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**THE  
CONDITION OF CLERICAL  
LABOUR IN BRITAIN**

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LABOUR IN BRITAIN**

*by*  
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**With a Preface by  
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## ERRATA

Page 37.—Line 33, read “ £427 10s. od.” instead of “ £247 10s. od.”  
Line 37, read “ Fair ” instead of “ Poor.”

Page 86.—The date of the announcement of the new Midland Bank scale was December 10th, 1929, not 1929, the scale to operate as from January 1931, not 1930; the figure of 1930 in this passage and the table should therefore be changed to 1931. For “ Irish offices of the Midland Bank ” read “ Irish affiliation offices of the Midland Bank.”

Page 88.—First line, fourth paragraph, for “ The tendency to offer salaries ” read “ The tendency to offer *lower* salaries.”

## PREFACE

THE study of the conditions of clerical workers in Britain which is given in this book is to be welcomed for a number of reasons.

In the first place, it fills a conspicuous gap in the literature of social conditions, for there is no existing study, so far as I know, which covers this field as a whole, although particular areas of it, such as the Civil Service, have been dealt with in other studies.

In the second place, the field of clerical labour, seen as a whole, illustrates, perhaps more strikingly than almost any other, the manner in which capitalism works and the nemesis which eventually overtakes it. And the illustration is the more striking because the process whereby the clerical worker has been down-graded from lower-middle-class to proletarian levels has been compressed into little more than a couple of decades.

In the third place, the study is particularly valuable because of the profound political importance of the social type with which it deals. In every Fascist reaction in Europe the professional classes have played an important part. In the main it has been to the de-classed elements of the working class and the petty bourgeois clerical, professional, and shop-keeping classes that Fascist propaganda has been directed, and from which it has drawn most of its numerical strength. A widespread and clear understanding by clerical workers of what is happening to them and why, is essential to preventing their use as the raw material of Fascism in Britain. To this end the study which this book provides is a valuable initial contribution.

I myself have spent some twenty-five years of effort in one large area of clerical employment in Britain—the clerical grades of the Civil Service. In that time I have witnessed at first hand the process which this study traces in clerical employment as a whole. Those twenty-five years can be divided into four main periods: the period of pre-war respectability; the period of post-war revolt; the period of relapse after revolt; and the present period of doubt and confusion, from which anything may come.



In pre-war days the "superiority" of the clerical worker over the manual worker was still not in question. Nor was the desire of the workman to see that his son should, if it could be contrived, "rise" from working-class employment to the black-coated occupations. In those days Civil Servants and clerical workers generally were thoroughly reactionary in their outlook, and thoroughly ill-equipped to defend their own interests. In the Civil Service there were indeed Associations, but they were financed by subscriptions on a "shilling-a-year" basis, and were incapable of doing anything more than forwarding petitions from time to time to the Treasury. The Associations were eminently respectable, and took great care that their petitions should be in the time-honoured form. They opened with the injunction or hope—"May it please your Lordships"—(which it never did)—and they closed with—"Your petitioners will ever humbly pray." These petitions produced results so meagre as to give rise to grave doubts about the efficacy of prayer. These pre-war Clerical Associations had no connection with "party politics," which were taboo, nor with the Trade Union Congress.

The war threw Civil Service clerical workers into the Army in thousands. Contact with workers of all kinds of industries in the Army broadened their outlook. When the war ended they returned full of the spirit of revolt. Trade Unionism appeared in modern form for the first time. Subscriptions were raised to 6d. a week, full-time officers appointed, premises acquired, amalgamations arranged, and so on. The example of my own Association, which was the pioneer in this process, was followed by others, until a really high level of efficient organisation was attained in the Service generally. The clerical grades, joining forces with the Postal workers and others, secured in the immediate post-war period big improvements in pay, hours, leave, conditions of service, and in the machinery of negotiation with the State. Moreover the clerical workers broke with the non-political traditions of the past and linked up with the Labour Party and the Trade Union Congress. That was the second period.

