"THE FUNCTIONS OF ORGANISED LABOUR."

A Thesis

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Contents.

Preface.

This Thesis is the result,not only of the formal training received at the University, but also of many years of actual experience and contact with the world of industry and working man. This experience extends from the "Black Country" of twenty-five years ago,to the industrial centres of this Continent.

The writer is indebted to the Authors listed in the Bibliography, the late Mr F.Plant of the Department of Labour,various Trade Unions for the loan of Constitutions, and many helpful suggestions advanced by Trade Unions, Officials and working men.

In the preparation of the first chapters,it was found that most of the writers consulted,followed S.&.B.Webb. The present writer has therefore quoted and followed Webb alone; except by way of incidental reference.

Chapter XVI on Employee Representation likewise follows one writer, Mr Gemmill, whose book,"Present Day Labor Relations" contains in a systematic and thorough manner what the present writer has otherwise been able to obtain only in a disjointed way from contacts made with workmen and Union Officials opposed to the system.

The Minister of a working-man's Parish,especially when he happens to have been a working man himself, will,of necessity,gather many and varied impressions from his parishoners. The subtle distinctions within the shop,in the lodge-room,or in the office, with which he was once familiar as a participant, will be presented in a new light. The strange "psychological" difference between the different grades of labour can only be appreciated by those who know labour intimately.

F.J.I.

The Functions of Organised Labour.

Chapter 1.

Problems Arising from Early Organisation.

The functions of organised labour can only be fully defined and appreciated by an understanding of the development of the labour movement in the industrial countries of the western world. The Orient has its own industrial problems; particularly India and Japan. The participation of the so called coloured races in the fields of industrial activity is, however, comparatively recent. The western nations, especially Great Britain and the United States of America being the first to feel the reactions of the Industrial Revolution, have had time to evolve definite labour adjustments, and formulate more or less specific requirements from society as a whole. The position occupied by organised labour is by no means static; it varies with different countries and different stages of political and social development. In the 18th century organised labour was hardly known; it certainly exercised no social power. Today, organised labour in the western world promises to create a new social order with a complete transformation in the methods of industrial operations as we now know them.[1] In Russia, organised labour became completely identified with the Revolution; it forms now the backbone of the Soviet Republic.[2] One thing appears to be certain;

1. "The New Social Order" H.F.Ward. Chap. Vll.
2. "Economic Organisation of the Soviet Union" Nearing & Hardy chap. Xl.

that organised labour is destined to occupy a more important position with each successive generation.

This study however, is chiefly concerned with western labour. It will of course be necessary to consider seriously the impact of the fundamental changes brought into being for the first time, on a large scale, and in a practical way, by the Russian Revolution. Nor may we ignore the fact so apparent already, that the trials and experiments both of Russia and the more orthodox labour countries, will largely determine the course to be followed by organised labour in the Orient proper.

We are not concerned with the problematical connection of the modern labour movement with the ancient or mediaeval guilds; we commence when the workman or labourer has ceased to own or control the instruments of production; when his chief social function is to produce, or assist in producing, an article for which he receives a wage, but over which he has no other control or immediate interest. We assume for the time being at least, that society is divided into two general groups; a wage earning group, and a wage paying group.

It is easy to quibble with this generalisation; to say that there are many ranks or grades within each class; that there is no definite line of demarcation between them; that there is a certain elasticity or fluidity between capital and labour. But for the purpose of analysis and study we group the wage earners into one body and the employers into another.

The phrase 'organised labour' invites further inquiry. We shall then be concerned with early organisation; the real or supposed reason for this organisation, and the immediate problems arising therefrom. "The essential cause of the growth of durable associations of wage-earners must lie in something peculiar to the (18th) century. This fundamental condition of Trade Unionism we discern in the economic revolution through which certain industries were passing"[1]. This "something peculiar" was the gradual transition from a state of independance and control of the finished article, to that of dependance upon a greater source of capital than the individual workman could possibly accumulate. The possession of skill alone was not enough to meet the pressing requirements of the day. It became increasingly evident that the owner of skill had to hire himself out to the owner of abundant capital in order to find a place in the new order of things. Here arose a parting of the ways. The interests of the new labour force did not coincide with those of the masters for a sufficiently long enough period to allow for immediate adjustment between work done and wage received; and also between "the direction of industrial operations and their execution in detail"[2]. It is worthy of note that wage-earners found it necessary to combine for their mutual interests half a century prior to the Industrial Revolution. An example is furnished by the Tailoring Trades of a permanent association of wage earners.

1. Webb. "History of Trade Unionism" p. 24.
2. ib. p.25.

The reason for this association is not hard to find; it is an attempt to bring about a rise in the rate of wages. The combination of wage-earners for this purpose brought out the first type of problem, namely the legality of the combination thus formed. The result of this particular action on the part of organised labour was to the effect that combination for the purpose of raising wages above a certain fixed limit was prohibited, and the movement thus formed was illegal.[1] A movement having a similar purpose arose amongst the wage-earners in the woolen industries in the West of England at about the same time. It likewise was condemned.

In 1741 it was observed that the woolcombers had enjoyed the privilege and benefits of trade corporation although they had no legal sanction for their action. Ostensibly this organisation was formed to take care of less fortunate workers; but it appears that with the growth of numbers and strength, the activities of the organisation were directed towards the control of fellow workers and also an attempt to make the masters comply with their wishes.[2]

Another instance of early labour organisation, before the introduction of machine methods altered entirely simple forms of manufacture, is to be found amongst the frame knitters in the stocking trades.

1. Act 7, George 1 St 1, c 13, quoted by Webb. ib. p. 27.
2. ib. p. 31.

A peculiar problem confronted these workers in the north of England; the Parish authorities in order to get rid of the responsibility of an increasing number of paupers decided to send them to the frame knitters. The embryo capitalist class in charge of the mills put them to work at wages far below the level demanded by the older hands. This caused much distress; sporadic organisation followed, but it was not until 1780 when frame-knitters renting was the general practice, that a permanent union of wage-earners arose.

We shall see from our survey of early labour organisation the dependance of permanent organisation upon the divorce of the worker from the ownership of the means of production. In the instance cited in the preceding paragraph, the frame renters had reached this stage; they no longer owned the frames they used; nor did they own the raw material of their labour. The frame renters had no control over the finished articles; nor did they fix the price to the consumer. When this separation is less acute, we find organisation either entirely lacking, or else of a different nature.

The glove trade furnishes a good example of this kind. The glovers were wretchedly paid and very poor. They, however, owned not only their labour, but also the finished article and had the control of the sale of their labour. Organisation amongst the glovers took the form of legal petition to protect their standard of life by raising the price of the gloves to the purchaser.

This policy of guild monopoly is quite different from the movement amongst workers to raise the rate of wages. Yet, as Webb

points out, in his "History of Trade Unions", organisation owed its origin to more than the creation of different classes--the employer and the worker. The farm workers have always been poorly paid; they could not hope to own the farms upon which they worked, nor did they ever own the horses or implements of labour; yet we do not find organisation amongst them for many years to come. A greater degree of independance and intelligence than the farm worker of that period possessed was required.

Still another feature will be considered before we can understand the development of labour organisation as we know it today. The minute division of labour, so common now, was then not known. Skilled artisans performed the greater part of the work done; the skilled tradesman lived in a class by himself. His outlook upon the problems of his trade was restricted and conservative; his interests were bent upon the preservation of his own rights in his trade against the unskilled labourer. Labour organisation thus far was merely the 'unionism' of a trade membership. One trade was quite distinct from another. The trade union proper had yet to bring about a closer relationship between the different trades. It may be said with a certain degree of irony that the trade union movement of today has yet to weld together in a homogenous whole the different ranks of workers in the various trades and occupations; but this is only anticipation.

The functions of organised labour became more distinct when a

combination of West of England woolen workers and Midland Frame Knitters came into being. This eighteenth century aggregation arose for the primary purpose of an appeal to Law, to the House of Commons, as a protest against the policy already bitterly apparent, of buying labour like a material commodity, in the cheapest market.

The rapidly changing methods of production and the ever increasing markets of England at that time brought great pressure to bear upon both skilled and unskilled labour. The great demand for labour tended to level down (or up, as the case may be) all ranks engaged in production. Each trade in turn felt the pinch; the encroachment of new hands not having first passed through the process of apprenticeship. The trades felt they no longer enjoyed the protection implied in the statutes of Elizabeth, while daily they saw their cherished standards swept away.

The dictates of industry caused the policy of Government to be changed; the philosophy of non-interference with natural demands and tendencies removed the measure of protection each trade enjoyed. Labour could be procured easily and cheaply; the ever increasing supply kept the rate of wages to the lowest possible level.

The reaction of the working man to these tendencies brought into being the Trade Union Movement in England; a definite organisation of the workers to cope with real and specific problems. The struggle centering around the Woolen Cloth Weavers Act of 1756 marks the transition from the older political policy of careful regulation to that of administrative nihilism.

The efforts of the Spitalfields weavers in 1765 to enlist the aid of the law to protect their jobs by prohibiting the importation of foreign silk introduces a question of more than passing interest to the student of the functions of organised labour; a question to be partly answered by a study of more recent developments of the aims of the working man's organisations.

Another example of organised labour activity, in the early years of the last century, is given. The Edinburgh Compositors were concerned with an appeal to law for a wage commensurate with the "higher cost of living." In 1805 a scale of wages was fixed to meet this situation.[1]

It is not to be supposed that the authorities regarded the growing movement towards labour organisation with much favour. The first twenty years of the last century were filled with the records of legal persecutions of Trade Unionists; they were regarded as being dangerous people. Persecution reacted unfavourably upon the labour movement; it was the direct cause of violence and crime. Not until the Combination Laws were finally repealed did organised labour formulate the plans and activities taken almost for granted by the working man of today.

A word may be said here about the recognised limits of the activities of organised labour until the general Acts of 1799 and 1800 against all combinations were passed. The Privy Council of 1726 deemed it quite proper for the Wiltshire and Somersetshire weavers to combine in appeal to the King in Council against their masters

1. ib. p. 51.

the broad clothiers for adjustments of wages, and, when later, as far on in the century as 1756 the House of Commons was petitioned by the Fraternity of Woolen Cloth weavers for a more rigid enforcement of the existing law, an Act of Parliament was passed in accord with their wishes. "Combinations of London Silkweavers obtained a virtual sanction by the Spitalfields Acts, under which the delegates of the workmens organisations regularly appeared before the Justices who fixed and revised the piecework rate."[1] It appeared to be one of the functions of organised labour as late as 1811-13 to combine in protest against masters who had not served their apprenticeship, and who employed men who were not apprenticed. Probably this is accounted for by the sympathy of both masters and the general public with the issue at stake.

A drastic change appears when laissez-faire principles penetrated the law-courts and the judge's decisions invariably declared the intention of the workmen were "in restraint of trade", and therefore to be discouraged. It was not until the industry and skill of Place and Hume brought into being the Act of 1825 that the functions of labour were declared to be legal and it became lawful to bargain collectively for wages and conditions of employment, and to withdraw from labour if thought fit.

It will be seen that labour organisation was formed to meet definite situations affecting at once the hours of labour, the rate

1. ib. p. 59.

of wages, the question of apprenticeship, piece work and the like. Organisations spread rapidly from one end of the country to the other. Local Trade Clubs like the Manchester-Engine Makers Society grew into national organisations. The object aimed at generally speaking was the "amelioration of the evils attendant on our trade, and the advancement of the rights and privileges of labour"[1]. Unfortunately the impetus given to trade organisations was brought to a temporary halt by the panic and depression of 1826. Such well organised groups as the Bradford wool-combers and the Kidderminster Carpet Weavers practically vanished before the crushing defeats at the hands of the masters during the severe strikes of this period. Bitter feelings followed this collapse. The Blackburn weavers began a serious outbreak which spread to Manchester; troops were called out to quell the rioters and many power looms were smashed before the tide receded.[2]

The next twenty years saw the filtrations of radicalism and socialism. It was realised that labour must widen its bounds and alter its methods of approach to the problems pressing upon the working man.

With the termination of the depression in 1829 and the return of confidence amongst the ranks of the employed, we note the rise of a new method of organised labour expression.

1. ib. p. 99.
2. ib. p. 101.

The Building Trades of the North of England and the Lancashire and Yorks Textile operatives coalesced in one organisation. The idea began to dawn upon the mind of labour that the interests of one group could only be realised by enlisting the sympathy of other and non-related trades. This is the central idea running through all Trades-Union movements. At the close of 1829 the Spinners Societies of England, Ireland and Scotland held a joint conference at Ramsay. The importance of a nation-wide combination of all sections of the Spinning Trades was clearly seen. This was the beginning of several similar attempts of national organisation. From this time on, the wage earners of the several leading industries became more and more "group conscious."

The idea of a National Association of all wage-earners developed under the initiative of a prominent labour leader, Mr. Doherty. In 1830 there came into being a National Association for the Protection of Labour. The methods adapted were those of self defense; to protect the rate of wages from being lowered. It is said that about 150 separate branches of the textile industry were enrolled. Another aim of this aggregation was the uniting of the productive classes of the community in one common bond of union.

The principles of this new movement were ably set forth in a weekly periodical called "The Voice of the People". Unfortunately for the movement, the spirit of sympathy for the general cause of labour was spread too widely to be of any real depth, for, when

labour trouble arose in the Nottingham district, the Lancashire members failed to give the necessary support. However, this proved to be but a momentary check--though it indicates a potential weakness in the armour of organised labour--for labour missionaries were able to persuade thousands of the Leeds woolen-workers and Staffordshire Potters as well as the sympathy of the Textile workers in Belfast to share their enthusiasm.

But Organised Labour, in common with all other groups, must have money at its disposal. The collection of dues is proverbially hard, especially when the destination of the funds is remote and the purposes of its disbursement do not at once affect the subscriber. Perhaps this was the cause of the weakness of this real attempt at a general trades-union. Be that as it may, we find the "Voice of the People" giving place to another vigorous periodical, "The Poor Mans Advocate", and the energetic Mr. Doherty, perhaps unconsciously, bewailing a human weakness which still persists in the ranks of labour. "The spirit of the jealousy and faction" which wrestled so bitterly with the pioneers of the movement, has not grown weaker with the passage of the years. A study of Webb's classical History of Trade Unions upon which these first pages are based leads one to infer that Doherty had plans and aims which had they carried into effect, would have welded the discordant ranks of labour together; but with the close of 1832 no more is heard either of the great organiser or the promising organisation.

Chapter 2.

Methods of Organised Labour in the Nineteenth Century.

It is an axiom of the scientific world that action and reaction are equal and opposite. The same may be said to apply to the social sciences. One hundred years ago the enthusiasm of a certain section of the growing body of organised labour overran the bounds of political discretion.

In 1832 the Organised Building Trades for the first time entered into a federation with each other. The abstract ideas of "justice", "rights", "equality", "natural law", were brought down from the heights of the revolutionary theorists[1] and re-interpreted and embedded in the creeds and preambles of the new unionism. Labour now began to voice its beliefs in definite demands. The employers now began to be alarmed and organised accordingly to resist the demands of labour.[2]

The result of the organising of the employers was the issuance of what was known as "the document", ie, a signed statement from the person seeking employment that he would have nothing to do with any trade union. This presented a serious problem to the working of organised labour groups. It caused much hard feelings. Its effect was two-fold. First it tended to deepen the class-consciousness of the working man. Although it doubtless weakened the labour or-

1. cf. "English Political Theory" Ivor Brown. chap. 9. and "Liberalism" L.T.Hobhouse. chap.3.
2. Webb. "Hist. of Trade Unions" ff. 90,100.

ganisations numerically, the document did more to force the wage-earner to realise that his welfare depended upon a more thorough type of combination and co-operation than all the fiery eloquence of the period. Secondly, the use of this weapon deepened the line of demarcation between the employers and the employees; it widened the breach between them. It brought out what has been the tragedy of the industrial world since its beginning, namely the spirit and method of antagonism instead of the possibility of mutual planning and execution.

At this time the principles of Owenite socialism and labour theory gave colour to the growth of many other labour groups. The Grand National labour organisation for instance was an attempt at labour union on a much wider scale than hitherto. The futility of isolated group activity, and the urgent necessity of national co-operation amongst all, were vigorously preached by the followers of Owen. The doctrines of the socialists spread all over the country; the vision of a united labour world dawned for a brief space upon the working man.

In 1834 the determined attitude of the employers to the Derby strikers who would not sign the document resulted in a severe defeat to the newly formed national labour organisation. The victory was much heralded by the press, and, when later on in London, the Gas Workers carefully laid plans to strike and leave the City in darkness were discovered, public opinion began to turn against labour and take the side of the masters.

The great obstacle to be overcome by organised labour at this time may be outlined by considering the reactions of the members of the Commission called to assist Lord Melbourne frame a policy adequate to meet the general situation. The labour leaders were regarded as men possessed of "cowardly ferocity" who preyed upon the working man and his family. The ranks of industry were regarded as being replete with "short sighted and rapacious workmen" and " usually ignorant and avaricious rivals". The presence of trade unionism was regarded as detrimental to the life of the country. "It is in vain hope that we shall long retain the industry, the skill, or the capital on which our manufacturing superiority, and with that superiority our power and almost our existence as a nation, depends."[1]

The fear and bitterness of middle-class opinion against labour combination were culminated by the deportation of six farm labourers of Dorchester in the year 1834.

The drastic recommendations of the Commission against labour organisations were not put into effect directly; but sufficient scope was given by subsequent legal decisions as to make any participation in union activity liable to the most severe punishment. "The action of the Government shows how eagerly the Home Secretary accepted the blunder of an inexperienced Judge as part of his policy of repression. Lord Melbourne expressed his opinion that 'the law has in this case--the Dorchester labourers--been most properly applied".[2]

Up to this period the methods of Organised Labour were the strike and boycott. Clumsy weapons wielded by clumsier hands. The functions of labour were not understood; the claims of labour

1. Quoted by Webb. Hist. of Trade Unions p. 124.
2. ib. p. 131.

were totally disputed by both middle-class opinion and the employers as a whole.

Looking back over the years, we recognise, amongst the welter of organisation, anger, strike and disappointment, one general purpose running throughout the labour movement in England from the period following the general use of the machine in industry, right up to the present pre-war period, namely, a protest against the brute displacement of the machine. A desire for a rational, a human adjustment of man-power and a more practical acknowledgment of the part played by labour in the industrial movement silently revolutionising the world.

Cobbet and Owen represent two distinct currents in the labour stream. The former, during the first quarter of the 19th century preached an entire re-arrangement of the social structure; an overthrow of capitalism and all that goes with it; a radical social change. The latter advocated a political negation through a nation-wide voluntary association of all ranks who work. It was Owen's idea that, eventually labour should own the means of production. That the capitalist-owning class should be quietly replaced by the new labour-owning class. Not a change of system, but merely of proprietorship. According to this school, labour created value. Value therefore belonged to labour. If then it belonged to labour, labour ought to own value. Hence his stressing the "labour-time" idea, and the creation of a novel system of exchange; 'the value of so much of one kind of labour, for the value of so much of another.'

Some of Owen's ideas came to stay. Marx was a believer in organised labour. He was closely connected with Owenite doctrine and elaborated the more dogmatic teaching of Owen with respect to labour value, combined it with the radicalism of Cobbet, backed it up by a wealth of detail and grim illustration and finally proclaimed the teaching which led to the modern Soviet State.

The range of activities of organised labour was again extended by Owenite teaching. "The British and Foreign Consolidated Association of Industry, Humanity and Knowledge" aimed at creating a "New Moral World" by the reconciliation of all classes. This was in 1834, As Webb points out[1] the minute books of trade unions at this time abound in Owenite phrases. For several years feeling ran so high between the masters and most of the textile industries that rebellion was hardly prevented. This bitter period was brought to a head by the investigations of a Select Committee in 1838. Again the decisions of the Judges summed up the reaction of middle-class opinion to the demands of labour when five Glasgow cotton-spinners were sentenced to transportation for taking part in the violent measures of the unions of that time.

T he mentality of British labour is quite beyond the comprehension of many foreigners. The British workman, skilled or unskilled has an almost unrivalled capacity for grumbling. He will criticise even to the degree of bitterness. He is quick to see an injustice and not insensible to the suspicion that the whole system of which he is a part, is fundamentally wrong. Yet, at heart,

1. ib. p. 151.

British Organised labour is opposed to violent measures. The Constitution may be roughly criticised, yet Organised Labour has largely relied upon constitutional methods for its improvement. The great strikes and labour ferments of the last twenty years in Great Britain afford much evidence of the desire for quiet adjustment rather than for a violent break in the social order.

Thus it was during the period discussed above. There was to say the least, ample cause for bitter feelings, yet the momentary attraction of Chartism failed to incite the masses to violence . With the return of better trade, the energies of labour were directed to the more legitimate and conservative activities of Trade Union re-organisation and development.

Labour leaders began to settle down to the task of overcoming petty oppressions which caused hardship in their own locality. They also became engaged in what has turned out to be a most important development, namely how to overcome the legal barriers raised by the sections of society unfamiliar with the pressing problems of the working man. From the middle of the 19th century two factors exercised considerable influence upon the activities of the workmen. Possibly the most direct, both in cause and effect, was the steady growth of industrial activity. With regular work the organisers of labour had little difficulty in recruiting their ranks. Regular subscriptions to trade union funds followed. Together with the development of organisation came the realisation of what was always so necessary namely the appointment of paid, and more or less independant officials. These men became thoroughly grounded in the technique of

their work. They were responsible for the spreading of popular information on current labour questions. Thus the rank and file were kept informed and enthused.

Education by this time became more popular. Newspapers disseminated current events; people began to enjoy the art of reading and writing. Discussion, usually centering around the "public-house" and lodge room kept the issues of the various unions to the front.

Webb points out that in 1841 the Miners Association was formed at Wakefield. When Martin Jude was appointed chief executive, the miners sent into the field no less than fifty-three organisers, paid and informed. Soon, the whole industry became interested and organised. The strength of the Miner's organisation was about 100,000 at this time.[1]

Since this period, the Miners have remained strongly organised. As a result of the above activity, the miners in the North of England so long exasperated by petty and local tyranny, engaged a special lawyer to take care of their difficulties as they arose and were contested in the courts.

The opposition to the successful advocacy of the miner's legal friend aroused strong resistance from the masters which almost resulted in the passing of a Bill purposing to enlarge the powers of the justices against the working classes. However, after much spirited action on both sides, the proposed measure was defeated by 43 votes. This is much more than a passing incident in the history of the development of the recognised functions of organised labour. It indicates an expansion of ideas; a growing sense of solidarity on the part of

1. Webb. "Hist. of Trade Unions". p. 164.

organised labour, and a fuller recognition of the working-man's cause. The whole movement was indicative of what was to come.

Chapter 111.

Labour Activity and the Beginnings of Arbitration.

Before the middle of the last century there arose a new policy. One that has remained and assumes greater importance with the passing of the years. This new departure was the desire to abandon the method of the strike and submit vexed questions to boards of arbitration and conciliation. It is a matter of great regret to the whole body politic that although many serious disputes have been prevented by this new method, and much misery avoided, yet, with the passing of the years and the intensity and complexity of the industrial world, strikes tend to become more numerous and bitter. At the time of writing, July 1932, State Troops and organised miners are entrenched against each other in a certain section of the American Coal Field. Machine guns, bombs and poisonous gas are being freely used. The Virginian Coal Fields have been the scene of bitter and bloody fights for several years.

This digression is put here by way of deep regret. It is to be remembered that during the dawn of the arbitration idea, the mind of labour was sectional and divided in spite of the efforts of a great leader, Mr. Duncombe, whose breadth of outlook and mental vigour understood the real situation. The idea of a real and vital national organisation received but superficial and passing consideration from the ranks of organised labour. It was wholly repugnant to the masters, who, under the guise of protecting the men in their employ, tried to kill the movement by the introdution of a modified "document".

The only understood method of labour was the sectional strike. The disastrous attempts in the Manchester Building Trades, the Coal and Iron miners in Holytown, the Calico Printers in Crayford, the Scottish and Lancashire miners, all were tragic evidence of the feelings of misunderstanding, suspicion, and general unpreparedness of the labour world to alter its methods both of organisation and attack.

The attempt at National Organisation, with a central office and unified control, sponsored chiefly by Duncombe, marks a stepping stone to a higher level of aim and organisation.

This however was not to come until the century had almost gone and the trickery of an employer in Wolverhampton had set the opportunism of the courts in motion against the National movement, with the result that the wheels of arbitration and conciliation were set in reverse and the organisation itself almost disappeared.[1]

Arbitration as an idea was not altogether new. The Cotton Trade for instance was provided for by an Act passed July 28, 1800, "for settling disputes that might arise between masters and workmen engaged in the cotton manufacture in that part of Great Britain called England".[2] Lord Amulree suggests this Act was the first of its kind in England. His observations on the Act will be quoted. "The Act is of special interest for the reason that it seems to anticipate in essential respects a method of settling industrial differences which was again to occupy men's minds a century later. Looked at from the

1. Webb. "Hist. of Trade Unions" ff. 170-77.
2. Lord Amulree. "Industrial Arbitration in Great Britain". p. 23.

modern point of view, its provisions were both wise and foolish; wise because they recognised that questions arising between employers and workmen should be determined in a judicial atmosphere, impartially and on a calm survey of the facts; foolish because they overlooked the fact that industrial arbitration is not a task to be entrusted to anybody and that a justice of the peace as such was not necessarily a well-qualified person to appreciate.....the issues..."[1]

The leaven of a greater measure of organisation had, however, been at work for some years. Successful and wider activities of the Stonemasons Society and the Amalgamated Engineers prompted the Carpenters to unite. Each organisation was fortunate in having a leader of great vision, sincerity and ability. The proximity of offices in London brought these leaders together and thus helped to create a bond of sympathy and tolerance beneficial to each and all.

The Iron founders were led by Daniel Guile. Edwin Coulson represented the Bricklayers. Geo. Odger represented the small but highly organised Shoe Trade. Applegarth and W. Allen were the chosen leaders of the Amalgamated Societies of Engineers and Carpenters.

The activities and methods of organised labour for years to come are well summed up by the peculiar contributions made by each of the above leaders. Allen developed a system of accurate reports upon each branch of his organisation. He compiled a system of labour statistics with unquestioned accuracy in labour-organisation accountancy. His integrity and levelheadedness helped much to establish his organisation in the opinions of the world. From henceforth labour paid

1. Amulree opp. cit. 24.

much attention to these principles.

