created by the 1909 Trade Boards Act. In fact the main emphasis of what came to be known as the Whitley Report is best understood in terms laid down in the combined First and Second Reports and what emerges from both these reports is the fact that the findings of the Whitley Committee were never designed to supplant the work of the pre-existing Trade Boards but rather, to complement them. The First Report produced proposals which were meant to operate in those industries where there was a high level of pre-existing organisation on both the employers' and trade union sides. In other words where the employers had their own organisation, or possessed the capacity to become so organised, and where trade union representation was strong. The Second Report presented proposals for those industries and trades which did not have a high level of employer or trade union representation, in other words, those areas which the pre-existing Trade Boards were meant to serve.

*"The trade boards preceded the joint industrial councils [Whitley Councils – ED]. The Whitley Reports urged their expansion and the extension of their functions. While these recommendations were not completely followed by the Government the application of the Trade Boards Acts was largely extended during the years 1919 and 1920, with the object of their assistance in the harmonious settlement of*

*industrial differences – an object stressed by the Whitley Committee. Therefore, to this extent, Whitleyism may be said to have made a contribution to the advancement of the British trade boards."* (*The Whitley Councils Scheme, by John Barton Seymour. Published by P.S. King & Son Ltd., London, 1932, p.38*).

The proposals which the First Report of the Whitley Committee produced were based on the encouragement of Joint Industrial Councils (which also became known as Whitley Councils) in the participating industries and trades. Not only were these Joint Industrial Councils meant to encourage cooperation between the representatives of employers and workers but, on the workers' side, they were also meant to encourage the various trade unions to work together.

*"Whitley-councils include the whole industry. They do not consist of employers' representatives and representatives of one craft union only, but on the workers side all the important craft organizations of the industry (including the general labour unions) are represented. Therefore those councils represent their industry as a whole. . . .*

*The Whitley-idea involves standing joint consultation. Parties do not meet in case of dispute only, but at regular intervals. They do not only discuss controversial points, but cover a wider scope and also tackle points of a non-contentious character, i.e., problems of the industry regarding which the employers' and workers' interests are not directly opposed to each other."* (*Joint Industrial Councils of Great Britain, by Marius G. Levenbach. Published in Social Forces, Vol. 4, No. 3, March 1926. Published by Oxford University Press. p.614*).

The Joint Industrial Councils were organised on a national, district and factory (or works) level and they could choose their own terms of reference within these areas of organisation. For instance with regards to contentious issues, such as wages and conditions, many of the J.I.Cs agreed a constitution or set of rules which prohibited industrial action until the joint bodies had the opportunity of going through a conciliation process while other J.I.Cs did not. It was left to the individual J.I.C. to agree between employers' organisations and trade unions what they found acceptable in terms of the areas in which they would operate. When a conciliation machinery was agreed the conciliation was undertaken through the District or National Councils depending on the seriousness of the dispute. Among the less contentious issues on which the J.I.Cs could also have a focus were:-

Apprenticeships, training and technical education for the industry; Welfare (including sanitary and safety conditions in the individual factories, as well as general health matters, workmen's compensation and so on); interference of the government with the industry; prevention of unemployment; industrial research and organisation; commercial problems, like the supply of fuel and raw materials, transport facilities, and protection.

Thus there was a high level of flexibility built into the Joint Industrial Council proposals and no proposal could be deemed acceptable unless a majority on both sides, i.e., on the employers' as well as the unions' side, agreed to it. In practice however, most decisions did not have to resort to a vote as the negotiations continued until a consensus was arrived at. Also, in contrast to similar worker-employer arrangements on continental Europe at this time (and indeed later in Ireland), there was no element of compulsion associated with the establishment of, or decisions taken by the Whitley Joint Industrial Councils.

*“The establishment of National Joint Industrial Councils is not the result of any statutory regulations. They do their work as they themselves think fit and free from any government control or interference, though the Government keeps in touch by means of its liaison officers. The Councils feel themselves to be the mouthpiece of the industry and the Government consults them as such. But the J.I.Cs do not possess statutory function or power, and their actions and decisions have no legal authority.” (ibid., p.618).*

This was also in contrast to the way in which the pre-existing Trade Boards functioned:

*“Yet the powers of a trade board are much greater than those of a [Whitley] joint industrial council. Its decisions are enforceable by law; all in the trade must recognise it and conform to it, whereas the industrial council may represent a part of the trade only, and often encounters opposition to its authority, with occasional open disregard of its rulings. Moreover, the trade board, through its Appointed Members, can obtain satisfactory results where circumstances in an industrial council would produce a deadlock, necessitating reference to outside arbitration. In the trade board the arbitration occurs at its meetings. With its Appointed Members it forms a combination of collective bargaining, conciliation and arbitration. This novel feature shows the harmonious settlement desired by Whitleyism carried a step further than could be reached by a Whitley council.” (Seymour, op. cit., p.39).*

The issue of a statutory standing was to become a recurring one in the years immediately after the First World War. In the meantime the attitude of the trade unions was one of overall ambiguity. At one end of the scale was outright hostility based on a belief that the Whitley scheme would pre-empt the traditional trade union role in collective bargaining and at the other was the position which sought to make the best of what the Whitley scheme could offer. This latter position is best summed up by the statement appended to the finished Whitley Committee Reports by the Socialist members of the Committee. The statement read as follows:-

*“By attaching our signatures to the general reports we desire to render hearty support to the recommendations that industrial councils or trade boards, according to whichever are the more suitable in the circumstances, should be established for the several industries or businesses and that these bodies, representative of employees and employed, should concern themselves with the establishment of minimum conditions and the furtherance of the common interests of their trades.*

*But while recognizing that the more amicable relations thus established between capital and labour will afford an atmosphere generally favourable to industrial peace and progress, we desire to express our view that a complete identity of interests between capital and labour can not be thus effected, and that such machinery can not be expected to furnish a settlement for the more serious conflicts of interest involved in the working of an economic system primarily governed and directed by motives of private profit.*

*Signed: J.R. Clynes; J.A. Hobson; A. Susan Lawrence; J.J. Mallon; Mona Wilson.”*

This surely was a reasonable position for the trade unions to adopt. But the Whitley scheme was opposed by another strand of trade union opinion – one which had its basis in the small though influential shop-stewards’ movement and which

opposed it because it did not provide worker participation in the running of businesses. The Whitley scheme was not workers’ control by a long shot but, in any case, the wider trade union movement was not seeking workers’ control. The position of J.R. Clynes, Labour M.P. and one of the leading trade union members of the Whitley Committee, was typical of the general mood in the trade union movement at the time. To him there was a clear line of demarcation between the trade union side and that of management. This is him writing around the same time as the Whitley Committee Report was published:

*“A Trade Union does not want to interfere with management, but the Union does want to settle the claims of workmen in regard to their conditions of service with companies. The shareholders act through a body of directors who, in turn, act through managers, superintendents, and other officials. The workmen merely claim the corresponding right of acting through their executive, which in turn, acts through secretaries and delegates.” (Labour and Capital After the War, by various writers, with an introduction by the Right Hon. J.H. Whitley, M.P. Edited by Sir Sydney John Chapman, C.B.E., Published by John Murray, London 1918. Essay by J.R. Clynes, p.23)*

And further:

*“The commercial and financial side of a trading concern are matters for the directors and the management, but scores of other subjects relating to wages, hours, workshop conditions, systems of superintendence, terms arising from changes in production or new schemes of manufacture – these and such like questions are as much the affair of the workman as his employer.” (ibid., p35).*

From Clynes’ perspective the Whitley proposals offered a structured recognition of the position of trade unions in the production process. Wide areas of workers’ conditions, training and welfare were now established as being in the realm of trade union control and workers were no longer to be viewed as simply existing to do the employers’ bidding. Although the idea of workers’ control was not something that Clynes and the majority trade union opinion even contemplated, the Whitley proposals did provide the basis on which, if and when it was ready, the trade union movement could exert its will in order to gain more influence over the management of companies.

### **Whitley and the Industrial Reconstruction Council.**

On 15 February 1918 the Government launched the Industrial Reconstruction Council at the Guildhall in London. The launch was attended by representatives of business and the trade unions as well as politicians. The purpose of this body was described in *The Times*:

*“The Industrial Reconstruction Council was publicly inaugurated at the Guildhall, London, yesterday. The function of the council is to endeavour to popularize the principle of industrial self-government, and in particular to spread a knowledge of the recommendations of the Whitley Report.*

*A large and representative attendance was presided over by the Lord Mayor and subsequently by Lord Burnham, and the following resolution, proposed by Sir Wilfred Stokes and seconded by Sir Herbert Nield, M.P., was carried unanimously:-*

*'That this meeting gives it warm approval to the proposals of the Industrial Reconstruction Council, as a practical means of giving effect to the suggestions of the Whitley Report.'*

*Dr. Addison (Minister of Reconstruction) said that whatever schemes they might devise for the work of reconstruction, sooner or later they would come down to the question of money. Therefore, the governing consideration in all reconstruction was the increased production of wealth. Unless we could so dispose of our national forces that all men, both employers and employed, could freely cooperate in an effort at increased wealth production distress must be our lot. The war had taught us something which he hoped we should never forget – namely, that we had latent in our people a capacity to produce which was quite unsuspected before, and by this same power and spirit, when the time arrived, we could rebuild our industries and increase and maintain our services for the benefit to all in the wide markets of the world. But unless we had industrial peace none of these things could be added unto us. (Cheers.)" (The Times, 16 February 1918, p.11).*

The context in which Christopher Addison, the Minister of Reconstruction, places the Whitley Report was within that of Britain's need to reconstruct its economy and he saw industrial peace as an essential ingredient in Britain's effort to begin producing things again. After the war Britain was in no real need of the reconstruction of its building and infrastructure as the capacity of the German air force to inflict significant damage in these areas had been almost non-existent. Reconstruction instead was meant to apply specifically to the economy and in particular Britain's capacity to make things for export again. What had been destroyed and was now in need of reconstruction was not buildings or roads or railways but the self-generated dislocation of its production and commercial markets. By the end of the war Britain had almost bankrupted itself and was heavily in hock to the United States. It could not pay its debt by gold or foreign securities as the former needed to be retained at home if Britain was to sustain its position as the world's foremost centre of international trade (at this time Britain was nominally still on the gold standard although it had effectively abandoned it domestically at the outbreak of the war) and the latter had more or less already been exhausted as part of its payments for war supplies from 1915 onward. What was urgently required was for Britain to quickly recover the lost ground in the production of goods for export as that was the best option for generating the necessary wealth to pay off its debts. This position was echoed by the Minister of Labour:

*"Mr. G.H. Roberts, (Minister of Labour) said he agreed that the great need of the nations of the world was peace from the military point of view, yet, it was equally imperative from the standpoint of Great Britain and the British Empire that industrial peace should subsist when military peace had been re-established. It was perfectly certain that if industrial strife was to succeed this war, recovery must be retarded, in fact, he believed, rendered absolutely impossible. Great Britain would be deposed from her position of commercial eminence in the world, and one class alone would not suffer. The Whitley Council would go a long way towards establishing durable peace in industry. Employers had got to get rid of their objection to high wages. They had to choose between two alternatives. They could admit the workers into a greater control of industry and give them a larger interest in the trade in which they were engaged, or they could deny them that right, and if they did that, then in his opinion they would be faced with perhaps an insensate revolt." (The Times, *ibid.*).*

Ernest Bevin also attended the meeting at the Guildhall as a trade union representative and gave guarded support to the idea of the Whitley Councils:

*"Mr. Ernest Bevin (Dock, Wharf, Riverside, and General Workers' Union), who spoke with much vigour, said that rather than tolerate the awful poverty and brutally inhuman conditions imposed on his class he would deliberately organize revolt, but he was prepared to accept a reasonable alternative provided they started upon a purely equal basis." (The Times, *ibid.*).*

As previously stated, the general position of the trade union movement towards the Whitley Committee proposals was one of ambiguity and that ambiguity was to leave a legacy which became one of the contributory factors in the failure of the proposals to take root in the general movement and consequently in the wider economy.

### **Trade Unions and the Whitley Committee proposals.**

In late 1917, when the proposals first became known, the Parliamentary Committee of the Trade Union Congress (later to become the General Council) expressed its approval and Congress confirmed that position. However, a short time later a statement appeared in the trade press expressing a different attitude. The incident was described by Charles William Bowerman, M.P. Secretary of the Parliamentary Committee at the subsequent meeting of Congress in September 1918. The Congress held in Derby in September 1918 was the first one held after the publication of the full Whitley Committee Reports and the issue of its proposal for Joint Industrial Councils was only raised at the last sitting of Congress on 8 September and even then it was not discussed on its own merits. It was raised as part of a proposal from the National Joint Committee of the Post Office Association, *"That this Congress calls upon the Government to apply the principles of the Whitley Report to all departments of State service."* The proposal was moved by W.B. Cheesman (secretary of the Fawcett Association) and the following account of the discussion on the proposal gives an insight into the attitude of a significant element in the trade union movement at the time:

*"Mr. J.E. Mills (A.S.E.) said that as secretary of the largest Shop Stewards' Committee in England (Woolwich Arsenal Committee) he wished to utter a word of warning against the adoption of the Whitley Report and of the proposals to which it would commit labour. The time, he went on, has gone when the principles of the Whitley Report can be accepted by any body of labour that is strong enough to stand on its own hind legs. The Whitley Report is all very well for those sections of industry for which we have had to secure justice by wages boards and other forms of State interference; but as soon as you reach the stage where the organized workers by virtue of their own organization are able to make a definite claim and to back up that claim, the need of the Whitley Report has gone. We do not require the Whitley Report, and I hope the Congress will think twice before they pass any resolution accepting the principles of the Report, which, after all, are asking us to lie down, the lion and the lamb together, and see which comes out with most skin left.*

*Mr. W.W. Cooke (Locomotive Engineers) associated himself with Mr. Mills. He hoped that they were not going to ask the Government to force on their employees something which they themselves were not prepared to accept. They had had too much of the balancing of power between employers and employed around a table. They wanted a*

little more of the ascendancy of labour at the negotiation table, so that their claims should be granted. They wanted not conciliation, but right and justice.

