

## Introduction

Sidney and Beatrice Webb were leading supporters of British industrial reform and influential members of the Fabian Society, a socialist group which advocated an evolutionary path to socialism. They provided the intellectual and theoretical underpinnings to British social welfare organization and developed an understanding of the development of the British labor movement. Their study was based on a careful and systematic analysis of British industrial society and trade unions. The pioneer work of the Webbs in interpreting the labor movement has been a major influence on other theorists up to the present time. Their methodology and general formulations had a significant effect on the work of John R. Commons and the Wisconsin school of labor history. In concert with Karl Marx and John R. Commons, they viewed the rise of labor unions as the by-product of the emergence of a working class whose functions were separate and distinct from that of the capitalist.

While the Webbs accepted the Marxian concept of a class struggle, they disagreed with Marx that the conflict could only be resolved by force or with the elimination of one of the classes. Unlike Marx, but like Commons and Selig Perlman, the Webbs held that labor unions were essentially economic institutions. They did not interpret labor organization in moral, psychological, and revolutionary terms. Their main objective, they wrote, was to maintain and improve the conditions of life of wage earners. This entailed not only material betterment and job security but also the extension of democratic principles to the workplace, and ultimately throughout British industrial society.

Labor unions, according to the Webbs, evolved along evolutionary lines. Influenced by the prevailing political, economic, and cultural norms in each social epoch, labor organizations developed an underlying theme or thrust, labeled a *doctrine*, which in turn determined their immediate goals, termed *devices*, and the methods utilized to achieve their aims. In the eighteenth century, for example, unionists clung to the belief that workers had a legal right or vested interest in a trade, a sole and exclusive claim to a particular job. Workers, therefore, had a natural right to protect their property by any lawful means. To safeguard their members' "right to a trade," unions attempted to control the labor market by restricting the number of entrants into the trade. This, however, had the distinct disadvantage of hindering the selection of the most capable manual workers and thus promoted industrial inefficiency. The union had to seek other means to attract hesitating recruits and to bind its members more closely to the union. The method devised was one of mutual insurance. Members were offered protection against personal affliction such as sickness, accident, and old age on the one hand, and the stoppage of income through unemployment, strikes, or lockouts on the other. These benefits were a poignant reminder to the members of the benefits of trade union membership.

With the advent of capitalism and a market economy in the nineteenth century, the doctrine of supply and demand occupied a dominant place in the thinking of most trade union leaders. Laborers were looked upon as any other commodity and, like the sellers of goods, claimed the best they could extract from buyers. The conditions of employment corresponded to the strength of the parties in the marketplace. To protect the worker from being seriously disadvantaged, unions employed the device of the common rule—the establishment of standard rates of wages and conditions of employment for wage earners in a particular trade or industry. The method employed to achieve this goal was collective bargaining. However, if the "freedom to contract" between capitalists and wage earners ran counter to the interests of the majority, then some form of community intervention in the process was considered necessary.

With the coming of the twentieth century, public opinion began to question the belief that working and living conditions should be determined by the relative strategic position of the parties at the bargaining table. In the first place, it was unjust to those who lacked the strength to extract a fair price for their labor; second, it was in the interest of the community to see that all workers secured those conditions necessary to their function in society. Trade unionists now began to veer toward the doctrine of a living wage, which held that workers ought to earn wages sufficient to acquire the basic necessities of life and that no worker should be reduced to a condition inconsistent with industrial efficiency and civic responsibility. This goal could be met by establishing a national minimum which would guarantee to each citizen a minimum level of existence. A resort to the law seemed the only way to bring such minimums into effect and to achieve a degree of permanence and universality. Organized labor, therefore, had to shift its attention to the legislative halls to ensure passage of measures which would bring the idea of a national minimum into reality.

The Webbs did not view trade unions as temporary organizations to be dissolved when capitalism is terminated and a socialist society instituted. "Trade unionism," they insisted, "is not merely an incident of the present phase of capitalist industry, but has a permanent function to fulfill in the democratic state." Whether capitalist society was dominated by immense trusts or small business enterprises or by what the Webbs expected—government agencies and administrators—unions were necessary to protect workers from social oppression and the community from industrial parasitism. Trade unions, they maintained, were an essential force for democracy. As public control of industry expanded, the functions of trade unions would also undergo change. The Webbs saw the present adversarial role of trade unions gradually replaced by institutional concern with the professional standards and education of its members. Unions, in other words, would eventually assume the character of professional associations.

*The Origins of Trade Unionism*

SIDNEY AND BEATRICE WEBB

1894

A Trade Union, as we understand the term, is a continuous association of wage-earners for the purpose of maintaining or improving the conditions of their working lives. This form of association has, as we shall see, existed in England for over two centuries, and cannot be supposed to have sprung at once fully developed into existence.



The explanation of the tardy growth of stable independent combination among hired journeymen is, we believe, to be found in the prospects of economic advancement which the skilled handicraftsman still possessed. We do not wish to suggest the existence of any Golden Age in which each skilled workman was his own master, and the wage system was unknown. The earliest records of English town history imply the presence of hired journeymen who were not always contented with their wages. But the apprenticed journeyman in the skilled handicrafts belonged, until comparatively modern times, to the same social grade as his employer, and was indeed usually the son of a master in the same or an analogous trade. So long as industry was carried on mainly by small masters, each employing but one or two journeymen, the period of any energetic man's service as a hired wage-earner cannot normally have exceeded a few years, and the industrious apprentice might reasonably hope, if not always to marry his master's daughter, at any rate to set up in business for himself. Any incipient organization would always be losing its oldest and most capable members, and would of necessity be confined, like the Coventry journeymen's Guild of St. George, to "the young people," or like the ephemeral fraternity of journeymen tailors of 1415-17, to "a race at once youthful and unstable," from whose inexperienced ranks it would be hard to draw a supply of good Trade Union leaders. We are therefore able to understand how it is that, whilst industrial oppression belongs to all ages, it is not until the changing conditions of industry had reduced to an infinitesimal chance the journeyman's prospect of becoming himself a master, that we find the passage of ephemeral combinations into permanent trade societies. . . .



If we examine the evidence of the rise of combinations in particular trades, we see the Trade Union springing, not from any particular institution, but from every opportunity for the meeting together of wage-earners of the same occupation. Adam Smith remarked that "people of the same trade seldom meet together, even for merriment and diversion, but the conversation ends in a conspiracy against the public, or in some contrivance to raise prices." And there is actual evidence of the rise of one of the oldest of the existing Trade Unions out of a gathering of the journeymen "to take a social pint of porter together." More often it is a tumultuous strike, out of which grows a permanent organisation. Elsewhere, as we shall see, the workers meet to petition the House of Commons, and reassemble from time to time to carry on their agitation for the enactment of some new regulation, or the enforcement of an existing law. In other instances we shall find the journeymen of a particular trade frequenting certain public-houses, at

Sidney and Beatrice Webb, *History of Trade Unionism* (New York: Longmans, Green & Co., 1894), pp. 1, 5-6, 21-25, 35, 37-39. Footnotes in the original have been eliminated.

which they hear of situations vacant, and the "house of call" becomes thus the nucleus of an organisation. Or we watch the journeymen in a particular trade declaring that "it has been an ancient custom in the kingdom of Great Britain for divers Artists to meet together and unite themselves in societies to promote Amity and true Christian Charity," and establishing a sick and funeral club, which invariably proceeds to discuss the rates of wages offered by the employers, and insensibly passes into a Trade Union with friendly benefits. And if the trade is one in which the journeymen frequently travel in search of work, we note the slow elaboration of systematic arrangements for the relief of these "tramps" by their fellow-workers in each town through which they pass, and the inevitable passage of this far-extending tramping society into a national Trade Union.