Applegarth introduced into future trade unionism, lawyer-like astuteness and method. His mental activities spread far beyond the movements of a particular trade into the whole movement of political cause and effect. The First International, established in 1864, saw him spreading the teachings of the importance of labour to the outside world. He introduced organised labour, or the working man, to the problem of education and social reform. Applegarth was appointed a member of the Royal Commission 1870 to consider the question of contagious diseases. He was an advocate of arbitration of a national scale. It was his contention that labour was ready for this step. That labour was tired of squabbling about wages; that in nine cases out of ten mutual settlement could be made. This type of advocacy doubtless paved the way for the amicable measures which were to be passed and accepted by both parties later on.[1] In 1893 the Congress of Chambers of Commerce passed a resolution that properly constituted boards of labour conciliation and arbitration be formed in all important centres of industry and commerce throughout the Empire. The London Trade Board existed and functioned successfully until the Great War. From 1890 to 1911 it settled about fifty disputes; mostly by arbitration.[2]

1. ib. p. 89.
2. ib. p. 97,98.

Thus the problems of the working man, his aims and ambitions, became linked up a step closer to the hitherto remote political world. Guile and Coulson combined eloquence with rugged ability to get things done. Geo. Odger possessed a certain element of radicalism; he brought to the whole movement, vigour and enthusiasm and was able to enlist the sympathy of every reformer connected in any way with the working class. But Odger was more than a leader of labour only. He realised the possibility and necessity of harmony between employer and wage-earner. In 1886 we find him advocating the principle of arbitration to a mass meeting of workers at Sheffield. Possibly this was the result of similar efforts in that direction, when, in 1862, a board of arbitration was established by the employers and carpenters and joiners in the same city. At any rate it shows he realised that the workers interests were furthered by other means than strife.[1]

Lord Amulree quotes Mr. Bradlaugh, March 2, 1880 as saying that all trade unions were against strikes; their desire being to solve labour disputes by reasonable means and by arbitration. That the point was well taken in the House of Commons and means provided to collect the necessary statistical evidence for further measures, is a proof that the leaders of organised labour recognised this important function.[2]

1. ib. p. 89.
2. Amulree. "Industrial Arbitration in Great Britain". p. 109.

The above group of men, called by Webb the "Junta" were able to act as general interpreters of the whole field of labour to the governing classes and the public at large. They did not formulate any particularly new and consistent policy for labour to adapt at large. They were able however, to sum up and present in a clear manner, the aims and objects hitherto dormant and obscure in the two main departments of working class teachings.

The Socialistic contributions of Owen and his followers were voiced in the new Collectivism of the International. The teaching of the English Radicals of a stern individualism was likewise propounded. But these were days when it was necessary to exercise caution. Had the movement fallen to the unwise enthusiasm of the mere demagogue its effect upon the times would have been halved. The somewhat turbulent episodes of its early history were still capable of withholding that full measure of respectability and public confidence so necessary to the fulfilment of the task not so far ahead.

It is to be remembered that the rank and file of labour did not enjoy the franchise as they do today; consequently they were not immediately interested in the main activities of the junta whose chief concerns were bent upon political and social reform, Many of the older unions still clung to the traditional dislike of political action and preferred to pin their faith upon other methods.

Chapter 4.

Organised Labour from the Junta to the End of Nineteenth Century

It speaks well of the Junta that its members did not attempt to force the subordinate lodges to fall in line immediately with their own plans and program. Instead, they turned to the possibilities of the Trade Councils which assumed a certain degree of permanence during the years 1858-67. Previously, organised labour had functioned through local committees called into being to deal with difficulties as they arose. The first constructive act of the Council was to compile a volume of labour statistics containing the names and addresses of all union officials. This feature has proved to be of a permanent nature, for, even today and in Canada, annual reports of the great federations follow the same lines. This has proved to be of much assistance to the Departments of Labour in the publishing of the labour gazette and other official journals connected with labour.[1]

It was not long before the influence of the Junta was felt by the Council which became much more powerful with the addition of the strong trade groups represented by its members. Problems soon presented themselves to the new organisation. The Master Builders and their employees disagreed about the Nine-hour Day and the method of payment,--whether to accept payment by the hour or the day.

1. cf. Publications of Dept. of Labour Ottawa; Preamble of Red International.

Other difficulties arose which will be discussed further on.

At this time we note the advent upon the stage of several barristers and literary men whose sympathies were directed towards the labour organisations.[1] The effect of this better kind of publicity was eventually to strengthen the whole position of the working man.

The old antipathy of the Councils to politics was swept away by their enthusiasm for the Reform Bill sponsored by the Liberals of the period which resulted in the enfranchisement of the town artisan. A further change of policy was shown by the activity of the Councils for the cooperation of all European countries in Democratic Reform.

Still, however, we note signs of persistent weakness amongst labour organisation. The Old Unions did not yet trust the Junta. The former still saw no further than the method of the strikes; the latter were more for other methods of settlement. So severe became the tension that a persistent dissenter named Potter, by means of a periodical "The Beehive" organised such opposition that many meetings were held in London denouncing the policy of the Junta.

Now, the strength of organised labour through the National Unions aroused the opposition of the employers who, in subsequent disputes, resorted to the method of the "lock-out". Much disruption of industry followed; very often the real issues were not clear to the public. This opened the way for a type of propaganda detrimental to the working-man's cause.

1. "Christian Socialism". C.E.Raven. chaps. V & VI.

But the solid foundations laid by the Junta gave rise to a well merited development.[1] Webb quotes from a speech by Macdonald in 1875. "When we proposed the adoption of the principle of arbitration, we were laughed to scorn by the employing interests. But no movement has ever spread so rapidly or taken a deeper root than that which we then set on foot. Look at the glorious state of things in England and Wales. In Northumberland the men now meet with their employers around the common board....In Durhamshire a Board of Arbitration and Conciliation has also been formed; and 75,000 men repose with perfect confidence on the decision of the Board. There are 40,000 men in Yorkshire in the same position". Lord Amulree's "Industrial Arbitration in Great Britain"[2] shows how tardily the fact of arbitration grew, but how persistent was the idea of this method of preventing and settling industrial disputes.

Our interest with organised labour began when the workman ceased to control the price of the commodity he made or helped to make. The question may then be asked, Is organised labour concerned with price? Obviously it is. Industry at present, and in general, is carried on for profit.[3] Without accepting or considering the Wage-Fund Theory, the price of a commodity realised on the market must be such that it yields a return to capital. If the margin of profit is small the employer is not able to pay large wages. To be sure some commodities

1. "Hist. of Trade Unions. p. 323.
2. chaps. VII, IX & X.
3. Mill. chap. XI "Principles of Political Economy" Edited by W.J.Ashley.

are produced in such great quantities that even a very small profit on each enables the industrialist to reap sufficient profits; but on the whole this does not apply. Other exceptions may be briefly mentioned, such as the tactics of driving a weaker competitor out of business; the winning of a new market for a new article; the establishment of a costly business in undeveloped fields with the hope of a future return. All these and many more instances, notably the carrying on of large corporation enterprises over dull times are exceptions to the general rule. But eventually, price must be favourable to profit; and profit largely determines the rate of wages assuming the bargaining power of labour and capital to be about equal.

Should organised labour commit itself to the proposition that the state of the market or advancing prices, or industrial prosperity call for an upward adjustment of wages, then what is to happen when depression comes or prevailing prices are not favourable to profit? The vital question of a minimum wage confront the workman[1]; the vexed question of a maximum faces the employer! This indicates the type of problem presented to organised labour during the latter part of the last century. Since then many attempts have been made to meet this sort of situation.

An article appearing in the "Beehive" June 5 1875[2] says, "any change in the wage rates....shall depend on a sliding scale of wages to be regulated by the selling price of coal...."

The persistence of the problem is seen by a modern application of the Sliding Scale and even by the recent Report of Royal Commissions

1. "Harmony Between Labor & Capital" O. Newfang p. 11.
2. Webb "Hist. of Trade Unions." p. 328.

in the Canadian Coal Fields.[1]

Thus far our consideration of the position of organised labour has led us to recognise several factors of prime importance to the whole question of the permanence of the claim put forward by the workingman's organisations. The first factor seems to be the most important;--The condition of the trade of the country at the time any movement or action of labour is anticipated.

The working classes are in the majority; they form the bulk of the consumers of practically all things. But the position of the masses alone does not create trade within or between countries as we now know it. The iron trades for instance depend upon factors removed several stages from the worker within the country of production. The steel corporations both in Great Britain and the United States,-and indeed in all the large industrial countries--are directly influenced by such political factors as armament limitations, tariffs, etc. Iron foundries produce for the machine-tool engineer. Engines and machines are used as part of the capital of the industrial plant to meet the demands of the consumer of small things. The cotton trades certainly supply material for the production of dresses and goods used by the bulk of the people. Yet the people who wear or otherwise consume the goods produced by industry have no direct control over the trades that supply them.

The history of the cotton trades takes into consideration such factors as climatic conditions, insect-pests, diplomatic relationships

1. Proceedings following the report of the Royal Commission on Coal Mining in Nova Scotia. "Labour Gazette" p. 270 March 1932. Report of Royal Commission...Estevan District Sask. ib. p. 262 ff.

between countries, tariffs, currency conditions etc. The capitalist, or corporation, is able to interpret these very diverse conditions and direct industrial operations accordingly.

The coal industry is another example. The position of the mining masses depends to a certain extent upon the coal-consumption of the various navies, fighting or mercantile, railways, etc. Political considerations play an important part in all naval and merchant operations. It is a moot point whether the huge demand of the common consumer of coal or iron goods would alone be sufficient to set the wheels of industry astir.[1] Only indirectly do the masses control political relationships.

The best or worst intentions of organised labour are frustrated when trade between countries falls off. The depression in England around 1878 brought the best organised labour activities to a practical standstill. The activity of labour organisation, as Webb clearly points out depends very largely upon the general condition of the country at the time. Although we are too near the period to judge impartially, yet it seems that the present depression has deprived organised labour of any progressive plan of activity along the lines of evolution as distinct from left-wing methods and revolution. Wage cuts and salary reductions are common all along the line, but organised labour has done little or

1. The present period of acute depression provides abundant evidence that the low purchasing power of the masses is a powerful factor retarding "normal business."

nothing about it. Steam-driven engines are slowly being replaced by the "gas-cars" on the railways; men with many years of seniority are being laid off as the result. The bogey of industrial stagnation has decided what labour shall do. Yet as the same author points out[1] "the solid growth(of the trade union movement in general)...prevented any such collapse as marked the previous periods.(1839-42.) As far as wages, hours of labour, etc., are concerned, the presence of a strong labour organisation in a given industry does prevent labour from being utterly demoralised.

Then again, the field of organised labour is somewhat restricted by conditions of a different nature. An industry such as a public utility has to consider such important factors as the requirements of its patrons for the service it provides. As Cole[2] points out, organised labour has had to contend with the attitude of indifference shewn by the non-labouring ranks of society; then the change from indifference to class prejudice. The present writer agrees with Mr. Cole that the two former foes are rapidly giving way to the spirit of reason, and understanding of the vital issues involved. In the case of the great public utilities such as the railways of Great Britain the indifference to labour's difficulties by the middle-classes has led to bitter prejudice. This latter spirit swayed the sympathy of the general public away from labour during the last great strike on the railways, and individuals from the middle-classes attempted to break the strike then in

1. ib. p. 334 .
2. G.D.H.Cole, "Chaos and Order in Industry". Chap. 1.

progress by manning the engines and doing other work in the industry.[1] We shall see further on when the "motive" of all industrial operations has become changed and quite understood, this difficulty will become obviated. For the present men engaged in the utilities have to consider together with their own plans, the temper and sympathy of the general public.

Another limitation to the functions of organised labour springs from the men themselves. We use the present tense because this sort of limitation is one that hardly abates with the passage of the years. An instance is taken from the Shipping Trades. The new Merchant Shipping Act was ably sponsored by Mr. Plimsoll and the powerful Shipping Trades Council of Liverpool; but, in 1880 when the fullest co-operation was necessary to further the movement--one of practical amelioration to the whole body of workmen--the personal equation, the attitude of mistrust, jealousy and failure to see the real issue at stake, ruined all attempts to form an effective federation.[2]

The art of internal relationships has still to be mastered before organised labour can realise its larger aims.

With the development of Labour Congresses in England we note another serious limitation of the effective force of organised labour; that is, labour as we have known it so far. This limitation is to be understood in the light of the days when it was voiced. When the man who made it was conscious of the futility of the development labour had taken in its course; when the socialists and left-wing members

1. ib. 14 ff.
2. Webb. "Hist. of Trade Unions" p. 340.

poured scorn upon any movement suspected of being on the side of existing authority and content with the status-quo. It is significant that the more ardent members of the various labour groups today use almost the same language and point to the same 'evil'. Witness for instance the present attitude of the radicals in the Burnley Textile Trades strike now in progress. (July-August 1932).

"How long, how long," appealed Tom Mann to the Trade Unionists in 1886, "will you be content with the present half-hearted policy of your Unions? I readily grant that good work has been done in the past by the Unions; but in Heavens name what good purpose are they serving now? All of them have large numbers out of employment even when their particular trade is busy. None of the important societies have any policy other than that of endeavoring to keep wages from falling. The true Unionist policy of aggression seems entirely lost sight of; in fact, the average Unionist of today is a man with a fossilised intellect, either hopelessly apathetic, or supporting a policy that plays directly into the hands of the capitalist exploiter. I take my share in the work of the Trade Union to which I belong but I candidly confess that unless it shows more vigour at the present time I shall be compelled to take the view--against my will--that to continue to spend time over the ordinary squabble investigating, do-nothing policy will be an unjustifiable waste of one's energies: I am sure there are thousands of others in my state of mind"

By personally sitting in at regular lodge room sessions with the members of a great modern Trade Union, the writer knows the latter part of Manns words would apply perfectly, even today. Then again, the words of John Burns quoted by Webb[1], point out what in the light

1. ib.p.370 ff.

of present tendencies is so clear and insistent. "Constituted as it is, Unionism carries within itself the source of its own dissolution....Their reckless assumption of the duties and responsibilities that only the State or whole community can discharge, in the nature of sick and superannuation benefits, at the instance of the middle classes, is crushing out the large Unions by taxing their members to an unbearable extent. This so crippled them that the fear of being unable to discharge their friendly society liabilities often makes them submit to the encroachment by the masters without protest. The result of this is that all of them have ceased to be Unions for maintaining the rights of Labour, and have degenerated into mere middle and upper class rate-reducing institutions." The more advanced Labour organisations of today use the same type of criticism against their more orthodox brethren. The present writer has personally canvassed local Union representatives and ordinary members and has found without a single exception that all alike criticise their respective Unions for being such a heavy drain upon their greatly reduced pay cheques. The instance to be cited could be multiplied many times over with each different trade or occupation. Amongst the men canvassed there was a fully qualified printer in good standing with the Typographical Union.[1] Owing to short time and frequent "lay-offs" this man found he was unable to keep up his union dues. He is now "out of benefit" and also out of work. He was recently offered a job in the printing office of a small country town at the rate of two dollars per week with board and

1. cf. Constitution of Typographical Union -P.

lodging! The irony of the situation is realised when we remember that the Typographical Union is one of the strictest with regard to standard rates of pay. The man instanced would normally receive seventy-eight cents per hour!

Today the skilled artisan is not sympathetic to the labour problems of the helper who carries his work to the machine or bench. The clerk in the office is not interested in the problems of the machinist. Simple and perhaps foolish things; but behind them an obstacle as formidable as the perversity of human nature itself.

That much could be done by mutual sympathy and wider toleration amongst the ordinary labourers is evidenced by the successful efforts of the Gas-workers and General-labourers in London during the year 1889 when their strike for an Eight Hour Day was conceded, and also by the successful efforts of the common labourers in the severe strike at the South-west India Dock at the same time. The Union of Stevadores cast in their lot with the labourers at the dock gates. Public opinion came to the aid of the strikers. Sympathy for their cause spread even as far as Australia[1]; public subscriptions were raised; black legs could not be secured to place the strikers, Public men and the press came to the aid of the men on strike. Eventually, the Dock Directors conceded to the demands. This successful campaign encouraged the rapid growth of organisation along the British water fronts. The revival of trade at this time, combined with the spirit of enthusiasm amongst the leaders, together with the success of other strikes,

1. "Arbitration and conciliation in Australasia" M.T.Rankin chap. 5.

caused a rapid development in Trade Unionism. The ranks of the Old Unions became conscious of renewed activity. Before the end of the century, Tom Mann became the head of 200,000 hitherto unorganised men. At this time the newer groups of Organised Labour, became tinged with the spirit of State Socialism. For organised Labour, the nineteenth century closed with the acceptance of several general ideas. First it became apparent to all that the demands of Labour would never materialise to any degree without strong organisation. Secondly, the necessity of trade leadership was realised if organisation was to be effective. Then organised labour found it could only survive in action if it was able to extend the sympathy for its cause from the group immediately interested to the general public.

Chapter 5.

The Development of Methods of Organisation.

The administrative machinery of the Trade Union world is on the whole well organised to carry on its program of activities. The desire for the effective expression of its wants has caused the organised-labour world to pass through several stages of development. Theoretically at least, all trade unions are democratic; but experience has given to the word a practical meaning removed by several stages from the idea that an action that affects all shall be decided by all.

Trade union government has passed from the method of the Mass Meeting, Rotation of Offices, the Referendum, to the formation of what may be rightly called a Trade Union Parliament; a form of Democracy having an elected representative assembly appointing and controlling an executive committee under whose direction the permanent official staff performs its work.[1]

The type of organisation to be described now suggests further possibilities for the activities of organised labour to follow.

In the Amalgamated Association of Operative Cotton Spinners, the legislative power is vested in a meeting comprising representatives from the various provinces and districts included in the Association. An annual election of about one hundred members takes place and meets in the City of Manchester each quarter. The authority of this as-

1. "Industrial Democracy." Webb. chap 1.

sembly, once elected, is supreme, and functions in effect like the British Parliament. A president, treasurer and secretary with thirteen other members of whom seven at least must be working spinners constitute the actual governing body. This cabinet practically directs the entire work of the association. The agenda and proceedings of the legislative body are usually prepared and guided by this cabinet. Actual executive work is carried on by a general secretary who has the power to hire office help as he thinks fit. The position of General Secretary is gained through severe competitive examinations, and the election depends upon the provincial and district representatives when in meeting assembled. Like the Civil Service, when once elected, the position is permanent provided the candidate gives satisfaction.

This association of workers is democratic without the cumbersome method of the mass-meeting, rotation of office, or the inefficient method of direct election of officers by the ordinary members themselves. It is fully democratic in the sense that it has an elected parliament; and its elected officers exercise full power. The cabinet is appointed by and is responsible to, that parliament. The chief executive officer is free to do his duty to the whole body without the necessity of catering to a noisy minority. Regular and full reports of official activities keep the rank and file fully informed. The actions of officials are frankly discussed in their presence when they appear before the elective body. This form of organisation has proved to be adequate to meet the somewhat complicated demands of the trade followed by the rank and file.[1]

1. ib. p. 42 ff.

The Miners Federation of Great Britain founded in 1887 has also solved the problem of effective and yet democratic organisation. A "conference" elected from representatives from each district wields supreme power. This conference itself appoints the executive commitee and all the other officers of the Federation. Permanence of office enables the whole body to enjoy experienced and efficient leadership. The "Miners Parliament" meets annually and elects upwards of seventy members among whom are to be found the experienced and permanent county officers and influential leaders of the various mining districts. Full reports of meetings are issued to the local lodges. In times of stress the executive committee may call together the popular assembly; but normally it operates without doing so. When we remember the Federation represents some two-hundred thousand members and has kept their confidence during periods of great stress, we are led to infer that the Miners, like the Cotton Spinners, have found a type of organisation capable of leading at least one powerful branch of labour into further fields of cooperation with the State and the Industrialists.[1]

The two instances given above illustrate in a general way the "long and inarticulate struggle of unlettered men to solve the problem of how to combine administrative efficiency with popular control".[2]

The working man has shown his ability to organise and thus place himself in a better position to bargain for the requirements he believes necessary to his class. Yet organisation in the labour world is by no means perfect. The lack of cooperation and sympathy between groups has

1. ib. p. 45 ff.
2. ib. p. 58.

already been mentioned as a constant source of weakness. It is not to be supposed however, that this personal equation is incapable of being solved.

It is easier to bring about a better understanding between groups as they approximate the conditions contained in the example furnished by Webb.[1] When members of both societies belong to the same trade; are paid by the same method; earn the same rates; work the same hours and have the same general difficulties to face. These conditions pertained when the Amalgamated Society of Carpenters and Joiners was formed in 1862.

More serious difficulties occur when the line of demarcation between trades is more pronounced. An effective amalgamation of the Building Trades--with the same degree of homogeneity as the Miners or the Railway men enjoy--would be a step forward for the whole position of organised labour; but the Building Trades consist of different groups not in such close accord as those mentioned above.

The erection of such a modern building as the Hudson Bay Store in the City of Winnipeg entails the employment of cement mixers, steam engineers, common labourers, skilled carpenters and joiners, cabinet makers, electricians, plumbers, steam fitters, millwrights, painters and highly skilled decorators; and other groups. The English-speaking stonemason receiving one dollar an hour does not see eye-to-eye with the "foreign" labourer who is getting forty cents. The plumber and the plasterer have entirely different occupations; the same with the

1. ib. p. 122.

electrician and the carpenter.

Let us imagine a case that might have easily have happened during the erection of the above modern building. The Contractors are interested in getting the job done. They know that Tyndal stone is comparatively soft when quarried and thus can be cut and chipped more easily. The Stonemasons however, are interested in doing their work, say on the capitals, when the piece is in place on the structure. This may be, and usually is, months after the actual quarrying. Consequently the stone is much harder and more difficult to 'work'. Friction may arise between the stone-masons and the contractors. It would be a difficult matter to interest either the plumber or the plasterer in the dispute simply because the unions they represent are not welded together as one body.

With the introduction of new tools and modern methods there is much supposed trespassing of one trade upon the ground of another. The type of problem arising therefrom is purely one of organisation. It is suggested here that only a more comprehensive and inclusive type of labour organisation can cope adequately with this sort of difficulty.

A new labour organisation which we shall study later goes to the root of the difficulty by organising all the groups together into one union.

Going back again to the development of organisation, we read[1] of the employers in the North-East Coast Railway complaining in 1899 "of the great inconvenience and difficulty experienced in the settlement of

1. ib. p. 131.

wages and other general questions between employers and employed", and ascribing the constant friction then prevailing to the "want of uniformity of action and similarity of demand put forward by the various societies representing the skilled engineering labour". Collective bargaining is impossible when interests are divided and claims are too diversified.

The same difficulty was felt by the Trade Union Representatives on the Joint Committee appointed at the National Industrial Conference held at the Central Hall London 27th February 1919. The difficulty was thus expressed, "One reason why the existing unrest in industry lacks co-ordination and is difficult to express in concrete terms is that there exists no adequate machinery capable of giving constant expression to the co-ordinated demands of the whole of the workers".[1]

Labour is 'one big brotherhood', but, as Webb points out,[2] this comprehensive idea settles down eventually to a fight with "the employer in Lancashire to get shorter hours of labour, in the Leeds cloth trade to obtain definite piece-work rates, in the London building trade to do away with piece work altogether. In Liverpool to abolish the sub-contractor, in the hosiery trade to escape from truck and deduction. Each trade, in short, has translated 'human brotherhood' into the remedying of its own particular technical grievance....."

Will the problem be solved if, and when, the labour world resolves itself into an elaborate system of highly organised federations?

During the various stages of its development, Organised Labour has

1. "Chaos and Order in Industry" Cole. p. 261.
2. Webb "Industrial Democracy". p. 139.

adapted several means of unifying its members for particular purposes. As we have seen, labour has been severely criticised for dissipating the energy of the workers upon what has been, and is even more so now, regarded as a definite function of the State. Mutual Insurance takes the form of out-of-work pay, sick pay, and funeral benefits. From the point of view of the actuary, Trade Union methods of insurance are not financially sound. The funds collected for the purposes of insurance may become spent upon strike pay, or they may dwindle away because the trade concerned has suffered from prolonged depression. Then too, a workman may pay into the funds for many years only to find, when old age comes he is "out of benefit" because he has not kept up his dues until the last. Or again, he may be out of benefit owing to some disagreement with the union officials.

Yet organised labour persists in this activity. As we have seen, the whole method has been severely criticised by such leaders as Tom Mann and we shall see, the latest form of labour expression has nothing to do with it at all. But during practically the whole of the development of the labour movement in Great Britain, some form of mutual insurance has been one of the main sources of activity of the unions.

The object of this insurance "is to grant relief to all its members that are out of work; that none may have the painful necessity of applying for relief from the parish, or comply with the unreasonable demands of our employers or their servants". So said the Spring

Knife Grinders of Sheffield in the year 1844. The same idea is expressed with a little variation by the Flint Glass Makers in 1850. "Our wages depend on the supply of labour in the market; our interest is therefore to restrict that supply, reduce the surplus, make our unemployed comfortable, without fear for the morrow--accomplish this, and we have a command over the surplus of our labour, and we need fear no unjust employer."[1]

And again, the Associated Shipwrights Society in 1885 says, "It is utterly impossible to secure trade protection when a third or a half of your trade are walking about idle and starving. And unless members of this trade were prepared to buy up, more or less, its surplus labour in the market, it never could have the actual trade protection desired."

The examples given taken from a period of development and concentration of labour thought indicate the purpose of the activity. Insurance is taken to be, not an end in itself, but as a method of organised trade to gain its own end with the masters. So far the purpose is to bring about a greater equality of bargaining power of labour with capital. It is interesting to note the persistency of this method of Organised Labour activity in spite of many changes within and without the ranks of labour.

During the year 1929, the local unions in Canada paid out as follows:-

Death Benefits	$165,382.00	(2)
Unemployed Benefits	27,653.00	
Strike Benefits	37,413.00	

1. ib. p. 163.
2. Labour Organisation in Canada 1929. p. 21.

Sick Benefits	$150,197.00
Other Benefits	64,982.00

The psychological effect of paying into such a fund can only be realised by constant contact with workmen. To say the least, it creates a sense of sympathy and combination of interests so essential to the activities of organised labour.

Another means to further the ends of organised labour is the method of Collective Bargaining; that is, the bargain between the master and labour is done not singly and by individual units, but through representations of the whole group. As Webb points out[1], the method of collective bargaining is wider than the trade union; yet the trade union alone can provide the machinery for its general application.

With the spread of trade unions from the town to the surrounding cities, collective bargaining assumes a less personal but more scientific and efficient method. It provides protection for the weaker, or more timed man, against an aggressive foreman; it allows the more efficient and stronger man to take a greater personal pride in his work without sacrificing the interests of his group to personal ambition. Two examples are taken from personal experience.

In certain moulding shops for instance, a uniform rate protects the skilled, but quiet man, from the progressive policies of the foreman. A fair day's work can be accomplished without draining the last ounce of energy from a man. On the other hand, a large automobile plant in Detroit will have nothing to do with organised labour. The

1. Hist. of Trade Unions. p. 210, 299.

latest "efficiency methods" are used; processes are speeded up to a certain limit. The unskilled, (except as far as his particular task is concerned,) man has to keep up with the pacemaker on the sliding rack. Should he fall behind the set speed, he will be shifted to a worse kind of job, until, with age, or sickness, he will end up in the baking plant, and finally being unwilling to stand the heat and the intensity of the work, together with the odor of the lacquer, he will be "let out" of the plant altogether.