. . . . Mr. W. Roberts (Shipwrights), as a representative of trades which would be affected by the resolution if it were applied to dockyards, opposed the resolution. Throughout the shipbuilding industry, he said, the members of his union had thrown over the Whitley Report.

A delegate from the Carpenters and Joiners also opposed the resolution. He argued that, in spite of talk about conciliation, preparations were being made by employers' associations through their federations to look after their own interests against those of the workers, and it was for the workers to see that their organizations were also linked up for their protection. The vote was then taken, after a discussion which had occupied not more than 15 minutes, and the resolution was carried by a majority of 1,621,000 votes." (Labour and Whitley Councils: Divided views at Congress: 'The Lion and the Lamb'. The Times, 9 September 1918, p.10).

The position adopted by Miss E.H. Howse during the debate was the only one which could perceive the opportunities offered by Whitley Councils for the further advancement of the movement.

"Miss E.H. Howse (Postal Clerks) said that the Congress had passed resolutions in favour of the nationalization and democratic control of various industries. Did they realize what that meant? They could not jump from the position which the postal employees now occupied to the position of full control without some insight into the administrative side of the undertaking. They were not going into the Whitley scheme in the belief that they would have reached the ideal position. They knew the dangers which such committees contained, but they wanted to obtain some knowledge of administration in order to move towards the end in view properly equipped to make democratic control a success." (ibid.).

This was a positive balanced view of what the Whitley scheme could offer. In its immediate format the scheme provided a means by which the trade unions could exercise direct and real influence over those aspects of workers' welfare that immediately concerned them. But it also provided an opportunity to understand the wider means by which an industry or business operated and for those willing to adopt that perspective it provided a means by which the trade unions could at a later stage advance into the areas of management. Miss Howse's position however, appears to have been a minority one but nonetheless the proposal for the Government to adopt the Whitley proposals and apply them to all departments was passed with a vote of 2,374,000 votes to 735,000. The fact that there was no specific discussion on the principles of the Whitley scheme at the 1918 Congress was evidence of one of two things. Either there was such hostility among the constituent unions to Whitley that Congress feared it would be thrown out or there was simply insufficient enthusiasm for the prospects of Whitley. That the latter is more likely to have been the case is evidenced by the fact that the Post Office proposal was passed after a mere fifteen minutes debate.

However, the possibilities for the Joint Industrial Council were not assisted from the outset by a reluctance of major sectors of industry to take part in the scheme. Coal-mining, engineering, the cotton industry, building and shipbuilding, all decided to ignore the possibilities offered by the Whitley Joint Industrial Councils. Between them these industries employed

nearly three and a half million workers and were among the most heavily unionised in the country. This is partly explained by the fact that it required both sides to agree to the formation of a Joint Industrial Council. Therefore a reluctance on the part of either the employers or the trade unions would be enough to scupper the possibility for the formation of a Joint Industrial Council. This is shown in the experience of the coal industry:

"The Coal Mining Industry, with nearly a million employees, was almost persuaded to adopt the Whitley Scheme. The Coal Industry Commission, in 1919, recommended the Industry should immediately proceed to discuss a scheme 'on the basis of the terms of the Interim Report' of the Whitley Committee.

The Mining Industry Act, 1920, in Part II, proposed to establish a system of joint councils upon the Whitley principle, with pit committees, district and area boards, and a national board. However, Part II of the Act never came into operation. The Miners Federation [precursor of the National Union of Mineworkers – ED] were at first unwilling to accept anything short of nationalisation of the mines; and when, at the close of 1921, they signified their willingness to accept the proposed scheme, the mine owners, who had previously given their assent, refused to go on with the plan." (Seymour, op. cit., pp.42-43).

That there was ideological objections to these councils among certain sections of the trade union movement was confirmed by the debate at the 1918 Congress. Such objections however, do not appear to have precluded union involvement in joint union-employer bodies in other forms as the industries of Coal Mining, Engineering, Cotton, Building, and Shipbuilding, all had their individual joint committees. However, these were more restricted in their terms of reference than those contained in the Whitley proposals and instead of standing committees they were *ad hoc* bodies meeting only during times of industrial strife.

Yet, despite these failures, something similar to the Whitley Scheme was adopted by one of the most important industries in the country. The Railway Industry, which at the time employed over 650,000 workers established a system that was based on the Whitley Scheme. This was made possible through Section 63 of the Railway Act of 1921:

"Section 63 of the Act, on 'the Establishment of Councils,' directly refers to the First Whitley Report, stating 'that the functions of the council shall generally be such as are mentioned in Paragraph (16) of the Report.'

Based, as it admittedly is, on the Whitley Scheme, the railway system sets up councils which are practically Whitley councils in many particulars. Both groups of councils have the same general machinery and functions. In both cases, council decisions depend solely upon the good faith of the two sides for fulfilment, and are not enforceable by law, as in the case of trade board decisions.

Nevertheless, there are marked differences between the Whitley councils system and that for the railway councils and boards. The most prominent are with regard to the representation and the methods of adjusting disagreements. In these matters the railway plan has copied the trade board system. The railway council covers the whole industry compulsorily. On the railways' National Wages Board, there is a group of 'outside' representatives, as on a trade board, but with this difference – for the latter, all those representatives are chosen by the Minister of Labour, whereas, for the railways the chairman only

is appointed by the Minister. As in the case of the trade board, conciliation and arbitration take place within the established machinery, and not without, as often occurs with the Whitley councils." (Seymour, *op. cit.*, p.41).

Further progress was made in 1924 with the passing of the Agricultural Wages (Regulation) Act which empowered the Minister of Agriculture to establish an agricultural wages joint committee in each county of England and Wales, as well as a central Agricultural Wages Board. The county committees and the Board were organised along the lines of the Trade Boards, with equal numbers of representatives of workers and employers as well as independent members appointed by the Minister and an appointed chairman. The decisions of the committees were also, like the Trade Boards, enforceable by law and embraced 770,000 workers. [The Agricultural Wages Board established by the 1924 Act remains in existence and while the number of agricultural labourers has declined to a small proportion of what it was at the time of its enactment it continues to perform an important function for those still in the industry, notably in ensuring that young people who wish to become farm apprentices are paid an acceptable wage. The plans of the present Coalition Government to abolish it this year are currently being opposed by the trade unions - ED].

### **The 1918 Trade Boards Act.**

The initial momentum which generated the support for the Whitley Scheme also led to a significant revamp of the Trade Boards Scheme in terms of the Trades Boards Act of 1918. As far as the working class was concerned this Act represented a significant advance over the provisions of the 1909 Act. The broad principles behind the 1918 Act were articulated by the then Minister of Labour, George Henry Roberts in his introduction to the Second Reading of the Bill to amend the Trade Boards Act of 1909 in June 1918:

*"The present Bill aims at simplifying the procedure required for setting up boards and for fixing minimum rates of wages, and also at giving increased powers to boards in certain directions. Undoubtedly great dislocation of industry will follow the War, and that renders it particularly necessary that rapidly adjustable machinery should be available for setting up boards in certain industries. I think this applies with particular force in the case of women. Many groups of women during the War have been able to elevate wage conditions to a more reasonable standard than heretofore, and it would be extremely undesirable, and undoubtedly would have a large number of undesirable social aspects, if they were to lapse back into the conditions which prevailed before the War. Moreover, there are other groups who have not, despite war conditions, been able to raise their status to anything which may be regarded as satisfactory. Therefore it seems to make it more desirable that we should provide machinery to adjust wages to a reasonable basis, and in more accord with the spirit of our times. The principle feature of the Bill may be briefly summarised. First, it gives power to the Minister of Labour to set up boards by Special Orders, after giving proper opportunity for inquiry and objections, instead of proceeding by means of a Provisional Order Bill. I believe this proposal is likely to meet with some little criticism. [Hon. Members: 'Hear, hear!'] Possibly we shall have to meet it, but I hope I shall be able to convince the House that it is a right and proper course, and when we get into Committee all the criticisms will have to be considered. At any rate, I express the hope that the Bill will ultimately emerge with this provision in it.*

*This makes the machinery for extending the Act to new boards simpler and more expeditious. Undoubtedly the*

*existing machinery is most cumbersome, necessitating the introduction of a Provisional Order Bill whenever it is desired to bring a new trade under the Act. Moreover, if a Provisional Order Confirmation Bill is opposed, it is necessary for an inquiry by a Select Committee of this House to take place, involving great expense and considerable delay. This procedure, with its delays and safeguards, was probably justifiable when trades boards were in their experimental stage, but now that they are proved to be a valuable part of our industrial organisations, it appears desirable and reasonable that speedier methods to set up the boards are required and justified." (Hansard, House of Commons debates, 17 June 1918).*

The new Bill also improved the existing legislation in other ways. Whereas the previous arrangement under the 1909 Act meant that the Trade Boards were restricted to providing instructions as to what employers should pay irrespective of the length of an employee's working day the new power conferred on the Trade Boards included the right to set a guaranteed time rate which also meant that it gave the Trade Boards new powers over the setting of rates of overtime payments. And, in areas where previously the situation was complicated by the system of payment by results, the Boards could now impose a floor under which earnings could not fall even for those on piece work arrangements. Another improvement was the time permitted for employers to introduce the new arrangements into their workplaces. Previously an employer was given nine months to introduce the new arrangements and that was now reduced to three months. The legal liability for employers who infringed the Trade Boards' instructions was also tightened up.

The man who introduced the Bill proposing the new arrangements was the Hon. George Henry Roberts and he was the first Labour man in charge of the Ministry of Labour. He had come into Labour politics through the trade union movement via the Liberal Clubs in the 1890s through his involvement with the Typographical Association in Norwich. In 1896 he joined the Independent Labour Party and went on to become an influential member of the Executive Committee of the Party in the pre-War years. However, he resigned from the ILP in 1914 partly over its refusal to back the British war effort but remained a member of the Labour Party (with which the ILP had amalgamated in 1906). In 1915 he entered Asquith's coalition Government as Lord Commissioner of the Treasury and on the formation of the second coalition under Lloyd George in December 1916 he was appointed Parliamentary Secretary to the Board of Trade followed in the summer of 1917 by his elevation to the position of Minister of Labour with a seat in the cabinet.

Then, in June 1918, at the time he was introducing the Second Reading of the Bill to amend the 1909 Trade Board Act, the Labour Party withdrew its support for the coalition and brought to an end the political truce which all parties had observed during the war. Along with three other Labour ministers (George Barnes, James Parker, and George Wardle), Roberts refused to withdraw from the coalition as he felt that useful work remained to be done in government through influencing the post-War condition of the working class. His Bill to amend the 1909 Trade Boards Act was an essential part of that vision. As a result of his refusal to abide by the Party's instruction to resign from the Government he was opposed by an official Labour candidate in the December 1918 General Election when he stood successfully as a "Coalition Labour" candidate. He retained his seat once more in the 1922 General Election when he stood as an "Independent" but in the following year, disillusioned by labour politics, he joined the Conservative Party with the result that

he lost his seat in the next General election in December 1923.

In the meantime he used the occasion of the 1918 Amendment Bill to articulate his vision of the future for the British working class. On the question of a universal National Minimum Wage – something that had been under discussion within the Labour movement for a number of years and which once more raised its head in the context of his introduction to the second reading of the 1918 Amendment Bill – he had this to say:

*“But before leaving the Bill I would like to make a few observations on a point which we have been pressed to include in the Bill. It has been strongly represented to us that Parliament should fix a national minimum wage. This principle was the subject of a good deal of discussion when the Corn Production Bill was before the House [in 1917 – ED]. Whatever may be said in respect of any one industry, surely it must be seen that it is difficult for Parliament to agree upon any one figure which may be adaptable to every one of our industries or all the industries which are likely to come within the purview of the trade boards. I have been immensely attracted by the idea, which accords with a sense of justice, but on closer examination grave difficulties present themselves. It raises highly controversial questions as to the relationship of men’s and women’s wages, and it also raises, in an intense form, the question of the principle on which a national minimum wage should be based. The demand for fixing a minimum wage arises from the feeling that every worker should be assured of a reasonable living wage. That, I believe, is how the demand originated, and I believe that everybody in this House and outside the House will agree that every worker is entitled to a reasonable minimum wage. . . .*

*The question arises whether the wage shall be sufficient to maintain the individual or a family, a large or a small family, or a family of average size. Such diverse views are advanced on the whole subject that there is no chance of agreement in the community such as to justify Parliament to sanction, at this stage, one view or the other. Therefore we aim at the gradual improvement of the conditions of our industries, recognising that we cannot accomplish all this by a mere stroke of the pen. The best method appears to be to bring the representative employers and workpeople together, and to set them the task of improving their own conditions. Parliament has not the information regarding the conditions of all industries. Statutory figures are in the highest degree inelastic, and can only be changed by further legislation; meanwhile, irreparable damage might be done. The trade board system is flexible, and allows ready adaptability to changing conditions and the prompt correction of errors. Therefore we feel, however strong the sentiment may be in favour of the fixation of a national minimum wage, that it is far better and more expeditious to leave the fixing of the wages to the trade boards for the various industries. The trade boards will have power given to them to so fix rates that they would rise gradually, and allow the trades time to adapt themselves to the new conditions. That is the principle on which we have worked in our trade union experience – recognising that firms may have contracts that they have made upon the existing wage standards, and that to impose great advances upon them would be most unjust to them; at the same time, we have generally been able to compromise and make an arrangement whereby the advances, mutually agreed upon, were brought into operation by degrees.” (Hansard, House of Commons debates, 17 June 1918).*

Roberts rejected the idea of the fixed universal National Minimum Wage for two reasons. Firstly, the lack of flexibility of a centrally established figure and its inability to meet the circumstances of workers in the wide landscape of a national economy, and secondly, because it did not fit with the then prevailing sentiments of the community. This is apparent in his statement that *“The question arises whether the wage shall be sufficient to maintain the individual or a family, a large or a small family, or a family of average size. Such diverse views are advanced on the whole subject that there is no chance of agreement in the community such as to justify Parliament to sanction, at this stage, one view or the other.”* But he also believed that the future for the working class lay in establishing machinery which facilitated trade union involvement in decision-making processes at the local level – something that would be abolished through the acceptance of the concept of the National Minimum Wage as an alternative to the sectoral wage arrangement.