All these, however, are but opportunities for the meeting of journeymen of the same trade. They do not explain the establishment of continuous organisations of the wage-earners in the seventeenth and eighteenth rather than in the fifteenth or sixteenth centuries. The essential cause of the growth of durable associations of wage-earners must lie in something peculiar to the later centuries. This fundamental condition of Trade Unionism we discover in the economic revolution through which certain industries were passing. In all cases in which Trade Unions arose, the great bulk of the workers had ceased to be independent producers, themselves controlling the processes, and owning the materials and the product of their labour, and had passed into the condition of life-long wage-earners, possessing neither the instruments of production nor the commodity in its finished state. "From the moment that to establish a given business more capital is required than a journeyman can easily accumulate within a few years, gild mastership—the mastership of the masterpiece—becomes little more than a name. . . . Skill alone is valueless, and is soon compelled to hire itself out to capital. . . . Now begins the opposition of interest between employers and employed, now the latter begin to group themselves together; now rises the trade society." Or, to express this Industrial Revolution in more abstract terms, we may say, in the words of Dr. Ingram, that "the whole modern organisation of labour in its advanced forms rests on a fundamental fact which has spontaneously and increasingly developed itself—namely, the definite separation between the functions of the capitalist and the workman, or, in other words, between the direction of industrial operations and their execution in detail."



It is easy to understand how the massing together in factories of regiments of men all engaged in the same trade facilitated and promoted the formation of journeymen's trade societies. But with the cotton-spinners, as with the tailors, the rise of permanent trade combinations is to be ascribed, in a final analysis, to the definite separation between the functions of the capitalist *entrepreneur* and the manual worker—between, that is to say, the direction of industrial operations and their execution. It has, indeed, become a commonplace of modern Trade Unionism that only in those industries in which the worker has ceased to be concerned in the profits of buying and selling—that inseparable characteristic of the ownership and management of the means of production—can effective and stable trade organisations be established.

The positive proofs of this historical dependence of Trade Unionism upon the divorce of the worker from the ownership of the means of production are complemented by the absence of any permanent trade combinations in industries in which the divorce had not taken place. The degradation of the Standard of Life of the skilled manual worker on the break-up of the mediæval system occurred in all sorts of trades, whether

the operative retained his ownership of the means of production or not, but Trade Unionism followed only where the change took the form of a divorce between capital and labour. . . .



We do not contend that the divorce supplies, in itself, a complete explanation of the origin of Trade Unions. At all times in the history of English industry there have existed large classes of workers as much debarred from becoming the directors of their own industry as the eighteenth-century tailor or woolcomber, or as the modern cotton-spinner or miner. Besides the semi-servile workers on the land or in the mines, it is certain that there were in the towns a considerable class of unskilled labourers, excluded, through lack of apprenticeship, from any participation in the guild. By the eighteenth century, at any rate, the numbers of this class must have been largely swollen, by the increased demand for common labour involved in the growth of the transport trade, the extensive building operations, etc. But it is not among the farm servants, miners, or general labourers, ill-paid and ill-treated as these often were, that the early Trade Unions arose. We do not even hear of ephemeral combinations among them, and only very occasionally of transient strikes. The formation of independent associations to resist the will of employers requires the possession of a certain degree of personal independence and strength of character. Thus we find the earliest Trade Unions arising among journeymen whose skill and Standard of Life had been for centuries encouraged and protected by legal or customary regulations as to apprenticeship, and by the limitation of their numbers which the high premiums and other conditions must have involved. It is often assumed that Trade Unionism arose as a protest against intolerable industrial oppression. This was not so. The first half of the eighteenth century was certainly not a period of exceptional distress. For fifty years from 1710 there was an almost constant succession of good harvests, the price of wheat remaining unusually low. The tailors of London and Westminster united, at the very beginning of the eighteenth century, not to resist any reduction of their customary earnings, but to wring from their employers better wages and shorter hours of labour. The few survivors of the hand woolcombers still cherish the tradition of the eighteenth century, when they styled themselves "gentlemen woolcombers," refused to drink with other operatives, and were strong enough, as we have seen, to give "laws to their masters." The very superior millwrights, whose exclusive trade clubs preceded any general organisation of the engineering trade, had for "their everyday garb" a "long frock coat and tall hat." And the curriers, hatters, woolstaplers, shipwrights, brushmakers, basketmakers, and calico-printers, who furnish prominent instances of eighteenth-century Trade Unionism, all earned relatively high wages, and long maintained a very effectual resistance to the encroachments of their employers.

It appears to us from these facts that Trade Unionism would have been a feature of English industry, even without the steam-engine and the factory system. Whether the association of superior workmen which arose in the early part of the century would, in such an event, ever have developed into a Trade Union Movement is another matter. The typical "trade club" of the town artisan of this time was an isolated "ring" of highly skilled journeymen, who were even more decisively marked off from the mass of the manual workers than from the small class of capitalist employers. The customary enforcement of the apprenticeship prescribed by the Elizabethan statutes, and the high premiums often exacted from parents not belonging to the trade, long maintained a virtual monopoly of the better-paid handicrafts in the hands of an almost hereditary caste of

"tradesmen" in whose ranks the employers themselves had for the most part served their apprenticeship. Enjoying, as they did, this legal or customary protection, they found their trade clubs of use mainly for the provision of friendly benefits, and for "higgling" with their masters for better terms. We find little trace among such trade clubs of that sense of solidarity between the manual workers of different trades which afterwards became so marked a feature of the Trade Union Movement. Their occasional disputes with their employers resembled rather family differences than conflicts between distinct social classes. They exhibit more tendency to "stand in" with their masters against the community, or to back them against rivals or interlopers, than to join their fellow-workers of other trades in an attack upon the capitalist class. In short, we have industrial society still divided vertically trade by trade, instead of horizontally between employers and wage-earners. This latter cleavage it is which has transformed the Trade Unionism of petty groups of skilled workmen into the modern Trade Union Movement.

*The Assumptions of Trade Unionism*

SIDNEY AND BEATRICE WEBB

1897

It is important to drag into full light the assumptions on which the Trade Unionists habitually base both their belief in Trade Unionism itself and their justification of particular demands.

We have first the typical assumption of all reformers in all ages—the conviction that economic and social conditions can, by deliberate human intervention, be changed for the better. Trade Unionists have never even understood the view—still occasionally met with—that there is an absolutely predetermined “Wage-Fund,” and that the average workman’s share of the produce depends exclusively on the arithmetical proportion between the total of this fund and the number of wage-earners. They assume, on the contrary, that the ratio in which the total product of industry is shared between the property-owners, the brain-workers, and the manual laboring class respectively, is a matter of human arrangement, and that it can be altered, effectually and permanently, to the advantage of one class or another, if the appropriate action be taken. . . .