Then came the reaction. The first of the post-war economy campaigns developed. The Geddes Committee was followed by the Anderson Committee. Broadly the big forward movement of the immediate post-war period was brought to a standstill. For the first time Civil Servants collectively understood how completely Trade Union effort was conditioned and limited by the social environment in which it operated. It was this, to a very large

extent, which enabled Associations like my own to back the Trade Union Congress through the General Strike period and to pledge their financial resources in support of the miners.

There followed the last of the four periods, which has been one of great doubt and some confusion. From 1926 to 1935 there have been ups and downs. Sectional advantages, here and there, have been, and are being, won. But as against these have to be put the drops in Bonus up till 1931, and the Economy Cuts of State Servants (only partially restored so far) of that year. Side by side, too, with the series of battles in regard to standard conditions of service there have been other and grave factors at work which bear out the analysis of this study. Without altering standard conditions, the Government has enormously increased, during the last decade, the proportion of women employed on clerical work, and the women are paid on lower rates than men. Again, the machine has invaded the field of clerical labour, just as earlier on it invaded the field of manual labour. The typewriter, the adding machine, the comptometer, have resulted in the replacement of thousands of clerks by what are in effect machine tenders. And there is no end of this process in sight.

More and more the Civil Service clerical worker recognises that what he is struggling against is something much more than the narrow-minded opposition of Treasury officials. He is struggling to avoid the consequences of an immense and inevitable social tendency. This, in the ordinary way, would have intensified the post-war line up of the clerical workers with the manual workers. In form, that was precluded by the 1927 Trade Union Act, which forbade Civil Servants to be members of Unions affiliated to outside political or industrial bodies. But it is not the form that matters. There are many ways round legal prohibitions of this kind if the will is there. But the truth is that the will is not there. The post-war urge to unity with the Labour Party and the Trade Union Congress has received a shattering blow from the failure of the Industrial side of the Labour Movement in 1926 and the successive failures of the Labour Governments of 1924 and 1929-31. Civil Servants no longer feel any confidence that a Labour Government will be appreciably better, so far as they are concerned, than a Tory one. Their mood is one of cynicism; and in this the great danger lies.

Clerical workers, like the manual workers, are in the grip of a declining capitalist system which, in obedience to its own law that the motive force of industrial activity and the clerical pro-

cesses associated therewith is profit, and faced with the necessity of trying to overcome the tendency of profit to fall, seeks at every stage to restore the level of profit by reducing directly and indirectly the standard of life of the worker by hand and brain alike. Thus the attacks on wages, thus the passing down of work from one class to a lower paid class below, thus the displacement of men by women on lower rates, thus the introduction and extension of machines.

From the consequences of that system there is no escape, save indeed by getting rid of the system itself and substituting Socialism in its place. The proletarianizing of the clerical profession parallels the down-grading of the skilled engineer and artisan to unskilled labour rates of pay. The minor differences between one section of workpeople and another, between hand and brain worker, between skilled and unskilled—(differences which tend, when Capitalism is in a rising or stable condition, to obscure the real character of the system)—are ironed out under pressure of capitalist necessity when capitalism is past its zenith. However gravely the industrial and political wings of the Labour Movement have failed in their respective spheres makes no difference to the character of the problem which faces brain worker and hand worker alike. The conclusion to be drawn from this study is that the clerical workers should be lined up with the manual workers and the technicians in common effort (through existing channels if they can be made to serve, or through new ones if they cannot) to bring the system which conditions men to poverty during their lives, and to early and untimely death in battle, to an end.

*May, 1935*

W. J. BROWN.

## INTRODUCTION

**THIS** book offers a study of clerical workers, who form the largest and most closely knit section of the lower middle class in this country. It seeks to show the economic basis of that social stratum; to ascertain its political affinities; and to reveal the forces at work which drive it respectively into the arms of the capitalist class on the one hand or the working class on the other. Although much of the argument is detailed and statistical, the purpose of the book is by no means academic; the facts presented are intended to form the necessary basis for the political argument which constitutes its main concern.