Often the requirements of collective bargaining necessitate the services of officials, appointed by the unions, who are skilled in the art of negotiation. The technicality of the cotton trades for instance demands a degree of skill beyond that of the ordinary worker. Organised labour has been able to take advantage of arbitration and conciliation through the instrument of collective bargaining. The advocates of industrial peace have great faith in this instrument of labour. They look upon the method as a means of bridging the gap between the demands of labour and the requirements of capital; of effecting a permanent union amongst the industrial classes and the employers of labour to the satisfaction of all concerned. Such optimism is not always warranted; the last fifty years has seen both sides strongly organised. Recent strikes in the coal trades and even amongst the engineers have been the result of the inability of organisation to see eye to eye with each other; the trial of strength has resulted in a strike or lockout.[1]

1. Newfang op.cit.p.66

Eventually an appeal is often made to the Law. Trade Unionism at times favoured the appeal to the Law. Whether it has been agitation for the number of hours per day, the conditions of employment, sanitation, safety, minimum rates, female labour, apprenticeship, etc. organised labour, has, on the whole favoured the Method of Legal Enactment.

It has certain disadvantages to the workmen; it is at best a lengthy process[1], requires the enlistment of public sympathy, the publication of reports, the appointment of Royal Commissions etc., before the grievance can be settled. But the results obtained are in full accord with Trade Union aims; once the matter is decided, its results are universal and permanent.

Legal Enactment has been favoured by two great industries at least; cotton and coal. These industries comprise compact masses of workers in contiguous constituencies where it is possible to bring direct and powerful influence to bear upon the members of Parliament.[2]

But the trade union world as a whole is without effective machinery for taking advantage of the method of Legal Enactment. This is owing to the divergent wants of the various groups and the cumbersome machinery that would be necessary to perform the work. The Trade Union Congress[3], for instance, is a federation for obtaining, by Parliament-

1. Amulree "Industrial Arbitration in Great Britain" chap. IX. (Lord St. Leonard's Act)
2. Webb. "Industrial Democracy" pp. 250-56.
3. ib. 258-9, 60-61.

ary action, particular measures thought beneficial to the various trades. These different trades are united along such lines as, Freedom of Combination, Compensation, Truck, Sanitation, etc. But if the Congress were to "go into politics" as we say now, its Commitment to some particular action would alienate large section of its constituency. It may happen that the northern miners are Liberal; those of Lancashire, Conservative, the workers of London perhaps Socialist. Thus the full strength of the federation would be lost and its political influence would wane.

But "With the creation of a strongly centralised, and thoroughly equipped political federation confining its work exclusively to Trade Union objects the organised trades might reasonably hope to attain the same measure of success in the detailed legal regulation of the conditions of their labour, as that achieved by such "old Parliamentary hands" as the Coalminers and the Cotton Operatives, whilst these latter unions would find their power to obtain further regulation in their own trades indefinitely increased by the effective support of the whole Trade Union World."[1]

Organised labour, especially the definite Trade Unions, have adopted as a means of defence, what is generally known as The Standard Rate; that is, a minimum below which, except in a few cases, the Union will not allow a member to work. This is one of the requisites of collective bargaining, for it will be readily seen, without it, no general treaty with regard to wages would be possible. This require-

1. ib. p. 270.

ment of organised labour has often been misunderstood by the general public. Unsympathetic minds are under the impression that it sets a premium on idleness and incapacity by paying the bad and lazy workman as highly as those who are skilled and industrious.

Let us examine this function of organised labour more carefully. William Newmarch[1] in a Presidential Address before the Social Science Congress in 1871 denounced the method as follows;- "Not yet, but in course of time, as economic principles become popularly understood, we shall see Trade Unions purged of their most erroneous and mischievous purpose of seeking an uniform rate of wages without regard to differences of skill, knowledge, industry, and character. There is no tenet of Socialism more fatal in its consequences than this insidious and plausible doctrine--a doctrine which, if acted upon rigidly for any length of time by large classes of men, would stop all progress. Put in plain language, it means that there would not be in the world any such thing as superior talent or attainment; that every art and handicraft shall be reduced to the level of the commonest, most ignorant, and most stupid of the persons who belong to it."[2]

Any knowledge of the organised--labour world reveals the fact that, "the Rate does not suppose equality of earnings at all. All the trades enjoying the piece-work system, either wholly or in part, allow the different grades of men to earn a wage commensurate with their skill etc. When the rate takes the form of a piece-work

1. ib. p. 282.
2. Wuoted by Webb. ib. p. 282.

schedule of prices, we may see 'one miner earning two pounds per week, whilst another receiving the same standard rate and working the same number of hours getting less than thirty-shillings per week'."[1]

Even assuming the rate takes the form of the usual standard rate per hour, this does not of necessity mean that all will receive the same wage. Ordinary carpenters for instance get the same rate when engaged upon the same sort of work; but not all carpenters can do stair-case and hand-rail work. The man who is engaged on this highly skilled sort of work usually gets a higher wage. It is interesting to note that the unions encourage this sort of thing. Many firms with a name for a special high standard of production usually do pay more than the union flat rate.

That Organised Labour has not enforced a rigid system of uniformity is demonstrated by an analysis of the Trade-Union world, in Great Bri- during the period of possibly its greatest effect, e.g., twenty-three years after Newmarch made his denunciation of the movement.

Forty-nine trades, with a total membership of 573,000 insist upon piece-work. Twenty-four trades with a membership of 140,000 recognise, in various departments, both piece-work and time-work; and thirty-eight trades with a membership of 290,000 insist upon time-work only.[2]

With certain modifications to be noted further on in this study, the above type of labour activity with regard to wages, is pretty much the same today as it was when Webb wrote, "There is in the Trade-Union world of today absolutely no trace of any desire for equality of wages, The cardroom operatives in a Lancashire mill, earning from to ten to

1. ib. p. 283.
2. ib. p. 286 ff.

twenty shillings a week, will unhesitatingly come out on strike to assist the cotton-spinners to maintain a Standard Rate, paid out of the products of the combined labour of the two sections, averaging forty shillings a week. The Local federation of the Building Trades, whose members work side by side at the same job, collectively insist, in their treaties with the employers on half a dozen different rates per hour for the different crafts; the Stonemason habitually getting fifty per-cent more than the Builders labourer, and the rates, in the present generation showing no tendency to approximate."[1]

In order to appreciate fully the position of organised labour today, we shall follow the activities of the Unions of the first quarter of the last century to bring about an Eight-hour Day.

The desire, or necessity, of working a uniform, maximum number of hours became effective in the great Textile Trades in 1833! especially for persons under eighteen years of age. Twelve hour a day was the fixed limit at that time; but the Factory Inspectors soon found out that the mill-owners demanded extra time to allow for breakages, stoppage of machinery and for meals. In order to get the full twelve hours of work, the operatives were forced to work over-time.

In all, it took sixty years for Organised Labour to persuade the officials of the Factory Department and the House of Commons to recognise in a practical way that the welfare of the workers depended upon a fixed Normal Day; and this, in spite of the demands of the trade and the character of the markets of the time. The example of the textile trade was followed by others. Generally speaking, the year 1840

1. ib. p. 323.

saw the definite fixing of the hours of labour amongst the textile workers, the builders, engineers and tailors. Six years later the Stonemasons agitated for a Nine-hour Day. It is interesting to note the general acceptance of this movement amongst many other trades by 1874. The nine-hour day was in general the rule until the great-war period when the Eight-hour day was enforced. Since then certain sections of the Trades, particularly the Miners have advocated for and been granted, a Seven-hour Day. During this present period of great unemployment, other bodies of organised labour are advocating a Four-hour Day. But here we must note one particular feature. The short day is not advocated for the same reason that the Twelve-hour Day was. It is a temporary measure to allow a much larger number of men to have the opportunity to earning at least a little money.

The condition of employment amongst many kinds of industry has enlisted popular sympathy since the various Reform Acts. It is conceded that the Miner has a right to decide upon the number of hours he shall labour in a dangerous and unpleasant seam. The necessary humidity of certain branches of the Textile trades is now taken for granted to constitute a valid reason for the definite limitation of the operatives hours of labour. The heat and danger of the Iron trades also are deciding factors in the determination of the length of the working day.

With the spread of humanitarianism generally, and the acceptance of the idea that the good of the whole nation is wrapped up in the welfare of the labourer, it is granted that the worker should have time for self-improvement and leisure.

Where large masses of men and women labour together, other consideration besides rates of pay, hours of labour etc., have to be thought of. In the matter of dangerous machinery, the sanitation of work shops, good drinking-water, ventilation and the like, it was soon found to be impossible for the individual workman to make a bargain with the employer. The early years of industrial development were replete with the wholesale neglect of the risks of accident, the spread of disease and general discomfort. In these fields organised labour has done much good work. By 1871 Trade Unionism had included such questions as sanitation and safety in the program of its activities. It was protested that bad working conditions brought about a vicious circle from which it was hard to escape.

Tuberculosis amongst factory operatives was not a state arising from the expression of any "natural law" except the law of culpable neglect Accidents could, with reasonable care, be avoided in the majority of cases.

It is perhaps characteristic of the English Middle Class to have sided with the demands of the Unions in the above respects; that is, when they really understood the situation and the first burst of wrath and indignation caused by such novels as Kingsley's "Alton Locke" passed away.[1]

With comparatively little effort Organised Labour enlisted the assistance of the law to enforce better conditions amongst the sweated

1. see also Ravens "History of Christian Socialism" 170 ff.

tailoring trades. With each development of Industry, the activities of the Factory Inspectors, and the Trade Union Official, and an enlightened public opinion come the aid of the working man in the regulation and improvement of the conditions under which he works.

CHapter 6.

Some Modern Unions.

Usually the ranks of the skilled artisans are recruited from those of the apprentices. Apprenticeship is older than trade unionism; it has passed through several stages of development and modification. In brief, the apprentice was formally and legally bound to serve the master craftsman for a period of years; he entered into the master's household. The master, in turn, was committed to teach the young man all the secrets and processes of his trade. Alongside this form of trade-training there rose another; the system whereby the craftsman-father could bring into the same trade his son at any particular age and for any particular period. The son in this case was not legally indentured. This appears to have been not a rival system, but a privilege of the trade; a personal privilege based upon an hereditary occupation.[1]

The latter method has now entirely disappeared. From the former came a development that corresponds almost exactly with the present system of apprenticeship. It is to be noted there still lingers an element of what may be called for want of a better term, servitude. The form of apprenticeship in the Boilermaker's trade is pretty much the same today as it was in the latter part of the last century. The young man was then, as the apprentice is today, indentured for a set number of years, usually five. He began "at the bottom"; received a very small wage all through his period of training. He passed from one job to another; from rivets, to plates; to plate-bending and punch-

1. Webb. "History of Trade Unions" Vol. 11 p. 454 ff.

ing; to tubes and flues. In short he was taught the whole job. For a year he became an "improver", then a "journeyman" with all the rights and responsibilities of a Trade Unionist. Today, the employer usually with the co-operation of the Union, hires the apprentices; two apprentices to seven journeymen.

In the Engineering Trade before the last War, the apprentice attended "school" for a number of hours per week. He was taught practical arithmetic, mensuration, and a certain amount of geometry and drawing. In the smaller shops, the apprentice was encouraged to attend "night-school". In Great Britain it was almost impossible to become a full member of any branch of the Engineering Trades without being apprenticed.

The above is more than a resume of the idea of apprenticeship. It is to be used as a point of contact, or as an attempt to enter into the mind of organised labour--organised labour thus far as represented by the Trade Unions--in order to understand the peculiar and persistent idea of unity and comradeship existing amongst the members of the same Craft.

Apprenticeship is almost the same thing as the reproduction or the continuity, of the same type of mind or mental attitude to the problems confronting any trade. This gives occasion for adverse criticism of the system. It is claimed that the spirit of conservatism or orthodoxy has prevented modern organised labour from developing and exercising a more elastic and comprehensive function. At present however, we are not concerned with this criticism.

A brief glance at the Constitution of one or two modern Trade Unions forming part of a federation, will suffice to show how labour has continued to function by this means.

This will lead us to a further development, namely, the assumptions upon which all (orthodox) labour rests. But first, an examination of the Preambles of three modern, and representative Trade Unions.

The International Association of Machinists carries on the tradition of the Engineering Trades of England. The Preamble of the 1929 edition, introduction, reflects the various impacts of thought upon organised labour mentioned earlier on in our study. It speaks of "the right of those who toil to enjoy to the full extent the wealth created by their labour". It recognises the futility of individual bargaining against organised "aggregations of capital", and it uses the phrase "Through organisation founded upon the class struggle". It closes with the "endeavor to bring about a higher standard of living among the toiling classes". Subsequent pages contain eleven articles constituting a platform of activity. We shall choose a few of them to illustrate the spirit of group consciousness and continuity.

No. 2. reads as follows:- "To adopt and put into active operation an effective plan to stabilise employment for all the members of our Association".

No. 3. "To secure the establishment of a legal apprenticeship system of four years".

No. 4. "To impress upon all employers the necessity of paying the the full current wages weekly, giving preference to...organised labour...."

No. 6. "To shorten the hours of labour....."

No. 11. ".....the abolition of the use of injunction in labour disputes."

The constitution contains, page 68, a definition of an apprentice very similar to the spirit of the last century in England. It mentions "an indentured apprentice"; it prescribes an age limit; it defines a period of apprenticeship.

Page 91 gives more in detail the conditions and requirements of apprenticeship. "The apprentice shall not leave the employer..... without just cause and then only after the consent of the lodge of which he is a member". On the same page we read, "The ratio of apprentices shall not be more than one apprentice for every ten journeymen employed". The same constitution defines the duty of the journeyman with respect to the declining of "rough work", the travelling from one place to another in search of work, the sobriety of members and the minimum rate and overtime.(92 ff.) The old idea of mutual insurance still survives in this modern Association of Machinists. The matter of death dues or mortuary benefits, sick benefits and disability claims, received due attention. (52 ff.)

Article XII p. 32, is devoted to the question of unemployment stamps, and the conditions effecting unemployment benefits and dues. This takes us back in spirit, to the last century in England. Altogether the several illustrations and quotations reveal a certain spirit of continuity in these particular activities of labour. Of course, as we shall see, the modern union is in many respects quite different from its simple prototype.

Before leaving this particular association it may be well to mention that its general headquarters are in the city of Washington, D. C.

The Method of Government is as follows:-

The Grand Lodge is the supreme head of all lodges under its jurisdiction. It determines the customs and usages in regard to all matters relating to the craft.

The Grand Lodge consists of an Executive Council which includes the International President and General Secretary-Treasurer, and also the representatives of local lodges who are duly elected qualified and seated as delegates in the quadrennial and special conventions. Between conventions all executive and judicial powers of the Grand Lodge shall be vested in the Executive Council, composed of the International President, General Secretary-Treasurer, and seven General Vice-Presidents. One of the seven Vice-Presidents shall be from Canada. Another shall be the Editor of the Machinist's Monthly Journal. The Grand Lodge sends a delegate to the American Federation of Labour, and another to the Trades and Labour Congress of Canada. These two delegates together with the five members of the committee on Law (one from Canada) are elected concurrently with the officers of the Grand Lodge. The Local Lodges function as follows:-

President elected annually, a vice-president, a recording secretary, a financial secretary, a treasurer, "a conductor" (whose duty is to scrutinise all members present at the lodge meeting and report to the President), a sentinel, (whose duty is to stand at the door and answer all "alarms"), a board of trustees, consisting of three members, and a past-president, who acts as statistician.[1] Overtime is discouraged by the Association; also the working of two machines, and employment under any system of merit, task, or contract.[2]

With the same general purpose in view, we shall now glance at the Constitution and Preamble of the Bricklayers, Masons and Plasterers International Union, (Organised in 1865.)

This modern American Union controls a large section of the men engaged in the Building Trades on this continent. In Canada the number of skilled men within its ranks was 5,595, in 1930 and in the United States it was 101,734.[3]

The Preamble opens with the proposition that all men are endowed with certain rights, including liberty and the pursuit of happiness. It then goes, on, "The trend of employers, assisted by combined capital, is to debase labour and deny it its lawful and just share of what it produces"....."If the dignity of labour is to be preserved it must be done by concerted and united action"....."Self preservation is the first law of nature"...He who would be free must strike the first blow". Then follows the promise of binding into one brotherhood, by lawful

1. Constitution P. 74 ff.
2. Ib. p. 93.
3. Labour Organisation in Canada, 1930. p. 193.

and just means for the bettering of the social and financial position... each for all; all for each. The demand of a fair rate of pay and reasonable number of hours per day.....[1]

The more specific object of this Union is to unite its members for "mutual protection and benefit".[2] The powers of the union are, "Legislative, Executive, and Judicial".

All "Legislative powers are reserved to this International Union in Convention assembled and shall extend to every case of legislation affecting this International Union." "All Executive Powers of this Union, when not in session, shall be vested in its Executive Board." "The Judicial Powers...shall be vested in the Executive Board and the Board of Appeals when the International Union is not in legislative session". The International Union shall have power to define its organisation and representation"...[3]

To grant or annul charters.
To regulate the standard hour working day.
To define what constitutes masonry.
To establish a limit as the amount of initiation fee.
To regulate a judicial code of procedure.
To establish and enforce arbitration.
To legalise and govern strikes and lockouts.
To issue cards of fellowship.

The conventions of the union are held biennially and its officers are elected every four years. The organisation is composed of elective and appointive officers, and the legally elected representative of the of the Subordinate lodges. Each local union is entitled to three representatives to Grand Lodge for a membership of two-hundred and fifty members and an extra vote for an additional one hundred and fifty mem-

1. Preamble to Constitution.
2. ib. Sec. 2.
3. ib. p. 4.

bers. The Elected Officers are a President and ten Vice-Presidents, a Secretary and Treasurer. These officers are elected "by the duly chosen delegates at the Convention of I. U. every four years. Election is by ballot and requires a majority of votes cast. The Executive consists of the President, First Vice President, Secretary and Treasurer. These men are stationed at Headquarters. The Officers are highly paid; the President receives $10,000 per year; the First Vice President, $7,000, and the Treasurer $7,000.[1]

The Executive has entire control of the whole union and decides all matters of policy and adjustment etc.

With regard to apprenticeship, each local lodge is vested with the power to formulate its own rules and regulations, providing these meet with the approval of the Head Office. Sec. 3 of the Constitution reads;- "All apprentices should attend a technical night school for one year during their term of apprenticeship or take up a home-study course which shall heve been approved by the Executive Board" (Art.XVI) The apprenticeship to journeymen is expressly forbidden, but is allowed "only to recognised union contractors".[2]

The apprentice once having taken his indenture is expected to fill his contract under pain of being dismissed from the business entirely. Individual members of the Union are warned against vouching for runaway apprentices. For so doing they shall be fined $10.00. The period of apprenticeship is for three years. Internal discipline is maintained amongst the rank and file by posting up in prominent places

1. Constitution. p. 12.
2. ib. p. 69.

in the lodge rooms a list of"delinquents". Non-payments of dues, considered by itself, is not an offence worthy of being posted up on the delinquent list. (Art. XVII). Penalties up to one hundred dollars are imposed upon members who frustrate a strike by working in a jurisdiction where a legal strike has been called. A penalty up to $1,000 may be imposed upon those who "sell out the trade" , or protect scabs. It is strictly against the rules for any member or ex-member to teach the trade to any but apprentices. For instance, it is unlawful to teach the trade to convicts. Members of the union are not allowed to work with scabs, ie, a person who has violated the laws of the Union. Common scabs may be fined $50.00 for the first offense and $75.00 for the second. "Inveterate or notorious scabs, for a third offence, shall be fined $100.00" Local unions have no authority to impose fines or special initiationary fees upon apprentices; should an apprentice violate the laws of his contract, he is reported to the Secretary of I.U., who publishes his name on the delinquent list as being unworthy of recognition in the Union until such times as he is received back again. (Art. XVIII).

This International Union of Bricklayers, Masons and Plasterers exercises internal discipline amongst the workers "on the job" by protecting the more conscientious union-man from the companion who tries to win some favour from the foreman, or contractor by "putting up the line" more than one course at a time or any other underhand acts detrimental to the avowed policy of the Union.[1] From conversations with

1. ib. Sec. 16. p. 75.

one-time members of this Union in Canada, one gathers that these rules are still enforced, especially when the "job" is a big sized one, and the contractor is engaged by some corporation, city, or government, ie, the building of Schools, Hospitals, Prisons, Offices and the like.

Conditions in the trades covered by this union are somewhat different in this country from, say, United States owing to the more seasonal nature of the work due to our severe winter. Then again, most of the building in Canada, with the important exception of the big cities, is done by non-union men and by the small contractor or master who is himself the chief workman.

The defensive measures of last-century Trade Unionism as described by Webb in his "History of Trade Unions" are still carried on by the Union we have been considering. This continuity of method is seen by glancing at Art. XXII of the Constitution, on "Strikes and Strike Benefits". A strike may be declared;-

(1) To maintain the standard hours of labour.
(2) To decrease the hours of labour.
(3) To resist a threatened reduction of wages.
(4) To resist the introduction of non-union conditions.

The above may be called the "protective" measures of this union and again we see in them the spirit of adherence to historical methods and aims.

Two other activities of the union have yet to be considered. We shall see that the more radical element in the labour world is opposed to the older systems of organised labour because so much money and power are lost in this type of activity that could well be left to the State to perform.

Art. XXIV and XXV deal with Old Age and Disability Relief Funds and

Mortuary Benefits. The I.U., attempts to provide for the declining years of its faithful members by granting monetary benefits when the applicant has reached the age of sixty-five and has been continuous and in good standing for twenty years; and, further,when he is not able to accept regular work owing to infirmity etc. It is presumed this benefit is not forthcoming if the applicant is capable of doing any sort of work that will sustain him, or if he has any other means of support.

Without unduly criticising at present, we see the manifest weakness of this method. The seasonal nature of the work makes it well nigh impossible for the average man to keep up his regular work all the year round, and for any number of years. The requirements of "good standing" demand that the worker shall abide by the rules all the time and shall "keep in good" as the men say, with the local officials who have the power to lodge complaints to the Head Office against any member of the Locals. Any pension of $5,00 per week or over that amount, disqualifies the member from the relief. It is seen that the applicant for this fund has to be a poor indigent pauper before he can share in the funds to which he has contributed during the best part of his working life.

The Mortuary Benefits[1] are more generous; they provide;-

(1) Upon the death of a member in good standing who has been such for six months, fifty dollars, shall be paid the beneficiary.....

(4) Upon the death of a member in good standing who has been such for ten consecutive years, three hundred dollars shall be paid the beneficiary.....

1. ib. Sec. 2. p. 111.

We leave this Union with the general remark that the ambitious proposals contained in the Preamble;--the vision of the worker, free and independant, enjoying "rights" and "liberties", resolve themselves into a system of interior economy which by its very nature tends to restrict.

Still attempting to define the functions of organised labour by analysing the creeds of the worker's organisations, we shall now consider another representative Union.

The National Typographical Union was organised May 3rd 1852 in Cincinatti Ohio. The name was changed to the International Typographical Union 1869 at the seventeenth annual session at Albany New York. This Union unlike those above has no ambitious preamble. Its Constitution is concerned with matter-of-fact statements of organisation; method of work, and control.[1] The laws of this Union "shall be comprised in";-

> (a) The Constitution shall contain an outline of...policies and purposes of the organisation....define duties and salariesof officers...fix the basis of representation...provide for appeals and penalties..an official publication...union label...regulate all matters pertaining to dues etc.
> (b) The by-laws contain laws relating to....membership... subordinate unions...government of subordinate lodges... specific duties...delegates...administration of system of benefits...care of diseased, aged and infirm members.
> (c) The general laws contain...only and any such laws relating to contracts and prices; conditions of employment; scale of prices etc. and the relation of the individual member to the employer.

This Union is affiliated with the American Federation of Labour and pays its regular assessment therto. It also pays per-capita tax to the Canadian Trades and Labour Congress.

The centres of activity of the Typographical Union are in all the large Cities where daily papers are printed and the usual job work done

1. International Typographical Union Constitution . p. 4 ff.

and magazines and books printed and bound.

Entrance to the trade is controlled by Apprenticeship Laws. The apprentice has to pass a physical and general-ability examination. He has to serve a period of five years; to be introduced to the various stages and types of work as he shows ability and progress. He must not quit one office for another. At the end of the third year the apprentice must be admitted a member of the Union if he shows ability. Such a member does not have a vote, nor is he expected to pay dues. Before the young member becomes a journey-man-printer he must pass an examination based on his training and a Course of Lessons set forth by the Union.

Apprentices may not work overtime, nor be placed in charge of a department.[1] The Union controls the number of hours per day in all the large newspaper offices. Eight hours per day, and not more than six times that per week. Overtime rates are paid at time and a half based upon the usual hourly rate.[2]

Strikes may be called only on the authority of the Central Executive Council and in the event of impending trouble involving allied crafts, the Executive "shall call into consultation the President... of such crafts".[3]

Section 20 of the Constitution introduces an element we have not seen in the previous constitutions reviewed. "A subordinate union may take political action when the interests of organised labour as a whole

1. ib.p48ff.
2. ib. p. 84.
3. ib. p. 87.

and the craft in particular may be benefited thereby; PROVIDED, No subordinate union shall assess its members for partisan, political purposes". All we can gather however from this constitution is that "political action" and "interests of organised labour as a whole" are confined to the Annual May Day Celebrations.

Throughout this closely printed constitution of 162 pages we have found no trace, other than the one just mentioned, of organised-labour-activity by this union that is supposed to further the cause of the whole body of the workers. In other words, it is a self-contained union, concerned with its own problems alone. It exists to protect its own members.

A feature of the union is that it provides, in addition to the usual sick and mortuary benefits, a home for its aged members at Colorado Springs. As far back as 1848 we read[1] of the London Society of Bookbinders setting aside part of its funds in an attempt to get at the facts of their industrial social condition and to encourage reading amongst its membership. It would appear that the major part of the energy of the Union whose Constitution we have examined is spent upon the many and varied details of its own organisation and administration. The fundamental problems troubling the conscience of the labour world lying beyond the horizon of the printing trades do not appear to attract the attention of the Typographical Union authorities. Perhaps they accept the philosophy of the position in which theyfind themselves on the American Continent. This development we shall now consider.

1. Webb. "History of Trade Unions."p.178.

Chapter 7.

American Reaction to the Problem of Labour.

It will be noticed we have passed, without explanation so far, from the development of the function of organised labour in Great Britain to concrete examples of the same activities in the labour world on this Continent today. But, as Carlton says,[1] "The study of the problems relating to labour and labour organisations should be primarily a study of causes".

It will be found that the causes underlying these developments in the United States and Canada are similar in many respects to those in Great Britain. In America however the rapid growth of the country, the introduction of mass production, the influx of a mixed immigration, and the political nature of the Union have given a definite characteristic to labour as a whole.