For the improvement of the conditions of employment, whether in respect of wages, hours, health, safety, or comfort, the Trade Unionists have, with all their multiplicity of Regulations, really only two expedients, which we term, respectively, the Device of the Common Rule, and the Device of Restriction of Numbers. The Regulations . . . are but different forms of one principle—the settlement, whether by Mutual Insurance, Collective Bargaining, or Legal Enactment, of minimum conditions of employment, by Common Rules applicable to whole bodies of workers. All these Regulations are based on the assumption that when, in the absence of any Common Rule, the conditions of employment are left to “free competition,” this always means, in practice, that they are arrived at by Individual Bargaining between contracting parties of very unequal economic strength. Such a settlement, it is asserted, invariably tends, for the mass of the workers, towards the worst possible conditions of labor—ultimately, indeed, to the barest subsistence level—whilst even the exceptional few do not permanently gain as much as they otherwise could. We find accordingly that the Device of the Common Rule is a universal feature of Trade Unionism, and that the assumption on which it is based is held from one end of the Trade Union world to the other. The Device of Restriction of Numbers stands in a different position. . . . The Regulations embodying this device, once adopted as a matter of course, have successively been found inapplicable to the circumstances of modern industry. The assumption on which they are based—that better conditions can be obtained by limiting the number of competitors—would not be denied by any Trade Unionist, but it cannot be said to form an important part in the working creed of the Trade Union world. . . .

But these initial assumptions as to the need for Trade Unionism and the efficacy of its two devices do not, of themselves, account for the marked divergence between different Unions, alike in the general character of their policy and in the Regulations which they enforce. . . . The Trade Unionists . . . are influenced by three divergent conceptions of the principle upon which wages, hours, and other terms of the labor contract ought to be determined. These three assumptions, which we distinguish as the Doctrine of Vested

Sidney and Beatrice Webb, *Industrial Democracy* (New York: Longmans, Green & Co., 1897), pp. 559-563, 565-566, 570-575, 580-582, 584, 590-591, 595-597, 807-810, 812-830, 832-834, 838-842. Footnotes in the original have been eliminated.

Interests, the Doctrine of Supply and Demand, and the Doctrine of a Living Wage, give us the clue to the conflicting policies of the Trade Union world.

By the Doctrine of Vested Interests we mean the assumption that the wages and other conditions of employment hitherto enjoyed by any section of workmen ought under no circumstances to be interfered with for the worse. It was this doctrine . . . which inspired the long struggle, lasting down to about 1860, against the introduction of machinery, or any innovation in processes. It is this doctrine which to-day gives the bitterness to demarcation disputes, and lies at the back of all the Regulations dealing with the “right to a trade.” It does more than anything else to keep alive the idea of “patrimony” and the practice of a lengthened period of apprenticeship, whilst it induces the workmen of particular trades to cling fondly to the expedient of limiting the numbers entering those trades, even after experience has proved such a limitation to be impracticable. But the Doctrine of Vested Interests extends much further than these particular Regulations. There is scarcely an industry in which it will not be found, on one occasion or another, inspiring the defence of the customary rates of wages or any threatened privilege. . . .

It is difficult for middle-class observers, accustomed to confine the doctrine of “vested interests” to “rights of property,” to understand the fervor and conviction with which the skilled artisan holds this doctrine in its application to the “right to a trade.” This intuitive conviction of natural right we ascribe, in great part, to the long and respectable history of the idea. Down to the middle of the eighteenth century it was undisputed. To the member of a Craft Guild or Incorporated Company it seemed as outrageous, and as contrary to natural justice, for an unlicensed interloper to take his trade as for a thief to steal his wares. Nor was this conception confined to any particular section of the community. To the economists and statesmen of the time the protection of the vested interests of each class of tradesmen appeared a no less fundamental axiom of civilised society than the protection of property in land or chattels. . . .

But this conception of a vested interest in a trade, though it derives sanction among an essentially conservative class from its long and venerable history, does not rest upon tradition alone. To men dependent for daily existence on continuous employment, the protection of their means of livelihood from confiscation or encroachment appears as fundamental a basis of social order as it does to the owners of land. What both parties claim is security and continuity of livelihood—that maintenance of the “established expectation” which is the “condition precedent” of civilised life. . . .

Amid the rush of new inventions, a legal “right to a trade,” or a legal limitation of apprentices, whilst it remained an irksome restriction, ceased to safeguard the workman’s livelihood. The only remedy for the consequent disturbance of vested interests would have been to have stereotyped the existing industrial order, by the absolute prohibition of machinery or any other innovation. To the statesman, keen on securing the maximum national wealth, any such prohibition appeared suicidal. To the new class of enterprising captains of industry, all restrictions stood in the way of that free use of their capital from which they could derive private wealth. The dispossessed craftsmen could themselves devise no feasible alternative to *laissez faire*, and no one among the dominant classes thought of any means of compensation. As the Industrial Revolution progressed,

the objection to any interference with mobility increased in strength. New armies of workpeople grew up without vested interests of their own, and accordingly opposed to any conception of society which excluded them from the most profitable occupations. Finally, we have the rise in influence of the great body of consumers, loth to admit that the disappointment of the "established expectation" of particular sections of workers is any adequate ground for refraining from the cheapest method of satisfying their ever-changing desires. The result is that even Trade Unionists feel the Doctrine of Vested Interests to be out of date. It is still held with fervor by the more conservative-minded members of every trade, to whom it fully justifies such restrictive regulations as they are able to maintain. It is naturally strongest in the remnants of the time-honored ancient handicrafts. . . . [But] the old Doctrine of Vested Interests has, in fact, lost its vitality. It is still secretly cherished by many workmen, and its ethical validity is, in disputes between different Trade Unions, unhesitatingly assumed by both sides. But we no longer find it dominating the mind of Trade Union leaders, or figuring in their negotiations with employers, and appeals for public support. Whatever fate may be in store for other forms of vested interests, the modern passion for progress, demanding the quickest possible adaptation of social structure to social needs, has effectually undermined the assumption that any person can have a vested interest in an occupation.

When, at the beginning of this century, the Doctrine of Vested Interests was, as regards the wage-earners, definitely repudiated by the House of Commons, the Trade Unionists were driven back upon what we have termed the Doctrine of Supply and Demand. Working men were told, by friends and foes alike, that they could no longer be regarded as citizens entitled to legal protection of their established expectations; that labor was a commodity like any other, and that their real position was that of sellers in a market, entitled to do the best they could for themselves within the limits of the law of the land, but to no better terms than they could, by the ordinary arts of bargaining, extract from those with whom they dealt. It was the business of the employer to buy "labor" in the cheapest market, and that of the workman to sell it in the dearest. It followed that the only criterion of justice of any claim was ability to enforce it, and that the only way by which the workmen could secure better conditions of employment was by strengthening their strategic position against the employer. . . .