*“I have heard many employers, even before I had anything to do, as Minister of Labour, with the trade boards, advance that as one of the main justifications for the scheme established in 1909. The wage board is a committee of experts who fix a minimum rate of wages in consultation with the representative employers and workpeople. A rate of wages is settled which corresponds fairly accurately to the circumstances of the particular industry, because the arrangement is made by persons who understand the conditions, being in the industry themselves. I desire to see the whole of our industries covered by joint industrial councils or wages boards. I would like to regard the wages boards as a temporary expedient facilitating organisation within the industry, so that, in the course of time, the workers or the employers will have need of the statutory regulations, but that their organisation will have then developed into a joint industrial council, whereby the affairs of the industry will be controlled and managed by the people concerned in the industry themselves, without any recourse to any legislative expedient.” (ibid.).*

Roberts saw no contradiction between the continued existence of the sectoral Trade Boards and the idea of a National Minimum Wage but instead viewed them as something that could have a harmonious relationship without one displacing the other. What he objected to was the replacement of the sectoral machinery associated with the Trade Boards by a centrally dictated universal National Minimum Wage as this would inevitably destroy the organic relationship which the Trade Board arrangements had helped to cultivate between the trade unions and employers on the basis of their involvement in specific industrial sectors. It was the direct relationship of the trade unions with the sectoral minimum wage which provided the means by which the Trade Board machinery could eventually evolve into the Joint Industrial Councils then being encouraged as part of the Whitley scheme. However, the most potent threat to future Trade Union involvement in the Trade Boards was not posed by those advocating the replacement of the Trade Boards by an absolute universal National Minimum Wage but from those within the relative Sectoral Minimum Wage camp.

### **What type of minimum wage – with or without the trade unions?**

Notice has already been taken of the different versions of the minimum wage in terms of the absolutist National *“one rate fits all”* version and the relativist variable District and Trade determined version. The absolutist version had, from the beginning, played a secondary role in the movement for a minimum wage with the relativist version providing the

impetus behind the emergence of the Trade Boards Act of 1909. The arrival of the Liberal government in 1905 on a ticket of social reform ensured that the issue of a minimum wage would receive a sympathetic hearing. This, and the fact that the dominant Liberal Imperialist faction within government required the compliance of the Labour movement with their future war plans compelled them to adopt mechanisms that gave the trade union movement more influence in the workplace. It was this consideration that assisted the relativist minimum wage camp in gaining hegemony within the movement when it came to practical results. When the war did come it provided a further impetus to this development, particularly after 1915 when it became apparent that its continued propagation required the organisation of a wider war economy than originally envisaged. This combination of circumstances ensured that the trade union movement would be central to British government policies for as long as the requirements of war and post-war reconstruction dominated establishment thinking. Conversely, as we shall see later, in the years after the war, when these requirements were no longer the dominant consideration the emphasis was placed on rolling back the concessions that had been made necessary by the war. G.D.H. Cole, writing in 1921, observed this process at first hand:

*“Great Britain, in common with some other great industrial countries, has thus witnessed, since 1918, a startling turn of the wheel of industrial fortune. The initiative had passed from the Trade Unions to the employers’ associations, and the counter-offensive of the latter has already secured on most points at least a temporary decision in their favour. Not only have the Unions failed to make good any of their important post-war demands: many of the concessions gained during the war period are also being swept away. The agricultural workers are being deprived of their legal minimum wage: standard wage rates are being cut down by more than the amount corresponding to the fall in prices: such concessions as the guaranteed week and the eight hour day, gained by many trades, are being seriously menaced, if they have not already been lost; and it is becoming an accepted principle that pledges given no longer hold good in face of ‘changed economic conditions.’” (Labour Prospects in Great Britain, by G.D.H. Cole. Published in The North American Review, Vol. 214, No. 791, October 1921, p.499).*

It was not just the default on the promise of nationalisation of the coal and rail industries which reflected the changed post-war political atmosphere. Central to all of this was the position that the trade union movement had been allocated in the lead up to, duration and immediate aftermath of the war. For that reason the loosening of that position became one of the main objectives of the establishment and the role of the trade unions in the formulation of the minimum wage one of their objectives.

The question of abolishing the minimum wage for agricultural labourers (and with it the role of the trade unions in that sector) was an easy first step for the government as the original legislation of 1917 (the Corn Production Act) that established the minimum wage machinery in agriculture was stated from the start to be of limited duration and due to expire in 1920. However, the main legislation associated with the minimum wage in the wider economy (the 1909 and 1918 Trade Board Acts) carried no such defined time frame and consequently could not be evaded so easily. In that situation, it was necessary for the Government to put pressure on the fault lines by which the minimum wage was defined. In other words, the process by which the Trade Board legislation operated became the pressure points for reform in the event that they could not be abolished (there are

similarities here with the recent 2011 High Court of Ireland judgment by Mr. Justice Feeney). What the Government sought was to marginalise the role of the trade unions in the wage-setting process and its case for doing this had echoes with the arguments which surrounded the very beginning of the minimum wage agitation in the Labour movement and epitomised in the differences between R.H. Tawney and Sidney and Beatrice Webb.

The Webbs supported the trade union movement as institutions which performed an important role for the working class but they were not enthusiastic believers in their role in the wider society. This is Beatrice Webb writing just before the 1909 Trade Board Act came into operation:

*“Besides, in spite of enormous advantages of Trade Unionism to the worker, the employer, and the nation, the fact that it operates sectionally, pursuing the interests of a single trade or group of amalgamated trades rather than of the whole community, produces conflicts between trade and trade, and between skilled Unionists and outsiders seeking admission to their trade, which are by no means always conducted or settled in the public interest. Strong Trade Unions have often insisted on conditions injurious to other classes and detrimental to the community.” (Economics of Factory Legislation, by Mrs. Sidney Webb, in Socialism and National Minimum, by Mrs. Sidney Webb, Miss B.L. Hutchins, and the Fabian Society. The Fabian Socialist Series, No. 6. Published by A.C. Fifield, London, 1909, pp.46-47).*

In pointing out the negative aspects of trade unions in terms of the wider community the Webbs could not see any potential role for them beyond that of protecting their members and locking horns with the employers. Their very preoccupation with serving sectional interests (their members) made them an unsuitable agency by which the ‘sweated’ section of the working class could be assisted. As far as the trade unions were concerned they remained ‘blind’ to the needs of the unorganised section of the working class.

*“There is not, and never has been, in any sweated trade, a Trade Union capable of enforcing a Common Rule. After a whole century of attempts, we may quite certainly say that there never will be such a Trade Union. Before wage-earners can exercise the intelligence, the deliberation, the self-denial, and the administrative capacity that are necessary for effective Trade Unionism, they must enjoy a certain standard of physical health, a certain surplus of energy and a reasonable amount of leisure. But these are the very conditions which are always absent in the sweated trades: their absence is, in fact, the essence of sweating.” (ibid., pp.47-48).*

The Webbs viewed the problem of sweated labour as one which could only be “seen” and fully comprehended by agencies other than the Trade Unions. But after questioning the Trade Unions as an agency capable of solving the problem of sweated labour and dismissing collective bargaining as an appropriate mechanism for the formulation of an appropriate rate of remuneration, the Webbs were left with the twin problems of how to measure the problem in terms of human need and identifying a suitable agency for interpreting that need in terms of monetary results.

With regards to the first problem the reference in the quotation above to “a certain standard of physical health, a certain surplus of energy” provides the clue to how the requirement of human need was to be measured. In the same Fabian booklet that included the above essay by Beatrice Webb, one of her supporters, and member of the Executive

Committee of the Fabian Society, Elizabeth [Betty – ED] Leigh Hutchins has this to say:

*“The first provision of the Minimum Wage Law would be one for the ascertainment of the minimum of food and clothing necessary for the healthy subsistence of (a) an average family, reckoned as consisting of a man, his wife, and three children; and (b) an adult woman living by herself. This could be made the duty of either a Special Commission appointed for the purpose, or of the Labour Department of the Board of Trade.” (Gaps in our Factory Legislation, by Miss B.L. Hutchins in *ibid.*, p.82).*

So it was that the main means of assessing the level at which a minimum wage should be set was to be one outside the negotiating machinery of collective bargaining. But in removing the minimum wage from the process of collective bargaining there remained the problem of what agency would be given the responsibility of interpreting that need and in establishing where and under what circumstances it was to be applied. Here again is Miss B.L. Hutchins’ solution:

*“The translation of the national minimum of real wages into money according to local variations in prices and rents, would be made a part of the duties of county councils and of borough and urban district councils with populations of not less than 50,000. In London the County Council should be the authority for this purpose.” (ibid., p.83).*

The Webbs and the Fabian Society’s proposal for the minimum wage was based on establishing the food and shelter requirements of an average family man and a single adult female to enable them to enjoy a healthy subsistence. This subsistence requirement then became the core measurement that delegated representatives of borough and urban district authorities were to apply and convert to local economic circumstances in terms of actual monetary value. Hutchins then provides an account of how this would operate in practice:

*“The procedure would be as follows: Directly the minimum or real wages had been fixed by the Special Commission, or the Labour Department, the county council, borough council, or urban district council, as the case might be, would transform this wage into a local cash equivalent. It would then appoint its inspectors, who would inquire into the conditions of the local industries. This inquiry would not take up much time, as sweated industries are always well known. Taking the trades with the worst conditions first, the local authority, acting on the information and advice of its inspectors, would appoint trade boards in these occupations. This might be called scheduling a trade under the Minimum Wage Act. Directly the boards were appointed, the local authority would inform the Labour Department of the fact. The Labour Department would send the information to all other local authorities, instructing them at the same time to take immediate steps for the formation of trade boards in these scheduled trades, if any existed in their districts.” (ibid., p.86).*

Such was the case made for the operation of a minimum wage machinery outside the involvement of the Trade Unions. The main opponent of this perspective [what became known as the “Subsistence Minimum Wage” – ED] was Richard Henry Tawney, a staunch believer of the role of the trade unions in the Trade Boards from the start. Tawney was originally a social liberal and brother-in-law of William Beveridge. He was a member of the Labour Party and the Fabian Society but differed from that body on the subject of its state-centred view of socialist construction. Despite opposing the ideas of Sidney and Beatrice Webb on the subsistence

minimum wage he was a close friend of them all his life. His disagreement with them on this subject did not abate even after the Webbs modified their position prior to the First World War:

*“Tawney hoped that his propitious trade board studies would help to restrain the demand for a subsistence minimum wage popularised most notably by the Webbs and like-minded Fabians such as [E.L.] Hutchins and Sanders. Although by 1913 the Webbs believed that to ‘fix a national minimum wage of 30s a week applicable to all adult workers in this country is an attractive proposal, and, given a thoroughly enlightened public opinion . . . might be practicable’, they eventually concluded that, since the cost of living varied widely in different areas, then a national but versatile measure was necessary to ensure that individual districts could not undercut each other. Under their scheme, the country would be divided into appropriate regions, each of which would be assigned a fixed physiological minimum . . . A Commission especially established for the purpose, or the Labour Department of the Board of Trade, would be responsible for inquiring into working-class budgets and county, borough and urban councils with a population exceeding 50,000 would administer the system. It followed, therefore, that the Webbs’ minimum would ‘be calculated on what the worker requires for physical health and efficiency, and not on what the trade will bear. To Tawney, the establishment of such a minimum wage was little short of barbaric. He declared, ‘it means that people are not paid what they are worth, but what is necessary to keep them working. That is how a horse or slave is paid.’” (A Fair Day’s Wage for a Fair Day’s Work?: Sweated Labour and the Origins of Minimum Wage Legislation in Britain, by Sheila Blackburn. Published by Ashgate, Aldershot [2007], pp.168-169).*

Although displaying some flexibility in their position and even welcoming the Trade Boards, the exclusion of the trade unions from the Webb model for their subsistence minimum wage remained the bone of contention between them. As much as the Webbs version of the minimum wage excluded the involvement of the trade unions, Tawney’s advocacy of the Trade Boards required their involvement and for the moment it was Tawney’s version which was to inform future developments.

### **The National Industrial Conference of 1919.**

By the end of the First World War the role of the British trade union movement in influencing workplace issues revolving around wages and terms and conditions had been acknowledged and accepted in the wider society. Trade unions exerted that influence in trade councils, joint industrial councils, wages boards and numerous other sectoral arrangements. However, after the war, the contribution that these arrangements played in maintaining industrial harmony as part of the war economy was no longer pressing and their continued existence became problematic. Influential elements in Government and among employers were coming to the opinion that the peace-time economy would be better off without them and so we find these institutions increasingly threatened by Government and employers’ hostility. But it also has to be said that the attempts at dismantling these war-time arrangements found an echo in the trade union movement among those who sought a return to the pre-war type of collective bargaining and as a consequence we find the momentum towards greater trade union involvement in decision making gradually losing ground in the years after the war (of which more later).

However, this did not happen immediately for four main reasons. Firstly, whatever changes the Government may have desired in this direction had to be tempered by the fact that it was now confronted by a wider democracy with a significantly expanded working class electorate resulting from the extension of the franchise in 1918; secondly, in constructing the war-time economy which made due allowance for trade union involvement it had been necessary to re-stock the relevant areas of the Government's administrative bureaucracy with personnel sympathetic to that trade union involvement and shaking out such personnel from the affected departments of state could only be done gradually. Thirdly, the tightening of the economic blockade of Germany after the Armistice of November 1918, required the continuation of some elements of the war economy in Britain and with it a continued indulgence of the idea of trade union involvement, and, fourthly, the growing industrial unrest in the aftermath of the Armistice in November 1918 resulting from a desire among large sections of the working class not only to protect their gains but to make further advances that were felt to be deserved as a result of their efforts in winning the war.