The differentiation of social classes remains as clear to-day as it was in the days when Marx and Engels made their famous social diagnosis on a class basis, though the structure of society has naturally undergone many changes. Thus the capitalist or bourgeois class remains clearly distinguishable by its ownership of the means of production; the elements within that class to-day are more homogeneous than when Marx wrote, since the owners of land and of industrial capital and the financiers no longer represent separate sections but are one and the same group.

The essential mark of the proletariat remains the fact that it owns no capital and depends for its livelihood on the sale of its labour power, having no control over the disposal of the product of its labour.

The social strata which lie between the capitalists and the proletariat do not constitute a class in the true sense of the term, for they perform as a group, no specific economic function. These intermediate strata partake of the characteristics of each of the main classes. Some are small capitalists; some are persons possessing no capital and distinguished from the proletariat only by the relatively high price at which they dispose of their labour power; while others get their living partly by ownership and partly by selling their labour power.

It is with a part of these intermediate strata that this book deals. In spite of their lacking a specific economic purpose, their

position is one of great significance. Marx has described the vacillating role of the petty bourgeoisie alternately siding with the capitalists and the workers; clinging to the mentality and habits of life of the former while driven more and more down to the economic standards of the latter.

The middle class has undergone large changes in its structure since the middle of last century when Marx wrote. The peasantry, the independent handicraftsmen, and the small shopkeepers have declined in numbers, but they have been replaced by a "new middle class" of salary-earners directly dependent upon capitalist employers. Small owners of businesses and the lesser dealers have now become the employees and agents of large concerns, while the ranks of the intermediate strata have been swollen by a host of clerks, salesmen and other non-manual subordinates of capitalist undertakings.

The change in the structure of the middle class has not basically altered its political character. To-day, as when Marx wrote, it tends to pass from one political camp to another, in periods of prosperity joining in the forward movement of the proletariat and seeking to improve its economic position by raising salaries, and when the slump sets, retreating in fear for the security of its employment to the respectable ranks of supporters of capitalism. It is this vacillating tendency which gives the social stratum we are here discussing its special interest, an interest which is enhanced by the advent of a political tendency which depends for its realization largely on this section of society; fascism, the instrument of capitalist dictatorship, makes a special appeal to the petty bourgeoisie from whom it draws its mass support and whose ideology it uses as a mask for concealing its true character. A detailed analysis of the economic position and the ideology of the petty bourgeoisie as a whole can alone provide the necessary data for determining this true character of the fascist programme. For determining, that is to say, whether that programme really expresses the true interests of the middle classes, whether the corporate state does in fact offer a "third solution," differing substantially both from proletarian and from capitalist dictatorship, or whether fascism is the last desperate attempt of declining capitalism to avert a change of front on the part of the middle classes, a change to the side of the proletariat, which follows logically from their economic interests but which their ideological heritage makes them hesitate to accept.

On the replies to these questions depends the possibility of

co-operation between the workers and the middle classes in the overthrow of capitalism. For this reason the subject matter of this book has an interest by no means limited to the social stratum with which it is directly concerned. The questions raised must be answered in full to furnish a complete solution of the problem of securing this co-operation. That task, however, transcends the limits of the present study, which is confined to one section of the lower middle class, that of the clerical workers; but the fact that this section is the most numerous and the most homogeneous section of this class gives it a position of unique importance.

Before proceeding to a detailed presentation of the facts relating to clerks alone, I propose to sketch a general background by indicating the position of the clerical section within the middle classes and the position of those classes as a whole in the class structure of this country to-day.

The occupation tables of the 1921 census of England and Wales enable us to make a fairly detailed analysis of the class structure of English society at that date. Unfortunately that analysis cannot be extended in full to 1931 since one of the most important classifications from the present point of view, namely that of distinguishing employers from managers, was not repeated in that year. Other changes in the method of classification make comparisons with earlier censuses very difficult, but sufficiently homogeneous groups can be obtained from the 1851, 1881, and 1901 census results to give a fairly reliable picture of the general trend of development.