Between 1843 and 1880 the Doctrine of Supply and Demand, though never universally accepted, occupied a dominant place in the minds of most of the leaders of Trade Union thought. Viewed in the light of the workmen's experience of the evils of Individual Bargaining, and of the weakness of merely local unions, it meant the establishment of strong national societies, heaping up great reserve funds, and seeking to control the supply of labor in a whole industry from one end of the kingdom to the other. It involved, moreover, the gradual substitution of a policy of inclusion for that of exclusion. Instead of jealously restricting Trade Union membership to men who had "earned" a right to the trade by a definite apprenticeship under restrictive conditions, the unions came more and more to use all lawful means of enforcing membership on every competent workman whom they found actually working at their trade, however questionable might have been the means by which he had acquired his skill. The policy with regard to apprenticeship underwent, accordingly, a subtle change. The ideas of patrimony, of the purchase and sale of "the right to a trade," and of a traditional ratio between learners and adepts, gradually faded away, to be replaced by a frank and somewhat cynical policy of so regulating the entrance to an industry as to put the members of the union in the best possible position for bargaining with the employers. . . . But the most obvious result of the change of doctrine was a revolution in policy with regard to wages and hours. Under the influence

of the Doctrine of Vested Interests, the eighteenth-century Trade Unionists had confined themselves, in the main, to protecting their customary livelihood; asking advances, therefore, not when profits were large, but when the cost of living had risen. Under the influence of the view that wages should be determined by the strategic position of the combined wage-earners, the Trade Unionists of the middle of the present century boldly asserted a claim, in times of good trade, to the highest possible rates that they could exact from employers eager to fulfil immensely profitable orders. . . .

■ ■ ■

We see, therefore, that the Doctrine of Supply and Demand differs in the most practical way from the Doctrine of Vested Interests. Instead of being inconsistent with the facts of modern industry, it seems capable of indefinite development to meet the changing conditions of the world-commerce. Far from being antagonistic to the business spirit of the present century, it falls in with the assumption that the highest interests of Humanity are best attained by every one pursuing what he conceives to be his own interest in the manner, within the limits of the law of the land, that he thinks best for himself. It is, moreover, merely applying to the relations of capital and labor the principles which already govern the business relations of commercial men to each other. Whether the capitalist can bargain individually with his workpeople, or is forced by their combination to deal with them collectively, the Doctrine of Supply and Demand seems to put the matter on a strictly business footing. The relation between employer and wage-earner, like that between buyer and seller, becomes, in fact, merely an incident in the "beneficent private war which makes one man strive to climb on the shoulders of another and remain there." . . . We find, in fact, that a complete intellectual acceptance of the Doctrine of Supply and Demand has much the same results upon the attitude of Trade Unionism as it has upon commercial life, and that it throws up, as leaders, much the same type of character in the one case as in the other. Those who know the Trade Union world will have no difficulty in recognizing, in certain of its sections, both in corporate policy and in the characters of individual leaders, the same strong, self-reliant, and pugnacious spirit; the same impatience of sentiment, philanthropy, and idealism; the same self-complacency at their own success in the fight, and the same contempt for those who have failed; above all, the same conception of the social order, based on the axiom that "to him that hath shall be given, and from him that hath not shall be taken away even that which he hath." To the idealist who sees in Trade Unionism a great class upheaval of the oppressed against the oppressors, it comes as a shock to recognise, in the Trade Union official of this type, pushing the interests of his own clients at the expense of everybody else, merely another embodiment of the "spirit of the bagman." Nor has the believer in individual self-help any right to complain when the "spirit of the bagman" leads, not to free competition and war, but to close corporations and monopoly. . . .

■ ■ ■

But though the Doctrine of Supply and Demand is now accepted by a large section of the Trade Union world, as regards the amount of money wages, there is a strong and, as we think, a growing protest against it. The assumption that the conditions of employment should vary according to the strategic position of each section of the wage-earners, obviously works out disadvantageously for the weaker sections. . . .

■ ■ ■

We reach here a point on which the community has long since become convinced

that neither the Doctrine of Vested Interests, nor that of Supply and Demand affords any guide in determining the conditions of employment. In all that concerns the sanitary condition of the workplace, or the prevention of accidents, we are not content merely to protect the "established expectation" of the workmen, nor yet to leave the matter to settle itself according to the strategic position of each section. By common consent the employer is now required, in all this range of conditions, to give his workpeople, not what has been customary, nor yet what they can exact, but what, in the opinion of Parliament and its expert advisers, is necessary for their health and efficiency. . . .



We can now form a definite idea of the assumption which this generation has set up against the Doctrine of Supply and Demand, and which we have termed the Doctrine of a Living Wage. There is a growing feeling, not confined to Trade Unionists, that the best interests of the community can only be attained by deliberately securing, to each section of the workers, those conditions which are necessary for the continuous and efficient fulfilment of its particular function in the social machine. From this point of view, it is immaterial to the community whether or not a workman has, by birth, servitude, or purchase, acquired a "right to a trade," or what, at any given moment, may be his strategic position towards the capitalist employer. The welfare of the community as a whole requires, it is contended, that no section of workers should be reduced to conditions which are positively inconsistent with industrial or civic efficiency. Those who adopt this assumption argue that, whilst it embodies what was good in the two older doctrines, it avoids their socially objectionable features. Unlike the Doctrine of Vested Interests, it does not involve any stereotyping of industrial processes, or the protection of any class of workers in the monopoly of a particular service. It is quite consistent with the freedom of every wage-earner to choose or change his occupation, and with the employer's freedom to take on whichever man he thinks best fitted for his work. Thus it in no way checks mobility or stops competition. Unlike the Doctrine of Supply and Demand it does not tempt the workmen to limit their numbers, or combine with the employers to fix prices, or restrict output. It avoids, too, the evil of fluctuations of wages, in which the income of the workers varies, not according to their needs as citizens or producers, nor yet to the intensity of their exertion, but solely according to the temporary and, as far as they are concerned, fortuitous position of their trade. On the other hand, the Doctrine of a Living Wage goes far in the direction of maintaining "established expectation." Whilst it includes no sort of guarantee that any particular individual will be employed at any particular trade, those who are successful in the competition may feel assured that, so long as they retain their situations, the conditions of an efficient and vigorous working life will be secured to them.