Consequently, in the period between the Armistice on 11 November 1918 and the signing of the Versailles Treaty on 28 June 1919 the attitude of the Government remained supportive of trade union involvement at first but began to change during this period. This change is revealed in sharp relief by the fate of the National Industrial Conference (NIC). This conference was called by Lloyd George, at very short notice, on 17 February 1919 to be held on the 27 February.

*"With his [Lloyd George's] sound politician's instinct and his understanding of the sort of people he was dealing with in a situation which many said was basically revolutionary – an illusion he had chosen to foster – he set on hand the Conference to which came 800 delegates from trade unions, Trade Boards, the J.I.C.s [Joint Industrial Councils] and the I.I.R.C.s [Interim Industrial Reconstruction Committees], the T.U.C., and the National Alliance and the Employers' Associations." (The Development of Industrial Relations in Britain 1911-1939, by Rodger Charles. Published by Hutchinson of London, 1973, p.235).*

The Conference was the biggest gathering of workers' and employers' representatives that had ever taken place and its purpose was to examine the causes of the current labour unrest and chart the post-war future for industrial relations in the country. Both Lloyd George and the Minister of Labour, Sir Robert Horne attended the conference with the latter acting as Chairman. The trade union side of the Conference was led by Arthur Henderson, onetime member of the War Cabinet, Secretary of the Labour Party and head of the Friendly Society of Ironfounders. The employers were led by Allan Smith, Chairman of the Engineering Employers' Federation and advisor to various departments and ministries during the war, including the Ministry of Munitions and the Ministries of Labour and Reconstruction.

On the first day of the Conference it was decided to appoint a Provisional Joint Committee (PJC) consisting of 30 trade union delegates and 30 employer delegates with the purpose of formulating specific proposals for the future of industrial relations which was to report back to the next meeting of the NIC. The first meeting of the Provisional Joint Committee was held on 4 March 1919 and such was the importance which Lloyd George, the then Prime Minister, attached to this event that he delayed his return to the Paris Peace Conference in order to address it in person. During his address to the assembled delegates he described their meeting as follows:

*"You are really a Peace Congress, you are settling the future of this country, but you may be doing more than that, you may be settling the future of civilization. You may be making a model for civilization which all lands will turn to and say 'Let us follow Britain.'" (quoted in, The Failure of Consensus in Britain: The National Industrial Conference, 1919-1921, by Rodney Lowe. Published in The Historical Journal, Vol. 21, No. 3, September 1978, p.649).*

In wider circles at home and abroad the PJC was seen as something that had the potential to provide an alternative form of social advancement to that provided by the Russian model and was hailed as such by the likes of the Belgian foreign minister and the influential commentator on English history, Élie Halévy (who had himself attended the conference on 27 February).

Both Lloyd George and Sir Robert Horne, the Minister of Labour, went out of their way from the start to assure all attending the National Industrial Council that their conclusions and recommendations would be acted upon by the Government. In conformity with its brief the delegated Provisional Joint Committee had a draft of its report ready by 26 March and the finished report was, as required, submitted to the reconvened National Industrial Conference on 4 April 1919. The report made a number of recommendations but the most important ones were the recommendation for a Joint Industrial Council.

*"The National Industrial Council which was to be central to all this should not seek to supplant any existing organisation but to co-ordinate; it therefore had only an advisory function. It should be elected not appointed and it should be fully representative of all sections of industry. In its role as a promoter of industrial peace it should be given an official advisory capacity by the government and should issue statements on industrial questions when asked to do so (Preamble) General questions concerning industrial relations, measures to head off disputes and legislative proposals concerning industry should all come within its purview (Objects (a) to (f)). It was suggested that it should consist of 400 members all told and should meet twice yearly with a Standing Committee to meet as often as required. The Minister of Labour should preside when possible. Voting was to be according to the two blocs with a majority on both sides required before a measure was passed. The government was to finance the operation (Constitution 1 to 8). The Standing Committee of the Council should have the power to take such action as it decided was necessary to carry out the objects of the Council, consider references to it by that Council or the government and should report to the former its conclusions (Constitution II (i)). The Standing Committee was to meet once a month (II (6))." (Charles, op. cit., pp.242-243).*

The other significant recommendations of the Report related to a legal definition of the length of a working week and the establishment of a universal minimum wage.

*"In the Report (Clauses 2 to 5) the [Provisional Joint] Committee recommended a maximum legal working week for all and that exceptions to this should only be by special agreement of the parties; where only one side wanted the variation, a Conference could be called by the Minister but agreement still had to be reached between the two sides. Reference could be made to a competent authority approved after consultation with the National Council in cases where no agreement was reached (Clause 6). On the decision of that authority the Minister could grant or reject the application provided always that proper pay for overtime was given and that systematic overtime was to*

be discouraged (Clause 7 and Clause 10). Night shift, Sunday and other holiday work was to be subject to special consideration by the National Industrial Council (Clause 11). The procedure envisaged by the Committee therefore was that a Central Act should be passed establishing the principle of a maximum working week of forty-eight hours but that were negotiations under Clause 6 were in operation the application of the Act could be suspended in particular cases for up to nine months.

On Wages the Committee recommended a legal minimum time wage of universal applicability (Clause 1). An Act for this purpose should be passed and a Commission immediately set up to decide just what the rate would be and by what methods the rates decided should be brought into effect (Clause 2). Trade Boards should be set up at once in the less well-organised trades and the Act should be reviewed to facilitate the maximum wage-fixing activities of the Boards (Clauses 3 to 4). The Commission was to be appointed by the Minister of Labour upon the recommendation of the N.I.C.: it was to consist of equal numbers of trade unionists and employers under a Chairman appointed by the government (Clause 5). The Committee further recommended that the Wages (Temporary Regulation) Act of 1918 be extended for a further six months (Subsection: Clause (1)) and trade conferences should be held on the question of how to reconcile wage advances and bonuses with standard rates (Subsection (2)). The parties should consider the desirability of establishing a procedure for the national periodical review of wages over the whole trade of the country (Subsection (3))." (ibid., pp.241-242).

Also, the Report stipulated that central to any negotiations between trade unions and employers was the unquestioned acceptance of the rights of "the organisations on each side to represent their members" and that "Members should accept the jurisdiction of their own representatives and the right of any wage-earner to be a member of an appropriate union was to be regarded as inviolable."

On the question of the minimum wage, although the PJC Report recommended that this be a "one size fits all" universal rate of remuneration its recommendation also entailed the trade unions holding a central position in any minimum wage-setting machinery – something that was not present in any previous proposals for a universal minimum wage. But it also has to be acknowledged that the Report's recommendation of the universal minimum wage did not preclude the continued existence of the sectoral minimum wage. In fact the Report's associated recommendation that the Trade Boards be expanded into further areas of industry indicates that it viewed the existence of the universal minimum wage as something that would operate in tandem with the sectoral minimum wages being set by the Trade Boards and was not meant as a replacement for that sectoral minimum wage-setting machinery.

However, despite all the initial promises from Lloyd George and Sir Robert Horne that the Government would accept the terms of the Report the work of the National Industrial Conference and the Provisional Joint Committee amounted to very little in the end and all the enthusiasm and optimism was to dissipate in the face of Government and employer obstruction.

*"Despite the optimistic prognostications, the [National Industrial] Conference was virtually barren of positive results. It never met in full after 4 April, although the PJC did meet a further seven times. At the PJC's prompting existing temporary laws were extended while new, permanent ones were drafted and presented to parliament.*

No new legislation was actually enacted, however, and temporary legislation was allowed gradually to lapse. Disagreement over the precise meaning of the joint report's major recommendations developed not only between the PJC, but also between both sides of the committee. Mutual suspicion grew whilst the political, and more especially the economic, climate became less conducive to reform. On 19 July 1921, at the nadir of the first wave of post-war economic depression, the PJC resigned amidst bitter recriminations. The experiment with a National Industrial Conference was over." (Lowe, op. cit., p.650).

A good account of how Lloyd George and the employers reneged on the commitments and promises given to the trade unions is provided by Rodger Charles in his book (op. cit. pp.244-253). With the use of prevarication, exclusion and interference in what had been agreed by the JPC in its Report he managed to avoid any meaningful action on the part of the Government. The possibility of a National Industrial Council, a legal working week and the minimum wage were all issues which were driven into the buffers.

*"The part played by the [National Industrial] Conference in quelling the unrest in the February-April of 1919 was crucial and, whether planned or not, combined with the manipulation of the Sankey Commission [set up by the Government under the chairmanship of Sir John Sankey to report on the miners demand for a significant increase in wages, a reduction of their working day and the nationalisation of the mining industry – ED] on what appears to be a very subtle strategy. The Commission and the Conference began to work together; throughout March the Provisional Joint Committee was at work, convinced that its recommendations, if approved by the Conference, would become law. The first stage of the Sankey Commission's work was finished by March 20<sup>th</sup> and kept alive the miners' illusions that nationalisation was just around the corner. While the second stage got under way the National Industrial Conference met again with great pomp and circumstance on 4<sup>th</sup> April and produced more false optimism. In the meanwhile the railwaymen were being persuaded not to persist with their claim for nationalisation and workers' control. As the government stalled on the N.I.C. Report and the second stage of the Sankey Commission hedged on nationalisation more and more of the initiative passed to it. While the miners hung on to their hope of nationalisation despite the apathy of the rest of the trade unions, there was a further delay on the promised legislation on hours and minimum wages until in the last three months of the year the first attack on the advances of wartime were made, in the attempt to force the definitive offer on the unions. From now on, instead of trying to make advances in reconstruction, labour's efforts would be needed to hold what they had gained.*

*... In industrial relations it was to become increasingly apparent that it was not the hope of an improved standard of life, Whitleyism and wartime cooperation that was to prevail but the free play of economic forces and the spirit of the N.C.E.O. [National Confederation of Employers' Organisations – ED]. These facts of political and industrial life were to make the N.I.C. an irrelevance from the start." (Charles, op. cit., pp.249-250).*

By 1921 the National Confederation of Employers' Organisations referred to above was, through the Trade Boards (Employers) Consultative Committee – a closely related body - secretly involved in a plan for the destruction of the Trade Board system (see, Lowe, op. cit., p.670). Interestingly, not all trade unionists or trade unions bought into Lloyd George's device of the National Industrial Conference

from the beginning. For instance, Ernest Bevin refused to engage with it beyond its initial meeting at which he caused uproar and was shouted down when he correctly described it as a means of sidetracking the unions from using their current strength to gain real advances:

*“From the start Bevin strongly urged the Executive of the Transport Workers’ Federation to have nothing to do with the Industrial Conference and none of the partners in the Triple Alliance – transport workers, miners, railwaymen – took any part in its proceedings. The one asset the workers had was their bargaining power: in Bevin’s view it was folly to put themselves in a position in which they would compromise the right to use it in return for promises which they could not trust the Government to carry out.” (The Life and Times of Ernest Bevin, by Alan Bullock. Published by William Heinemann Ltd., London 1960. Volume I, p.96).*

The fate of the National Industrial Conference and the PJC Report proved Bevin’s assessment to have been correct. It succeeded in its purpose of deflecting the unions from exercising their strength at a time when the Government was vulnerable and by the time this became apparent to the wider trade union movement the Government and the employers had managed to regroup in order to make a counter-offensive on the war-time gains of the Labour movement. For that reason the National Industrial Conference represents the point at which the strengths of the trade unions in the period leading up to and during the war gave way to a situation where the Government and employers began to re-take the initiative.

But this change could not have been brought about solely by the manipulation of the trade unions by the Welsh Wizard through his use of the National Industrial Conference. The change was made possible only after significant political and social changes were brought about in its wake.

### ***Purging the Ministry of Labour.***

When in December 1908 Winston Churchill appointed his brother-in-law (and anti-sweating advocate) Harold John Tennant as his Under-Secretary at the Board of Trade (see **Part One** of this article) he did so in order to overcome civil service resistance to the proposed Trade Boards. This strategic positioning of people in the Government bureaucracy continued to be crucial to the advancement of socially progressive measures during the war and was particularly the case when the trade unions were at the core of such measures. But besides the emplacement of sympathetic personnel within the bureaucracy the extreme conditions demanded by the war economy also compelled the Government to introduce changes to the structures of Government departments.

As early as the Trades Union Congress in September 1915, Ernest Bevin moved a resolution calling for the Government to appoint a Minister of Labour with full Cabinet rank. In fact the Ministry of Labour was established by Lloyd George as part of his new coalition Government under the New Ministries and Secretaries Act of 1916. Under that legislation the new ministry took over responsibilities for labour exchanges, industrial relations and the compilation of employment statistics, all responsibilities previously held by the Board of Trade. The first person to hold the post of Minister of Labour was John Hodge, a trade unionist and right wing Labour man with the first Under-Secretary of the department being William Clive Bridgeman (later Viscount Bridgeman), a social Conservative politician of the Disraeli tradition. The setting up of the department generated a lot of hostility within Whitehall (according to Lowe, the Treasury continued to refuse to recognise it as a permanent department until December,

1923!) and this initially shaped its ability to do its work properly. Then:

*“In 1917, two new departments (the joint industrial council and the intelligence divisions) had been established under Harold Butler and staffed by Labour intellectuals and sympathizers on deliberately ‘orthodox’ lines. Their actions during both the planning and the initial implementation of reconstruction revealed a ‘driving conviction rather than a bureaucratic sense of duty’ and in their Weekly report on the labour situation to the cabinet they had a respected and powerful political weapon in which they could endorse such policies as the creation of a national industrial council in contradiction to their minister’s developing views.” (Lowe, op. cit., p.661, emphasis as in original).*

The arrival of Harold Butler and the Labour sympathisers at the Ministry of Labour in 1917 helped to neutralise some of the hostility within the civil service as well as providing focus for the politicians who sought to advance the cause of greater trade union involvement in the economy. The momentum provided by Butler and his colleagues was continuing to provide such a function up to the early months of 1919 when the National Industrial Conference was beginning its work but by the spring of 1919 that function and the personnel providing it was failing to keep track with the changed Government policy and “*their minister’s developing views*” (the Minister of Labour at this time being Sir Robert Horne). As a result of these “*developing views*” Harold Butler was removed from his position within the Department of Labour and seconded to the Labour Commission in Paris in the spring of 1919. Then, what was originally believed to have been a temporary move became permanent when in the summer of that year he was sent on to Washington to organise the International Labour Conference (he ended up in November of that year in Geneva as deputy director of the International Labour Organisation) never to return to the British Ministry of Labour.