The working man attempted to organise, and influence politics, early in the United States. From 1827-29, the Cities of Philadelphia and New York witnessed organised-labour activity. In the latter city, Labour elected a State Assemblyman in 1829, and the following year, put three tickets in the political field. Before melting away the next year, the organisations formed, protested against an attempt to lengthen the working-day. During these years, the leaders of the movements advocated the doctrines of the equal distribution of wealth and the abolition of the inheritance of wealth. This movement was followed by the leadership of Messers. Owen and Evans, and the publication of the Labour-paper, "The Working-Man's Advocate".

1. "History and Problems of Oeganised Labour". p. 2.

Labour, now, became concerned with free education in boarding schools where all pupils were to enjoy the same educational facilities. This movement, alas, was short lived. It disappeared in 1831.

These activities, however, were not without results. They caused to be passed,

(a) The Mechanics Lien Law by the New York Legislature.
(b) The abolition of imprisonment for debt.
(c) Extra appropriation for education in New York.

The movements so far, were not sponsored by the Trade Unions as such. It was a working-man's party which was so active. When the Trade Unions developed into definite organisations they "kept out of politics" and only became interested as organisations if, or when, the political candidates had something tempting to offer labour as a whole.[1]

The years 1834-37 witnessed a rapid rise of Trade-Union activity. especially in New York and Philadelphia. Strikes were frequent. Much internal dispute arose within the Unions, but the rocks that wrecked English organisation again and again, were soon to cause trouble with American labour progress. The depression of 1837 wrecked both disputant and organisation. The state of industry was to prove the deciding factor for many years. Indeed, it is so today.

The feverish activity of American Labour in the thirties aroused the same sort of opposition from the masters as the Trade Union activities in Great Britain did in the seventies. Indeed, the speech of Newmarch quoted by Webb[2] in his "Industrial Democracy" bears a striking similarity to the sort of frenzied opposition quoted by

1. ib. p. 32 ff.
2. op cit p. 282.

Carlton,"[1].....to invade the rights of employers....compromise the rights of unorganised labour...to resolve the(genius of American Labour) into classes separated by barriers almost impassible, and to condemn the largest portion (of the workers) to lasting inferiority".

Apparently, the reason for the renewed activity of labour was the intention of the employers to make the men work longer hours than they were willing to do. It seems that labour had the sympathy of many public-minded men, for the Ten-hour day dates from this period.

American Labour early in its history showed a tendency for national organisation, The first National Trade's Union met in New York in 1834. By 1836 the movement had gained sufficient strength to enable the affiliated Unions to direct and support strikes.[2] Though the movement for general organisation was from the first quite active, and the plans of the organisers were by no means confined to pure labour questions, but contained many elements of a broader nature, yet little of a permanent nature resulted.

Commons suggests the following as some of the reasons which hindered the movement;- The abundance of free land allowing the ambitious workman to set up for himself. The realisation of the more moderate demands of the labour party; ie, the mechanics lien law; abolition of imprisonment for debt; taxation for public schools etc. The rising tide of feeling against the slavery question shifted the attention of the public away from labour. Then public opinion began to turn, and, finally,

1. History and Problems of Organised Labour. p. 35.
2. ib. p. 36 ff.

a type of "communism" divided the ranks and sapped the strength of the whole movement.[1]

It will not be necessary for our purpose to analyse the ferment or organisation and opposition from 1837 to the sixties. During the sixties, three demands welded the workers together in a nation-wide effort; (a) higher wages, (b) a shorter working day, (c) the right to organise without interference. How persistantly these aims run through labour activity throughout the history of organisation and on both sides of the Atlantic! These wants are practical and to the point. They do not strike at the relationship of the working people to the other groups of society, nor are they concerned with such abstractions as "natural rights" or the other ideas belonging to socialistic utopia.

Once again the National Union came into being; this was in 1866. Annual meetings were held until 1872; they consisted of local, state, and national organisations, "having for their object the amelioration of the condition of those who labour for a living".[2]

Apparently then, the prime function of organised labour was to better the general conditions of the worker. In June 1868 Congress passed a law applying to all government employees, granting them an eight-hour day. Although the measure was short lived, it gave an impetus to the movement towards national effort.

It is to be remembered that the Franchise was effective in the United States before any other industrial country. This, perhaps, accounts for labour's closer adherance to politics than in Great Britain. For instance, about 1870, American labour was interested to

1. ib. p. 41.
2. ib. p. 69.

obtain such political measures as the reduction or abolition of tariff duties, the demand for a small standing-army, and the early payment of the national debt.

Then a new note was sounded. The labour reform party in 1871 affirmed that labour was the creator of all wealth, and forthwith demanded the abolition of all special privileges and preached the unsoundness of the capitalist system.[1] Still, the most insistent demand was for the eight-hour day. This demand was ably sponsored by Stewart from Boston, and although the demand was not granted in all states, his ideas remained on the lips of labour for many years to come. Amongst Stewart's ideas was the doctrine of a gradual increase of wages until wage-earners and capitalist became one.[2]

Again, and as in Great Britain, the state of industry determined the condition of labour organisation, for we note, the panic of 1873 forced the ranks of organised labour to thin out. The Typographical Union for instance, decreased about fifty per cent from '73 to '78 and the number of unions in the whole organisation dropped from 105 to 60.[3]

Lack of unity seems to have been the most striking characteristic of labour organisation during these years.

In 1869 the "Knights of Labour" were organised by Stevens a Philadelphia Tailor. The new movement grew rapidly. In seventeen years the organisation reached the 600,000 mark and included all workers, both industrial and agricultural. Labour according to the "Knights"

1. ib. p. 61.
2. ib. p. 61.
3. ib. p. 70 ff.

program should be united in order to better the conditions of the class as a whole and not favour one particular section or trade. It seems that the ultimate aim of the movement was the creation of a co-operative commonwealth. The method, strangely enough considering the times, was through the franchise and not the strike. Labour should function, according to them, to bring about such reforms as would in turn react favourably on the working man. They proposed what has been of such great value to the problem of labour ever since, namely the establishment of a bureau of labour statistics. They taught that occupancy and use should furnish the only valid title to land. They advocated the prohibition of child-labour; the levying of taxes on large incomes and inheritances; the establishment of a postal savings-bank; the government ownership of railways and telegraphs; the introduction of something better than the present wage-system; the use of arbitration in labour disputes. They taught that industry and moral worth, not wealth, should be the standard of greatness.[1]

This comprehensive program forms the basis of most of the later developments to come under our survey further on.

The American Federation of Labour, founded in 1881, followed, in influence, the Knights of Labour. The A.F.L., as it is now popularly called, includes most of the great trades unions and is a potent factor in the American political world and labour spheres of today. In 1890 the membership was about 190,000. In 1904 it rose to 1,676,000. Five years later it dropped to 1,524,700.

For some years the A.F.L. has exchanged fraternal delegates with the British Trades Union Congress, and the Trades and Labour Congress

1. ib. 72. ff.

of Canada. The authority of the A.F.L. to deal with trade matters as they affect international organisations on the North American continent is fully conceded by the Canadian aggregation, which body accepts without question, the decisions rendered by the Federation. In 1920 membership of the A.F.L. was given as being 4,078.740. In 1929 it again registered a sharp decline; the figure being given as 2,933,545.[1]

The plan of organisation of the Federation, which is a voluntary grouping of self-governing organisations, all having complete autonomy over the craftsmen covered by their respective charters, is founded upon principles and methods which its affiliates consider to be adequate to meet the present requirements of the workers.

With the analysis of this organisation, we come to the heart of the organised-labour movement on this continent. A detailed examination of its most important points, will help us to arrive at, what the A.F.L., at least, regards as labour's special mission. In all organisations, both religious or secular, there is a certain element of opportunism. It is so with the one we are to consider; but the tenor of the movement can only be fairly appraised by examining its written creeds. The contingencies arising from the every-day working world merely reflect the deviation of the organisation from its public profession.

We shall see how diverse and comprehensive the aims of organised labour are. How they differ--if we except the spirit of the Owenite period--from the simple demands of a century ago. As we enumerate

1. Labour Organisation in Canada. 1929, p. 22 ff.

the various points, we shall see labour reflected in the transition from a simple state of social life to the complexity of today. Many of the principles now generally accepted, would have been condemned as the wildest "socialism" years ago; now, strangely enough, they are said to be too conservative and submissive by the great politico-labour leaders whose influence appears to be felt so keenly today.

The Principles of the Federation

The platform of principles of the A.F.L.,[1] contains the following declarations;-

1. The abolition of all forms of involuntary servitude, except as punishment for crime.
2. Free schools, free text books, and compulsory education.
3. Unrelenting protest against the issuance and abuse of injunction process in labour dispute.
4. A work-day of not more than eight hours in the twenty-four hour day.
5. A strict recognition of not over eight hours per day on all Federal, State, or Municipal work, and not less than the prevailing per-diem wage rate of the class employment in the vicinity where the work is performed.
6. Release from employment one day in seven.
7. The abolition of the contract system in public work.
8. The municipal ownership of public utilities.
9. The abolition of the sweat-shop system.
10. Sanitary inspection of factory, workshop, mine or home.
11. Liability of employers for injury to body, or loss of life.
12. The nationalisation of telegraph and telephone.
13. The passage of anti-child labour laws in states where they do not exist, and rigid defence of them where they have been enacted into law.
14. Woman suffrage co-equal with man suffrage.
15. Suitable and plentiful playgrounds for children in cities.
16. The initiative and referendum and the imperative mandate and right to recall.
17. Continued agitation for public bath systems in all cities.
18. Qualifications in permits to build in all cities and towns that there shall be bath-rooms and bathroom attachments in all houses or compartments used for habitation.
19. We favour a system of finance whereby money shall be issued exclusively by the government, with such regulations and restrictions as will protect it from manipulation by the banking interests for their own private gain.

1. Constitution of American Federation of Labour, 1929. p. 22 ff.

We shall now make a running commentary on a few of the principles enumerated above. The second clause, "Free Schools..." is of course very important, as it is right and proper that the children of the wage-earners should not suffer from the initial disadvantage of lack of education owing to the inability of their parents to pay tuition and school fees etc. It is a difficult matter for the average father to keep his children at school beyond "junior-high". Text-books are expensive. What is worse for the workman is that they are constantly changing. The problem of education is one which trained leaders of organised labour might well study. It is quite useless advocating "free education", without knowing something of the curriculum. Then again, does organised labour agree with the supposed purposes of education! A careful reading of such a book as Monroes[1], "History of Education" will show how both the concept and content, theory, and practice of education have developed and changed. Then again, organised labour may take the "long view" of the whole matter and agree with Mill[2] that, "A general State education is a mere contrivance for moulding people to be exactly like one another and as the mould in which it casts them is that which pleases the predominant power in the government.....in proportion as it is efficient and successful."

Then again, the educationalists, might object that any progressive system of social reform would take care of the educational question without the assistance of labour. A constant difficulty even in normal times is that the children of the working classes have to get out and find employment as soon as possible.

1. "A Text Book in the History of Education"
2. "On Liberty"....Applications p. 161 Everyman's Library.

The third principle, namely the "issuance and abuse of the injunction" has been, and is, of great importance to organised labour especially in the United States. "The use of the injunction is a conspicuous factor in recent legal proceedings in connection with labour disputes". And. "....is a command by a court....that certain persons refrain from doing certain specified acts. A violation of the order may be punished as contempt of court by fine or imprisonment"[1]

Mr. S. Gompers, who was President of the A.F.L. in 1894 was imprisoned together with his associates as the result of an injunction against them arising from a strike in the Pullman Car Company of Chicago. This particular strike spread throughout the lines running in and out of the City. The Federal Court interpreted the action of the men as interference with inter-state mails and issued the injunction accordingly. The frequency of its use has persuaded labour that the injunction is merely a method of a biassed court to prevent the men from winning their case when a strike is called.

The use of the injunction is extremely important because it implies the denial of the right to be tried by jury in case the injunction is disobeyed. Freedom of speech too is denied in certain cases.[2]

Organised labour rightly feared the abuse of the injunction in 1894. As recent as the 51st Annual Convention[3] we find the Executive

1. Carlton, "History and Problems of Organised Labour" p. 176.
2. ib. p. 179 ff.
3. The Labour Gazette. p. 1109, 1931.

of the A.F.L. greatly concerned with this method of opposition and sponsoring legislative methods to overcome "the power of judges to issue arbitrary writs of injunction restraining lawful activities of the people and denouncing all attempts by police authorities to suppress free speech and assembly".

As the result of labour activity and costly litigation, the state of Wisconsin[1] gave consent to a "Labour Code" making lawful the assembly or organisation of men for their own interest and curtailing the use of the injunction by setting a definite time limit for its issuance and allowing substantial evidence to be heard from both sides first.

Another instance of the possibilities of abuse of the injunction will be given. This time however, we note a distinct improvement for the position of labour.

The Court of Errors and Appeals of the State of New Jersey recently[2] held that an injunction is not warranted in an employer's action against a labour union if the facts disclose no unlawful acts of the union and show that the combination of employees was for their mutual protection and economic welfare. (Bayer Vs Brotherhood of Painters and Decorators Local 301).

A few sentences from the summing up of the judgment[3] may be of interest. "....that they (the workmen concerned) may peacefully and

1. ib. p. 899.
2. ib. p. 1162.
3. ib. p. 1162 ff.

without threats of intimidation induce others to do so, if no contractual rights are violated thereby. None of these acts is unlawful, and the fact that the complainant may be affected unfavourably by the regulations of the union established to further their own interests, does not render them unlawful".

The latest response to the Anti-Injuntion movement will almost allow the A.F.L., to remove the clause from their Constitution. We include rather a full report here.[1] An Act to amend the Judicial Code of the United States and to define and limit the jurisdiction of courts of equity in regard to the issuance of injunctions in cases arising out of Labour disputes, was signed by President Hoover on March 23. It is as well perhaps that we record here the response of the House to the bill. It was passed by a vote in the Senate of 75 to 5. The five contrary votes came from Republican Senators from New England. The House vote was 316 to 13.

The bill was described by all as the most far reaching piece of legislation affecting the Judiciary in many years. We have seen the idea has been in ferment since President Cleveland used the injunction in the Pullman strike of 1894.

The Act now passed declares the right of labour to organise, outlaws the so-called "yellow-dog" contract, strictly limits the grounds on which labour injunctions may be issued, prohibiting them except after open hearing when unlawful acts have been committed unless complainant has no adequate remedy at law, unless public officers fail to furnish adequate protection, and unless the employer has made every

1. The Labour Gazette. April 1932. p. 420 ff.

reasonable effort to settle the dispute. It also provides for jury trials in all contempt cases, except those committed in the presence of the court, or so near as to interfere with the administration of justice, and gives defendants in contempt cases arising from attacks on the character or conduct of the judge the right to demand retirement of the sitting judge and hearing of the case by another.

The Act itself contains 15 Sections, one of which, the 4th., we give here.

> Sec. 4. No court of the United States shall have jurisdiction to issue any restraining order or temporary of permanent injunction in any case involving or growing out of any labour dispute to prohibit any person or persons participating or interested in such dispute, (as these terms as herein defined) from doing, whether singly or in concert, any of the following acts....(Then follow nine points for which, principally, injunctions were previously used.)

We do not find the same danger in Canada. The necessity for the use of the injunction is somewhat lessened by an "Act to aid in the Prevention and Settlement of Strikes and Lockouts in Mines and Industries connected with Public Utilities".[1]

Then again the Common Law contains interpretations for the provision of such combines which in the United States, would have,[2] previous to the Act outlined in full above, given rise to the injunction.

We shall pass over Arts. 4,5,and 6, to consider the Seventh clause;. ..."The Contract System".....

The contract system in public works is roughly as follows; A Government or unit of government engages to construct, say, a highway, or irrigation ditch, or sub-way or any piece of public work. The

1. "Revised Statutes of Canada 1927" Vol. III. p. 2507.
2. cf. below. p.

job is "let out" to a large contractor who bids for the whole series of operations comprising the job, in a lump figure. Naturally his figures will allow him a certain profit. Usually, other contractors bid for the same job. Other things being equal, the lowest figure gets the job. If the contract is for a subway for instance, the work will include such different operations and grades of skill as surveying, steel and concrete construction, rough excavations, and the use of both horses and machinery, and much common manual labour. Usually the rough work of preparation will be sub-contracted for. Here again, the lowest figure gets the job; and so on in other operations. It will be seen that the man who does the actual work will be offered the lowest possible wage. The evils attendant upon this sort of thing provide ample opportunity for organised labour to try to correct.

Organised labour tries to maintain a rate of wages in grades of work and different operations in each contract to insure the standard of living demanded by the times.

"Army Clothing" provides a stock objection to the contract system. This type of contracting-out has given rise to all the bitter results of the "Sweat-shops".

The next article, Municipal Ownership of Utilities, can only be briefly touched upon here. All the arguments for and against "public ownership" could be well applied to this article. We can only sum them up in a few sentences. Labour's position is briefly this;- If the utilities are to be operated for a profit, this profit should

revert back to the people who use the utility. Most of the modern utilities are granted certain concessions such as roadbed space, right of way, guaranteed minimum rates, and sole rights of providing the service, etc. It is maintained that only the public as such should enjoy the profits if any, arising from these privileges. If the utility has to use power, it is usually granted great privileges and concessions in the construction of damms, power-plants, control of rivers, etc. Labour maintains that all these should become public property and be administered through the State.

It is also contended that no utility should be run for a "profit", i.e., the payment of dividends and the profit system as it is generally understood; but the State should provide "service for cost".

The trend of labour is constantly towards such measures of socialism. Not perhaps for the sake of socialism, but as a general expression against the capitalistic system of profits instead of public welfare. The same ideas lie behind an exposition of Arts. 12 and 8.

Most modern towns and cities demand the requirements contained in Art. 18 irrespective of what labour may say. Modern bathroom facilities are now regarded as very necessary. Two things however may be mentioned. One can sympathise fully with labour's solicitation for the welfare of the worker in this respect. Housing conditions have been very bad in the large cities both in Great Britain and the United States. In the tenements of the large cities of America, one bathroom only was provided for a whole flat or perhaps half a dozen families. When infectious disease is rife, the health of the wage-earner's family is impaired by such system. The demands of modern industry tend to crowd the workers to-

gether in large masses. Without a careful town-planning system, this means more tenements, and the greater need of such methods, as advocated in this article.

But the bathroom system, or at least a washroom system need not be confined to the home. Where the worker is engaged in an occupation that is dirty or greasy, it is only reasonable that washing facilities should be provided so that the man may remove the dirt and odor of his work before he leaves for home. This is particularly necessary in the coal-mining industry, gas works, the large machine shops, etc. The psychological value of these conditions is hard to over-estimate.

The A.F.L. reports amongst its many activities, "a striking parallel between increases in trade union strengths and gains in wages and decrease in hours of work--rapid increase in membership accompanied by marked improvement in working conditions--maintenance of ethical standards, governing relations between employers and workmen.

These ethical standards are the basis for legal and economic rights ...contributed to industry the principles of functional representation for capital and labour. They are (a) the work contract (b) the importance of time economies and high wage principles (c) a constructive agency for securing the cooperation of workers in the processes and problems of production." The A.F.L. has also "advocated the principle of protective legislation for women." [1] Their report states they have secured high standards of living for the masses on this continent; the devel-

1. The Labour Gazette Nov. 1931 p. 1203.

opment of labour statistics for guiding further progress, such as, organising the labour market, the regulation of immigration, etc. The same report[1] includes an emergency unemployment program which consists of;-

1. Efforts to maintain wages.
2. To shorten work hours.
3. To assure employment to minimum work forces.
4. Each employer to take on additional workers.
5. To create work through public buildings.
6. To strengthen employment agencies.
7. To keep young persons in school to prevent their taking jobs from older men and women.
8. Financial relief from public and private funds.

Another type of labour function is worthy of consideration. The Committee on Labels in its recent report said "Trade Unionists cannot be too often reminded that the union label, shop card and, button, are the insignia of their own empressed and oft-reiterated creed. What then is the Union Label? "IT is a mark adopted by a labour organisation and placed upon the products made by it's members".[2] It provides a method of distinguishing a union made article from a non-union made product. The method presupposes the possibility of organising the wage earners as consumers as well as producers. If the mass of consumers could be taught to look for the label on each article to be purchased, and buy only the union made, what an impetus would be given to trade union activity!

Much good could be made of the union label. It signifies that an article has been made by skilled labour. It ought to set the standard for all highclass workmanship. It ought to insure that the consumer buys the best; a genuine article. Usually the quality of an article is widely advertised by the wide-awake salesman; but more often the

2. Carlton "History and Problems of Organised Labour." p. 182.
1. The Labour Gazette Nov. 1931 p. 1211.

salesman is more enthusiastic than truthful.

The label was first used in the STATES by the cigar makers in 1874.[1] It has since remained as a protest against cheap labour. Further possibilities could be made with the union label. The poor are often victimized by having to resort to the cheapest article, which is often very inferior. It is true they may not be able to afford to buy more expensive products, for instance, one carrying the union label. But if organised labour were to develop this particular function, to advocate widely its merits through each household, to persuade the manufacturers using it, to stress its merits through the medium of the press, etc., then the buying public would become more and more "Union Label conscious". In time manufacturers would realize it did not pay to make nonunion goods because their markets are so unpopular. Greater consumption of union made goods would call for increased production. This would set in motion a train of events beneficial[2] both to the organisation of labour and the good of the consumer, together with the stabilization of prices within that particular industry. Commodities used by the masses are so often badly made. Furniture for instance is placed upon the market poorly constructed. The man with a small salary "has to buy it or else go without." It is not long before warping and peeling and cracking and many other serious defects make the article a nuisance.

The boot and shoe industry may well benefit by the use of the label; then the shoddy and cheap boot and shoe would soon disappear, and the majority of people would be sure of buying boots of a much more durable quality.

1. Carlton "History and Problems of Organised Labour." p. 183.
2.

Chapter 8.

Legislation as it Affects Organised Labour.

Organised labour is becoming increasingly interested in Labour Legislation. As in Great Britain, this type of legislation on the American continent relates to such subjects as Departments of Factory Inspection, Limitation of Hours of Labour, Regulations regarding Sunday and Night Work, the Exclusion of Certain Classes from Certain Kinds of Work, Provisions for the Payment of Wages at Regular and Frequent Periods, Prohibition of Truck Payments, Protection from Dangerous Machinery, and many other kinds of activity.

The Illinois Factory Law, January, 1910, is a good example of such legislation. It provides for:-

(a) Protection of all machinery.
(b) Set screws and other projections must be countersunk or otherwise guarded.
(c) Means must be provided for stopping machinery quickly.
(d) Machinery must not be crowded together; space must be provided for the operator to pass between, without danger of touching moving parts.
(e) Elevators and other openings in the floor must be fully guarded.
(f) Premises must be sanitary.
(g) Adequate and Sanitary toilet facilities must be provided for workers of both sexes.
(h) Food must not be eaten in workroom were dangerous fumes arise, such as arsenic, or lead, or poisonous gases.
(i) Fire escapes must be ample and kept clear.
(j) Employers must report all accidents resulting in death.

The provisions of this law amply justify Prof. Carlton when he writes,

"The Fundamental Purpose of Labour Legislation is the Conservation of the Human Resources of the Nation."[1]

1. Carlton "History and Problems of Organised Labour p. 280.

The proposition that the welfare of the nation is more important the wealth of the nation is receiving growing recognition from all ranks of society. Yet in spite of so much activity to the contrary, the majority of workers in Minnesota for example, work longer than eight hours per day. As Carlton points out, the home has become a place where the husband or son merely eat and sleep, especially when the home is a long ride from the factory. He quotes W. B. Dickson, "In my judgment a large proportion of the steel-workers, who from early manhood work twelve hours per day, are old men at forty". Long hours do not make for the greatest economy and efficiency in production. The Federal Industrial Commission of 1898 made special comparisons between the output of bituminous coal mines before and after the introduction of the eight-hour day and found that the out-put even increased under the shorter workday. In Illinois in 1895 and 1896 under the ten-hour system the average daily output for each mine employee was 2.53 to 3 tons; in 1898, 1899 and 1900 with an eight hour day the average output was 3.11 to 3.21, though the proportion of coal mined by machinery was not increased.[1]

Each item enumerated in the above (Illinois) law is worthy of the fullest attention of Organised Labour. Thoughtful people will not quibble at labour doing it's utmost to bring about these necessary improvements, reacting as they do, not only upon the immediate welfare of the individual but also upon the welfare of the whole country over

1. ib. p. 203.

generations to come.

Labour legislation is not only concerned with conditions of employment, but it's range of activity includes matters of dispute as they arise and are contested in the courts.

The following report is given to illustrate the recognition and application of a general principle to an individual case. It is taken from the March 1932 issue of the Labour Gazette, p. 374.

An engineering firm was engaged by the owners of a mine in Nova Scotia to look after the power plant in the mine. The firm continued to carry out this duty until the mine was closed, when another firm was engaged as caretaker to keep the plant intact and the machinery oiled. The question of two months wages having arisen after the closing of the mine, both firms claimed a lien upon the property and mining area, and they obtained from the County Judge a decision declining their title to the lien.

The case was appealed chiefly on the ground that the Mechanics Lien Act did not apply to the case as the services rendered by the plaintiff were not "work or labour performed at a mine in connection with mining operations". Chief Justice Chisholm dismissed the appeal with the following remarks.

"The Statute is a remedial statute and is designed to protect a class of men who are often the victims of imposition; it is designed to give the workman, in addition to personal recourse against his employer, the right to look later the property which he has improved by his labour as some security for his pay. I think, therefore, one is justified in

giving the statute an interpretation favourable to the claims of the workman, if the language fairly warrants whether minerals are or are not brought to the surface. The work done by the Typerts (the second firm) was work and labour performed at a mine; as was, in my opinion the work done by the Rodenhisers, (the first firm) although the latter were working some miles away. The phrase "in connection with" is one in frequent use; it is not precise, but it is sufficiently wide to enable a generous application. If one can find a direct connection between the work done and the mining undertaking one is justified in considering it work in connection with a mining operation. The work of all the plaintiffs was so essential to the preservation of the mine and so closely connected with the continued existence of the property as a mine that I am led to the conclusion that section 32[1], was intended to be and is wide enough to cover the work".

The case just quoted leads us to consider a fundamental problem confronting organised labour in this country at least; the problem of the Legal Status of the unions.

The Trade Union Act of 1872 and the Act of 1892 consolidating the Criminal Code, define the position of Labour Unions: "The purposes of any trade union shall not, by reason merely that they are in restraint of trade, be deemed to be unlawful, so as to render any member of such trade unions liable to criminal prosecution for conspiracy or otherwise so as to render void or voidable any agreement or trust." (Section five[1]

1. R.S. 1906, c 125, s 32.

provides "that this Act shall not apply to any trade union not registered under this Act".