The foregoing exposition of the assumptions of Trade Unionism will have given the reader the necessary clue, both to the historical changes in Trade Union policy from generation to generation, and also to the diversity at present existing in the Trade Union world. As soon as it is realised that Trade Unionists are inspired, not by any single doctrine as to the common weal, but more or less by three divergent and even contradictory views as to social expediency, we no longer look to them for any one consistent and uniform policy. The predominance among any particular section of workmen, or at any par-

ticular period, of one or other of the three assumptions which we have described—the Doctrine of Vested Interests, the Doctrine of Supply and Demand, and the Doctrine of a Living Wage—manifests itself in the degree of favor shown to particular Trade Union Regulations. The general faith in the Doctrine of Vested Interests explains why we find Trade Unionism, in one industry, or at one period, expressing itself in legally enforced terms of apprenticeship, customary rates of wages, the prohibition of new processes, strict maintenance of the lines of demarcation between trades, the exclusion of "illegal men," and the enforcement of "patrimony" and entrance fees. With the acceptance of the Doctrine of Supply and Demand we see coming in the policy of inclusion and its virtually compulsory Trade Unionism, Sliding Scales, the encouragement of improvements in machinery and the actual penalising of backward employers, the desire for a deliberate Regulation of Output and the establishment of alliances with employers against the consumer. Finally, in so far as the Doctrine of a Living Wage obtains, we see a new attention to the enforcement of Sanitation and Safety, general movements for the reduction of hours, attempts by the skilled trades to organise the unskilled laborers and women workers, denunciation of Sliding Scales and fluctuating incomes, the abandonment of apprenticeship in favor of universal education, and the insistence on a "Moral Minimum" wage below which no worker should be employed. Above all, these successive changes of faith explain the revolutions which have taken place in Trade Union opinion as to the relation of Labor to the State. When men believe in the Doctrine of Vested Interests, it is to the common law of the realm that they look for the protection of their rights and possessions. The law alone can secure to the individual, whether with regard to his right to a trade or his right to an office, his privilege in a new process or his title to property, the fulfilment of his "established expectation." Hence it is that we find eighteenth-century Trade Unionism confidently taking for granted that all its regulations ought properly to be enforced by the magistrate, and devoting a large part of its funds to political agitations and legal proceedings. When the Doctrine of Vested Interests was replaced by that of Supply and Demand, the Trade Unionists naturally turned to Collective Bargaining as their principal method of action. Instead of going to the State for protection, they fiercely resented any attempt to interfere with their struggle with employers, on the issue of which, they were told, their wages must depend. The Common Law, once their friend, now seemed always their most dangerous enemy, as it hampered their freedom of combination, and by its definitions of libel and conspiracy, set arbitrary limits to their capacity of making themselves unpleasant to the employers or the non-unionists. Hence the desire of the Trade Unionists of the middle of this century, whilst sweeping away all laws against combinations, to keep Trade Unionism itself absolutely out of the reach of the law-courts. The growth of the Doctrine of a Living Wage, resting as this does on the assumption that the conditions of employment require to be deliberately fixed, naturally puts the State in the position of arbitrator between the workman who claims more, and the employer who offers less, than is consistent with the welfare of other sections. But the appeal is not to the Common Law. It is no longer a question of protecting each individual in the enjoyment of whatever could be proved to be his customary privileges, or to flow from identical "natural rights," but of prescribing, for the several sections, the conditions required, in the interest of the whole community, by their diverse actual needs. We therefore see the Common Rules for each trade embodied in particular statutes, which the Trade Unionists, far from resisting, use their money and political influence to obtain. The double change of doctrine has thus brought about a return to the attitude of the Old Unionists of the eighteenth century, but with a significant difference. To-day it is not custom or privilege which appeals to the State, but the requirements of efficient

citizenship. Whenever a Trade Union honestly accepts as the sole and conclusive test of any of its aspirations what we have termed the Doctrine of a Living Wage, and believes that Parliament takes the same view, we always find it, sooner or later, attempting to embody that aspiration in the statute law.

It might easily be contended that Trade Unionism has no logical or necessary connection with any particular kind of state or form of administration. If we consider only its fundamental object—the deliberate regulation of the conditions of employment in such a way as to ward off from the manual-working producers the evil effects of industrial competition—there is clearly no incompatibility between this and any kind of government. Regulations of this type have existed, as a matter of fact, under emperors and presidents, aristocracies and democracies. . . .

The problem of how far Trade Unionism is consistent with autocratic government . . . is not of practical concern to the Anglo-Saxon. In the English-speaking world institutions which desire to maintain and improve their position must at all hazards bring themselves into line with democracy. The wise official who has to function under the control of a committee of management, carefully considers its modes of action and the interests and opinions of its members, so that he may shape and state his policy in such a way as to avoid the rejection of the measure he desires. In the same way each section of Trade Unionists will have to put forward a policy of which no part runs counter to the interests and ideals of the bulk of the people. . . .

We see at once that the complete acceptance of democracy, with its acute consciousness of the interests of the community as a whole, and its insistence on equality of opportunity for all citizens, will necessitate a reconsideration by the Trade Unionists of their three Doctrines—the abandonment of one, the modification of another, and the far-reaching extension and development of the third. To begin with the Doctrine of Vested Interests, we may infer that, whatever respect may be paid to the “established expectations” of any class, this will not be allowed to take the form of a resistance to inventions, or of any obstruction of improvements in industrial processes. Equitable consideration of the interests of existing workers will no doubt be more and more expected, and popular governments may even adopt Mill’s suggestion of making some provision for operatives displaced by a new machine. But this consideration and this provision will certainly not take the form of restricting the entrance to a trade, or of recognising any exclusive right to a particular occupation or service. Hence the old Trade Union conception of a vested interest in an occupation must be entirely given up. . . .

Coming now to the Doctrine of Supply and Demand we see that any attempt to better the strategic position of a particular section by the Device of Restriction of Numbers will be unreservedly condemned. Not only is this Device inconsistent with the democratic instinct in favor of opening up the widest possible opportunity for every citizen, but it is hostile to the welfare of the community as a whole, and especially to the manual workers, in that it tends to distribute the capital, brains, and labor of the nation less productively than would otherwise be the case. Trade Unionism has, therefore, absolutely to abandon one of its two Devices. This throwing off of the old Adam of monopoly will be facilitated by the fact that the mobility of modern industry has, in all but a few occupations, already made any effective use of Restriction of Numbers quite impracticable. . . .

Thus, the Doctrine of Supply and Demand will have to manifest itself exclusively in the persistent attempts of each trade to specialise its particular grade of skill, by progressively raising the level of its own Common Rules. In so far as this results in a corresponding increase in efficiency it will . . . not only benefit the trade itself, but also cause the capital, brains, and labor of the community to be distributed in the most productive way. And the demands of each grade will, in the absence of any Restriction of Numbers or resistance to innovations, be automatically checked by the liberty of the customer to resort to an alternative product and the absolute freedom of the directors of industry to adopt an alternative process, or to select another grade of labor. Thus, the permanent bias of the manual worker towards higher wages and shorter hours of labor is perpetually being counteracted by another—his equally strong desire for continuity of employment. If the Common Rule in any industry at any time is pressed upward further or more quickly than is compensated for by an equivalent advance in the efficiency of the industry, the cost of production, and, therefore, the price, will be raised, and the consumers’ demand for that particular commodity will, in the vast majority of cases, be thereby restricted. The rise of wages will, in such a case, have been purchased at the cost of throwing some men out of work. And though the working-class official cannot, any more than the capitalist or the economist, predict the effect on demand of any particular rise of wages, even the most aggressive members of a Trade Union discover, in an increase of the percentage of unemployed colleagues whom they have to maintain an unmistakable and imperative check upon any repetition of an excessive claim. . . .