The following occupational groups enumerated in 1921 can be taken to include the middle classes and the border groups between the middle and the working class proper :

	Total number (000's)		Males and Females per cent. of all occupied.
	Males.	Females.	
<i>Urban Occupations:</i>			
<i>Semi-working class sections :</i>			
Clerks, Shop Assistants, Travellers, etc.	1225.9	861.1	12.1
<i>Workers on own account—not employers :</i>			
Manufacturing and Transport ...	227.1	102.8	1.9
Retail Trade ...	178.7	79.5	1.5
Hotel, Boarding House, Domestic Service ...	68.0	84.9	.9
Brokers, Agents, etc. ...	18.5	1.2	.1
<b>Total ...</b>	<b>1718.2</b>	<b>1129.5</b>	<b>16.5</b>

	Total number (000's)		Males and Females per cent. of all occupied.
	Males.	Females.	
Lower Middle Class :			
Lower Professions ... ..	138.9	323.6	2.7
Higher Professions ... ..	212.2	54.5	1.5
Higher Officials (Banks, Insurance, Railway, Merchant Marine, Govern- ment) ... ..	96.6	3.0	.6
Managers : Industry and Transport ...	96.0	6.0	.6
Wholesale and Retail Trade	95.7	19.8	.7
Hotel, Restaurant, Enter- tainment ... ..	33.7	69.2	.6
<hr/>			
Total ... ..	673.1	476.1	7.3
Grand Total ... ..	2391.3	1605.6	23.2
Total Employers (Industry, Wholesale and Retail Trade; Hotel, Restaurant, etc.; Transport ... ..	381.5	60.4	2.6
<i>Agriculture :</i>			
Farmers, Gardeners, Fishermen, on own account, <i>not</i> employers ...	145.8	9.8	.9
Farmers, Gardeners, Fishermen, employers ... ..	141.2	10.0	.9

If we leave the working class out of account, the only groups not included in this table are such minor groups as the police and other armed forces (1.8 per cent.), proprietors of banking and insurance enterprises, stockbrokers, moneylenders, company directors (less than .2 per cent.) and costermongers, hawkers, and organ-grinders (.4 per cent.). The working class proper consists of 70 per cent. of the total occupied population; 54.8 of this figure are workers in mines, industrial establishments, and transport enterprises, 9.5 are workers in hotels, etc., and in domestic service, 5.7 in agriculture.

The most striking fact in this enumeration is the infinitesimal number of persons of which the finance-capitalist class is composed. It must be remembered that the employers' groups merely contain those people who themselves own and run business enterprises, owners of joint stock companies do not appear anywhere as a separate entity; quite apart, therefore, from the fact that all small employers, even those with only one or two workers, are included, and that these small employers certainly form the majority of those enumerated, the people who control the majority of the large commercial and industrial enterprises of this country do not appear under this heading. Some of them appear under the officials' and managers' headings, others in the bankers', etc., group not included in the table, while a considerable proportion will probably be found among the 200,000 odd (male) capitalists,

tramps, gentlemen of the royal household, institution inmates (not officials), rentiers, gipsies, doctors of philosophy, lunatics, Members of Parliament, etc., who are returned as unoccupied, but not school children, students, or persons retired from their previous occupations.\*