The Criminal Code extended the exemptions of trade unions from the law against combines providing that "the purposes of a trade union are not, by reason merely that they are in restraint of trade, unlawful within the meaning of the last preceding section".[1]

The paragraph referred to provided that "a conspiracy in restraint of trade is an agreement between two or more persons to do or procure to be done any unlawful act in restraint of trade."[2]

Unlawful acts in restraint of trade are defined as "to unduly limit the facilities for transportation, producing, manufacturing, supplying, storing, or dealing in any article or commodity which may be a subject of trade or commerce"; or "to restrain or injure trade or commerce in relation to any such article or commodity"; or "to unduly prevent or lessen competition in the production, manufacture, purchase, barter, sale, transportation or supply of any such article or commodity or in the price of insurance upon person or property."[3]

From the above we gather that provision is made that a registered trade union may expect its agreements with the employers to have legal validity; and also, that the individual right to combine for trade purposes is not called into question.

1. R. S., 1906 c 146 s 497.
2. R. S., 1906 c 146 s 497.
3. R. S., 1906 c 146 s 498.

The problem of the unregistered unions is seen in three aspects through the courts of Canada. (1) The liability of the union for damages because of the acts of its members, (2)the enforceability of an agreement or contract entered into by a union, (3) the rights of the union over its own members.

In Krug Furniture Co., V. Berlin Union of Amalgamated Woodworkers before the Ontario High Court of Justice, plaintiff brought action against defendants and some of its members for an injunction to restrain them from interfering with the workmen and from preventing workmen from entering their employment, and also for damages for wrongfully and maliciously procuring the plaintiff's workmen to break their contracts with the plaintiff and to cease working with them. In the course of the trial, the union contended that no action could be taken because they were not an incorporated body; but Judge Meredith said "this is but a technical objection.....no encouragement should be given to any organised body to evade the consequences of its act by abstaining from obtaining corporate capacity or other legal existence."[1]

In Local Union No. 9562, United Mine Workers of America V. William and Rees before the Supreme Court of Canada an appeal was made from the judgment of the Appellate Division of the Supreme Court of Alberta. The union sent a committee to the employer and by threatening a general strike had induced him not to employ the respondents. Although injury was proved Judge Anglin denied the liability of the union to damages. He contrasted

1. 1903, 5, O. L. R. 463 p. 468

the case with the one previously quoted, (Krug Furniture) and said, "The defendant union, sued as a corporation, appeared, apparently as such, unconditionally and its statement of defence did not contain the plea 'nul tiel corporation' as required by the rules of Court. Its incorporation was accordingly presumed. The explicit denial of incorporation in the present instance precludes any such presumption. In my opinion the judgment against the Local Union in its adopted name cannot be maintained".[1]

In Case V. Starr before the Manitoba King's Bench action was brought by the chief officers of the Canadian Division of the International Brotherhood of Locomotive Engineers, an unregistered union, against a former secretary of that organisation to compel him to give an account of funds in his possession when relieved from office.[2] The legal status of the union was attacked, counsel claiming it was operating in restraint of trade moved for non-suit. Justice Galt in examining the case said "Iknow of no cases in the Canadian Courts defining the respective rights of a registered and non-registered union. The English decisions are almost our only Guide. The subject is full of complexity, and I can see no escape from the necessity of tracing up the history of trade unions and the laws applicable to them, both in England and in Canada."

As the result of the fuller enquiry, Justice Galt concluded, "I cannot resist that the provision in the constitution and ritual of

1. 1919, 49. D. L. R. 578 pp. 589-90.
2. 1923, 2. D. L. R. 1112.

the plaintiffs relating to strikes, are open, under our Canadian law, to the same objection as were the rules of the respondent, in Russell V. Amalgamated Society of Carpenters and Joiners!--an example taken from an English Decision--. They are in direct restraint of trade and render the plaintiffs an unlawful trade union to the extent of preventing them from enforcing rights in a Court of Law. It is unnecessary to decide whether, or to what entent, they could have enforced their claim against the defendants, if they had registered their organisation under the Trade Unions Act."

After another appeal, the case was taken to the Supreme Court of Canada which finally dismissed the appeal with costs. Some extracts from the judgment will be given to indicate the general position of such cases and to illustrate the type of problem arising therefrom.

"The primary objects of the brotherhood plainly are to secure satisfactory arrangements for its members in relation to conditions of employment and rates of pay, and to provide means of settling disputes amongst their own members arising out of their service, and---there is nothing to indicate that the constitution has in view any means other than lawful means for accomplishing these objects.....The question is of great importance, in Canada, because of the peculiar condition of trade law in this country. The Trade Union Act, R. S. C. c. 125, has not been adopted by the Provinces, and as to many of its provisions there is, to say the least, the greatest doubt as to the authority of

the Dominion to enact them....If the respondents contention is sound, it is highly probable that every trade union in Canada is, as regards the security of its funds, absolutely at the mercy of the officials who have the custody of them. This would be an extraordinary thing. Provincial and Dominion statutes for the past 15 or 20 years have been directed to the encouragement of what is called "collective Bargaining". ....It would be singular indeed if the rights of the members of such associations in the funds provided for defraying expenses and salaries of officers, were left with no legal protection except that which arises from the liability to criminal prosecution".

From a consideration of the above cases it will be seen that the legal status of trade unions in Canada is by no means secure and beyond question. The only Statute that gives organised labour any degree of certainty in the matter of collective agreements, is the Dominion Act of 1872. This, it may be noted applies only to Unions registered under the Act. Few Unions are so registered, and, as we have seen Justice Galt seems to doubt the efficacy even of the Act. (The above cases and examples are summarized from "The Canadian Bar Review, Vol. 10, No. 6") 1932.

Art 'Trade Unions in Canada'.

Chapter 9.

Organised Labour in Canada.

We now come to consider the development of organised labour as we know it, in Canada today. According to the latest estimate of population, trade unionists represent 3.25 per cent; adding 105,037, the number of members comprised in the non-trade union associations, organised wage earners in the Dominion at the close of 1930 represented 4.30 per cent of the population.[1]

The International-Union Movement is well represented in this country; there being 84 of what are classed as international craft organisations. These unions have reported memberships of 203,478, leaving 118,971 for the other five classes of organisations.

The oldest Federated labour body in the Dominion is the Trades and Labour Congress of Canada. It was originally formed in 1873, but did not actually function until 1886 from which date the federation has had regular annual meetings. The Congress is the recognised head of the international movement in this country, and is in close co-operation with the American Federation of Labour. The Canadian Organisation pays a per capita tax to the A.F.L. and is autonomous with regard to all matters of legislation within the Dominion.

The A.F.L. decides all jurisdictional awards between craft unions and has the close support of the Canadian Congress in this respect. The Congress is an affiliate of the International Federation of Trade

1. Labour Organisation in Canada 1930 p. 7.

Unions with headquarters in Amsterdam, Holland, and sends a representative to the British Trades Union Congress and also the A.F.L. The Congress also has representatives on various advisory councils operating in the Dominion. The Trades Congress is the organisation representing the organised workers of North America on the Governing Body of the International Labour Office established under the League of Nations.

The All-Canadian Congress of Labour came into being at Montreal in 1927 as the result of the agitation, "that the Canadian labour movement must be freed from the reactionary influence in the United States controlled unions." It was pointed out that in 1902 the Trades and Labour Congress of Canada amended its constitution so as to exclude from representation unions whose members are eligible for membership in existing international organisations. This led to the grouping together of these latter unions in the organisation known as the Canadian Federation of Labour. In 1917 the Congress, notwithstanding the decision of the 1902 convention, issued a charter to the Canadian Brotherhood of Railway Employees, "with the distinct understanding that the chartering of the brotherhood was in no way to interfere with the jurisdiction or membership of the bona fide international organisations chartered by the American Federation of Labour and recognised by the Trades and Labour Congress of Canada."

In 1921, however, owing to the failure of harmonious relationships, the charter was revoked. At the conference in 1926 a resolution was presented "in favour of an 'all-in conference' of Canadian trade union

organisations for the purpose of considering the possibilities for the furthering of national trade-union unity in Canada". It is significant that the motion was defeated. Just prior to this however, it was announced that officers of the Canadian Brotherhood of Railway Employees, as well as officers of certain other labour organisations, had been considering a plan to bring together in a central body all unions not identified with the international trade union movement as represented by the American Federation of Labour and the Trades and Labour Congress of Canada. This resulted, in March 1927 in the establishment of the All-Canadian Congress of Labour. The Canadian Federation of Labour, one of the sponsors of the new congress, has since passed out of existence, several of its affiliates becoming identified with the All-Canadian body.[1] At the second convention of the Congress industrial unionism was adopted as the basic principle of organisation. In 1930 the reported membership of the congress was 27,963, a decrease of 24,466. This loss is accounted for by the withdrawal from affiliation of the One Big Union and the Mine Workers Union of Canada.

The phrase "INDUSTRIAL UNIONISM"is worthy of more attention. It is contended in these pages that all organisation leads logically and inevitably to this method. True, organised labour so far is slow in showing any particular readiness to accept industrial unionism; but it

1. ibid p. 11, 13.

is suggested that as the mind of labour as a whole begins to realise its sectional weakness and comparative impotence, in spite of the great improvements of the present day as compared with the early days of organisation, it will more readily listen to and accept the principles and methods of industrial organisation.[1]

The One Big Union, (O.B.U.) represents an effort to supercede the forms of craft organisation, The preamble of the organisation contains the following: "....to organise the wage earners according to class and class needs; and calls upon all workers to organise irrespective of nationality, sex, or craft into a workers organisation, so they may be enabled to more successfully carry on the everyday fight over wages, hours of work, etc., and prepare ourselves for the day when production for profit shall be replaced by production for use".

The new organisation[2] came into being at a time of strife and suspicion. It could not possibly have been born at a less opportune moment. Certainly the sponsors of the movement failed to understand the psychology of patriotic reaction. March, 1919 was a time when feelings ran high. The activities of the Communists were loudly proclaimed by the press. Much anger was aroused against anything savoring of "radicalism". The nervous tension of the war days was switched against anything that could be construed as constituting a "new menace". The thousands of

1. "Chaos & Order in Industry" G.D.H.Cole, pp 146 ff. See also "ORIGIN of the One Big Union" - Introduction.

2. But cf. "The Origin of the One Big Union" - Introduction.

returned soldiers, the war time patriotic organisations, and the orthodox institutions, all alike misunderstood the Calgary movement. As the 1919 strike was exposed in its more sinister aspects and the first wave of enthusiasm passed away, the O.B.U. gradually ceased to attract members into its ranks. Canada, at heart, is essentially aristocratic. The fulminations of the Third (Communist) International formed at Moscow, in March, 1919 aroused the ire of the majority of Canadian citisens. Lenin and Trotsky were regarded as butchers; the revolutionary movement was regarded as foreign in every respect. Unfortunately, the activities of the O.B.U. were connected, in the public mind, with Russia. The policies and expressions of the periodical 'The O.B.U. Bulletin' have often tended to keep this impression uppermost in the minds of the people. In spite of the common apathy of the masses to things spiritual, yet the gross materialism represented by the O.B.U. causes a nauseation in the minds of those who would probably be more sympathetic to them. A few years ago the organisation sponsored a series of lectures in Winnipeg by an English materialist.[1] The last lecture to a crowded house, brilliant in every respect, appealed only to those who have neither influence nor social respect, and definitely alienated from the movement many whose sympathy is necessary to make it successful In short, agitation, invective, and spiritual negation have helped to spoil what labour has yet to realise is perhaps its only hope,[2]

1. Joseph McCabe.
2. cf. "Present Day Labour Relations" P.F.Gemmill p. 295, on Industrial Unionism and Industrial Democracy.

The functions of organised labour, as understood by the O.B.U. are shown to be as follows;- "Modern industrial society is divided into two classes, those who possess and do not produce, and those who produce and not possess. Alongside this main division all other classifications fade into insignificance. Between these two classes a continual struggle on the one hand of the buyer to buy as cheaply as possible, and on the other, of the seller to sell for as much as possible, so with the buyers and sellers of labour power. In the struggle over the purchase and sale of labour power the buyers are always masters--the sellers always workers. From this fact arises the inevitable class struggle.

As industry develops and ownership becomes concentrated more and more into few hands; as the control of the economic forces of society become more and more the sole property of imperialistic finance, it becomes apparent that the workers, in order to sell their labour power with any degree of success, must extend their forms of organisation in accordance with changing industrial methods. Compelled to organise for self-defence, they are further compelled to educate themselves in preparation for the social change which economic developments will produce whether they seek it or not. The One Big Union, therefore, seeks to organise the wage-earner according to class and class needs, and calls upon all workers to organise irrespective of nationality, sex, or craft into a workers organisation, so that they may be enabled to more successfully carry on the everyday fight over wages, hours of work, etc., and prepare ourselves for the day when production for profit shall be replaced by production for use." (Constitution).

It is an easy matter to criticise the above statements. One critic would say the whole thing was an abstraction; that society is not so divided; that the possessor is often the producer and the producer the possessor; that it is just the "all other classifications" that really do matter, as they form the realism of society as it is and represent the result of social evolution; that the commodity theory of labour is too general to be valuable; and that even assuming these propositions to be true, it does not follow that "the inevitable class struggle" will follow.

Another critic may say, "why should not the ever present tendency of industry to concentrate into the hands of fewer and fewer people, eventually pass into a form of definite state socialism and thus eliminate the capitalist altogether?" and, "why should not 'imperialistic finance' be as efficient as any other sort?" or, "assuming the validity of these propositions is there any reason to suppose that organisation on the part of labour would really affect them?"

Still another would object that capitalism being utterly selfish albeit wise and far sighted and still comparatively young would assume a more elastic form and so modify itself as to appear in another guise altogether!

But apart from criticism real or fancied, the case for organised labour stands secure upon such propositions as the historical necessity for strikes, the lowering of wages, constant and growing unemployment, poverty, working conditions, and all the evils so apparent in this present world-wide industrial depression.

The principal solution offered by the One Big Union is that labour organisation should be so comprehensive and inclusive that it could meet all the other evils, real or fancied, upon much more equal terms. Wage earners are without doubt in the majority. The O.B.U. asks the very pertinent question, "Why should not the majority enjoy the principles of a policy that they, by universal co-operation, could bring into being? " But labour, like other organisations claiming Divine origin and destiny, is hampered by the stupidity, lack of vital interest, shortsightedness, jealousy, personal ambition, and all the other factors making up the catalog of human fraility!

Without taking into consideration two important features, credit and money, the fact of unemployment is simply stated. Human energy has been largely replaced[1] by the machine and scientific methods in both industry and agriculture. In this respect we are right in assuming that unemployment is technological in its origin. The productive capacity of the world has outdistanced its rise in population; that is, population, able to consume what is already, and can be immediately, produced. A greater volume of employment is not required for the sake of increasing productive capacity. Organised labour is fully aware that it would be suicidal to re-employ each human unit upon the former basis of intensive production demanded by the ever increasing use of the machine and science. Under the present system, this would lead to much waste, inefficiency, and the scramble for export facilities that would lead soon to another destructive war.

1. cf. Art. by Sir W. H. Beveridge in "the World's Economic Crisis".

The ranks of labour are faced with social humiliation and demoralisation. The mind of labour condemns the system which creates unemployment. Poverty, insecurity, lack of social confidence, breed a type of cynicism destructive to the body politic. It would be an easy matter to lengthen the tale of woe; but organised labour is faced with the grim realities of facts as they are. The wage earner is not able to wait a lengthy period for "re-adjustments"; he has to find bread for each day of the present week. It is this that makes the problem so acute for labour as a whole. It is the whole series of events comprising the "present system" which increases the desired functions of labour with each generation.

It is suggested here that a more rational order would be based upon the proposition that effective ability to consume is prior to production. In the complicated series of events arising from the maladjustment of these two factors, labour finds itself at the complete mercy of forces over which it has apparently no control; it is left derelict and stranded. Labour knows that the creation of work merely because it provides employment is socially unhealthy, and the social system which imposes such a necessity and allows itself to be thereby deceived, requires definite transformation.

Later on we shall consider the methods proposed by the more radical systems of organised labour to bring about more favourable and per-

manent conditions for the class as a whole. Before doing so, however, the contribution of the Federation of Catholic Workers will be considered. It is discussed here to bring about a contrast, both of philosophy and method, between the O.B.U., the older Trade Union Groups, and the Revolutionary movements proper.

The functions of organised labour as understood by the Catholic organisation are based upon the philosophy and social doctrines of the Roman Catholic Church as outlined by Pope Leo XIII in the encyclical, "The Condition of the Working Classes", May 15th 1891, and subsequently proclaimed by Pope Pius X. According to this teaching, it is an expression of natural law that the workers should "unite together in order to protect their rights and defend their interests"....."To decide in such a way as to bind all the associated; all matters of common interest; to assume authority to speak in the name of all its adherents and to demand that, within the limits of the end persued by the society, they abide by the legitimate decisions made by the majority." The F.C.W.C. admits that"labour organisation is a necessity of the present time." That "those whom the workers depend upon are already grouped into powerful organisations. That, "organisation calls for organisation"..... "otherwise the strongest would be too much tempted to exploit the weakest". But, "This cannot signify however, that the F.C.W.C. is preparing troops for the class struggle. If it organises the workers, it is in order that their class may deal more equitably with the other classes of the community and agree with them." "But distinct organisations, and different interests do not mean opposed interests and inimical organisations. Two moral persons, as well as two individuals,

can speak to each other, understand each other, live in good understanding and even in friendship."

The Catholic organisation "disproves the theory....that capital, capitalists and employers are born enemies of labour". The starting point of harmonious relationships between capital and labour, "is that employers and workers should be unanimous as to the conception of their reciprocal rights and duties". The Catholic Church claims for itself this doctrinal authority and supreme direction in labour matters. "The social question is above all a moral and religious question, and for that reason, it must especially be solved according to the rules and morals and judgment of religion." Under the tribunal of conscience the F.C.W.C., regard the strike as a dangerous weapon and to be used only as a final and extreme means in certain cases. Employees in public utilities are not allowed "the right to use the strike even as a final means". In such cases the matter of dispute must be submitted to a court of arbitration whose decision must be final and binding.

The above organisation is a purely Canadian organisation which arose as a protest against the "domination of Canadian organised labour by American organised labour. The F.C.W.C., believes it is wrong, an economic error, a national abdication and a political danger, to have in Canada syndicates depending upon foreigners.[1]

Article 3 of the Constitution outlines the methods to be used to bring about the points enumerated above, the chief of which are, organised propaganda in favour of Catholic syndicalism, labour newspapers,

1. Constitution. Art 1.

salaried organisers, workingmens research clubs and reliance upon directed legislation.

In 1921 the strength of the organisation was 45,000. In 1931 it was 25,000 with 101 local unions and seven study clubs. In comparison, the reported strength of the O.B.U., in Canada was 22,890 in 1929. The last reported strength of the O.B.U., was 23,724.[1]

1. Labour Organisation in Canada 1929. p. 56. 1930. p. 50.

Chapter 10.

A Chapter on "The Strike".

How differently the Industrial Workers of the World interpret the activities of labour! Instead of the possibilities of harmony between labour and capital brought about by the mutual recognition of "Reciprocal rights and duties", the I.W.W. take their stand upon the utter incompatibility of both parties.[1] They "have nothing in common". "There can be no peace so long as hunger and want are found among the millions of working people, and the few who make up the employing class have all the good things of life". Instead of the platitude that organisation is a necessary defensive measure, the I.W.W., depicts a "struggle that must go on until the workers of the world...take possession of the earth and the machinery of production and abolish the wage-system" altogether.[2]

The I.W.W. condemns the older trade-union system of organisation[3] for allowing "one set of workers to be pitted against another set of workers in the same industry, thereby helping defeat one another in wage wars" "The trade unions aid the employing class to mislead the workers into the belief that the working class have interests in common with the employers".

Moreover this organisation insists upon the method of the strike[4] being used, not as a last resort, but at once and as soon as any branch of its membership becomes involved in dispute, "thus making the injury

1. Brissendon "Hist. of I.W.W." p. 92.
2. Preamble to Constitution 1908. Brissendon "Hist. of I.W.W." pp. 351 ff.
3. Brissendon "Hist. of I.W.W." pp. 383 ff.
4. ib. p. 91.

of one, the injury of all." The years of effort spent by the older groups to bring about a more reasonable wage-scale, are considered utterly futile by the I.W.W. No system of remuneration by wages is sufficient to meet the requirements of labour. The whole development of former methods is condemned by the dogma, "abolition of the wage system". The social philosophy behind these radical utterances is based upon the utopian belief that by means of successive and continuous strikes, a new social order will spring up "within the shell of the old".[1]

Since its inception in 1905, the I.W.W., has had a stormy career.[2] It arose in violent opposition to the A.F.L. Its original membership consisted largely of unskilled and transient workers numbering about 400,000. One year later the organisation was split from top to bottom by the expulsion of its President, Mr. Sherman. In 1908 the political plank of the I.W.W., was discarded and another prominent leader, De Leon, and his followers who opposed this measure, were likewise thrown out. The dissenters formed an independent branch at Detroit, Mich. This new branch changed its name in 1915 to the Workers International Industrial Union, but in 1924 it passed out of existence. In 1917 the I.W.W. came into violent conflict with the United States Government[3] being charged with interfering with the war-time plans of the nation. A year later, in Chicago, 160 of its members were accused, 90 were convicted and sentenced to varying terms of imprisonment. Since then, over one thousand

1. ib. 352 Chicago Preamble.
2. Brissendon "Hist. of I.W.W.". pp. 88 ff.
3. ib. Preface to first edition p. 8.

other members have been brought to trial, convicted and sentenced in the majority of cases. In 1924 special meetings were called to cleanse the whole organisation of its many bitter factions. The most bitter element accused their fellow-members of accepting too readily the terms of pardon offered by the state when they were put in prison. Then followed another split and another organisation,--this one being called the "Emergency Plan" with headquarters at Portland, Oregon.[1]

Since the stormy days of 1918 the ranks of the I.W.W. have been inoculated with the germs of the Red International. In 1924 and '25 the Red International Affiliation Committee, sponsored by Moscow has endeavored to bring about a better feeling and understanding between the I.W.W. and Communism proper. The Workers Party of America, the United States Branch of the Communist Party of Russia, declared that the I.W.W. must be upheld against the A.F.L. At the same time the work of communist education must be carried on within the I.W.W. Two representatives of the Red organisation applied for permission to give lectures to the convention of the I.W.W., but the request was not granted.

Strange as it may seem, the I.W.W. is not friendly with the Communist movement. As late as 1930, Sept. 17th, when Louis Engdahl, communist candidate for Governor of New York, was addressing a meeting in New York City, Herbert Mahler--prominent member of the I.W.W., sentenced to five years imprisonment in the Chicago affair of 1917,--asked the speaker why the communists were not in favour of free speech, a serious riot followed between the Communists and the I.W.W. members.[2]

1. "Labour Organisation in Canada" 1930, pp 172 ff.
2. "Labour Organisation in Canada" 1930, pp 172 ff.

It is suggested that the policy of the Red organisation since 1924 has been to keep the ranks of the I.W.W. divided and impotent owing to their persistent refusal to accede to the demands of the revolutionaries.

The movement spread to Canada but has made little progress. It was condemned by the Canadian Government in Sept. 24th 1918; but the ban was removed in 1919. The Vancouver branch of the Lumbers Workers Industrial Union No. 120 is a chartered member of the I.W.W., and at the same time is in sympathy with the Red International of Labour Unions.

Last year the reported membership in the Dominion was 3,741. The ranks are kept informed by the weekly publication, "Industrial Solidarity" with offices at Chicago, and a western paper, published at Seattle, called the "Industrial Worker". Like the Communists, the I.W.W. endeavour to train the young in their principles; they are taught to fight against slavery, and oppression and "get the most enjoyment possible of youth while preparing for the future."

At present the above movement represents an isolated and incoherent labour organisation. It is shunned both by orthodox trade unions, and rank and file of the Communists. The reason appears to be on account of its lack of constructive doctrine and consistent method to bring about the changes advocated in such a manner in its constitution.

Supposing it "is the historic mission of the working classes to do away with capitalism"!.By what method is labour to function to affect the desired change? Labour is too intelligent and alive to the real difficulties of the problem to believe that a general strike is suffic-

ient. Industrial organisation as such is advocated by other and better informed groups which have constructive methods to bring about the creation of improved conditions. The abolition of the wage system implies a thorough re-construction of the industrial machine. Such a proposition ought to be backed up by a carefully considered and feasible alternative that will provide a more just and reasonable method of remuneration for the worker.

Although not expressly stated in its literature, it would seem[1] that the I.W.W. is based upon the theories of the Syndicalist Socialism.[2] The syndicalist centres his attention on the economic sphere. He believes in the strike whenever, and wherever possible; for better wages; for shorter hours, and, above all, for more control.[3] The strike is thought to be good even if it fails, for it gives the workers a vivid sense of solidarity, self discipline and self reliance. More important, it intensifies the class war.[4]

The strike emphasises the radical difference between the dispossessed proletariat and the possessing capitalist. This sort of doctrine was advocated by the French Socialist Blanqui. He taught the principle of the strike to paralyse the successful operation of the complicated and interdependant industrial machine. A general strike in a key industry would be quite sufficient to give the worker the mastery of the situation.

1. Brissendon "Hist. of I.W.W." pp 44 ff. also 53 ff.
2. ib. pp 275 ff.
3. ib pp 277 ff.
4. cf. "New Socialism" J.T.Stoddart pp. 205 ff. "General Strike".

Other things being equal, a total strike in the coal industry, say in Great Britain, would be sufficient incentive to give the rest of the workers such an intense class-consciousness that they would seize the reins of government and the instruments of production and thus proceed to overthrow capitalism.

The theory considers it is unnecessary to worry about the majority of people who would not be immediately interested in the issue. The idea of majority-rule is dismissed as a mere figment of bourgeois superstition. In any case wholesale revolution can only be made successful by a victorious minority. The very vagueness of the I.W.W. program is perhaps intentional. After the total disruption of the capitalist regime by the method of the strike, anything is better than the former system'.

Unfortunately, for the theory, other things are not equal in most Western countries. If the study of the development of the great organisations, as we have considered it, is any indication of what is likely to happen, we may rest assured the plans of the I.W.W. would take a century to materialise. Even then we leave out of consideration the strongly entrenched position of the capitalist system in the United States, Canada and Great Britain. The Army and Navy too would certainly not sit idly by and see the country in the throes of any violent minority. Then also, the spirit of compromise is a powerful force in the Trade Unions who would not accept so doctrinaire a philosophy. Small wonder the organisation has made little progress up to date in Western countries. Great Britain at least has turned to other methods to solve her industrial problems.

Chapter XI.

Organised Labour and the Gilds.