*“At his [Harold Butler – ED] departure the Treasury, in its first post-war economy campaign, launched an attack on the ‘thinkers and those who apply information and statistics to problems and indicate policy’ within the two departments [the joint industrial council and the intelligence divisions of the Ministry of Labour – ED], and although radical voices remained within the ministry such as John Hilton (the head of the merged intelligence and statistics department) and Humbert Wolfe (Hilton’s immediate superior, as head of the general department) their force was muted. In their place, there rose to influence the heads of the industrial relations establishment within the ministry, notably Sir David Shackleton (permanent secretary, 1916-20 and chief labour advisor, 1920-5) and Horace Wilson (head of the wages and arbitration department 1918-21 and permanent secretary 1921-30). Shackleton, as an old-fashioned trade unionist, was fundamentally suspicious of any new idea and was committed to the return of unfettered, free collective bargaining. He rejected both the imposition of legal minima in advance of consensus, and the establishment of a national industrial council which might undermine the position of the TUC or individual employers’ confederations. Horace Wilson, for his part, was temperamentally opposed to both the ‘considerable “bureaucratic” interference with the liberty of the subject’ which legislation on hours and wages threatened and the possible coercion of the government (and civil servants) by an authoritative industrial council. He was anxious to accept the resignation of the PJC in July 1921 with all possible speed for fear that ‘it may be thought that the government are considering the question of urging (its) continuance’ and when, later in 1921, the unions and*

employers tried to create an independent council to agree policy on trade boards he anxiously advised Macnamara [Horne's successor as Minister of Labour – ED]:

*'There is no need to erect a kind of Trade Board Council . . . which will tend to look upon itself as entitled to express views for Trade Boards in general as against the Ministry or indeed Parliament. It will be remembered that the Provisional Joint Committee of the National Industrial Conference tried to set itself up as a body of this kind. We were to some extent embarrassed . . . our experience shows the undesirability of encouraging this kind of association.'* (Lowe, *op. cit.*, pp.661-662).

Although Shackleton had by this time long abandoned his trade union activities his position on the need to return to free unfettered collective bargaining was shared by many in the movement and was a manifestation of the lack of coherency in Labour policy and trade union organisation at this time – a feature which helped to make possible the switch-back in Government policy in the early months of 1919. But more of this later.

As it moved from a war economy to a peacetime one the requirements of Government necessitated a reduction in its structure. However, the reformulation of the new structure reflected the fact that considerations of future Labour and trade union involvement were low on the list of Government priorities. Aside from the re-privatisation of the mines and the railways and the sell off of state factories the ongoing political perspective ensured that the new structure would reflect the interests of business at the expense of the trade unions. Nothing revealed this new thinking more than the appointment of the Committee on National Expenditure in 1921 by Lloyd George. The Committee was chaired by the railway businessman Sir Eric Geddes, with the other members being the shipowner businessman Lord Inchcape (James Lyle Mackay), the stockbroker and financier Lord Faringdon (Alexander Henderson), the shipowner businessman Sir Joseph Paton Maclay, and the railway administrator and banker Sir Guy Granet. The obvious business-orientated nature of the makeup of the committee made its findings a foregone conclusion as, with the possible exception of Sir Guy Granet, none of the other members had shown any sympathy with the idea of industrial partnership.

The manner in which the Geddes Committee was established was a reflection of the route that the Government was determined to take in terms of its post-war policies and, as its findings confirmed, this had no place for trade union partnership in running industry. In fact the TUC was not even invited to make a submission to the Committee.

*"The Geddes Report on public expenditure in 1921-22 even considered the possibility of abolishing the Ministry of Labour and returning its necessary functions to the Board of Trade. As it was its expenditure was nearly halved and the Industrial Relations Division, whose special section devoted to Industrial Councils was the heart of the drive, was reduced in staff from 115 to 20."* (Charles, *op. cit.*, p.204).

However, as has already been indicated, the developments associated with the 1919 National Industrial Conference had brought home the fact that not only was there going to be no post-war expansion of the industrial partnership policies which had been put in place during the war, but that the practical results of those policies were about to be rolled back. The Government that emerged from the General Election of December 1918, together with the employers, decided very quickly that the industrial partnership arrangements

put in place during the war had no future in their plans for British economic reconstruction. Instead the fate of the reconstruction of the British economy was to be invested in a return to orthodox economic arrangements devoid as much as possible of any trade union involvement. This proved to be a situation which the Labour and trade union movement was ill-equipped to handle. The traditional response of the trade unions to this new situation proved to be of little value. In 1920 the number of man-days lost through strikes was 26.5 million and, as the trade unions responded to the policies associated with the resurgence of economic orthodoxy, by 1921, this had dramatically increased to 85.8 million. Even in the one area where there was some organisational co-ordination between trade unions the onslaught of the new reactionary policies took its toll:

*"In 1919 the Triple Alliance [miners, railwaymen and transport workers] was the only central organisation for trade union action which could claim to possess, even in theory, the power to co-ordinate a significant section of trade union strength. It had, however, defects, considerable defects in both its aspiration and its organisation. Thomas [J.H. Thomas, leader of the railwaymen – ED] refused to call on it during the 1919 strike and by 1921 it was defunct. It was the Mediation Committee formed largely at the instigation of Ernest Bevin during the same strike of 1919 that paved the way to the development of the co-ordinating powers of the General Council."* (Charles, *op. cit.*, p.267).

Alongside this the trade unions were being directly impacted by the growing unemployment in terms of lost membership and depleted financial resources. The trade unions during this time paid a form of unemployment benefit to their members and in periods of high unemployment they experienced a run on their resources. By May 1921 unemployment was experienced by 22% of the insured population, peaking at 2.4 million, a good proportion of which were trade union members entitled to unemployment payments from their funds.

*"The interwar period was dominated by the slump that began in 1920 and continued, by some measures, for two decades. The protracted depression pushed to the top of the political agenda the questions prompted by prolonged unemployment: above all, how to put people back to work and how to care for the unemployed in the meantime. They would remain there for almost the entire interwar period. Neither the Labour party nor the unions had much of an answer to these questions. Unemployment took a terrible toll on the unions and pushed them gradually toward less sectional, more collective solutions to the problem of providing work and welfare. Payments to the unemployed cost the unions £15.5 million in 1921; losses on that scale simply could not be sustained for long. Prolonged unemployment meant, in practice, that most former union members soon lost their claim to benefits. From 1918 through the 1920s, moreover, state benefits for the unemployed steadily improved and hence became more attractive than the lower, and now less certain, benefits to be derived from membership in the unions."* (Working-Class Interests and the Politics of Social Democratic Reform in Britain, 1900-1940, by James E. Cronin and Peter Weiler. Published in International Labor and Working-Class History, No. 40, The Working Class and the Welfare State, Fall, 1991, p.53).

All in all, the trade union movement in Britain went through one of its most traumatic periods in the years following the end of the First World War. That trauma was also reflected in the fate of the mechanism by which the minimum wage was sustained through the Trade Boards and the Joint Industrial Councils.

## **The 1921 Committee of Inquiry into the Trade Boards.**

The same forces which had undermined the war-time industrial partnership arrangements found expression in the way in which the Trade Boards and Joint Industrial Councils began to be perceived.

*"Following the onset of the inter-war recession in the spring and early summer of 1920, a large section of employers became highly critical of the [trade board] system. While employers had found that trade boards had sheltered them from excessive pay settlements during the period of post-war boom and inflation, they now felt that the boards retarded downward wage adjustments. Wage reductions were deemed to be vital to the business community, especially in the labour-intensive industries dominated by trade boards. The subject was debated in the annual meeting of the Association of British Chambers of Commerce with the result that local chambers of commerce were advised to amass evidence demonstrating the deleterious effect of trade boards. The intention was to co-ordinate a strong case by the Association against the system. More significantly, the Treasury, which had always disapproved of the extension of trade boards beyond sweated industries, encouraged like-minded employers to complain." (Blackburn, op. cit., pp.178-179).*

In response to the growing opposition to them by employers the Government announced a Committee of Inquiry into the Working and Effects of the Trade Boards Acts in September 1921. This was headed by Viscount George Cave [who previously, as Solicitor-General, had supported F. E. Smith, the then Attorney-General, in the trial of Roger Casement and, in a highly contentious decision, denied him the right of appeal to the Lords]. The other nine members of the committee included two women, trade unionists, politicians and businessmen. The brief of the Cave Committee was:

*"...to examine actual and proposed extensions of our system to cover workpeople belonging to different categories from those at first included in it. In the Act of 1909 it was laid down, as a condition for establishing a Trade Board in any industry or branch of industry, that the rate of wage prevailing there 'is exceptionally low as compared with that in other employments.' In the Act of 1918 this condition was abrogated, and there was substituted for it a new condition, namely that the Minister of Labour is 'of opinion that no adequate machinery exists for the effective regulation of wages through the trade, and that, accordingly, having regard to the rates of wages prevailing in the trade or any part of the trade, it is expedient that the principal Act should apply to the trade.' The new Act was followed by a large increase in the number of Boards; and, furthermore, Boards, instead of merely fixing rates, as had hitherto been the custom, merely for the lowest grade of ordinary workers in the trade, leaving skilled and semi-skilled workers unaffected, took to fixing different rates for different classes of workers." (Trade Boards and the Cave Committee, by A.C. Pigou. Published in The Economic Journal, Vol. 32, No. 127, September 1922, p.321).*

Although employers had been prepared to tolerate it earlier, by 1921 many had come to object to the one-sided compulsion inherent in the way in which the Trade Boards operated. One of the characteristics of the Trade Boards in Britain that made them different from elsewhere was the fact that workers subject to the rate set by the relevant Trade Board remained free to have that rate increased in any subsequent arrangement with their employers whereas

in places like Tasmania workers were compelled to accept the levels set by their Trade Boards and did not have the right to independently fight for an increase in that rate. Consequently...

*"While most people were willing to forbid employers, under penalty, to force down a poor unskilled worker's wage below, say 30s, a week, without putting any corresponding prohibition on the workman's trying to force the wages up, there was strong opposition to a one-sided arrangement of this sort as regards high-waged skilled men. The existing state of things was anomalous: it was necessary either to go forward on Tasmanian lines, and make the Trade Boards' determinations enforceable against workpeople as well as against employers, or to restrict more narrowly the scope of the Boards' activities." (ibid., pp.321-322).*

Given the way the tide had turned by 1921 it was understandable that an increasing number of employers should now be objecting to this arrangement but objections also came from certain sections within the trade union movement. These objections were based on a number of arguments. Whereas the original 1909 Trade Act legislation ensured that the agreements reached between employers' and workers representatives only applied to the lowest paid element in an industry the subsequent 1918 Act had the effect of widening this original remit to the extent that agreements were sometimes formulated on terms that also applied to semi-skilled and skilled workers. This in turn provoked the argument among some trade unionists that these arrangements, by embracing semi-skilled and skilled workers, effectively removed them from the collective bargaining arena thereby providing them with less of an incentive for joining a trade union in order to advance their cause. A similar fear also expressed itself in terms of the growing involvement of the State in the wider arena of social welfare which brought with it the prospect of the marginalisation of the trade unions from the working class (their different attitudes towards the State was one of the main reasons for the tension between the trade union movement and the Fabians in the early years). Some trade unionists were totally opposed to State interference for this reason while others, seeing the political writing on the wall, sought to involve the trade unions more intimately in this process as a means of ensuring the continued relevance of the movement to the working class. For instance, in the area of unemployment benefit we find that one of the trade union members of the Cave Committee, James Bell, had earlier, in his only major speech in the House of Commons, argued that the State should accept trade unions as part of the administration and distribution of State unemployment benefit. This was during the debate on the Unemployment Insurance Bill on 9 July 1920 (the Unemployment Insurance Act of 1920 extended the provision of the 1911 Act to most workers earning less than £250 per annum). In fact, under section 17 of the 1920 Act some trade unions were accepted as administrators of the State unemployment benefit and were given a Government grant for this work but many withdrew from the scheme in the summer of 1922 as a result of a reduction in the grant for such purposes (see Hansard, House of Commons debates, 31 July 1922, and 2 August 1922).

It was this strand of opinion which deemed it acceptable for State compulsion to be exercised in implementing a basic safety-net minimum wage through the mechanism of the Trade Boards. But there was also another strand that, while accepting the role of the State in the arena of social welfare, jealously guarded the realm of wage-setting as exclusively their own and was totally opposed to any element of State compulsion in the functioning of the minimum wage

mechanism – the feeling being that a healthy trade union movement could not function properly in a situation where the State functioned as the ultimate underwriter of wage levels. For this reason the non-compulsory Whitley Councils were viewed as a more attractive option than the Trade Boards (again, more on this later).