So far democracy may be expected to look on complacently at the fixing, by mutual agreement between the directors of industry and the manual workers, of special rates of wages for special classes. But this use of the Method of Collective Bargaining for the advantage of particular sections—this “freedom of contract” between capitalists and wage-earners—will become increasingly subject to the fundamental condition that the business of the community must not be interfered with. When in the course of bargaining there ensues a deadlock—when the workmen strike, or the employers lock out—many other interests are affected than those of the parties concerned. We may accordingly expect that, whenever an industrial dispute reaches a certain magnitude, a democratic state will, in the interests of the community as a whole, not scruple to intervene, and settle the points at issue by an authoritative fiat. The growing impatience with industrial dislocation will, in fact, when Collective Bargaining breaks down, lead to its supersession by some form of compulsory arbitration; that is to say, by Legal Enactment. And when the fixing of the conditions on which any industry is to be carried on, is thus taken out of the hands of employers and workmen, the settlement will no longer depend exclusively on the strategic position of the parties, or of the industry, but will be largely influenced by the doctrine of a living wage. The Trade Union official would then have to prove that the claims of his clients were warranted by the greater intensity of their effort, or by the rareness of their skill in comparison with those of the lowest grade of labor receiving only the National Minimum; whilst the case of the associated employers would have to rest on a demonstration, both that the conditions demanded were unnecessary, if not prejudicial, to the workmen’s efficiency, and that equally competent recruits could be obtained in sufficient numbers without the particular “rent of ability,” demanded by the Trade Union over and above the National Minimum.

It is accordingly on the side of the Doctrine of a Living Wage that the present pol-

icy of Trade Unionism will require most extension. Democratic public opinion will expect each trade to use its strategic position to secure the conditions necessary for the fulfilment of its particular social function in the best possible way—to obtain, that is to say, not what will be immediately most enjoyed by the “average sensual man,” but what, in the long run, will most conduce to his efficiency as a professional, a parent, and a citizen. This will involve some modification of Trade Union policy. Powerful Trade Unions show no backwardness in exacting the highest money wages that they know how to obtain; but even the best organised trades will at present consent, as a part of their bargain with the employer, to work for excessive and irregular hours, and to put up with unsafe, insanitary, indecent, and hideous surroundings. In all the better-paid crafts in the England of to-day, shorter and more regular hours, greater healthfulness, comfort, and refinement in the conditions of work, and the definite provision of periodical holidays for recreation and travel, are, in the interests of industrial and civic efficiency, more urgently required than a rise in the Standard Rate. . . .

Nor is it enough for each trade to maintain and raise its own Standard of Life. Unless the better-paid occupations are to be insidiously handicapped in the competition for the home and foreign market, it is . . . essential that no one of the national industries should be permitted to become parasitic by the use of subsidised or deteriorating labor. Hence the organised trades are vitally concerned in the abolition of “sweating” in all occupations. . . . And this self-interest of the better-paid trades coincides, as we have seen, with the welfare of the community, dependent as this is on securing the utmost development of health, intelligence, and character in the weaker as well as in the stronger sections. Thus we arrive at the characteristic device of the Doctrine of a Living Wage, which we have termed the National Minimum—the deliberate enforcement, by an elaborate Labor Code, of a definite quota of education, sanitation, leisure, and wages for every grade of workers in every industry. This National Minimum the public opinion of the democratic state will not only support, but positively insist on for the common weal. But public opinion alone will not suffice. To get the principle of a National Minimum unreservedly adopted . . . requires persistent effort and specialised skill. For this task no section of the community is so directly interested and so well-equipped as the organised trades, with their prolonged experience of industrial regulation and their trained official staff. It is accordingly upon the Trade Unions that the democratic state must mainly rely for the stimulus, expert counsel, and persistent watchfulness, without which a National Minimum can neither be obtained nor enforced.



To obtain for the community the maximum satisfaction it is essential that the needs and desires of the consumers should be the main factor in determining the commodities and services to be produced. . . . One thing is certain, namely, that the several sections of manual workers, enrolled in their Trade Unions, will have, under private enterprise or Collectivism, no more to do with the determination of what is to be produced than any other citizens or consumers. As manual workers and wage-earners, they bring to the problem no specialised knowledge, and as persons fitted for the performance of particular services, they are even biassed against the inevitable changes in demand which characterise a progressive community. This is even more the case with regard to the second department of industrial administration—the adoption of material, the choice of processes, and the selection of human agents. Here, the Trade Unions concerned are specially disqualified, not only by their ignorance of the possible alternatives, but also by

their overwhelming bias in favor of a particular material, a particular process, or a particular grade of workers, irrespective of whether these are or are not the best adapted for the gratification of the consumers' desires. On the other hand, the directors of industry, whether thrown up by the competitive struggle or deliberately appointed by the consumers or citizens, have been specially picked out and trained to discover the best means of satisfying the consumers' desires. Moreover, the bias of their self-interest coincides with the object of their customers or employers—that is to say, the best and cheapest production. Thus, if we leave out of account the disturbing influence of monopoly in private enterprise, and corruption in public administration, it would at first sight seem as if we might safely leave the organisation of production and distribution under the one system as under the other to the expert knowledge of the directors of industry. But this is subject to one all-important qualification. The permanent bias of the profit-maker, and even of the salaried official of the Co-operative Society, the Municipality, or the Government Department, is to lower the expense of production. So far as immediate results are concerned, it seems equally advantageous whether this reduction of cost is secured by a better choice of materials, processes, or men, or by some lowering of wages or other worsening of the conditions upon which the human agents are employed. But the democratic state is . . . vitally interested in upholding the highest possible Standard of Life of all its citizens, and especially of the manual workers who form four-fifths of the whole. Hence the bias of the directors of industry in favor of cheapness has, in the interests of the community, to be perpetually controlled and guided by a determination to maintain, and progressively to raise, the conditions of employment.

This leads us to the third branch of industrial administration—the settlement of the conditions under which the human beings are to be employed. The adoption of one material rather than another, the choice between alternative processes or alternative ways of organising the factory, the selection of particular grades of workers, or even of a particular foreman, may affect, for the worse, the Standard of Life of the operatives concerned. This indirect influence on the conditions of employment passes imperceptibly into the direct determination of the wages, hours, and other terms of the wage contract. On all these matters the consumers, on the one hand, and the directors of industry on the other, are permanently disqualified from acting as arbiters. . . . In the elaborate division of labor which characterises the modern industrial system, thousands of workers cooperate in the bringing to market of a single commodity; and no consumer, even if he desired it, could possibly ascertain or judge of the conditions of employment in all these varied trades. Thus, the consumers of all classes are not only biassed in favor of low prices: they are compelled to accept this apparent or genuine cheapness as the only practicable test of efficiency of production. And though the immediate employer of each section of workpeople knows the hours that they work and the wages that they receive, he is precluded by the stream of competitive pressure, transmitted through the retail shopkeeper and the wholesale trader, from effectively resisting the promptings of his own self-interest towards a constant cheapening of labor. Moreover, though he may be statistically aware of the conditions of employment, his lack of personal experience of those conditions deprives him of any real knowledge of their effects. To the brain-working captain of industry, maintaining himself and his family on thousands a year, the manual-working wage-earner seems to belong to another species, having mental faculties and bodily needs altogether different from his own. Men and women of the upper or middle classes are totally unable to realise what state of body and mind, what level of character and conduct result from a life spent, from childhood to old age, amid the dirt, the smell, the noise, the ugliness, and the vitiated atmosphere of the workshop; under