During the disputes of 1909-12 proposals were put forward by such men as S.G.Robson and A.R.Orage in the 'New Age' that trade unions should accept and adopt as their method, the ideas of the Gild Socialists.- A type of Socialism quite English in character. By 1912 the idea had spread until it had become a definite force in the British Labour movement, and its influence can be seen in many subsequent activities both of organised labour and the state concessions to labour demands.[1] In 1915 the National Gilds League was formed.[2]

Its object was defined in the Constitution as "The abolition of the wage-system and the establishment by the workers of self government in industry through a democratic system of national gilds working in conjunction with a democratic State".

Theoretically, Gild Socialism is based upon three propositions;- (1) The Principle of functional democracy; (2) That industry should be administered by the common action of workers both of hand and brain who carry on the industry; and, (3), that power and responsibility in society should be related and proportional to the importance of the functions which individuals perform in the service of the community.[3]

Gild Socialism concerns itself with the functions of production; the question of status; of working conditions, hours, wages, and amount of output.[4] As prices and production concern the consumer also, the

1. G.D.H.Cole "Chaos & Order in Industry" pp. 50 ff.
2. Quoted by G.D.H.Cole op cit p. 48.
3. Joad "Modern Political Theory" p. 76.
4, Russell "Proposed Roads to Freedom" pp. 82 ff.

Gild System is concerned with consumers councils. This "functional" idea then, advocates a devolution of powers to a number of different bodies which will express all the varied interests of man in modern society. It will be seen there is a connection between these ideas and the aims of the English Trade Unions. Small wonder then, that certain sections of organised labour in Great Britain, should bend their efforts to encourage this type of social theory.

It is not necessary here to trace the development of the Gild idea through the various schools of socialism. It is however, important to remember how the history of the development of the functions of organised labour demonstrates how the wage-earners as a whole have accepted the broad doctrine of socialism.

The Labour Party, for instance, in England is but a quarter of a century old. In the last election but one, it polled eight million as against thirteen million votes. In the last election, the number dropped down to a million as against sixteen million non-socialistic votes. Roughly speaking, the strength of the labour movement in Great Britain was, at one time, about one-third of the total. It was called into Ministerial office in 1924 and again in 1929. Its ranks include the finest types of men and women, and the constructive program of amelioration advanced by the Labour Party, is to say the least, worthy of consideration.

The demand for the nationalisation of the mines[1] during the disturbances of 1919, and the thorough investigation of the possibilities

1. Cole op cit 53.

arising therefrom, can be traced to the influence of the above movement; so also can the formation of joint board of control of the railways.[1]

The Building Gild Committee began work in 1919. The great housing shortage in Great Britain gave rise to a serious situation. Organised labour met the situation and, "in one town a contract has been actually assigned for the completion of five hundred houses in 1920, and five hundred more the next year. The Building Gild providing the labour, and materials at the usual market rate, charging two per cent for management, and eight per cent more to provide for the necessary plant and to pay their own members full weekly wages, instead of only for days of good-enough weather for outside work".[2]

The subsequent failure of the Gild must be attributed to the difficulty necessarily experienced by an avowedly Socialistic Experiment which endeavors to introduce itself into a capitalist society, rather than to any defects in the system itself.[3]

Another instance may be taken of an attempt to secure a permanent improvement between the wage earners and masters. During the labour unrest of 1916-17 the government instructed Mr. J. H. Whitly to draw up a committee to consider the whole matter arising from the disputants. "The Whitly Reports"[4] recommended governmental encouragement to the formation of joint industrial councils in each industry. The councils were to meet as national boards, and, as soon as possible, to organise into regional and district councils. All matters common to the trade were

1. Cole op cit 53-4.
2. "Industrial & Social History of England" p. 360.
3. Joad "Modern Political Theory" pp. 86.
4. But cf Strong criticism against G.D.H.Cole, "Chaos & Order in Industry" pp. 118 ff.

to be taken up by these councils. The recommendation was accepted by the Ministry, which in turn introduced the plan to the people, showing it would give the workers a much larger share in management and control of industry in general. By 1919 some forty-two trades had been thus organised and thirty-five were being helped by the government to getunder way.[1]

The joint industrial councils and their subordinate bodies were to be concerned with a wide range of interest. They were to consider measures for the regularisation of production and employment; the collection of statistics and trade information; the improvement of health conditions amongst the various industries. The common assumption being, that these matters were the interest of both wage earner and employer. The councils are not made by statutes; they are elastic and capable of being adjusted to meet changing conditions. Various administrative acts have given the councils advantages which earlier efforts at conciliation never enjoyed. They were granted funds, and the assistance of state officials. The councils were also regarded by governments as authoritative bodies on questions brought up for consideration. An official of the ministry of labour was attached to the councils to form a connecting link between them and the Department. In 1929, there were 54 such councils, covering about two million five hundred thousand workers.[2]

The Co-operative Movement in England is an illustration of the pos-

1. Cheyney op cit P. 362.
2. Amulree "Industrial Arbitration in Great Britain" p. 125 ff.

sibilities of a well reasoned system of joint control of a vast business organisation. The recent success of the movement, during years of acute depression, proves that it has something of great value to offer to organised labour as a whole, In the Canadian Congress Journal for June 1932, Mr. Geo. Keen, general secretary-treasurer of the Co-operative Union of Canada contributed an article called "The Depression and its Causes". In this article Mr. Keen describes how the English movement has organised demand in advance of production. He says, "It will be interesting to quote the experience of the movement during two of these years of depression, the statistics for the third year not yet being available. As to employment, the movement increased the number of its workers by 9,666 in 1929 over the total of the previous year, and in 1930 by 8,755 over 1929; the increase of productive workers being 2,839 and 7,564 respectively. The total number of employees in 1930 was 257,491. Of that number 117,672 were engaged inproduction and 139,819 in distribution. The payroll for productive workers only was increased in 1929 by £805,429 and a still further increase was recorded in 1920 of £645,557.

Distributive wages increased in 1929 by £952,576 and again in 1930 by £334,918. The sales of the retail societies, which absorbed the output of the productive departments, showed an increase of £7,577,544, in 1929 over 1928 and of £350,902, in 1930 over 1929. Owing to the lower prices ruling in 1930 than in the previous year the increase in quantity sold was greater than was revealed by the sales expressed

in terms of money. The total sales of the retail societies for 1930 were £217,318,001. The net trade surplus or profit, for 1930, exceeded that of 1929 by £505,914, the total being £22,114,640. Approximately four-fifths of this huge sum, which would otherwise have augmented the fortunes of a comparatively few, were returned to the consumers in purchase dividends, to that extent, increasing their purchasing power, and stimulating the demand for production; the balance being used for the payment of interest on capital and appropriations to reserve, charitable and educational funds".

The above is quoted at length, as an indication of what might well be copied by organised labour in other and totally different fields of activity.

Chapter XII.

The Trade Boards as a Method of Organised Labour.

The development of the present Russian system is the result of the doctrinaire teachings of the political radicals. It is the spirit of 'no compromise'; no half-way measures and nothing in common with the 'master class'. The British capacity for moderation and readiness for experiment-without-destruction has allowed organised labour to evolve what is called the Trade Board System.

Minimum wage legislation in Australia during the years 1894-96 gave impetus to a similar movement in Great Britain[1]; although for many years organised labour had been concerned with the subjects covered by the movement to be analysed now.

The Act of 1909 was modelled after the Factory and Shops Act 1896. Like the Australian Act, the British Act was formed to cope with the bad conditions pertaining in certain undeveloped industries notably the chain makers at Cradley Heath and the clothing trades in London. Although, at first, the British Act was confined to four trades only, the Board of Trade had the power to make provisional orders, which, subject to Parliament, could be applied to other trades if conditions warranted. The principle grew, and in 1913 five new trades were included.

The Trade Board Act of 1918 was the result of the general acceptance of State Regularisation of Wages in principle at least for, by the year 1918, five other statutes were passed furthering this development.[2]

1. Amulree "Industrial Arbitration in Great Britain" Chaps. IX & X.
2. Sells. "The British Trade Board System". p. 2.

Here again we find the influence of the Whitly movement, the essence of which was to organise thoroughly each trade so that each may enjoy the advantages of a Trade Board. The Last Act of 1918 had three main purposes; viz;- (1) To create an instrument of self-government for poorly organised trades, with legal enforcement of rates in order to offset the disadvantages of lack of organisation among both workers and employers; (2) To prevent a sudden fall in wages immediately after the war; (3) To adjust wages upon a fair basis in future.[1]

During 1919 fifteen new Boards were set up, and a year later, thirty-four came into existence. In 1921 three more were added making a total of sixty-three boards covering thirty-nine trades, governing the wages of about three million people.

The Trade Board System consists of two parts. (1) Legislative power which is vested in the Boards. (2) Administrative and executive powers which rest with the Ministry of Labour. These latter powers are divided into four parts; viz;- (a) The setting up of boards. (b) The confirmation of rates; (c) The enforcement of legal rates; (d) The decision on questions of demarcation and scope.

The Act provides that an equal number of people representing the workers and an equal number of employers shall make a board, together with the addition of some independent persons known as "appointed members"

1. ib. p. 5.

The Ministry of Labour is concerned with the fullest and fairest representation of both sides. When a trade board has been established, the Minister is concerned with the confirmation of rates fixed upon by the board. The board alone legislates upon wages. The Ministry alone gives the official sanction to the rate set.[2]

It is provided that a trade board shall consider any objections filed with it, during a period of two months after the rates are proposed, and shall not fix the rates before the expiration of such period.

This acts as a check upon hasty legislation, by giving a Trade a chance to check errors. It also makes it possible for the side that is over-ruled to appeal. Further, it allows either side to place the whole matter before a larger representation of its own members so that objections may be heard against the conditions decided upon.

It seems that workpeople on the whole are in favour of the ideas contained in the Trade Board system. Of course the movement is not above criticism. It some cases employers are opposed to it; but the history of the development of the system shows the main principles are sound and practicable. The movement tends, not to isolate the employer from the worker and thus create conditions for class antagonisms, but rather it fosters the possibilities of bringing about conditions for permanent improvement along evolutionary lines as opposed to revolutionary tactics. "There is almost complete agreement that up to the

2. ib. p. 16.

end of 1918 the results of the operation of Trade Boards were beneficial to the employer, to the worker, and to society as a whole."[1]

The operation of the system raised the level of wages on the whole. It curbed the competition of the unscrupulous employer. It developed efficiency in many plants. It put organisation to a better use than fighting.

The possibilities of the method are so far reaching that one is encouraged to suggest that from it British Labour at least will be enabled to evolve a system capable of solving many of the major ills and problems of industry and industrial relationships.

1. ib. p. 259.

Chapter XIII.

The Revolutionary Movement of Organised Labour.

At this juncture we shall consider the position taken by the revolutionary bodies proper with respect to the aims and claims of organised labour. On March 6th 1919, the Third Communist International was formed at Moscow as a revolutionary political organisation. In July 1921, the Red International of Labour Unions was formed as "an international which, together with the Communist International, will organise the working class for the overthrow of capitalism, the destruction of the bourgeois state and the setting up of the dictatorship of the proletariat; an international which will seize all the means of production and establish the communist commonwealth."[1]

The Communist movement has spread to practically every country in the world. The underlying philosophy of the movement, its aims, teaching and method are all embodied in what is commonly called "Marxism". It is not our purpose here to trace the theoretical development of Marxism; we shall confine ourselves to the analysis of the communistic position with regard to organised labour. Let us start at home first.

The Canadian affiliate of the Communist International is the Communist Party of Canada, with Headquarters at Toronto, which recognises the Moscow body as the only real centre of world revolutionary activities. As an aid in spreading its doctrines among the young people of Canada, the Young Communist League has been formed. Still younger children are taken care of by the Young Pioneer Movement.

1. Preamble "Trade Union Unity League".

The official representative in America is the Trade Union Unity League, once known as the Trade Union Educational League. The League "aggressively furthers the formation of new revolutionary industrial unions in industries where there are no unions and in industries where the existing unions are corrupt and impotent."[1] It also endeavors to organise "the left wing" of the older unions by a method known as 'boring within,' ie, tries to persuade the members to propagate communistic doctrine within the lodges.

The Red Movement in labour is absolutely opposed to such organisations as the American Federation of Labour, or such groups as are represented by the Catholic Unions. Yet the Communist International maintains that the trade union is the natural link between the Communist Party and the working class. A meeting of trade union representatives was held in Moscow in July 1921 and included two delegates from Canada--one from the O.B.U., and another from the Edmonton Branch of the Lumber Workers Industrial Union. The O.B.U. however did not continue its affiliation with the Red International, neither did the Edmonton branch of Lumber Workers, though the parent organisation of the latter did until 1926 when it passed out of existence. At present, officially at least, no Canadian Trade Unions are identified with Russia.[2]

1. Constitution of Communist Party in Canada.
2. Labour Organisation in Canada. 1930. p. 159.

The 1921 Constitution still holds good. It is the best commentary on the revolutionary position. We shall quote the Preamble at length. "The class struggle has now reached such a degree of development and acuteness that the working class, in order to successfully conduct and complete its struggle for emancipation, must fight as a solid, revolutionary class power, not only on a national, but also on an international scale, against the bourgeosie, which despite the severe competition on the world market, is closely united in its hatred of the proletarian revolution and solidly welded against the slightest attempt of the proletariat to free itself from exploitation. Since the exploitation is international, the fight against it must have an international character. All international of labour unions, which existed up to the present moment at best were but international statistical bureaus for mutual information. The International Secretariat of Labour Unions before the war was merely an information agency; it did not pursue any militant class aims. The Amsterdam International of Labour Unions is even less fit to deal with the issues at stake than its predecessor. The first was but an information office, the latter occupies itself with politics of the worst kind, with anti-proletarian bourgeois politics. It sets forth the idea of class-cooperation, social peace and peaceful transition from capitalism to socialism. In its essence it is an international of counter-action to the struggle for emancipation of the working class.

Against this international of impotence, confusion, subservience to the bourgeois, such as the Amsterdam International is, we must oppose---

an international of revolutionary vigour, of class activity---an international which together with the Communist International will organise the working class for the overthrow of capitalism, the destruction of the bourgeois state and the establishment of the dictatorship of the proletariat; an international which will seize all the means of production and establish the commonwealth.

Such a militant labour-union-international can be built only by revolutionary class union, conscious of the purpose and method of the defensive and offensive struggle against the class enemy. The problem history has put before the revolutionary unions requires the utmost concentration of power, unexampled intensity and the greatest self sacrifice of the conscious vanguard elements of the working class."

The aims and purposes of the Red International of Labour Union are;- (1) to organise the large working mass in the whole world for the overthrow of Capitalism, the emancipation of the toilers from oppression and exploitation and the establishment of the Socialistic Commonwealth. (2) to carry on a wide agitation and propaganda of the principles of revolutionary class struggle, social revolution, the dictatorship of the proletariat and revolutionary mass action for the purpose of overthrowing the Capitalist system and the bourgeois state. (3) to fight against the corruptive ulcer, gnawing at the vitals of the world labour union, compromising with the bourgeois against the ideals of class co-operation and social peace and against the absurd hopes for a peaceful transition from Capitalism to Socialism. (4) to unite the revolutionary class elements of the World Labour Union movement and

carry on a decisive battle against the International Bureau of Labour attached to the League of Nations and against the Amsterdam International Federation of Trade Unions, which by their program and tactics are but the bulwark of the world bourgeoisie. (5) to co-ordinate and regulate the struggle of the working class in all countries and organise international demonstrations each time, when the situation demands them. (6) to take initiative of international campaign about prominent events of the class struggle, to open subscription lists for the benefit of strikers in great social conflicts. etc."

Membership in the Red International is open to any Revolutionary economic class organisation if it accepts the following conditions;-

1. endorsement of the principles of revolutionary class struggles,
2. application of these principles in its daily struggle with Capitalism and the bourgeoisie state,
3. recognition of the necessity of the overthrow of Capitalism through the social revolution and the establishment of the dictatorship of the proletariat for the transition period,
4. recognition of and submission to the international proletarian discipline,
5. recognition and application of the decisions of the constitutent Congress of the Red International of Labour Unions,
6. the rupture with the Amsterdam Yellow International,
7. united action with all the revolutionary organisations and the Communist Party of the country in all defensive and offensive activities against the bourgeoisie.[1]

1. ib. p. 159.

As stated earlier, the plan of the Red International is similar in all countries. So far it exists in Canada only as a persistent form of propaganda. In Russia it is both a theory and a fact. As a theory it is taught with the zeal of religious fervor; as a fact it has existed since the historic revolution. The Soviet Republic has passed through two stages, namely, propaganda and preparation, and the seizure and consolidation of political power. It is now in the third stage: the stage of re-organisation of social relationships upon the basis of a new economic foundation.

In this third stage, the re-organisation of social relationships, the position of the worker stands out most clearly. In the dictatorship of the proletariat, the functions of organised labour will be briefly described.

"The rights of the working people and their relations to those who are directly responsible for the administration of the economic machine, are embodied in and regulated by the "Labor Code" which is an organised part of the Soviet State".[1]

The Code regulates the duration of the working day, the manner of hiring and discharging workers, the employment of women and minors, vacations, etc. "The provisions of the code of labour law apply to all wage workers, and are binding on all works and factories, institutions, and economic undertakings and on all persons employing wage workers for remuneration".[2] The Russian worker functions through the trade union,

1. "The Economic Organisation of the Soviet Union." Nearing and Hardy. p. 159.
2. ib. p. 159. "The Labor Code" quoted by Nearing and Hardy.

and the unionist is a privileged person. Membership in a union carries with it special facilities for travel and for amusement; the children of the worker have special facilities in education. The trade union card marks its holder as a socially useful member of society. The unions are the lawful representatives of the workers in social, political, and economic life. The union is not only recognised, but its position is supreme and its authority is that of the law. "The whole of the State organisations[1] are in duty bound to further the objects of the Trade Unions and their associated bodies." The trade unions have "completely furnished premises for the establishment of Labour palaces" provided by the State. They are granted special concessions in the use of the post office, telegraph, telephone, railways, waterways etc. The Trade Union is totally different from, say, the orthodox English system. The union includes all the workers engaged in any one factory, both male and female.

A factory council elected for a period of six months is the connecting link between the workers and those in charge of the industry. The workers themselves elect the council, the members of which are released from actual work during their term of office and are given full pay during office. The workers in the larger factories are kept fully informed of the decisions and plans of the council. Special delegates are in constant touch with the workers whose opinions and wants are taken to the council to be put into force; decisions of delegates are binding upon the councils.

1. "Soviet Union Monthy " Vol. II, p. 118, quoted by Nearing and Hardy, p. 160.

The council has a threefold function. (1) Protection of the economic interests of the workers whom they immediately represent; (2) Improvement of the cultural level of the workers; (3) The improvement of production and technique in the interests of the entire Soviet Union. The trade unions are also organised into city central bodies and into provincial trade union councils. The trade union movement is in turn united as a whole into the All-Union Central Council of Trade Unions, which contains representatives from all of the central trade union societies.[1]

It appears that there is a great deal of interest shewn by all the workers in the trade union movement; union affairs and organisation are by all accounts, discussed with great animation by the rank and file who all take an active part in union activities.

According to Nearing and Hardy who quote Articles 19 and 20 of the Labour Code, collective contracts and agreements are not valid if the conditions contained in contract are below the minimum set by the Code. Labour inspectors are specially appointed to see that the regulations are enforced. Collective agreements between the trade unions and the management decide all matters concerned with wages, conditions of work, settlement of disputes etc. In the case of industrial activities extending over the whole country, such as the railways, the contract is drawn up between the economic authorities and the central committee of the national union. Local committees then work the details out as they apply to the men within their jurisdiction.

1.

All members in the unions are required to pay 2% of their wages to maintain the work of the unions whose financial position is continually gaining strength.

In order to safeguard the interests of the workers from the danger of competition between industrial groups, the right to strike is fully maintained. In this respect the workers are protected from the possibility of a bureaucracy misapplying the general policy of the state. The state is not opposed to the method of the strike, or to the strikers, for it is understood that this weapon of the workers has been called into use in order to correct a delinquent unit of the state. From what has been written above it will be understood that the possibility of the workers "going on strike" is quite remote simply because the conditions causing a strike are not allowed to exist in the normal order of events. The People's Commissariat functions in order to meet the possibility of labour unrest and dispute; arbitration and conciliation, strike settlement are fully provided for.

Arbitration bodies consider such cases as the discharging of either foremen or workers. No workman may be discharged without the consent of the local union. If the individual workman is to be discharged for some disciplinary action, it has to be proved that his misconduct was detrimental to production.

Wages are regulated by collective contract through the local union. Actual wage covers only the cost of the necessities of life. Such boons as insurance, medical and dental care, education, recreation,

travel, come to the worker in the form of benefits through the trade union, the cooperatives, or the state. Hours of Labour are fixed by the unions; the principle of overtime is not generally accepted, although special conditions decide the amount that may be worked.

The trade unions are called to participate in such matters as technical discussions, new processes etc. Representatives from the unions sit in all councils of the Soviet State where their influence is so direct that no matter can be discussed or resolved without their consent. All regulations and laws of the state affecting the workers received the sanctions of the All-Union Congress of Trade Unions.[1]

Sufficient has been given to show how fully developed and comprehensive the functions of organised labour are in the Soviet Union.

We are not concerned with the many and varied criticisms of the Revolutionary Movement in general; we are not concerned with the peculiar social adjustments, or maladjustments as the case may be, arising from the Revolution. The fact remains that the functions of organised labour are considered to be coterminous with every activity of the body politic which has any bearing whatsoever upon the wage earner. Stated otherwise, the functions of organised labour direct and control the whole economic sphere.

It may be objected that the present system in Russia is coercive in all its methods. Perhaps it is. We shall see in another chapter

1. ib. p. 162-177.

that the system is not what its advocates hoped it to be. Without anticipating too much we gather from recent observation that it is not really communistic at all. Be that as it may, generally speaking the policies of the state are directed through the agencies of the organised worker. Before we leave the Russian Labour experiment we mention in passing that magazine and newspaper articles, too numerous to mention, have upheld the criticism that Russia being caught in the race for industrial progress is forced to revert back to the methods of Capitalism. State Capitalism having taken the place of the type we are more familiar with.

The instance to be given now is but one of many to illustrate that the system is slowly being modified.

The Labour Gazette[1] for July 1931 quotes an article appearing in The Associated Press, July 7, to the effect that the system of wages has had to conform to the principle "according to work done and not according to the needs of the workers....." "In many of our factories the wage system is such as to leave no difference between the skilled and unskilled worker, and between hard and easy labour. This leads to unskilled workers showing no interest in raising their qualifications, and skilled workers move from factory to factory in search of a place where their qualifications will be more valued. To give this shifting a free hand would undermine our industry, wreck our plan of production, and stop improvement in the quality of manufactured goods We must destroy such equal wages. It is unbearable to see the locomotive driver receiving the same wages as a book-keeper." The Associated Press attributes these words to Stalin himself.

1.ib. p. 738.

The above will at least illustrate the principle that as adjustment is inevitable in the Russian system, so progressive adjustment is possible in the present system as we now know it.

Chapter 14.

WOMEN AND ORGANISATION.

The position of women in industry today is clearly connected with early attempts at factory legislation in England, indeed, this type of legislation began with the regulation of the employment of children, then it took into consideration the restriction of hours of labour of women. An act of 1844 did reduce the hours of labour amongst women. The men desired that the act should include them also, but they were quite content to let the women benefit in the hope that their own position would be improved without further legislation. It seems they were right in their contention.[1]

From the economic point of view, the position of women is somewhat different to that of men, because the character of their work is generally speaking temporary and adventitious, owing to the effect of marriage upon their industrial status. This doubtless, hinders their capacity for combination and also their ability to defend their rights as early and permanent organisation amongst men has done. Then, again, the State has a more definite interest in conserving a proportion of women's time and strength to enable her to perform her duties to the home and family, and to render her practical aid in the furtherence of a State child-welfare policy.[2]

1. Hutchins and Harrison "History of factory Legislation" p. 186.
2. "Standards of American Legislation" E.Freund, quoted by Ford "Social Problems and Social Policy" p. 267 ff.

Alice Henry[1] states the question of Women Labour in the modern world very clearly. As she says, women are employed in large numbers, and are entering new trades. Too often, they work under inhuman conditions. For the most part, until quite recently, they were unorganised, and have only just acquired the power to vote. Even today colored women in many of the southern states are still practically voteless. Not only do women suffer from over work and underpay, but working under such disadvantages they necessarily become underbidders to men, and seriously weaken what ought to be the solid front of organised labour. Then again, as the mothers of the race, they are being injured in regard to this function. Quoting the figures of the 1920 census of the United States, Miss Henry[2] says women are represented in the following occupations:

Agriculture, Forestry and Animal Husbandry,	12.7%
Extraction of Minerals, (less than)	1/10th of 1%
Manufacturing and Mechanical Industries,	22.6%
Transportation,	2.5%
Trade,	7.8%
Public Service,	.3%
Professional Service	11.9%
Domestic and Personal Service,	25.6%
Clerical Occupations,	68.7%

Exactly how many women belong to the trade unions in the United States is by no means certain, the abscence of union organisation among women in industry was discussed by the Committee on Women Workers of

1. "Women and the Labour Movement," Introduction.
2. ibid p. 57.

The International Federation of Trade Unions at a meeting held in Switzerland recently,[3] it was estimated that at the present time less than one tenth of the women wage earners belong to national trade union organisations that are affiliated to the International Federation. The Committee recommended that National bodies should give fuller consideration to unionizing women. A report on the subject considered by the committee stated that in industrial countries the number of women working for their own support, averaged about one-third of the total labour force. Industrial work for women was shown to result from the use of machinery, and rationalization had encouraged it by opening new avenues of employment. The report recalled that the International Federation had repeatedly declared that opposition to female employment afforded no solution, for the employment problems resulting from the displacement of male by female workers; efforts should be made to improve the economic conditions of both sexes, and this object could only be achieved by the organisations of women workers.

The 1930 Census of the United States reports that of the whole number employed in gainful occupations, namely 48, 832, 589, the male workers numbered 38,053,795 and the female workers numbered 10,778,794.

In Russia, the per centage of women employed in industry has remained almost constant, year by year since 1926, at about 28⅓%. The

1. The Labour Gazette, October, 1931, p. 1057.

Commissariat of Labour of the Russian Federation of Soviet Republics has drawn up a list of occupations, in which women must be employed either by preference or exclusively, and this list was approved by the Council of People's Commissaries of the Russian Federation on January 16, 1931. Among the occupations in which women must be employed exclusively the most important of certain branches of the textile, chemical, electrical engineering, and clothing industries, while large numbers of posts are reserved for them in offices, and commercial undertaking. Plans are in preparation for substitution of women for men in these occupations and for the distribution of the labour thus released among the various branches of industry.[1]

A recent attempt to arrive at an estimation of the proportion of women employed in the various industries of the United States, showed that in the bakery and confectionary business, a poorly paid trade,--but one that is constantly growing,--only about 25% are organised. The International Brotherhood of Bookbinders have 11 local unions composed entirely of women and 110 locals of both men and women. In all, 6000 women belong to the organisation. The Boot and Shoe Workers Union have about one-third women members. The Stitcher Local 154 of Brockton, Mass., has 95% women membership. The United Hat and Cloth Makers of America out of normal membership of 12000 has 4000 women members. The Railway Carmen report some women members, but do not know exactly how many; probably very few. The Railway and Steamship Clerks have about 16000 mem-

1. Op cit. p. 1057.

bers. The Cigar Makers Union, 7000. The International Fur Workers have 2,500 women members. The Ladies Garment Workers report a women membership of over 50,000. The Hotel and Restaurant Employees have 186 local Unions, with many women members, though the exact number is not stated. The National Federation of Postoffice Clerks has 590 Local Unions with an inclusive membership of 4000 women.[1]

With the development of organisation among women, there have followed improvement in the conditions of working, the shortening of hours, the raising of wages, and generally speaking, all the other benefits familiar to the development of organised labour as a whole.