Although the Cave Committee has, with justification, been described as a “*distinctively conservative committee*” (see Blackburn, *op. cit.*, p.179) it has to be remembered that trade unionists composed a significant element of its make up. The trade unionist members were Edward Lawrence Poulton, Arthur Pugh, and James Bell, M.P. The Committee also included the anti-sweating campaigner, Edith Lytton and the head of the women’s branch of the Factory Inspectorate, Adelaide Mary Anderson. Although they may all have shared a conservative outlook the recommendations of the Committee can only be understood in terms of the wider sentiments of its constituent parts including those that emanated from within the trade union movement. We therefore find the Report treating the issue of collective bargaining as an important part of its arguments against the way in which the post-1918 Trade Boards were operating.

*“It appears to us, that while the coercive powers of the State, and particularly, the criminal law, may properly be used to prevent the unfair oppression of individuals and the injury to the national health that results from the ‘sweating’ of workers, the use of those coercive powers should be limited to that purpose, and that any further regulation of wages should be left, so far as possible, to the process of negotiation and collective bargaining. It is one thing to say that an employer shall not pay to his adult worker a sum insufficient for his or her maintenance under the conditions of the time, be the sum 35s., 40s., or 50s. per week; it is quite another thing to provide that he shall not pay to a skilled worker of a particular class less than 70s., 80s., or 90s., even though the worker is prepared to work at a lower wage, and that, if he does so, he shall be liable to fine or imprisonment. It may be desirable that the higher wage should be paid, and it may not be unreasonable for a trade organisation to insist on that wage being paid and to enforce its decision by economic means; but to compel the payment by the threat of criminal prosecution appears to us to be an oppressive use of the power of the State.” (pp.26-27 of the Cave Report quoted in Pigou, *op cit.*, p.322).*

The expansion of the terms of the 1918 Trade Boards Act beyond the realms of a single basic minimum wage in each trade was something that the Committee found unacceptable as wage levels beyond that basic were deemed to remain the legitimate area for collective bargaining between the trade unions and the employers. The resultant recommendation that this arena should be returned to the practice of collective bargaining met with the approval of the trade union representatives and the employers.

At the same time the Committee rejected the idea of a universal minimum wage replacing the Trade Board arrangement.

*“On the subject of a national minimum wage law, the Committee are more definite. They discuss the enactment of such a law (from which abnormally inefficient workers may obtain exemption) as a substitute for the Trade Boards. It seems fairly clear that any national minimum wage would have to be put at a level appropriate to the lowest grade of ordinary worker (though there might, of course, be different minima for men and women) in the lowest grade industry. Thus, it would fail to protect from exploitation any one of a grade better than this, and*

*so, though nominally of wider reach, would really be a narrower reach even than the modest system of Trade Boards contemplated by the 1909 Acts.” (Pigou, *op. cit.*, pp.323-324).*

Again this was consistent with the particular trade union viewpoint which the Committee represented. The existence of a universal minimum wage to replace the Trade Board arrangement would have removed trade union activity from an active role in the industries in which Trade Boards were functioning. The universal minimum wage would, by definition, not be compelled to take account of the circumstances of the poorly paid in each trade or locality and as a consequence had no need for bodies like the trade unions which had an intimate knowledge of such circumstances. The rate would presumably be set by some central agency which, having decided on the rate would then ensure its universal application. In such a situation the trade unions would become obsolete and for that reason the rejection of the universal minimum wage and the retention of the pre-1918 legislation Trade Boards was consistent with the trade union sentiment on the Committee.

Unsurprisingly then, when the Report of the Cave Committee was presented to the Government in early 1922 one of its main recommendations was the effective repeal of the 1918 Trade Boards Act and a reversion to the terms of the 1909 Trade Board Act. This would have implied not only a restriction of the terms of reference of the Trade Boards but more crucially, from the point of view of the broader trade union consensus, the withdrawal of the powers of the Minister of Labour to create new Trade Boards and a return of the lengthy and unpredictable procedure of a Parliamentary provisional order being required for each new Trade Board. These considerations and the fact that by now the main body of trade union opinion had expressed itself in favour of the Trade Boards (a vote in support of them had been passed at the Trade Union Congress of 1921) meant that there was enough trade union and Labour support to delay the implementation of the Cave Report and with a minority Labour Government emerging from the 1924 General Election its main recommendations were never fully implemented (in reply to a question in the House of Commons on 7 May 1924 the Minister of Labour, Tom Shaw, let it be known that, although some of the minor recommendations had been implemented the Government had no intention of introducing legislation to implement its main recommendation). Nevertheless the minority Labour Government did nothing to prevent its decline let alone assist in the expansion of the Trade Board system. However there was one important exception and this was in agriculture. The Government introduced the 1924 Agricultural Wages Act and ensured it was organised along Trade Board principles with the remit of applying a variable minimum wage across various localities. As stated earlier, the Coalition Government, under David Cameron, has vowed to eradicate the 1924 Agricultural Wages Act (which probably represents the last remaining vestige of the Trade Board system) in order to “*free up the market*”.

### ***Post-war fate of the Trade Boards and Whitley Councils.***

Despite it not resulting in the repeal of the core features of the 1918 Trade Boards Act, the general atmosphere surrounding the recommendations of the Cave Report did underpin the slowdown in the impetus of their expansion. In the autumn of 1919 funding had been made available for the establishment of 100 Trade Boards over and above those already in existence. By the end of 1921, only forty-five had been established since the money had been made available in the autumn of 1919 (figure extrapolated from Appendix I of

*The British Trade Board System*, by Dorothy Sells. Published by P.S. King & Son, London, 1923). This brought the total number of workers covered by the Trade Board system since its inception in 1909 to three million workers. But 1920 represented the highpoint of the Trade Board system and from then on its expansion came to a virtual halt. The sudden nature of this decline can be gauged from the figures for the years in question:

Year	Trade Boards Established	Year	Trade Boards Established
1910	3	1916	1
1911	1	1917	0
1912	0	1918	0
1913	0	1919	15
1914	6	1920	34
1915	0	1921	3

(figures extrapolated from Appendix I of *The British Trade Board System*, by Dorothy Sells. Published by P.S. King & Son, London, 1923).

After 1920 the plans already in the pipeline to embrace a further two million workers were severely curtailed and most prospective Trade Boards simply abandoned (T.J. MacNamara, the Minister of Labour, stated in a debate on Trade Boards in the House of Commons that *"during 1921 and 1922 only three new trade boards were established under my regime, and those in very small trades"* - Hansard, House of Commons debates, 4 August 1922). Similarly the central machinery for overseeing the administration of the Trade Boards had begun to be dismantled with the same Minister announcing to the House on 1 March 1922 that the number of Trade Board staff was to be reduced from 34 to 22 with a further two being dismissed on 5 April.

The result of this reduction in the Government's Trade Board administration staff meant more incidents of employers seeking to avoid their legal obligation to comply with agreements and proved to be a corrosive influence leading to a growing disenchantment with the Board system. Various devices were used by employers to take advantage of the growing laxity in the inspection process. In the tailoring trade for instance:

*"...workers would be told to 'clock-out' after being employed for several hours. After waiting for more work to turn up, they would 'clock-in' again but they were only paid for the actual hours worked. . . ."*

Other employers abused the apprenticeship system by employing young girls upon one basic process and, when they reached the adult trade board rate at eighteen, dismissing them. Possibly the most worrying offence, as Bernard Sullivan pointed out at the 1931 TUC, was that of waiving the right of workers to be paid the full amount of wage arrears. He told Congress that the TBI [Trade Board Inspectorate – ED] often compromised with those employers who pleaded that to pay all the outstanding sum would bankrupt their business and cause unemployment amongst the workforce. The employers' association representatives on the trade boards, he alleged, *'frequently intervened on behalf of poor employers who are found to be under-paying'*. (Blackburn, op, cit., pp.164-165).

Meanwhile, the Joint Industrial Councils established under the Whitley scheme were faring no better. After the first Whitley Council was established in 1917 the figures reveal the fate of the Whitley Scheme up to the end of the 1920s.

Year	National Councils Formed	Year	National Councils Formed
1917	1	1924	0
1918	19	1925	1
1919	33	1926	0
1920	22	1927	0
1921	5	1928	1
1922	0	1929	1
1923	0		

(extrapolated from Appendix I in *The Whitley Council Scheme*, by John Barton Seymour. Published by P.S. King & Son, Ltd., London, 1932).

Thus, from the time the Joint Industrial Council scheme was inaugurated in 1917 until 1921 there were 80 National Councils formed and from 1922 until 1929 only three were formed – a decline which mirrors the period of the decline of the Trade Board scheme, albeit in more dramatic fashion. But the situation was even worse than that.

At the time that Seymour concluded his study there had been 94 Whitley Councils established (which included two Sectional Trade Councils and nine Local Councils in addition to the above National Council figures) and of those 30 had ceased to function, leaving only 64 still active on some level.

The reasons for the sudden brake on both Trade Board and Whitley Councils expansion were many and included the economic decline which began in 1920 but the two main ones were the failure of the trade union movement to embrace them more enthusiastically and Government and employer post-WWI hostility. However, ultimately it was the confusion within the Trade Union movement on how to respond to the Trade Board and Whitley schemes that permitted both Government and employers a clear run for their changed attitude towards the idea of industrial co-partnership. We have seen how that impacted on the Trade Boards but it also took its toll on the future of the Whitley Scheme.

When the Whitley Scheme was first mooted it had been envisaged that the Joint Industrial Councils would eventually facilitate the Trade Boards to evolve from being temporary expedients and move into the JIC system. The conditions of a disorganised workforce and employer arrangement in which the Trade Boards were meant to operate had originally been viewed as temporary. As the impact of the Trade Boards began to make themselves felt the belief was that the workers and employers affected would begin to see the benefits of becoming organised and thereby release themselves from any ongoing reliance on the Trade Board arrangement. At that time, they could then transform themselves into the Whitley Scheme and in the process gradually create a over-arching network of co-partnerships that included most of British industry. All of this was outlined in the Second Report of the Whitley Committee. However the Government refused to implement any of the main recommendations of the Second Report. The main victim of that refusal was the prospect of applying the principle of legal enforcement on agreements derived from the operation of the Whitley Joint Industrial

Councils. Unlike the Trade Board agreements any agreements between employers' and workers' representatives within the Whitley Joint Industrial Councils were purely voluntary and therefore devoid of any element of legal compulsion either on themselves or on the wider industry in which they operated.

This became one of the main reasons that eventually led to their abandonment by many employers. The problem was that many employers willing to abide by the terms of a negotiated agreement within the Joint Industrial Council could find themselves at a trading disadvantage from employers in the same industry who had not signed up to the scheme and were therefore free to continue to pay a lower wage to their workers. In the case of the Trade Boards this could not happen as the agreement reached by the Trade Board was legally enforceable on all employers in the particular industry in which they operated. With the JICs, on the other hand, there was no incentive even for those employers who were part of the JIC arrangements, let alone those outside the mechanism, to abide by any agreement and the whole exercise in many cases became meaningless. Consequently, it became increasingly apparent that there was an existential need for the Joint Industrial Councils to possess a similar legally enforceable power as the Trade Boards.

This problem had to some extent been anticipated by the Whitley Committee from the outset. Section 21 of the First Whitley Committee Report stated that *"It appears to us that it may be desirable at some later stage for the State to give the sanction of law to agreements made by the Councils, but the initiative in this direction should come from the Councils themselves."* Consequently, from the start many of the Councils established under the Whitley scheme expressed themselves in favour of the statutory enforcement of such agreements. At a conference in January 1920 attended by 45 Joint Industrial Councils and interim Industrial Reconstruction Committees, a resolution was passed urging the Government to introduce legislation to provide the Minister of Labour with the legal authority to enforce the agreements of the Joint Industrial Councils and reconstruction committees. In October 1921 the *Labour Gazette* reported the results of an investigation into the subject and found that 25 JICs had also expressed themselves in favour of legislation to make their agreements legally binding while only two were against.

### ***The role of Trade Union opinion.***

However, some Trade Union attitudes were not conducive to this essential development. A major component of the prevailing Trade Union thinking was the preservation of the widest area of collective bargaining and to resist any State involvement in the process as far as possible. While this sentiment was prepared to tolerate the legally sanctioned decisions of the Trade Boards who, after all mostly operated in those areas of the economy where the workers were not directly represented and consequently the conditions for collective bargaining did not exist, it was not prepared to tolerate the extension of that legal sanction of the State to the decisions of the Joint Industrial Councils which related to areas where both workers and employers were organised and consequently the conditions for free collective bargaining already existed.

Part of this camp consisted of those who advocated the continuing need to preserve the rigid lines of demarcation between the employer and worker and eschewed any scheme which had as its object any dilution of the class conflict through industrial co-partnership. For trade unionist of this opinion the Joint Industrial Councils were a betrayal of working class interests. But there was also a sub-set of opinion within this camp which, although prepared to take an active part in the operation of the Joint Industrial Councils,

acted to undermine them. This strand sought to use the Councils as a means of furthering the revolutionary class war agenda from within and the way in which the Building Trades Joint Industrial Council came to an end is an example of how this could happen.