constant subjection to the peremptory, or, it may be, brutal orders of the foreman; kept continuously at laborious manual toil for sixty or seventy hours in every week of the year; and maintained by the food, clothing, house-accommodation, recreation, and family life which are implied by a precarious income of between ten shillings and two pounds a week. If the democratic state is to attain its fullest and finest development, it is essential that the actual needs and desires of the human agents concerned should be the main considerations in determining the conditions of employment. Here, then, we find the special function of the Trade Union in the administration of industry. The simplest member of the working-class organisation knows at any rate where the shoe pinches. The Trade Union official is specially selected by his fellow-workmen for his capacity to express the grievances from which they suffer, and is trained by his calling in devising remedies for them. But in expressing the desires of their members, and in insisting on the necessary reforms, the Trade Unions act within the constant friction-brake supplied by the need of securing employment. It is always the consumers, and the consumers alone, whether they act through profit-making entrepreneurs or through their own salaried officials, who determine how many of each particular grade of workers they care to employ on the conditions demanded.

Thus, it is for the consumers, acting either through capitalist entrepreneurs or their own salaried agents, to decide what shall be produced. It is for the directors of industry, whether profit-makers or officials, to decide how it shall be produced, though in this decision they must take into account the objections of the workers' representatives as to the effect on the conditions of employment. And, in the settlement of these conditions, it is for the expert negotiators of the Trade Unions, controlled by the desires of their members, to state the terms under which each grade will sell its labor. But above all these, stands the community itself. To its elected representatives and trained Civil Service is entrusted the duty of perpetually considering the permanent interests of the State as a whole. When any group of consumers desires something which is regarded as inimical to the public wellbeing . . . the community prohibits or regulates the satisfaction of these desires. When the directors of industry attempt to use a material, or a process, which is regarded as injurious . . . their action is restrained by Public Health Acts. And when the workers concerned, whether through ignorance, indifference, or strategic weakness, consent to work under conditions which impair their physique, injure their intellect, or degrade their character, the community has, for its own sake, to enforce a National Minimum of education, sanitation, leisure, and wages. . . . In each of its three divisions, the interests and will of one or other section is the dominant factor. But no section wields uncontrolled sway even in its own sphere. The State is a partner in every enterprise. In the interests of the community as a whole, no one of the interminable series of decisions can be allowed to run counter to the consensus of expert opinion representing the consumers on the one hand, the producers on the other, and the nation that is paramount over both.

It follows from this analysis that Trade Unionism is not merely an incident of the present phase of capitalist industry, but has a permanent function to fulfil in the democratic state. Should capitalism develop in the direction of gigantic Trusts, the organisation of the manual workers in each industry will be the only effective bulwark against social oppression. If, on the other hand, there should be a revival of the small master system, the enforcement of Common Rules will be more than ever needed to protect the community against industrial parasitism. And if, as we personally expect, democracy moves in the direction of superseding both the little profit-maker and the Trust, by the salaried officer of the Co-operative Society, the Municipality, and the Government

Department, Trade Unionism would remain equally necessary. For even under the most complete Collectivism, the directors of each particular industry would, as agents of the community of consumers, remain biased in favor of cheapening production, and could, as brainworkers, never be personally conscious of the conditions of the manual laborers. And though it may be assumed that the community as a whole would not deliberately oppress any section of its members, experience of all administration on a large scale, whether public or private, indicates how difficult it must always be, in any complicated organisation, for an isolated individual sufferer to obtain redress against the malice, caprice, or simple heedlessness of his official superior. Even a whole class or grade of workers would find it practically impossible, without forming some sort of association of its own, to bring its special needs to the notice of public opinion, and press them effectively upon the Parliament of the nation. Moreover, without an organisation of each grade or section of the producers, it would be difficult to ensure the special adaptation to their particular conditions of the National Minimum, or other embodiment of the Doctrine of a Living Wage, which the community would need to enforce; and it would be impossible to have that progressive and experimental pressing upward of the particular Common Rules of each class, upon which, as we have seen, the maximum productivity of the nation depends. In short, it is essential that each grade or section of producers should be at least so well organised that it can compel public opinion to listen to its claims, and so strongly combined that it could if need be, as a last resort against bureaucratic stupidity or official oppression, enforce its demands by a concerted abstention from work, against every authority short of a decision of the public tribunals, or a deliberate judgment of the Representative Assembly itself.

But though, as industry passes more and more into public control, Trade Unionism must still remain a necessary element in the democratic state, it would, we conceive, in such a development, undergo certain changes. The mere extension of national agreements and factory legislation has already, in the most highly regulated trades, superseded the old guerilla warfare between employers and employed, and transformed the Trade Union official from a local strike leader to an expert industrial negotiator, mainly occupied, with the cordial co-operation of the secretary of the Employers' Association and the Factory Inspector, in securing an exact observance of the Common Rules prescribed for the trade. And as each part of the minimum conditions of employment becomes definitely enacted in the regulations governing the public industries, or embodied in the law of the land, it will tend more and more to be accepted by the directors of industry as a matter of course, and will need less and less enforcement by the watchful officials concerned. The Trade Union function of constantly maintaining an armed resistance to attempts to lower the Standard of Life of its members may be accordingly expected to engage a diminishing share of its attention. On the other hand, its duty of perpetually striving to raise the level of its Common Rules, and thereby increasing the specialised technical efficiency of its craft, will remain unabated. We may therefore expect that, with the progressive nationalisation or municipalisation of public services, on the one hand, and the spread of the Co-operative movement on the other, the Trade Unions of the workers thus taken directly into the employment of the citizen-consumers will more and more assume the character of professional associations. . . . They may even come to be little concerned with any direct bargaining as to sanitation, hours, or wages, except by way of redressing individual grievances, or supplying expert knowledge as to the effect of proposed changes. The conditions of employment depending on the degree of expert specialisation to which the craft has been carried, and upon public opinion as to its needs, each Trade Union will find itself . . . more and more concerned with raising the standard of compe-

tency in its occupation, improving the professional equipment of its members, "educating their masters" as to the best way of carrying on the craft, and endeavoring by every means to increase its status in public estimation.

So far our review of the functions of Trade Unionism in the democratic state has taken account only of its part in industrial organisation. But the Trade Unions are turned also to other uses. At present, for instance, they compete with the ordinary friendly societies and industrial insurance companies in providing money benefits in cases of accident, sickness, and death, together with pensions for the aged. This is the side of Trade Unionism which commonly meets with the greatest approval, but it is a side that, in our opinion, is destined to dwindle. As one class of invalids after another is taken directly under public care, the friendly benefits provided by the Trade Unions will no longer be necessary to save their members from absolute destitution. With any general system of compensation for industrial accidents, provided or secured by the state itself, the costly "accident benefit" hitherto given by Trade Unions will become a thing of the past. . . . But in the democratic state these adventitious aids will no longer be necessary. The Trade Union will be a definitely recognised institution of public utility to which every person working at the craft will be imperatively expected, even if not . . . legally compelled to contribute. With Trade Union membership thus virtually or actually compulsory, Trade Union leaders will find it convenient to concentrate their whole attention on the fundamental purposes of their organisation, and to cede the mere insurance business to the Friendly Societies. . . .