Women contend they have a right to enter any trade, they are physically capable of performing. Assuming this right, it follows they will compete with male labour more and more. If a woman is able to do the same work as man, and if she will do it more cheaply it is reasonable to infer, other things being equal, that the employer will engage female labour in preference to male. There are however, some occupations quite unsuited to women labour. There are others which, owing to the changing status of women in society, can be made just as suitable for women as men. Organised labour as a whole, is concerned not only, or even primarily, with the theories underlying the relative position of men and women in society, but chiefly with the fact of women as a labour unit. The underlying assumptions of organisation apply equally to both sexes.

1. Women and the Labour Movement. Alice Henry p. 57ff.

It is contended that all the arguments in favour of male organisation can be applied equally to organisation amongst women. The purpose of organisation, under the present dispensation, is to strengthen the position of labour with respect to those who employ women. It is a moot point whether organised labour ought to urge the state to care more for its potential mothers than it does at present. An enlightened state, one is persuaded to believe, ought to provide suitable conditions for the continuance of its own life. May it not then be said, that if every women is a potential mother of the race, so also every normal male is a potential father etc.? Apart however, from theorizing, it is taken for granted that "working conditions" in general are more important to the welfare of a woman than a man. The conditions under which the labourer works rightly form part of the purpose of organisation.

The question of a Minimum Wage for women in the United States was brought to the attention of The Boston Women's Trade League, as a result of a visit of Miss MacArthur from Great Britain in 1909. A Commission inquiring into the whole question of the wages of women and minors followed; the result was the Massachusetts Act of 1912. One year earlier bills for minimum wage board were passed in the states of Minnesota, Wisconsin, and Massachusetts. The last named state was the first to pass a minimum wage law. This was in 1912. By March, 1923, there were minimum wage laws for women in 13 states.[1] It is to be regretted however, that only a very few states have made the standard a living one. "Meanwhile"....."every wage law that is enforced helps."..

1. Ibid p. 147 ff.

"to bring home to the public the sense of responsibility for social conditions, and also to encourage organisations among the workers. There is no such protection as that afforded by organisation."[1]

In Canada, eight of the nine provinces, have passed minimum wage laws. Since Miss Henry's book was published in 1927, Nova Scotia, New Brunswick, and Quebec have joined the Western Provinces in passing and putting into effect minimum wage laws.[2] (New Brunswick, assented to a minimum wage law on April 10th, 1930)

In Quebec, the "Act to amend[3] the Women's Wage Act. Section 2, of the Women's Minimum Wage Act. R.S. 1925 c 100 was assented to April 4, 1930.

The Nova Scotia Act was proclaimed in force May 1, 1924, but it was not until, March 3, 1930 that a board was finally appointed to make it effective. The first order of the board---that governing females employed in laundries---in Halifax,--was issued August 5, 1930, and became effective October 1, 1930. Since then, five Orders have been put into effect, The Sixth governing female employees in the "Food Trades" was officially announced to take effect July 6, 1931.[4]

An important development in the Women's Labour movement of United States is the establishment of the Women's Bureau as an essential part of the Department of Labour. This came into being when the Department

1. Ibid p. 153.
2. Labour Legislation in Canada, p. 7.
3. Ibid p. 11.
4. Labour Gazette, 1931, p. 769.

of Commerce and Labour was divided in 1913, and the interests of labour were handed over to the newly formed Department of Labour.[1] Since this date, the Women's Bureau has been actively engaged in securing status to women's organisations, and furthering the welfare of the women workers generally.[2] Though we note the Women's Bureau was not placed on a permanent basis until 1920.

Trade Union Organisation amongst women is faced with the same sort of difficulty as Organisation among men. The same type of obstacle has to be overcome.[3] The report of a recent inquiry into minimum wage conditions amongst women in America shows that many employers pay a wage so low that the female employee could not subsist upon it, if she did not live at home. The present writer has inquired carefully amongst many shop assistants in the large stores in two Manitoba cities for instance, and he has found that, in the majority of cases, the wage paid is so low that without the girl has other means of subsistance, she can barely live upon it.

The Women's Bureau realize it is not possible to advocate for legislation without having first made a thorough investigation of the whole position. This is indicative of the activity of the women's organisation mentioned above in its solicitude for the woman worker.

As the methods of industry constantly change, and more women become

1. Alice Henry's "Women of the Labour Movement" p. 166.
2. Ibid p. 172.
3. L. G. July 1931, p. 771.

eligible to engage in the processes of manufacture, the need of a closer cooperation, with existing Labour Groups will be necessary. There must be no competition between the two types of organisation.[1] The interests of one will react upon the interest of the other. The whole cause of organised labour is effected thereby.

1. "Legal Status of Women in Canada", p. 73 ff.

Chapter 15.

Organised Labour in Australasia.

We shall now consider the methods adopted by the peoples of Australasia to cope with their industrial problems in the hope of securing in some measure at least the much desired harmony between labour and the employing classes. The movement now to be analysed is not due to the activities of labour alone. It represents, rather, the activities of another factor--one whose functions we shall see in later pages are, or ought to be, to assist in the harmonious direction of both capital and labour, and to formulate plans to that end. The interests of the State cannot severed from the wellbeing of the industrial masses nor from the enterprise of the masters of commerce.

The Wage Board system of Victoria began in 1893 with a Parliamentary Board to enquire into and report upon the working of the Factories and Shops Act of 1890, especially with reference to the popular clamour against "sweating" and bad sanitary conditions in some of the workshops. In 1896 a Factories and Shops Act was passed which provided for the appointment of Special Boards to set a Minimum Rate in the so called sweated trades, eg. clothing, boots, furniture and bread. The rates set by the Board were to be enforced by the Ministry of Labour by means of Factory inspectors.

The above Act continued in force until 1900 when it was renewed for a further period of two years, during which period it was modified to

meet further demands and to admit other trades than those specified above. A Royal Commission appointed in 1900 issued its report two years later. The report was not altogether in favour of the Wage Board System. It was suggested that an Arbitration Board, similar to that of New Zealand, be set up in its place. Yet the next Ministry was not at all in favour of the principle of arbitration. Eventually the Act was modified by withdrawing the privilege of allowing the Chairman a casting vote, and by providing that at least two employers should vote with the employees or vice versa, before the decisions of the Board could be finally settled. No new Boards were to be formed.[1]

However, it was found that no good came of the modifications and in 1903 a new Act was passed restoring the power of the Chairman and omitting other measures not thought suitable. With the sanction of both Houses of Parliament new Boards could be formed. A Court of Industrial Appeal was formed in order to make adjustments between the parties concerned; the Court thus formed had the power to arrive at decisions in case a Board could not do so. In 1905 a Consolidating Act was passed which placed the Factories and Shops Act on the Statute Books permanently.

In 1907 the Act was amended in order to provide for special boards to cover hitherto disorganised groups not working in factories as such. Power was given to special boards to fix rates for less competent

1. (M. T. Rankin "Arbitration and Conciliation in Australasia." p. 12-15.)

workers. Provision was made to provide for suspension of decisions during and pending a strike. In 1910 amendments were passed to provide for still other occupations, such as hotel workers, commercial clerks etc. Provision was also made for the appointment of boards with State jurisdiction. Country boards could also be appointed. The limitation of apprentices to one for every three minimum wage earners was allowed, and by this provision, skilled men could be disciplined by the courts for failure to keep the terms of their indentures.[1]

Special Boards were to consist of one-half of employers and one-half of workers. The term of appointment was for three years. Before the Minister of Labour could make the appointments, the names chosen were to be published in the Government Gazette. Should one fifth of the members of the trade concerned object to the board about to be appointed by the Minister, they could do so, and the suggested board would not be appointed. The Chairman, elected by the members of the board, to have the power of an ordinary member. A Secretary, a member of the official staff, also to be appointed.

The powers of the Boards were to be limited to fixing the minimum wage and piecework rates, regulation of hours, and proportion of juvenile workers. Since 1903, the boards have the power of fixing special

1. (ib. p. 17 ff.)

rates for the aged and generally incompetent worker. Board decisions are called "Determinations". The meetings of the board are so arranged as not to interfere with the work hours unless specially required. Each member receives about two dollars for his time and trouble; the chairman receives twice that amount. On the whole it is considered to be the cheapest form of industrial settlement that could be devised.

The system described above does not depend upon the organisation of employees or employers; it came into being in order to protect weak trades. The system is not concerned with the prevention of strikes. It may be said that because there was such a remote chance of a strike in the industry concerned that the system came into being. As the wage-board system developed and was modified to meet changing conditions, the original purpose of the board became somewhat obscured. The number of boards has greatly increased and now includes strongly organised labour groups.[1]

Since 1903 employers have appealed against wage-board decisions but four times. There have been no strikes against decisions of a board.[2] The Wages Board system appears to be a compromise between voluntary conciliation with legal enforcement of agreements and a compulsory arbitration system. The peculiar nature of the system is that the boards, although they really legislate, yet do not provide for enforcements.

1. (ib. p. 20-30.)
2. (ib. p. 39.)

Neither employer nor employee may pay or receive a lesser rate than that fixed by the board; but no penalty is attached to the worker who, by means of a strike endeavors to force the employer to pay a higher rate.[1]

Up until the War period the system above was criticised for its general partiality to labour. If it is true that efficiency is impaired, then labour's problem is to encourage a greater degree of skill amongst its members. If the apprenticeship regulations demand on the one hand a high standard of skill and on the other prevent the apprentice from acquiring that skill, then the whole question of apprentice training should be re-considered. Should it be proved that the wage-level is too high and that certain industries cannot survive outside competition if they pay it, then the problem for organised labour is to seek the fullest co-operation of the state and capitalistic enterprise in order to, (a) either hasten the abolition of the particular industry as being no good to capital nor sufficiently profitable to pay labour a living wage, or, (b) endeavor to switch the labour force into more efficient and profitable enterprises. It may be true that the state is not bound to fall in with the aims and ideals of labour; it is also true that capital prefers to be free both from the encroachments of the former and the dictates of the latter. But, surely, an enlightened democratic state would be a synthesis of all interests. The functions of organised labour could hardly be directed to better ends.

1. (ib. p. 42.)

Trade Unionism in New Zealand received a bitter defeat in the Australasian Maritime Strike in 1890. It was shewn earlier in these pages[1] how the London Dockers Strike enlisted the sympathy of the New Zealanders who helped the former to gain their demands. But public opinion in New Zealand was not on the side of its own strikers who came out merely in sympathy with their English fellow-labourers. The defeat of Unionism followed and efforts were directed away from union methods to political action.[2] As the result of the following elections, the interests of labour and unionism were greatly strengthened. Mr. Reeves, Minister of Labour, brought forward a Bill entitled a "Bill to encourage the formation of Industrial Unions". Naturally the employers were strongly opposed to the measure and it was not until 1894 that the Legislative Assembly placed it on the Statute Book.

The full title of the Act of 1894 was "An Act to encourage the formation of Industrial Unions and Associations and to facilitate the settlement of Industrial Disputes by Conciliation and Arbitration". It was thought by those in favour of the measure that the need of strikes would not arise when once the Act was applied. There appears to have been no intention of a scheme for State regularisation of Industry. As H. B. Wise said in the National Review, 1902--"It illustrates the happening of the unexpected in the working out of legislation that the framers of the New Zealand Act do not appear to have foreseen that the[3]

1. See also "The Weapon of the Strike" Paterson p. 217.
2. (ib. p. 128.)
3. Quoted by Rankin, op cit p. 131.

Court could not remain a mere judge of a dispute between two parties, but would be forced by circumstance to become a regulator of the conditions of employment in every industry. Yet the assumption of these duties was inevitable from the first if the Employer who was directed by an order of the Court to improve the condition of his workman was not to be placed at a disadvantage in the competition with his Rivals". The 1894 Act provided:-

(1) That Societies consisting of seven or more Workers or of seven or more Employers may be registered and become subject to the provisions of the Act under the title of Industrial Unions.

(2) That New Zealand be divided into eight Industrial Districts, and that in each district a Board of Conciliation be formed.....of five members; two members by Industrial Unions of Workers, two by the masters and a Chairman to be chosen by the four members appointed.

(3) That there be a Court of Arbitration for the whole Colony, consisting of a President, holding the status of a Supreme Court Judge, and two assessors elected respectively by the unions of Employers and Workers.

(4) Any Industrial Union may bring a trade dispute before a Board of Conciliation, and failing agreement there, or acceptance of the Board's recommendation, the dispute goes on to the Arbitration Court.[1]

Until 1906, when labour on the whole was in favour of the Act, the terms of the Act were enlarged to give more scope to the working man.

1. (ib, p. 131 ff.)

Since 1906, the trend of amendment has been to strengthen the power of the Act for the preservation and enforcement of the Court's awards[1] owing to the growing disaffection among the Unions toward the Arbitration Court.

In 1907, failure to comply with the terms of an award, and refusal to pay fines, would have resulted in imprisonment. The 1913 strikes did result in some imprisonments. Amendments of 1915 were based upon the Canadian Industrial Disputes Investigation Act 1907.[2]

The Act as it now stands with all its amendments is The Industrial Conciliation and Arbitration Act. Registration under the Act enables any Union or Association (1) to enter into and file an Industrial Agreement specifying the conditions of employment agreed upon. (2) In the event of failure to arrive at an Industrial Agreement, to bring an Industrial Dispute before a Council of Conciliation, set up for the purpose, and, if necessary, before the Court of Arbitration. Councils of Conciliation consist of not more than three representatives of Employers, and three of employed, with the Commissioner for the District as Chairman.[3]

During the years 1894-1900, the Arbitration Court was mainly concerned with raising wages and granting other concessions to labour. Consequently labour was satisfied and there were no strikes.

1. (ib. p. 132.)
2. "Labour Legislation in Canada" p. 18 ff.
3. (ib. pp. 136 ff.) Rankin "Arbitration & Conciliation in Australasia".

From 1900-1906 the Court had to point out that wage limits were already set at the maximum and no other concessions could be made. This set the tide of extreme labour opinion against the Act.

The period of 1906-12, and later, is marked by Labour's rebellion against the Act, and by organised effort on the part of the employers to uphold the Act in order to keep industrial peace--the very purpose of the Act.[1] On the whole, until the War Period as Rankin points out,[2] the settlement of strikes in New Zealand was effected without the Arbitration Court and its awards, by means of mutual agreement between the parties concerned and the relative strength of their bargaining power.

That the system adopted by New Zealand has turned out to be quite different from what its originators intended, is a great pity. What lessons may Organised Labour as a whole draw from the Movement? Australasia for instance has had much trouble in the Coal Mining Industry. In spite of all the efforts of both labour and capital, together with the interest of the State, 1929 witnessed a total collapse of attempts at arbitration or conciliation in the New South Wales area. About 12,000 miners came out on strike in protest against a wage cut. For over a year the industry was tied up. At last the employers won, and the majority of the men went back to work at the reduced rates. This registered a defeat for organised labour; and it has caused much

1. (ib. p. 168.)
2. (ib. pp. 174 ff.)

bitterness. More than that, it has allowed a further penetration of the class-war ideas and revolutionary aims amongst the more orthodox labour groups. Australian organised labour received a severe disillusionment about the high ideals of progressive co-operation between the masters and men. From 1919 to 1929 there were 4707 trade disputes in Australia. In New Zealand, from 1909 to 1930-1st 9 months-there were 641 disputes.[1]

It would be unwise to make too general a deduction from the above figures. Each strike or each dispute, is usually the result of many and varied causes.[2] In Australasia the working population is mainly "white". The people as a whole have inherited British traditions; they are free and independant, even more so than either the Canadians or Americans. They do not have to contend with the polyglot working population in the same degree as American labour does. These conditions produce a background for a distinct psychological reaction; they tend to create a group consciousness more real and homogeneous than that of the other countries mentioned. The exclusion of oriental labour has deepened their sense of "racialism". It mayyet prove a bulwark against the internationalism of Soviet teaching, though it may not prevent the left-wingers from committing organised labour to a definite radical policy.

Going back again for a moment to Russia, we note that organised labour here, is conducted "according to plan". For our purpose, we

1. (Labour Gazette pp. 156-159.)
2. ("Chaos and Order in Industry". G.D.H.Cole p. 2ff.)

consider only one aspect of this plan. It is one that has been preached to, and is understood by, Soviet labour as a whole. It is directed by a common purpose. Towards the fulfilment of this purpose all organisations within the state have contributed. The end towards which Soviet labour works is appreciated and understood by its rank and file. Theoretically at least, all participate in the consciousness of a common creative achievement. It is this linking up of means to an end that has solved the psychological problem of creating an effective political-industrial group consciousness. Dr. Wright in his "Moral Standard of Democracy"[1], asks the question, "How can modern industry be organised (or re-organised) so as to realize the personal value of co-operative human achievement with the accompanying satisfactions of fellowship in performing the necessary work of the world? More briefly; What are the conditions of co-operation in modern industry?" According to their teaching, the Soviets have answered the question by the Industrial-Political, Revolution. It is their contribution to the problem and function of organised labour,

Changing somewhat the wording of the above writer's careful analysis of our present discontents, we recognise "the root of our (Industrial) troubles does lie in the fact that our present forms of social organisation do not call forth any real harmony of mind and will[2] (italics mine) among (groups) concerned." There is no clearly

1. Op cit. 254.
2. ib. p. 255.

understood "community of purpose" between orthodox organised labour, the state, (as such), and the captains of industry. The principle of organisation in the labour world is fully justified if only on the grounds that organisation is the first requisite for a group consciousness which the history of industrialism shows is necessary for industrial peace and finally the "pulling together" of all bodies comprised within the state.

Organised labour and industrialists could well get together to formulate a plan outlining the purpose and aims of an industry.[1] Capitalism is vitally concerned with efficiency and the elimination of overlapping. But "Capitalism" is no longer national in character; its activities spread beyond territorial boundaries and racial groups. The scramble for markets illustrates the weakness of industry without a comprehensive plan. The end of production is lost sight of in the intensive race of its means. The human units of industry represented by organised labour in its widest sense, have never known or shared the aims of the tremendous movement represented by modern commercialism. Planned industry then, with an intelligently informed personell, i.e. the labour and management force, would, it is suggested, lead to the much-desired peaceful cooperation of capital and labour. The possible objection that the whole question is full of technicalities and problems too recondite except to a very few, arises from a confusion of the issues involved.

1. "Present Day Labour Relations" P.F.Gemmill p. 59.

During the war years, the countries concerned, advocated a "win-the-war"policy. This represented in a crude manner the purpose of all national industrial activity. Its psychological effect was tremendous. The result of the policy is too well known to require further comment. It worked. For a fleeting moment there dawned upon the national consciousness the vision of unity of groups, of activities, of aim. Here, we are only interested with the phenomenom that the age-old distinctions were in effect dissolved, and community of purpose, which was unheard of before the war, was found to be not only desirable and possible but also necessary.

The Miners Strike in New South Wales, 1919, lingered on for over a year; it registered one more in a long series of defeats for labour. It was more than a defeat for labour; it wounded the whole body politic because it widened the gap between capital and labour and placed the tool of cooperation far beyond the reach of both parties. The Miners Strike in Wales 1915 ended differently. Taking into consideration the peculiar susceptibilities of the Welsh miner, the issue of this strike in the opinion of the present writer, stands out like a sign-post pointing the way for further advance; it furnishes an object lesson.

There was no question about the temper of the strikers; they meant business. The coal owners, through the state, were likewise determined. Organisation on both sides was nearly perfect. The market was constantly rising; the supply of labour was definitely limited. All the conditions for a bitter struggle were present. How then was harmony restored and both sides satisfied? The clouds of war hung heavily over Europe at that

time. Lloyd George, a Welshman himself, attended a mass meeting of the men. In a sympathetic and masterly way he focussed the excited interest of the huge crowd upon the vital meaning of their work. He traced the ton of coal to the battleship; to the trenches; to the munition factories; to wounded and bleeding men. He pictured to the men, the mine as the life blood of the nation; he identified the whole cause of war with the pick and shovel. As never before, the real meaning of the mine flashed across the attention of the individual man. The community of purpose was realised. The state, the labourer, and the employing interests were fused into one. "The wagons are waiting outside the yard gates to be filled. Let us fill them and send them along."[1]

The functions of organised labour need to be re-oriented with a clearly understood state policy together with a better understanding of capitalistic enterprise. Labour disputes do not arise fortuitiously; they are, usually, the result of definite, concrete causes. To say there will always be strikes, is to beg the question. It ought to follow that both the employing class and organised labour should make a scientific study of these ills of the body politic. A braver thing to do but one that ought to be done, would be to be wholly guided by the result of such study or diagnosis.[2]

The following figures will illustrate the tremendous amount of

1. (Times, July 30, 1915.)
2. "The Weapon of the Strike" Paterson pp. 271 ff.

Industrial unrest in the leading countries of the world.[1]

In Canada, from 1919 to Dec. 1930 there were 1,567 disputes.

In Belgium, from 1919 to Oct. 1930 there were 2,557 disputes.

In Czechoslovakia from 1921 to 1929 there were 2,459 disputes.

In Germany from 1919 to 2nd quarter 1930 there were 26,535 disputes.

In Great Britain and Northern Ireland there were from 1919 to Dec. 1930 8,368 disputes.

In British India from 1921 to June 1930. 1,838.

In Norway from 1921 to 1929, 662.

In Poland from 1921 to 1st quarter 1930, 6,716.

In Sweden, from 1919 to 1929, 3,147.

In the Netherlands from 1919 to Oct. 1930 there were 3,544.

In Japan from 1922 to 1928 there were, 2,417.

In Italy from 1919 to 1923 there were, 5,482.

In the United States from 1919 to Nov. 1930, 18,492.

The GRAND TOTAL being...<u>83,784</u>.

Truly a staggering figure!

1. Labour Gazette p. 156 ff. 1931

Chapter XVI.

Employee Representation.

We have seen that the last war gave rise to the Whitley Councils in England as a means of providing a greater degree of harmony in the sphere of industry. At about the same period American industry witnessed the development of Employee Representation as a means to the same end.[1] Mr. Gemmill defines the system as being one "of industrial government through which the workers in an individual business establishment, by means of representatives whom they have elected from their own number, deal collectively with appointed representatives of the management, and thus have a part in regulating their conditions of employment."

The above writer follows the National Industrial Conference Board of New York, which distinguishes between the committee, industrial democracy, and employee association types of employee representation. The International Harvester Company follows the Committee type of representation. The plants of this concern are divided up into "voting precincts", in order that the different departments and crafts may be fairly represented, and each division elects representatives to the works council on the basis of one representative for each two hundred to three hundred workers. The management appoints representatives to equal in number those of the employees. The works council meets monthly

1. "Present Day Labour Relations". p. 59.

for the consideration of all questions of policy relating to working conditions, health, safety, hours of labour, wages, recreation, education, and other similar matters of mutual interest."[1] Both sides vote separately. The works council has authority to advise and recommend, but the president has final veto power.

The Industrial Democracy type consists of three bodies of representatives, the House, Senate, and Cabinet. The House is elected by the workers; the management appoint the Senate, while the executive officers of the company, with the president as chairman, comprise the Cabinet. Here again we note that the final authority rests with the Cabinet. No provision is made for arbitration. The actual powers of the workers are merely advisory.[2] The Riverside and DAN River Cotton Mills follow this plan. This company has also included a system of profit sharing with the plan.

The Employee Association type of representation provides for the definite organisation of the workers into a company or union or employee association. Representation of this type may be similar to either of the preceding two. The Interborough Rapid Transit Company of New York follows the employee association method. The employees of this company belong to the company union and may not have anything to do with other union organisations.[3] Local groups elect representatives to the General

1. ib. p. 65.
2. ib. p. 67.
3. ib. p. 69.

Committee of the Brotherhood (ie. the company union) on the basis of one to every two hundred and fifty workers. The general committee may bring important matters to the attention of the Management. Arbitration is provided for matters of dispute--except questions of discipline and efficiency--by joint action of Brotherhood and Company.

The three types briefly described above are ordinarily inspired by the companies concerned and on this account are bitterly opposed by such an organisation as the American Federation of Labour. With the exception of the last company mentioned, both employer and worker are free either to accept or abandon participation in the three types of representation. This is quite different from the method of the trade union which insists upon collective bargaining.

Employee representation usually means that no outsider is allowed to make negotiations for the men. This again is opposed to regular union methods which encourage paid and independant organisers. The usual trade union meeting is confined to workers only; but with employee representation the management through its shop committee representatives is kept fully informed of all proceedings. Another feature of the movement is the frequency of conferences between management and men. Trade union activities generally take place after a disagreement between masters and men; the frequency and continuity of the method of employee representation acts as a safety-valve. Regular meetings keep the air clear of matter likely to cause trouble.

Our survey of the development of trade unions shows us how constantly prepared they are to fight; employee representation, on the other hand, is decidedly pacific. It exists by sufferance of the employer; it is self-centered and has no immediate interest in the troubles of another industry or plant. In this way, the men engaged under any particular management concentrate upon the immediate problems confronting themselves day be day. Still another feature of the employee representation method is to be mentioned. The orthodox trade unions deal with skilled men. They have been sometimes described as the aristocrats of labour. The company union method we have been describing includes both skilled and unskilled. It is thus more democratic and representative.

The employee representation movement is not to be confused with the gild movement in England. G.D.H.Cole, a prominent gildsman in England reminds us[1] that this movement is concerned with the abolition of the wage system and the establishment by the workers of self government in industry through a democratic system of National Gilds working in conjunction with a democratic state. The same writer insists[2] upon the fundamental difference between the Whitley movement and the Gild. The employee representation movement is similar to the Whitley idea in that it provides for joint machinery for peaceful negotiation of an advisorynature. It is unlike Whitleyism because the latter allows

1. "Chaos and Order in Industry. p. 48.
2. ib. pp. 118 ff.

for the place of the outside trade union. It is unlike the gild movement because the English movement aims to change the status of control in industry whereas employee representation does not. "Consultation of workers must be built around and be subordinate to executive leadership and control".[1] Representation is of an advisory nature only.