The Whitley Councils had a wide remit to discuss anything appertaining to the relationship between employer and workers and it extended far beyond the issues of wages and conditions. The fact that they are mostly associated with wages and conditions has more to do with the importance of these things at the end of the First World War and immediately afterwards than with any restrictions on their remit. But wide though the remit was, the terms of discussion and proposals emanating from the Councils were meant to reflect an accommodation between the forces of capital and labour and not for one to supersede the other. The experience of the Building Trades Joint Industrial Council offers an example of how a particular viewpoint on the workers' side attempted to do just that and led to the destruction of the Joint Industrial Council which represented around 750,000 workers and had come to be known as "the Building Trades' Parliament." The crisis within this JIC came about as a result of the predominance of revolutionary thinking in its Management and Costs Committee in 1920. An account of the unfolding crisis was published in the *Manchester Guardian*:

*"At a special meeting of the Joint Industrial Council of the building industry at Montague House on Thursday, Majority and Minority reports of the Management and Costs Committee were considered as a preliminary to their presentation to the quarterly meeting of the Council yesterday.*

*The Majority report found that the four main factors attendant on the restriction of output were: fear of unemployment; an expressed disinclination of many of the operatives to make unrestricted profit for private employers; the lack of interest in the industry evidenced by operatives owing to their non-participation in control; and inefficiency both managerial and operative.*

*The committee saw the possibility of welding the building industry of Great Britain 'into one great self-governing democracy of organised public service – united in full measure of free initiative and enterprise with all the best that applied science and research could render.' They believed that the great task of the Industrial Council was to develop an entirely new system of industrial content by the members of the industry themselves – the actual producers, whether by hand or brain – and to bring them into co-operation with the State as a central representative of the community whom they were organised to serve.*

*They recommended that employers should be paid salaries in the capacity of managers, that the industry should be responsible for its own unemployed, and that the rate of interest for the hire of capital should be restricted. 'There must be a new motive in industry,' said the Chairman of the Committee (Mr. T. Foster), in asking the Council to accept the Majority report, 'and that motive must be service.'*

*The Minority report contended that the Majority report was an attempt 'to socialise the industry, to eliminate the employer as we have known him in the past, in favour of a system of which the world has no recorded experience of its having been successfully applied; a system, we are convinced, which if applied on any large scale would have disastrous effects on the nation and especially on the working classes as men commonly understand the term.'*

*The report went on: - 'Speaking generally, the supporters of this scheme are mainly theorists with little real knowledge of the problems to be dealt with as they present themselves to the men who are in daily touch with them.*

*'If trade union leaders understood their job and, instead of being carried away by the foolish and illusory teaching of Karl Marx, as undoubtedly many are, they settled down to the carrying out of a policy of co-operation with employers of seeing that plenty was produced and fairly distributed and those they represented got their fair share, sound, practical results could be achieved.'*

*The alternative proposals were: - 'To maintain the present system of conducting the industry of the country by competition with individualistic control, because it produces the best results with the least waste of human energy. We would, however, so arrange matters that the evils which are incidentally to this system would be largely eliminated.'"* (The Foster Committee's Findings, Manchester Guardian, 13 November 1920, p. 11).

The ideas in the Majority Management and Costs Committee Report were first aired in the previous January and had been knocked back and forth since then within the Building Trades JIC. The meeting in November was designed to bring the differences into the open in the hope of some kind of resolution. The Majority Report had been endorsed by eight workers' representatives and three from the employers' side [the Chairman of the Management and Costs Committee was Thomas Foster who, as a leading member of the North-Western Federation of Building Trades Employers, was a representative of the employers' side but I have no idea if he was one of the signatories of the Majority report – ED]. On the other hand the Minority Report was signed by the remaining six of the nine employers' representatives and the fact that it failed to achieve a majority of the employers' side ensured that the Majority Report never had a realistic chance of being endorsed by the JIC. All it achieved was to lay the basis for the opening up of lines of divergence which, if insisted upon, could only have one outcome - the eventual dissolution of the Joint Industrial Council. Although the Majority Report was put on the back burner the mentality behind it continued to play a corrosive role in the operation of the Building Trades Joint Industrial Council and in January 1922 the Employers' Federation withdrew from the Council. Although it struggled on for another year it could never perform the same role as before and the Builders' Parliament was finally wound up in January 1923, the victim of an over-militant adventurist sentiment within the JIC movement.

Thus it was that Government and employers' growing post-war hostility to the idea of industrial co-partnership was assisted by the dual elements of conservative and revolutionary sentiment within the Trade Union movement.

But the cause of the Joint Industrial Councils was not helped either by the failure of the Trade Union Congress to pursue a consistent line on the question of whether JIC agreements should have the power of law rather than remain as voluntary agreements between the parties involved.

## **The TUC and the Association of Joint Industrial Councils.**

The impetus for the move to provide the decisions of the Joint Industrial Councils with a legal standing was provided by the Association of Joint Industrial Councils.

*"This movement was inaugurated by the Pottery Industry J.I.C. which sent out letters and circulars. As a result of these, a conference was held in January, 1920, and a provisional committee was appointed to draw up a scheme. At a later conference in March, 1921, it was resolved to form the Association (a) for the purpose of taking joint action when it was desired to make representations to the Government; and (b) for the interchange of ideas and the discussion of matters of common interest. (The Whitley Councils Scheme, by John Barton Seymour. Published by P.S. King & Son, London, 1932, p.35).*

The formation of the Association was supported by 28 Industrial Councils and 14 Industrial Committees and from its inception it concentrated its main energies in efforts to invest the decisions of the Joint Industrial Councils with the force of law. The main spokesman for the AJIC was its Executive Secretary, Fred H. Hand (he was also the Secretary of the National Council of the Pottery Industry) and for the next decade and more the AJIC and the TUC struggled to come to a consensus on how to have the necessary legislation passed through Parliament. The first sustained campaign for this provision began in 1920 when in response to a question in the House of Commons the Minister of Labour, Sir Robert Horne, stated that the Government could not commit itself on the issue because it had not been able to ascertain an expressed opinion from the TUC on the matter and there did not appear to be a demand from the majority of the Joint Industrial Councils for such action. As a result of this the AJIC started to lobby the TUC for support of Parliamentary action on the subject and in 1922 the TUC began to take serious note of a Bill prepared by the AJIC seeking Parliamentary approval of legal enforcement of JIC Agreements. The TUC appointed a Special Sub-committee to look into the question and this Sub-committee came out strongly in support of the measure. It recommended

*"...that steps be taken to promote legislation making possible the legalisation of agreements between Employers' Associations and Trade Unions in relation to Hours, Wages and Overtime Rates to be paid, made legally enforceable in accordance with the following provisions: - (a) the Minister of Labour shall have authority to register joint agreements between Employers' Associations and Trade Unions. . . . [and] (b) The act of registration by the Minister of Labour shall be held to confer in general terms the same legal status to the conditions of employment as now applies to Trade Board rates and shall be made legally enforceable at law." (quoted in Joint Industrial Councils in British History, inception, adoption and utilization, 1917-1939, by James W. Stitt. Published by Praeger Publishers, Westport. An imprint of the Greenwood Publishing Group, 2006, p. 149).*

The report went to the General Council of the TUC for a decision but as that body was divided on the issue it was decided to send it to the next conference of Congress (the 1923 Congress held in Plymouth) without any recommendation. This resulted in the Report being rejected by the Conference with the opposition having been led by Stephen Walsh who the following January was made Secretary of State for War in Ramsay MacDonald's minority Labour Government (he was appointed to that position despite having stood in the 1918 General Election as a Coalition

Labour candidate opposed by the official Labour Party. Walsh was also at the time of the 1923 TUC Conference, vice-president of the National Union of Mineworkers).

The setback from the TUC vote meant that the AJIC was compelled to go its own way in seeking the necessary legislation and in that regard was prepared to accept assistance from wherever it could. The situation was viewed as propitious after the emergence of the minority Labour Government in January 1924 and in May of that year the AJIC encouraged the introduction of an Industrial Councils Bill under the patronage of the Liberal politician and employer Frank Murrell and the Trade Unionist and Labour politician, George Isaacs. Murrell was among a group of employers who firmly believed in co-partnership and in his speech proposing the Second Reading on 30 May he outlined the reasons why the continued existence of the Joint Industrial Councils required the sanction of law to enforce their agreements:

*"This Bill is drafted by the Association of Joint Industrial Councils. I am simply introducing it on their behalf. It arises out of the very conditions suggested in this paragraph and the need of this power has been felt by the industrial councils. The lack of this power has caused many of these councils to be disbanded, because they felt that there was no use in going on when they could not use any discipline over their Members and had no power to bind them. Several of them are in suspension, and some of them will soon break up if something is not done in the direction suggested by this Bill. For instance, I have a report which has been sent to me by the National Joint Industrial Council for the granite and stone industry. It refers to the difficulties which exist in certain districts, and points out they have come to certain working agreement which they cannot enforce. Then it says that in order to be able to compete in such conditions some of the quarry owners have seceded from the Joint Industrial Council to save their industries and some of the workmen have seceded from their trade unions to retain their employment."* (Hansard, House of Commons debates, 30 May 1924).

He then went on to explain the effect of the TUC vote at the previous September Conference in Plymouth.

*"Many hon. Members of the Labour Party find it difficult to support the Bill because of a decision which was taken at the Trade Union Congress at Plymouth last year. I am strongly of opinion that that decision was taken under a misapprehension, and that those who addressed the Congress did not realise the needs of joint industrial councils before they called for this adverse vote to be taken.*

*The Trade Union Congress in 1922 set up a special Committee to consider the draft Bill, which had then been before the public for about two years. The Subcommittee appointed to go into the matter reported entirely in favour of the principle. I have the recommendation here. They recommended that what we ask for be granted, but when it went to the General Council they were so divided that they decided to put it before the Congress without any recommendation at all. What happened was this: The principal speaker and the one who had the greatest amount of influence on the vote was the right hon. Gentleman the Secretary of State for War [Stephen Walsh]. He represents the Miners' Federation and they have no joint council in the Miners' Federation. He asserted that if this Bill were passed it would mean compulsory arbitration. There is not the slightest sign of compulsory arbitration in the Bill. You cannot possibly twist any of the conditions in the Bill into conditions that would make for compulsory arbitration,*

*because the Bill is based solely upon joint voluntary action. The statement made by the Secretary for War before the Congress was, therefore not justified by the conditions in the Bill. The Vote taken at Plymouth has nothing to do with the Bill at all, because those who voted gave their votes against compulsory arbitration. Hon. Members are not voting against compulsory arbitration to-day because we do not ask for it. Members who feel themselves tied by the decision of the Trade Union Congress should reconsider their decision.*

*Further opposition to the Bill came from the hon. Member for South-East Southwark (Mr. Naylor). I was sorry, for he happened to be a member on our own joint industrial council and I am not sure that now he would not make the speech that he made at the Congress. He said at Plymouth: "There will be no further inducements for non-unionists to join the union, if they get all the benefits of trade unionism by the legal enforcement of these agreements. That is sufficient reason of itself for Congress to reject the recommendations of the Subcommittee." Knowing this gentleman as I do, I am sure that that statement was not made with due thought. Moreover, all the evidence is against him. When trade boards were formed they had not the effect of driving people out of the trade unions, but rather brought people into the unions." (Hansard, House of Commons debates, 30 May 1924).*

Murrell proceeded to rebut the other arguments used against the TUC sub-committee Report at Plymouth:

*"At Plymouth one gentleman, Mr. Robinson, of the Distributive and Allied Workers, said he had no faith in the provision that the Minister of Labour should exercise the power of taking action against those who broke the law in the matter, that he had put many cases in connection with trade boards before the Minister of Labour and that nothing was done. Since 1923 we have eliminated the responsibility of the Minister of Labour to exercise penalties and have placed it upon the joint council concerned. There is a Clause in the Bill making that provision. There was another misleading argument used at the Trade Union Congress. Mr. I. T. Brownlie, of the Amalgamated Engineering Union, said: "The question is, shall voluntary agreements entered into by trade unions and employers' associations be legalised by an authority competent to legalise such agreements?" He was not in favour of that. But that is not the question at all. The question is, shall agreements entered into by joint industrial councils be legalised? That is a different matter altogether. There are many trade unions in joint councils. After all that was said at Plymouth the vote was taken by a show of hands [in other words, not by a card vote indicating weight of union membership – ED], and the Chairman declared that the resolution rejecting the principle was carried. That decision has tied the hands of the workers' side on all the joint councils since. In our own council I brought the matter up, and I found at once that the workers' side was not willing to vote on it because of the decision at the Trade Union Congress at Plymouth. It was not because they did not want the power, but simply because they were not willing to vote against the decision at Plymouth. The curious thing is that at the same Congress, in dealing with disputes between cooperative societies and the trade unions they actually proposed a Joint Conciliation and Arbitration Council, and this is one of the provisions:*

*"In the event of failure to secure agreement the National Council shall offer to make an award, provided the parties are willing to accept such award as binding."*

*It is most illogical to turn down this Bill and, in the case referred to, to pass a resolution of that character. The Government has in many cases given the powers for which we are asking. The trade board enforces its decision against a man who does not want to agree to it. Next Monday we are to discuss Agricultural Wages Boards and a provision that decisions shall be compulsory. We ask for only the same power for these Joint Industrial Councils. In the proposed housing scheme there is to be a provision that the fixed rate of wages agreed upon in Joint Committees shall be compulsory and binding upon everyone who employs labour or accepts work under the housing scheme. Even supposing that nationalisation of all the means of production, distribution and exchange takes place, it will be necessary to have some means of settling wages. There will have to be some joint council. Someone will be in charge; you cannot all be in charge; there will be someone controlling. Who is going to fix the rate as between the body that controls and the workers? There must be some joint settlement and that must be binding on everyone who works. We are asking only for a principle which is actually embodied in the doctrines of Socialism.*

*What support have I for this Bill? The Trade Union Congress vote has tied the hands of a large number of workers, but in spite of that we have 19 actively functioning Councils which have passed resolutions in favour of the Bill. Two voted against it. Forty-nine Joint Councils and Reconstruction Committees are actively working. There are 25 Councils at present whose decisions are influenced by the vote taken at the Trade Union Congress at Plymouth. We wait for unanimity and we do not try to force the issue, but we have this measure of support from the Joint Industrial Councils. Further there is a desire on all hands that there should be larger discussions of the difficulties which all industries are feeling at the present time and if only people who spend time in talking about the League of Nations settling international difficulties, would spend more time in trying to solve the difficulties of our industrial system and to make peace at home as well as peace abroad, we should get on very much better than we are doing at the present time. The principle of collective bargaining cannot be maintained unless there is some force behind the arrangements which are arrived at." (ibid.).*

At the end of an extensive debate one of the opponents of the Bill, George Buchanan, complained that there had only been two Members of Parliament prepared to speak against it so when the vote was taken it was no surprise that the Bill was passed by a huge majority (236 for and only 16 against). The signs at this stage indicated that the Bill had a very good chance of becoming law. However, the inherent instability of the minority Labour Government and its inevitable fall in November put paid to the Bill's further progress. The resultant General Election in November brought in a Conservative administration under Stanley Baldwin with a majority of 223 seats in the House and even though there had been no Conservatives among the 16 voting against the Industrial Councils Bill the previous May (all those voting against the measure were Labour members with eight of the sixteen coming from the radical Scottish and ILP strand of labour opinion) the political atmosphere had changed and the initiative was lost.