If we turn to the working class it is interesting to note that even without agricultural workers, domestic servants, hotel workers etc., the workers in industry, transport, and mining have a clear majority among the occupied population of this country. They have this majority, even if the 230,000 foremen are excluded. Their real strength, however, is understated by these figures, since there are three times as many unoccupied women as there are occupied women, and since the majority of these are wives and daughters in working class households. A more correct picture of the actual strength of the working class of this country is, therefore, probably to be obtained from the figures of occupied males alone: here the proportion of workers in mining, manufacturing, and transport is 60·4 per cent., that in agriculture 7·8 per cent., that in domestic, hotel, etc., service 1·9 per cent. One understands how important the British capitalist class find it not merely to maintain the middle classes as their reserve, but in addition to maintain the passivity which decades of colonial domination have enabled them to instil into considerable sections of the working class. So far as this country is concerned the problem of the middle classes must, therefore, necessarily be taken to include the problem of the "exceptionally high" "number of factory and office workers who lead a petty bourgeois life owing to the practical enslavement of hundreds of millions of people inhabiting the colonies that 'belong' to England." (*Lenin on Britain*, p. 209.)

In the middle classes, leaving the agricultural section aside for the moment, we can distinguish four major groups: (1) subordinate commercial employees in offices, shops, and on the roads; and subordinate workers in other offices, including those of the government; (2) the officials' and managers' groups; (3) the professional groups; (4) the groups of workers on their own account, i.e., independent workers whose businesses are not large

\* The extraordinary limitations of the dominant school of social science in this country are illustrated by the conclusion drawn from this fact by Professors Carr Saunders and Caradog-Jones: since the capitalist class cannot be statistically detached in the classification adopted for entirely different purposes by the British census authorities, they argue that it does not exist. (*The Social Structure of England and Wales*.)



enough to employ labour other than that of their wives and children. Closely related to this last section, though on a higher level, are all those employers who own small workshops with only a few employees. For the productive, as distinct from the trading, section of employers their proportion is indicated by the fact that over two-thirds of all enterprises covered by the 1924 Census of Production employed ten or fewer workers.

The first of these groups is by far the largest; it contains about half of the total number of middle class persons in this country and 12.1 per cent. of the total occupied population; of these 7.1 per cent. are clerks. Workers on their own account follow next; their proportion is 4.4 per cent., or, if small employers are added, their total strength will probably lie between 6 and 6.5 per cent. The lower professional group includes teachers, nurses, musicians, social and political workers, librarians and professional sportsmen; it accounts for 2.7 per cent. of the total occupied population. The remaining professional groups, such as doctors, lawyers, scientific workers, and actors, raise the total for the professional section to 4.2 per cent. Managers, higher officials, etc., total only 2.5 per cent. of the occupied.

The distribution of the sexes in these various groups is interesting. Females greatly outnumber males in the lower professional group and in the two sections connected with hotels, boarding houses, etc.; their number is relatively high also in the group of clerks, shop assistants, etc., but in all the other groups, and especially in the higher ones, it is far below that of the males.

There remain the agricultural groups. They are reduced to the very small proportion of 1.8 per cent. of the total occupied population and it is highly significant that the number of farmers who are not employers of labour slightly exceeds that of the employers.

The occupation tables of the 1931 census which have just been published show that there has been little change in the class structure of this country since 1921. Unfortunately one of the very few changes in classification adopted between the two dates makes it impossible to separate employers from managers in the new returns, so that any changes that may have occurred between these two groups cannot be ascertained. The figures show that the relative weight of the industrial working class (mining, manufacturing, and transport) has remained practically the same: it was 53.7 per cent. in 1931, as compared with 54.8 per cent. in the earlier year (the small decline indicated by these figures is not

significant in view of the large numbers involved\*). Similarly the proportion of foremen contained in this group has remained constant (1.6 per cent. against 1.7 per cent. in 1921). There has been a further decrease of 1 per cent. in the proportion of agricultural workers, which however, is balanced by a corresponding increase in the proportion of domestic servants, hotel workers, etc. The strength of the manual working class as a whole thus remains unchanged.