Al though profit-sharing and employee stock purchasing are to be found in employee representation they are not essential to the system. Mr. Gemmill quotes a letter from an official of the National Industrial Conference Board who states,[2] that he is "not aware that profit-sharing is any more common in plants which have representation plans than in others". It seems that profit sharing, employee stock purchasing, and employee representation are three different types of labour management which are sometimes combined and at other times quite unconnected.[3]

Questions of grievance, terms of employment, working and living conditions and constructive measures relating to production come within the scope of employee representation. It is worthy of note that in practically all cases under discussion the president or other high official has the last word. This is one of the many bones of contention used against the movement by the A.F.L. An interesting commentary is provided by the fact that the Baltimore and Ohio Railroad which follows the system with the exception of one very important departure, received

1. quoted by Gemmill p. 79.
2. op cit. p. 82.
3. ib. 84.

some thousands of suggestions as to practical improvements in plant operation. The important exception is that representation in this railroad is on a union basis.[1] Of a total membership of 5,812,601 included in regular trade union organisations, about 24% belong to employee representation groups,[2] This was up to 1926.

To those hundreds of thousands of unskilled or semi-skilled workers who in the past have not enjoyed industrial franchise, the employee representation movement comes as a distinct mark of progress. It has brought to them in some measure industrial democracy. The criticism that the movement is limited to suggestion and moral suasion only, ought to recognise the possibilities of persuasion as opposed to force or trial of strength. The fact that the employer is kept fully informed of the general conditions of his men is a step towards the prevention of the grosser forms of injustice which have caused so much trouble in the past.

Mr. Gemmill quotes[3] the final paragraph of an official investigation of Industrial Representation in the steel industry where employee representation has been in effect. The investigation was made by Mr. Selekman. "It is true that in an industry so devoid of any tradition concerning representation of the workers as the steel industry is, the industrial Representation Plan marks a distinct step in advance towards

1. Ib. p. 91.
2. ib. p. 98.
3. ib. p. 140.

recognising the workers aspirations; for, under the plan, the men of the Minnequa Steel Works secured such important gains as the actual eight-hour day, an opportunity to participate in revising wage scales, a method of presenting and discussing grievances, and a greater degree of security in their jobs through enjoying the right to appeal to higher officials against the decisions of foremen and superintendants. When one looks at these accomplishments and then considers the methods of the United States Steel Corporation, one must conclude that at least one small segment of the industry the wage-earners have been afforded an opportunity to have a voice in determining conditions under which they must work. Nevertheless, until the men throughout the industry as a whole secure adequate and effective representation in determining wage standards, those employed in any one plant, such as the Minnequa Steel Works, are bound to be dissatisfied.

Every week the Minnequa workers are reminded by their pay envelopes that the scope of the representation does not give them an effective share in determining their own earnings and none whatever in determining those of their fellow-workers in the steel industry at large."

In the Dutchess Bleachery of Wappingers Falls, New York, the same investigator[1] reports, "one of the most advanced, most sincere, and most comprehensive schemes of industrial relations introduced into industry at the initiative of the employers." The plan adopted by the Bleachery is that of partnership with employee representation.

1. Quoted by Mr. Gemmill p. 150.

The Procter and Gamble Company have also included the system of employee representation. The workers are represented by the Employees Conference Committee and a Joint Conference Committee composed of both workers, and representatives appointed by the management. The employees elect their representatives by departments; one for every fifty workers. The representatives appointed by the management may not exceed one-half of the number of employee representatives. Selected numbers from each form the Executive Council. The employees of Procter and Gamble appear to be comparatively well off. They share in the profits of the company, are guaranteed 48 weeks of pay every year, and they enjoy the protection of retirement pensions and disability and life insurance. These good things however have no real connection with the existance of the Employees Conference Committee. Professor Feis, quoted by Gemmill[1] says, "The conference hardly figures in the conscious conception of the ordinary worker of his position in Procter and Gamble."[2] The same investigator comments thus upon an ordinary meeting of the committee, "The men come into the room singly and sit quietly. Their united presence brings no stir of common plan or purpose. It is rare that a proposal made indicates previous conference of the representatives outside the conference room, and rarer still that a proposal evokes a vigorous exchange of views. The matters brought before the conference are usually of small dimensions, and are addressed to the management, not to the body of the conference.

1. ib. p. 155.
2. Quoted by Gemmill op cit. p. 153.

The calendar of business is read.....each bit of business elicits a few scattering remarks. The Management representative takes due note and the meeting is hurried to its end."

Mr. Gemmill concludes[1] his summary of the various attempts sketched above with these words, "In very large measure, the benefits that have been realised were initiated and administered by the management, without any real assistance from the workers." It is not to be supposed, however that the gains brought about by means of employee representation are negligible. Whether the management is responsible or not, the improvements indicated in the next sentence will always be of great importance: after all it is of secondary importance to worry too much about the agency of improvement: Chapter five of Mr. Gemmill's book contains an excellent resumé of gains brought about through employee representation. We shall merely sum them up here:

(a) advance in plant morale, expressing itself in a more friendly feeling between employer and employee; a greater confidence on the part of each in the good intentions of the other.

(b) the spirit of mutuality, or the sense that the interests of one are bound up with the interests of the other.

(c) the settlement of grievances without stoppage of work, "A Stitch in time saves Nine" just as much in industry as in anything else.

(d) a general improvement in plant conditions and shop practices.

(e) higher wages and shorter hours.

1. ib. p. 159.

(f) an aid in effecting unpopular changes as for instance when it becomes necessary to announce a decrease of salary. Employee representation allows this to be done without resort to a strike. "Employees expressed appreciation of the manner in which wage reduction or changes in work hour schedules were handled, because they were told why such adjustments were necessary."[1]

(g) gains in productive efficiency, "One strong reason for managerial approval of the shop committee is the increase in productivity that has so often accompanied its operations."[2]

(h) better relations between foremen and workers, "I have seen times when the Council proved to the factory management that a man had been unfairly dismissed and, because the fair thing to do, secured his reinstatement".[3]

(i) reduction in waste. The reduction waste is likely to be especially great when the employees are given a share in the savings effected.

1. Experience with Works Councils in the United States, p. 7, quoted by Gemmill p. 169.
2. Gemmill p. 170.
3. Quoted by Gemmill, p. 172.

The Reaction of Organised Labour to Employee Representation.

Because the Whitley Movement in England had been closely associated with the Trade Union it was thought by American Organised Labour that Employee Representation would follow the same lines in America as the Council did in England. On this assumption The American Federation of Labour was at first disposed to view the movement with approval.[1] The American Federationists of October 1917 contains the following;- "The Executive Committee believes that in all permanent shops a regular arrangement should be provided whereby, first, a committee of workers would regularly meet with the shop management to confer over matters of production; and whereby, second, such committee could carry beyond the foreman and the superintendent, to the general manager or to the president, any important grievance which the workers may have with reference to wages, hours, and conditions."

This friendly attitude however soon changed, principally because orthodox organised labour saw its position would not benefit by the movement. The delegates to the National Convention of the American Federation of Labour in June 1919 denounced non-union representation as a device adopted by management "for the express purpose of deluding the workers into the belief that they have some protection and thus have no need for Trade Union Organisation".[2] And again "Various forms of so-called employee representation whose merit is that they serve the purpose of the employers by organising the workers away from each other."[3]

1. Quoted by Gemmill, p. 180.
2. Quoted by Gemmill, p. 181.
3. Report of Proceedings of the Fortieth Annual Convention, June 1920 p. 83. Quoted by Gemmill p. 181.

Official Pronouncements of Hostility.

The passage of time has not altered the unionists' antagonism toward the shop committee, nor softened their indictments of what is considered to be a real menace to trade unionism. Year after year, the conventions of the American Federation of Labour adopt resolutions condemning the company union, by which is meant all types of non-union representation. Before turning to an examination of specific charges against employee representation, we may quote from the most recent resolution of the subject. This resolution was adopted unanimously by the 1927 Annual Convention of the Federation, and shows that the official attitude of the unionists has not changed since their first denunciation of company unionism in 1919. This last arraignment is, in part, as follows:- "The 'company union' is a manifest fraud and serves no purpose other than to prevent workers from acting together in their own interests. The 'company union' is, as the Council states, 'an agency for administering the affairs of a company,' as against the interests of the men employed by the company. The members of a 'company union' may be represented only by officers and committees selected from a personnel in the employ of the company. The purpose is to increase the control of the company over the employees and to prevent them from organising into trade unions through which they may promote their own interests and those of the community. The committee recommends that the report of the Executive Committee be approved and that the Council be instructed to make a thorough investigation of the character and activities of the 'company

unions' for the purpose of exposing to public view the true nature of such company controlled organisations."[1]

Organised Labour criticizes the shop committee system of employee representation because its representatives are elected by secret ballot of the employees from among their own member, whereas the trade unionists as we have seen have for years insisted that the workers representatives should be a professional spokesman, not in the slightest degree dependant upon the management. The trade unions claim the right to exercise the same authority in the selection of their officers as the man on the street exercises in his selection of a lawyer. Mr. Selekman found, in his investigation of the workings of one particular plant that there was a good deal of fear of incurring the ill-will of the Executives and consequently many grievances went by unredressed. Then again, generally speaking, a representative, to do his job properly, should know something of financial matters, labour relations, market conditions, and many other things which affect employment, and although he may and ought to know all about conditions in his own plant he cannot be expected to be familiar with labour conditions as a whole. Then again, negotiation is an art that requires long training; thorough cross-examination is essential if the whole truth of a debatable point is to be brought to light. The skilled negotiator and representative will not accept face

1. Report of Proceedings of Forty-seventh Annual Convention, October, 1927, p. 318. Washington: American Federation of Labour.

value statement, he asks without hesitancy or embarrassment for full information. It is here that the union official has the advantage. The A.F.L. for instance, legislates not for any particular shop or company but for an entire industry. The Company Unionism we have been considering tends on the other hand to split labour force up into independant and perhaps selfish groups. From our analysis of the constitution of the A.F.L. in a previous chapter we saw that this organisation was interested in the question of immigration. It is reasonably supposed that the present immigration law is at least partly due to the influence of the A.F.L. This law affects the whole field of labour. The system opposed by the A.F.L. could hardly be interested in such a piece of work. The trade unionists therefore criticise employee representation on the grounds that it is unable or unwilling to exert any influence in favor of legislation that aims to provide better conditions for all labour.

Gemmill says,[1] "To suggest that high wages and other blessings enjoyed under agreement of this kind are the result of employee representation is little short of deliberate misrepresentation. Credit for these advantages belongs to the union workers who have made them possible, and not the non-union shop committee whose whole share in the project consists of accepting the gains for which others have struggled." This has reference to wages paid to the workers of the Philadelphia Rapid Transit Company.

1. ib. p. 194.

One of the most serious charges levied by organised labour against employee representation is that the representatives have actually no real power at all, and are therefore unable to put into effect any measure which the management may not agree to. On previous pages we have seen that the final authority or power of veto rests either with the management or the president of the company. In effect the system appears to be the methods of autocracy dressed up in the guise of democracy. The majority of employers do not dream of giving their employees a share in management which would lessen their own control. As Mr. Lewisohen[1] says, "It is a great mistake to consider this device as a means of balancing the power of management by the power of an other group. It whould rather be regarded as a mechanism which the management officials utilize to assist them in their function of leadership."

In order to emphasize the reaction of orthodox organised labour to what is known as the Yellow Dog contract we quote at length pp. 210-11 of Mr. Gemmill's book.

Menace of the "Yellow Dog" Contract.

The "yellow dog" contract, especially, has aroused the ire of organised labour, and has been the object of many vehement attacks. This contract is an agreement which certain employers require their workers to sign, specifying as a condition of employment that the workers shall not belong to a trade union. "The term "yellow dog" has no reference to

1. Quoted by Gemmill p. 198.

the unfortunates who are compelled to surrender their rights in order to obtain employment," says an official publication of the American Federation of Labour, "but refers solely to the 'contract' itself which, like the proverbial alley cur, is a menace to the community in which it exists."[1] The "yellow dog" clause signed by the employees of the Inter-borough Rapid Transit Company of New York is a fair sample. Recent labour difficulties experienced by the Interborough have caused this clause to be studied carefully by lawyers, judges, economists, and others. It reads as follows: "In conformity with the policy adopted by the Brotherhood and consented to by the Company and as a condition of employment, I expressly agree that I will remain a member of the Brotherhood and am eligible to membership therin; that I am not, and will not become identified in any manner with the Amalgamated Association of Street and Electric Railway Employees of America, or with any other association of street railway or other employees with the exception of this Brotherhood, and the Voluntary Relief Department of the Company while a member of the Brotherhood or in the employment of theCompany, and that a violation of this agreement or the interference with any member of the Brotherhood in the discharge of his duties or disturbing him in any manner for the purpose of breaking up or interfering with the Brotherhood shall of itself constitute cause for dismissal from the em-

1. Proceedings of the Forty-seventh Annual Convention, p. 291.

ploy of the Company."[1] The Brotherhood referred to in this clause is the company union of the Interborough Company. The Company made this clause the basis of an application for a court injunction, by which it sought to prevent the American Federation of Labour and its members individually, from attempting to organise its employees into a union, urging that an effort to unionize its workers would involve an attempt to induce breach of contract. In Ohio, Illinois, California, and several other states, legislative measures have been presented which aim to secure laws declaring the "yellow Dog" contract to be contrary to public policy and therefore void. If the contract is allowed to stand, and is interpreted by the courts as making it unlawful for union organisers to carry on their work, the development of trade unionism in this country will be interfered with seriously. It is not difficult to see, therefore, why the "yellow dog" contract is detested by labour leaders, who regard it as one more indication that the employers in embracing employee representation, are aiming at the destruction of unionism.

1. Constitution of Brotherhood of Interborough Rapid Transit Company Employees, p. 22.

Chapter XVll.

A Proposed Method to Create Permanent Harmony Between Labour and Capital.

The following chapter is based upon Mr. Newfang's "Harmony Between Labour and Capital". After a full and careful analysis of the futility of all the known methods to bring about harmony without altering the status of labour with reference to capital, the "Drawing Account System" is presented as a method going right to the root of the whole matter and thereby preventing the growth of those ills which hitherto have been so painful to all concerned.

The plan is summed up under twelve headings as follows;-

(1) Capital is entitled to a fair return for its use, and to no more.

(2) This fair return is determined by the rates for money in the open market, and should for each industry, be about 2% above the average yield of bonds in that industry.

(3) This average yield of bonds for each industry should be determined by public authorities elected for the purpose; and the dividend thus automatically arrived at, being limited, should be cumulative.

(4) All the remaining earnings of industry rightly belong to those who operate with the capital, management and workers.

(5) As the total remaining earnings cannot be determined until the close of the year, a preliminary salary or wage, called a drawing account wage should be paid weekly or monthly, and the excess profits after the dividend has been paid should be distributed among the workers in proportion to their wages or salaries at the close of the year or through the following year in periodical instalments.

(6) Capital and management being frequently represented by the same persons, who could thus, as voting capitalists, divert all the excess earnings to themselves in the capacity of executives, the total earnings of management should be limited, in companies employing one hundred or more workers, to 10% of the total earnings of the business. This limitation relates to their earnings as workers only, not to the dividends upon their invested capital.

(7) The total return to labour being thus determined by the actual earnings of the business, the relative amount of preliminary or drawing-account wage for each class of workers should be left to the free and untrammeled play of supply and demand.

(8) If in any year a business should earn excess profits above dividends equal to a 20% or larger distribution to labour, the following year preliminary wages should be raised 5%; on the other hand, if in any year the business failed to earn the fixed dividend allowed, the following year preliminary wage should be reduced 5%.

(9) The workers should be allowed to have, in all companies employing one hundred or more workers, an auditor employed by themselves who should have free access to all the books and records of the business in order to assure labour that the accounting is fairly conducted.

(10) In case of disagreement between the workers' auditor and the capitalists' auditor as to facts or accounting methods, the disputes

should be submitted to the arbitration of certified public accountants selected by the respective parties; and, failing to arrive at a settlement by arbitration, the subject matter should be submitted to the courts of the land for decision.

(11) The possible disputes being reduced to questions of fact or of accounting methods, Lockouts and strikes should be prohibited by law and declared conspiracies in restraint of trade.

(12) This drawing-account wage system should be made obligatory upon all industries employing one hundred or more workers.

Mr. Newfang sums up the advantages such a system would provide. In place of temporary agreement arrived at by the relative bargaining power of the opposing factors, labour and capital, the drawing-account system would provide a just and equable method of apportioning what is due to both. This it does by arranging for the earnings of an industry to benefit both the worker and capitalist; likewise a drop in earnings would be shared by both. With an upward trend in a business, the safety and value of dividends would increase together with the rate of wages; a downward movement would, in like manner, have the reverse affect; but as both labour and capital alike share the effects of the complete swing of the pendulum, a common interest would be created. "The drawing-account wage system therefore, furnishes a basis for harmony between labour and capital, and removes the basic source of friction between the two."[1]

1. Newfang p. 176.

In previous chapters we have seen how the history of the development of organised labour has been disrupted by incessant strikes; the method propounded by Mr. Newfang removes the necessity for the strike. It does this by dividing the total proceeds of an industry upon the principles of justice and equity. Under the drawing-account plan capital is paid its full rental value at all times. This rental value is ascertained by the condition of the money markets at that time. As money rises in value so the dividend rate rises; as it falls, the dividend rate decreases. In the same way as the profits which are produced by labour increase, so the workmen are paid high wages; as profits fall, the remuneration to labour is accordingly readjusted. In this way labour gets what it earns. The objective facts of an industry, and not the relative bargaining power of either side, determine the reward paid to both labour and capital.

Uncertainty of employment is one of the evils attendant upon the present system. Employers argue that if the selling price of a commodity is so high that the markets will not receive it, any increase in labour cost[1] and also in prices will further reduce sales, and likewise, curtail production, and consequently increase unemployment. Increased unemployment means decreased purchasing power,[2] and thus a vicious circle is set up. The drawing-account wage system, gives to the producer a greater latitude in fixing the selling price of his

1. Art. by Henry Clay, in "World's Economic Crisis" p. 141.
2. Art. by J.M.Keynes in "World's Economic Crisis" pp. 74-75.

commodity, so that prices are adjusted to that point where a greater percentage of any product can be absorbed by the market. This provides for continuous employment. Assuming the workers were in receipt of a reasonable drawing-account, and the particular industry in a healthy condition, slack times would not be, as they are at present such a source of domestic terror. In any case, the partner-ship set up between labour and capital would do away with the bitterness so often caused by dull times under the present rigid wage system. Mr. Newfang contends that if the annual wage contract were enforced, the large surplus of labour always kept on call in the manufacturing centres would not be necessary as continuity of operation throughout the year would be the usual thing, and rush periods with overtime, followed by layoffs and unemployment would not be necessary.

It is also claimed by the advocates of the drawing-account system, that business stability would result from more gradual price changes. Heavy fluctuations in price levels result in erratic and dangerous conditions for trade in general. During boom periods labour is overworked, capital is in great demand, and high money rates follow. The opposite swing causes depression, unemployment, and a stagnant money market. The cost of labour, including cost embodied in every phase of production, is a principle factor in determining price levels. A flexible wage plan as that under discussion being an automatic arrangement, would result in gradual and slow changing wage levels, as the result of larger or smaller distributions to labour, when a year's profits have been determined.

"The largest possible change in preliminary wages contemplated by the plan, is five per cent in any one year; and this would occur only in the extreme instances in which the result of a year's operation either were so large that they afforded a twenty per cent or larger distribution upon the pay roll; or, on the other hand, when the earnings were so poor for the year that the moderately fixed dividend on the capital was not earned. And it is to be noted, also, that the fluctuations both in the final distribution to labour and through the possible five per cent change in the preliminary wages would be determined separately for each company, and not country-wide for a whole industry. The result would be that, while some wages might fall, others might rise, and the general purchasing power of the wage earners would vary only a little from year to year."[1]

As Newfang rightly observes, the greater stability of the purchasing power of labour deserves closer consideration. As we have contended in a previous page business stability depends largely upon the purchasing power of the great mass of the people. In all industries, from that of the manufacture of boots and shoes to automobiles, the purchasing power of the great masses is a dominant feature. The drawing-account wage, it is advocated, would strengthen and stabilize the demand of the masses. As the production of industry grew, and its profits increased, the purchasing power of the people would provide a full market for the increased output of industry. Production and consumption would reach an equilibrium through the medium of high wages and increased purchasing power.

1. Ibid p. 185.

It is also suggested that in the course of time the workers would not only make very substantial investments in their own particular industries, but they would also assume a controlling interest. Labour would thus acquire in a peaceful manner, without any disruptions to society, what the extreme left-wingers advocate by more revolutionary methods. As the proportion of workers-control increased, so would friction between labour and capital decrease, until it finally gave way to planned cooperation. Mr. Newfang taking the published records of some of America's leading companies, shows at what period of time control could probably be acquired by the workers in these industries. For instance, he states, that The United States Steel Corporation, (1927) for the past six years has earned an average annual excess above its dividends of 23,7 millions. He says this excess above a fair dividend would under the drawing-account wage system, go to the workers. On the assumption that labour was wisely directed, the Capital of the Company being 868 millions, it would take about 37½ years for the workers to assume full control of the Company.

During the same period of time the General Electric Company has enjoyed average excess earnings above dividends of about 16 millions. The capital of this Company being 215 millions, it would take about 14 years for the workers to assume total ownership. During the same period of years General Motors average excess earnings has been about 10.6 millions; capital 368 millions, indicating control (total) in 35 years.[1]

1. Ibid pp. 191-192.

The same author points out another advantage of the drawing-account wage system--an increase of the productiveness of labour and hence of real wages. These benefits follow because the labour force has no longer to fear unemployment or the aggressive tactics of the unions for higher wages to insure against periods of idleness. Hitherto, employers have complained about high labour cost brought about by the demands of labour organisations. This has led to high prices for the finished article and the subsequent narrowing of the demand; it is the vicious circle of high wages and no work; high money wage and low real wages; lack of purchasing ability and low standard of living.

The drawing-account method would create a vital interest amongst the labour force in the welfare of the industry. Personal effort would increase and higher standard of goods would follow. This would benefit both labor and capital by increasing the safety for dividends and increasing excess profits above dividends for distributions amongst the workers...The resultant lower prices would lead to an increase in the purchasing power of money and an increase in the value of real wages in general.

Mr. Newfang devotes a chapter to a general criticism of the method he so ably advocates. He meets the objection that the basis of division between labour and capital is false and unjust by admitting the necessity of capital in the productive processes and by pointing out the error of the Marxian who says all capital is robbery and labour alone the creater of value. The drawing-account method of remuneration seeks a rational

way to compensate capital as a commodity and labour as an integral part of human personality.

That the system is too complicated to be practicable is answered by the opinion that it is not more so than the problem of industrial harmony. The objectiveness of financial facts is admittedly difficult to comprehend; this applies however in a very marked degree to the present system. A sympathiser of the Soviet system would say that the Russians have a tolerable understanding of Communism and that is far more revolutionary in method than the one under discussion.

Newfang meets the objection that judicial decisions necessary for the efficient working of the drawing-account system could not be enforced, in this way:-If wealthy industrialists could, under the present system, be forced to accept the decisions provided by courts of arbitration, etc. it is reasonable to suppose that the working masses would respond to court decisions, relating to their own industries, without having recourse to social disturbance. For instance, "if a fine against the capitalist would have to be paid before a dividend could be declared, so would a fine against the workers before a distribution of excess earnings above the dividend could be made."[1]

It is suggested that a real difficulty would be that labour would insist upon a high wage before dividends should begin, even if they should never begin. To overcome this possible difficulty, it is suggested that, if in any year, definite dividends are not earned, in the following year preliminary wages should be reduced say 5%, and if necessary this reduction should be repeated until the particular concern is able to pay

1. Ibid p. 204.

dividends. In other words, rational and automatic methods of control would provide for poor years as for years when the concern is capable of earning excess dividends or profits. It is claimed that in any case this would not result in bringing wages in poor industries below the starvation point in order that dividends may be paid. Mr. Newfang says, "If at any time the 5% annual reduction should bring current wages in a company or in an industry below the open market competitive level, workers would be drawn from that company or industry, and it could not fill its ranks below the prevailing rate of wages. If the capitalists, on the other hand, found they could not hold their workers and earn a dividend, they would be compelled to sell out, or merge with some stronger or better managed company."[1]

If dividends are to be declared at all, labour is to have the first choice, on the one hand by restricting dividends to a modest figure, as determined by public tribunal, and on the other hand, by securing to the workers all dividend in excess of a prescribed limit. We may conclude this section by the observation that once again, the importance of general planning on a nation wide basis between all ranks of producers, and consumers, is brought to the forefront.

How would the above proposed system affect organised labour? Would it destroy trade unionism and place workers at a disadvantage? We shall quote Newfang's answer:- "Far from it. The plan would furnish organised labour with the facts (which it now lacks or obtains in a vague, inaccurate fashion) that are necessary to determine whether

1. Ibid p. 206.

the workers are obtaining a fair share of the product of their industry. Instead of the present walking delegates and business agents, who have no definite or accurate means by which to find out whether a business or industry is prospering and the degree in which it is prospering, the proposed plan would substitute trained auditors, certified public accountants, employed by and under the exclusive control of labour, who would by law have the fullest and freest access to all the books and records of a business, and who would know, positively and to the dollar, just what the business was earning and what it could and should afford to pay the workers, while still assuring a fair return to capital.

These auditors could effectively expose and thwart the methods that high finance now uses with impunity to deceive labour through the organisation subsidiary and affiliated companies meant to hide excessive profits, which might otherwise come to the attention of labour leaders in the public reports of large companies. This exposure is a thing which labour officials at the present time find very difficult. In vague, general terms they may accuse capital of juggling the figures of earnings and of hiding profits; but the auditors proposed under the drawing-account wage plan would be in a position to give chapter and verse, definite facts and exact figures and dates showing how, when, and to what extent profits had been unfairly diverted from the business for the purpose of deceiving the workers into the belief that the business was unprofitable, or at least only very moderately profitable.

Organised labour would find a wider and more effective field for its efforts in selecting keen and capable auditors, and in framing and pushing legislation necessary to abolish the abuses which these auditors should uncover, than it does now in its uncertain efforts to discover the status of a business through walking delegates or business agents, and in seeking to enforce demands framed more or less in the dark, as regards the facts upon which they are supposed to be based. Under the present system labour leaders are compelled to reduce all the workers in a craft to a dead level. This, of course, simplifies negotiations with capital, but it also effectively reduces labour to the status of a commodity, in spite of all proclamations to the contrary. Under the proposed system, in which the preliminary wage of every man would be determined by free and untrammeled competition, and in which the total wages of the workers in a business would be finally determined exactly by what they could make the business earn, the functions of labour leaders would be more complex and difficult, and therefore more necessary than their present activities. Their function would be to keep in touch with the demand for labour everywhere, to find jobs at better pay for the men whose pay was under the normal, and thus to make the necessary elimination of the marginal producers as painless as possible to the workers."[1]

1. ib. pp. 211 ff.

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