One of the central issues highlighted during the 1921 Cave Inquiry into the working of the Trade Board Acts proved to be the one which paralysed the TUC when it came to supporting the call for JIC agreements to be given the sanction of law. That issue was the perceived unfairness in the workings of the Trade Board machinery whereby the law could be used to compel employers to abide by JIC agreements while

permitting the workers the freedom to break the terms of these agreements without any legal penalty. By suggesting a solution to this unfairness along lines consistent with that which operated under the Tasmanian version of the Trade Boards (where the workers as well as the employers were held legally accountable for complying with agreements) the Cave Committee threw the trade union movement into a dilemma. Although in the end the Cave Committee recommendations did not include such a proposal the manner in which it was presented put the TUC on its guard when it came to considering its role in the agitation to give the force of law to agreements reached through the machinery of the Joint Industrial Councils. The problem, as far as the TUC was concerned, was that any legislation which had as its object the legal compulsion to abide by JIC agreements might not content itself with placing that compulsion on the employers' side but might also place a similar compulsion on the employees' side. This in turn opened up the possibilities of a curtailment on the right to strike should the employees in that situation subsequently find themselves in a position where they were no longer satisfied with the terms of an agreement arrived at through the JIC machinery. As a result of this consideration the TUC responded with caution to the call for the legal enforcement of JIC agreements.

In the immediate years after the war the Government's position was to avoid legislation that provided for the legal enforcement of JIC agreements. It adopted this position on the grounds that for such legal enforcement to be practical it would need to be applied to all employers in a particular industry irrespective of whether they were members of the JIC machinery or not. In other words the legal enforcement would need to be made industry wide and this was not deemed acceptable by the Government of the day. By 1920 sentiment within the Ministry of Labour began to be based on a viewpoint which perceived the Joint Industrial Councils as primarily conciliation bodies. While conciliation had always been a part of the Whitley Scheme it had not been the thing that originally defined them.

*"The original JIC proposal suggested the creation of a body that could, over time, evolved into a shared management entity. A few JICs did. It is not at all clear, however, that officials in the ministry still considered JICs in this light by 1920." (ibid., p. 148).*

This change of emphasis in how the Ministry of Labour had begun to perceive the Joint Industrial Councils undoubtedly had a lot to do with the earlier purge of the ministry just after the war as outlined earlier.

*"The ministry had flirted initially with a broader role for JICs during the war when it recognized a JIC as the official representative body of an industry, but that flirtation was long over. So Hand and his fellow AJIC advocates faced a vital issue. The chief government bureau dedicated to industrial relations was predisposed to consider a JIC as something that should not set terms of employment, much less undertake broader trade discussions." (ibid., p. 148).*

Yet, although there is no evidence that the Government at this time was preparing to use the legal enforcement of JIC agreements as a vehicle for introducing any curtailment of the right to strike, the growing evidence of antipathy towards the trade union movement in the years following the war meant that such a prospect continued to be a factor in TUC thinking. At the same time however, the TUC had no wish to see the end of the JIC system, only to ensure that it evolved in a benign way. No doubt influenced by the huge parliamentary majority in favour of the legal enforcement of JIC agreements evident in the vote for the Industrial Councils

Bill the previous May, the TUC passed a resolution in favour of the proposal at its annual meeting in 1925. Walter Citrine, the TUC General Secretary subsequently informed Fred Hand that he was prepared to meet with the AJIC for consultation on the formulation of a possible bill to put before the House of Commons. However, ongoing concern within the General Council ensured that there would be no rush to produce such a bill. In response to ongoing pressure from Hand:

*"Citrine wrote in a letter to an officer of a member union in March 1926 that a meeting of representatives of the TUC and the AJIC to discuss legalisation would take place 'at an early date.' But the officers of the TUC had decided that the organization could support legalisation for compulsory enforcement of voluntary agreements only if it would provide no penalties for workmen and if there was no interference with the Trades Disputes Act of 1906. Citrine favoured expanding the discussions on the issue to include representatives of the Labour Party and a meeting of this expanded group was scheduled for the summer of 1926."* (*ibid.*, p. 150).

However, the General Strike intervened and afterwards the policy of the TUC shifted in the light of the upsurge in anti-Trade Union sentiment on the Government benches and "Less than a year later, Citrine informed Hand that the TUC did not wish to pursue a bill, fearing that it would be amended in such a fashion to become harmful to the interests of unions. Hand's response to this information appears to have altered the relations between Citrine and Hand permanently" (*ibid.*, p. 151). As a result of this Hand adopted a more independent line and the AJIC made direct contact with the Government with a view to encouraging it to support legislation for the compulsory enforcement of JIC agreements. The results of this will be explored in the next part of this series.

### **TUC, parliament, and the minimum wage.**

In the meantime, while displaying inconsistency on the fate of the mechanisms by which sectoral minimum wages were defined and implemented through the Trade Boards and Joint Industrial Councils the Trades Union Congress was continuing to support the wider principle of the minimum wage.

*"In the pre-World War II years, no opposition to statutory minimum wage regulation was voiced at any Trades Union Congress. Indeed, for the greater part of these years the dominant labour sentiment favoured the extension of the system and the adoption of a national minimum wage. The 1921 Congress at Cardiff carried a resolution 'That the T.U.C. executive convene a national congress to consider the fixing of a minimum wage for all workers.' The Industrial Workers' Charter which incorporated the provision in favour of a legal minimum wage into the standing rules of the T.U.C. was adopted unanimously by the 1924 Congress. The same congress passed a resolution, without opposition, as follows: 'In view of the ever-growing economic disabilities that are being placed upon the working classes, this congress is of the opinion that a vigorous campaign should be initiated immediately to secure an adequate national minimum wage for all workers. We therefore request the General Council to exercise their influence in every possible direction to the achievement of this objective.'" (Union Policy Toward Minimum Wage Legislation in Postwar Britain, by Roger L. Bowlby. Published in Industrial and Labor Relations Review, Vol. 11, No. 1, October 1957, p.74).*

However the 1924 resolution was the last time, until recent years, that any conference of the Trade Union Congress endorsed a vote for a national minimum wage. A resolution

put forward at the 1926 conference asked "That this congress calls upon the General Council to undertake an investigation into the practicability and desirability of establishing a uniform national minimum wage for adult workers and to report to the next congress" was defeated. It appears that in the wake of the General Strike the trade union movement was in no mood to accommodate any measure which impacted upon collective bargaining in a way that relied upon the State. No further attempts to win TUC endorsement of a national minimum wage were attempted until after the Second World War – an attempt that also met with defeat.

On the parliamentary front the fate of the minimum wage had been experiencing a different albeit more consistently negative fate. The Report of the Provisional Joint Committee (PJC) established under the National Industrial Conference of 1919 (see earlier) recommended a legal minimum time wage of universal applicability (Clause 1) and that an Act [of Parliament] for this purpose should be passed and a Commission immediately set up to decide just what the rate would be and by what methods the rates decided should be brought into effect (Clause 2). Trade Boards should be set up at once in the less well-organised trades and the Act should be reviewed to facilitate the maximum wage-fixing activities of the Boards (Clauses 3 to 4).

Although the meaning of the "wage of universal applicability" remained unclear, the context of that particular recommendation together with the fact that the Report also recommended that the Act establishing the "wage of universal applicability" should be "reviewed to facilitate the maximum wage-fixing activities of the [Trade] Boards" would indicate that the "wage of universal applicability" was not a universal minimum wage in the sense that it was designed to supplant the sectoral minimum wage machinery already in existence but was rather to harmonise with that machinery.

However, as with most of the recommendations of the PJC Report the Government refused to introduce such a Bill. Instead, after much wrangling with the PJC, on 18 August 1919, it introduced a Bill "To constitute a Commission to inquire into and report on minimum time rates of Wages and for purposes connected therewith." This was nothing like the Bill recommended in the PJC Report. Nowhere did it mention the idea of committing to a minimum wage and was instead confined to the gathering of data relating to rates of wages. Despite the opposition from the PJC the Government went ahead and scheduled the Bill be read a second time on the following day knowing that the House would not be sitting on account of the Autumn adjournment. In fact the Bill was never sent for a second reading and instead the Government formally withdrew it on 22 December 1919.

However the Bill was resurrected in 1923 by members of the Independent Labour Party as part of their renewed campaign for a living wage. It was presented to the house on 7 March and it proposed:

*"That, in view of the practically universal acceptance of the principal that a living wage for all workers should be the first charge on industry, and in view of the large measure of agreement with respect to the advisability of fixing legal minimum time rates of wages reached at the National Industrial Conference, this House urges the Government to proceed without delay with the Bill introduced by the Government of the day in 1919 constituting a Commission to inquire into and report upon legal minimum time rates of wages."* (*Hansard, House of Commons debates, 7 March 1923*).

The fact that the 1923 Bill did not directly call for the introduction of a national minimum wage is indicative of the uncertainty surrounding the likely outcome of any Bill framed in that manner at this time. Instead, as he said in his speech introducing the Bill:

*“We ask that the Government shall reintroduce the Bill of 1919, which only proposes to establish the necessary machinery and accumulate the necessary information for, ultimately, at a later stage, giving effect to the almost universal desire of this country for a minimum living wage for all its workers.” (ibid.).*

The fact that it was felt that a Bill on lines that had been rejected by the PJC in 1919 for not directly addressing the issue of a minimum wage, had a better chance of gaining a majority of the House of Commons in 1923 in itself revealed the extent to which ambitions in this area had declined in the interim.

However, in the absence of any debate on the 1919 Bill the resurrected 1923 version does at least provide an opportunity to ascertain the thinking behind it in terms of what was meant by a minimum wage. Alfred Salter of the Independent Labour Party used the occasion of his introduction of the Bill as his maiden speech to the House and in the course of his speech made it plain what he meant by the minimum wage and what the Bill was meant to address when he said :

*“We do not ask for a universal, flat rate minimum applicable to all industries and all districts alike. We recognise that that is impracticable under present conditions, more especially as the cost of living varies within wide limits between area and area and rural and urban districts especially. The suggestion which we put forward is that there shall be a national rate for each trade with zonal or district variations. As to the method of securing that, we suggest that there shall be established by law Wages Boards on the same principle as Trades Boards, which Boards, after proper inquiry, shall have power to fix rates which will be binding on the employers in the trade with, of course, certain zonal and district variations fixed after further inquiry. So far as regards trades where both employers on the one side and workmen on the other are properly organised, and by negotiation have come to agreement as to a minimum wage figure, we ask that such agreement, by the fact of registration, shall have the force of law and be binding on all concerned.” (ibid.).*

Yet, even though it was not directly committing the Government to the idea of a national minimum wage and even though it was restricting itself to the setting up of a commission to explore the issue, the Bill was narrowly defeated by 189 votes to 176.

Given the fact that the Bill was defeated by only 13 votes it was resubmitted almost exactly a year later, on 4 March 1924. With a minority Labour Government now in power it was felt that the Bill had a good chance of being accepted this time around. The man who proposed the Bill on this occasion was the Labour Party MP, Joseph Compton, who in 1919 had attended the National Industrial Conference as a trade unionist. Although he was not as clear as Dr. Salter the previous year in describing exactly what he meant by the minimum wage he did say in his introduction:

*“I want clearly to state that I am not asking for a national flat minimum rate of wage, nor would I for a moment dream of putting forward such a proposal. What we ask is that national minimum rates of wages shall be established*

*in every industry of the country. So far as we on the Labour Benches are concerned. I would say that when this proposal was brought forward less than 12 months ago the present Prime Minister and every Member of the Government Front Bench of to-day, voted in favour of the proposal, which was then lost by only a few votes. There is, therefore, unanimity, so far as the present Government is concerned, on this particular issue. Minimum wages could and should be based upon the necessary minimum cost of living, and could be made to rise or fall with any necessary variations in that cost. This would protect the workers against a fall in the value of money. Furthermore, minimum rates of wages would put all employers on an equality and would prevent that constant nibbling of wages by what we term sweating employers. I have said that the proposal has been agreed to in principle between the best employers in the country and the trade union representatives. We are simply asking that a Commission of Inquiry should be set up in order, if possible, to give effect to the representations of the National Joint Industrial Council, which brought forward unanimous findings in 1919.” (Hansard, House of Commons debates, 4 March 1924).*

During the debate it quickly became clear that the Bill had significant cross-party support but expectations of the chances of that translating into effective legislation were warned against by the ex-Minister of Labour and Liberal politician, Thomas James MacNamara. Referring to the history of the present Bill and pledging his support for it he went on to say:

*“Do not let the Mover and the Seconder of the Motion, and hon. Members who support it, imagine that the Minister of Labour can now say, “Very well, we will go right on with that Bill,” because the Debate of a year ago, as hon. Members will see if they read it—and no doubt many of them have read it—will disclose difficulties in solving this rather difficult problem. I shall vote for this Motion, but I just make this reservation, and I make it as a man who has been Minister of Labour, and a man who knows the difficulties and differences which, as I say, exist between the desirable and the practicable.” (ibid.).*

And so it turned out. The Bill was passed without a division but that and the Industrial Councils Bill which was passed almost unanimously by the House at the end of May never got any further in the parliamentary process. A congested programme and extensive Government business became the excuse for a prolonged delay in either of the Bills advancing further in the parliamentary process and by the time of the fall of the minority Labour Government in November 1924 neither Bill had become legislation.

***(To be continued...)***

**Eamon Dyas**

**March 2013**