But whilst Trade Unionism may be expected to lose some of its present incidental functions, we suggest that the democratic state will probably find it new duties to fulfil. . . . The technical instruction of our craftsmen would, for instance, gain enormously in vigor and reality if the Trade Unions were in some way directly associated with the administration of the technological classes relating to their particular trades. . . . In other directions, too, such as the compilation of statistics relating to particular occupations, and the dissemination of information useful to members of particular crafts, the democratic state will probably make increasing use of Trade Union machinery.

Finally, there is the service of counsel. On all issues of industrial regulation, whether in their own or other trades, the Trade Union officials will naturally assume the position of technical experts, to whom public opinion will look for guidance. But industrial regulation is not the only matter on which a democratic state needs the counsels of a working-class organisation. Whenever a proposal or a scheme touches the daily life of the manual-working wage-earner, the representative committees and experienced officials of the Trade Union world are in a position to contribute information and criticism, which are beyond the reach of any other class. . . .



Now, Trade Unionism has no logical connection with any particular form of ownership of land and capital, and the members of British Trade Unions are not drawn, as Trade Unionists, unreservedly either towards Individualism or towards Collectivism. Certain sections of the Trade Union world . . . find that they can exact better terms from the capitalist employer than would be likely to be conceded to them by a democratic government department. Other sections, on the contrary, see in the extension of public

employment the only remedy for a disastrous irregularity of work and all the evils of sweating. . . . It is in their capacity of citizens, not as Trade Unionists, that the manual workers will have to decide between the rival forms of social organisation, and to make up their minds as to how they wish the economic rent of the nation's land and capital to be distributed. And though, in this, the most momentous issue of modern democracy, the manual workers will be influenced by their poverty in favor of a more equal sharing of the benefits of combined labor, they will, by their Trade Unionism, not be biased in favor of any particular scheme of attaining this result outside their own Device of the Common Rule. And when we pass from the ownership of the means of production and the administration of industry to such practical problems as the best form of currency or the proper relation between local and central government, or to such vital questions as the collective organisation of moral and religious teaching, the provision for scholarship and science and the promotion of the arts—not to mention the sharper issues of "Home Rule" or foreign affairs—the members of the Trade Union world have no distinctive opinion, and their representatives and officials no special knowledge. We may therefore infer that the wage-earners will, in the democratic state, not content themselves with belonging to their Trade Union, or even to any wider organisation based on a distinction of economic class. Besides their distinctive interests and opinions as wage-earners and manual workers, they have others which they share with persons of every grade or occupation. The citizen in the democratic state, enrolled first in his geographical constituency, will take his place also in the professional association of his craft; but he will go on to combine in voluntary associations for special purposes with those who agree with him in religion or politics, or in the pursuit of particular recreations or hobbies.

These considerations have a direct bearing on the probable development of Trade Union structure. . . . The Trade Union world has, throughout its whole history, manifested an overpowering impulse to the amalgamation of local trade clubs into national unions, with centralised funds and centralised administration. The economic characteristics of Trade Unionism revealed to us the source of this impulse in the fundamental importance to each separate class of operatives that its occupation should be governed by its own Common Rules, applicable from one end of the kingdom to the other. This centralisation of administration, involving the adoption of a national trade policy, and, above all, the constant levelling-up of the lower-paid districts to the higher standard set in more advantageous centres, requires . . . the development of a salaried staff, selected for special capacity, devoting their whole attention to the commercial position and technical details of the particular section of the industry that they represent, and able to act for the whole of that section throughout the nation. It is . . . because of the absence of such a staff that so few of the Trade Unions of the present day secure national agreements, or enforce with uniformity such Common Rules as they obtain. The Trade Union of the future will, therefore, be co-extensive with its craft, national in its scope, centralised in its administration, and served by an expert official staff of its own.



Our vision of the sphere of Trade Unionism in the democratic state . . . gives us also its political programme. . . . In spite of the fact that Trade Unionists include men of all shades of political opinion, . . . the federal organisations of the British Trade Unions of to-day are perpetually meddling with wide issues of general politics, upon which the bulk of their constituents have either no opinions at all, or are marshalled in the ranks of one or another of the political parties. . . . This waste of time and dissipation of energy

over extraneous matters arises, we think, mainly from the absence of any clearly conceived and distinctive Trade Union programme. In the democratic state of the future the Trade Unionists may be expected to be conscious of their own special function in the political world, and to busy themselves primarily with its fulfilment. First in importance to every section we put the establishment of a National Minimum of education, sanitation, leisure, and wages, its application to all the conditions of employment, its technical interpretation to fit the circumstances of each particular trade, and, above all, its vigorous enforcement, for the sake of the whole wage-earning world. . . . Upon this fundamental ground level each separate craft will need to develop such technical regulations of its own as are required to remove any conditions of employment which can be proved to be actually prejudicial to the efficiency of the operatives concerned. . . . And since the utmost possible use of the Method of Legal Enactment will . . . still permanently leave a large sphere for the Method of Collective Bargaining, there must be added to the political programme of the federated unions all that we have described as the Implications of Trade Unionism. The federal executive of the Trade Union world would find itself defending complete freedom of association, and carefully watching every development of legislation or judicial interpretation to see that nothing was made criminal or actionable, when done by a Trade Union or its officials, which would not be criminal or actionable if done by a partnership of traders in pursuit of their own gain. And the federal executive would be on its guard, not only against a direct attack on the workmen's organisations, but also against any insidious weakening of their influence. . . .

. . . The "dim, inarticulate" multitude of manual-working wage-earners have . . . felt . . . [that] the uncontrolled power wielded by the owners of the means of production, able to withhold from the manual worker all chance of subsistence unless he accepted their terms, meant a far more genuine loss of liberty, and a far keener sense of personal subjection, than the official jurisdiction of the magistrate, or the far-off, impalpable rule of the king. . . . Against this autocracy in industry, the manual workers have, during the century, increasingly made good their protest. . . . The democratic idea which rules in politics has no less penetrated into industry. The notion of a governing class, exacting implicit obedience from inferiors, and imposing upon them their own terms of service, is gone, never to return. Henceforward, employers and their workmen must meet as equals. What has not been so obvious to middle-class observers is the necessary condition of this equality. Individual Bargaining between the owner of the means of subsistence and the seller of so perishable a commodity as a day's labor must be, once for all, abandoned. In its place, if there is to be any genuine "freedom of contract," we shall see the conditions of employment adjusted between equally expert negotiators, acting for corporations reasonably comparable in strategic strength, and always subject to and supplemented by the decisions of the High Court of Parliament, representing the interests of the community as a whole. Equality in industry implies, in short, a universal application of the Device of the Common Rule.

. . . Political democracy will inevitably result in industrial democracy. . . .

---

---

# FIVE

## The Labor Movement as a Psychological Reaction to Industrialism

---

---