If we turn to the semi-proletarian and middle classes we find a growth from 12.1 per cent. to 18.5 per cent. in the proportion of the black-coated section. The proportion of workers on their own account has remained unchanged at 4.4 per cent., but there has been a marked transfer from the productive to the trading section of these workers. The professional groups show a negligible increase of .2 per cent. in the lower section, while the total weight of officials, managers, and employers taken together has remained the same (5.1 per cent.). Finally, the agricultural section of workers on their own account shows an insignificant decrease, that of agricultural employers remaining unaltered. The net result of these changes is an increase in the relative weight of this group from 27.6 per cent. to 29.1 per cent. of the total occupied population.†

\* There were of course highly important structural changes within the industrial working class as here defined during the post-war period; these, however, do not affect the present problem of the relative weight of the working class as a whole in the total population. For a detailed analysis of the changes within the working class itself see P. Poliak, *Structural Changes in the Working Class of England, Communist International*, Vol. XI, No. 13, July, 1934.

† The actual figures for the middle class groups in 1931 were as follows :—

	Total number (000's)		Males and Females per cent. of all occupied.
	Males.	Females.	
Clerks, Shop Assistants, Travellers, etc.	1549.0	1003.3	13.5
Workers on own account :—			
Industrial and Transport	227.5	69.1	1.6
Trade	226.3	106.3	1.8
Hotel, Domestic Service, etc.	88.4	78.5	.9
Brokers, Agents, etc.	23.9	1.9	.1
Lower Professions	188.9	357.9	2.9
Higher Professions	226.8	51.4	1.5
Officials	111.4	3.7	.6
Managers and Employers	736.3	104.5	4.6
<b>Total Urban Groups</b>	<b>2,388.5</b>	<b>1,776.6</b>	<b>27.4</b>
Farmers, etc., on own account	142.0	8.2	.8
"  "  employers	154.2	13.6	.9
<b>Total</b>	<b>2,684.7</b>	<b>1,798.4</b>	<b>29.1</b>

Such then was the relative position of the British middle classes at the beginning and at the end respectively of the post-war stabilization. I shall now attempt to show the changes which occurred both in the strength and in the structure of those classes during the development from the competitive to the fully fledged monopoly stage of capitalism. The census of 1851, approximately representing the conditions in this country at the time when Marx and Engels wrote the *Communist Manifesto*, is the most convenient starting point for this investigation.

The total occupied population at that date was about half the 1921 number, but the number occupied in agriculture was almost twice the post-war figure. In 1851 farmers and agricultural workers, etc., amounted to 23·8 per cent. of the occupied—a figure which almost exactly coincides with the proportion of the middle class and semi-working class groups (leaving small employers out of account) in 1921. This is the first and most striking result of this comparison. The great bulk of these people in 1851 were agricultural labourers, farm servants, etc., they constituted 20·8 per cent. against 5·7 per cent. in 1921; the number of farmers who were employers has remained practically stationary, while that of the small farmers without wage labour has increased by half—a very significant illustration of the declining fortunes of agriculture in the imperialist phase of British capitalism. Both farmers' groups together have declined from 3 per cent. to less than 2 per cent. of the total occupied.

Outside agriculture comparison is exceedingly difficult, not merely on account of different methods of enumeration adopted by the census authorities, but also on account of the structural changes within occupational groups resulting from the development of the capitalist method of production. Thus for instance it is very much less easy to distinguish productive and trading groups when the functions of making and selling are combined, e.g., by the local shoemaker, instead of being divided, as predominantly at the present time between the shoe factory on the one hand and the specialized shop on the other. It is, therefore, not surprising to find that, in the 1851 returns, dealers are frequently not distinguished from makers. However, if we abstract all dealers who are clearly only dealers, e.g., general merchants, grocers, drapers, etc., we can arrive at a group which will include all employers, managers, etc., and workers in mining, manufacturing, workshops, and transport (besides a small number of dealers who have escaped exclusion). The relative strength of this group in 1851 was 51·3 per cent. ;

the ratio of manual workers alone in the corresponding trades (i.e., without employers, managers, clerical staffs, etc.) was 54.8 per cent. in 1921. It is perfectly clear, then, that in the occupied population as a whole the relative strength of the industrial working class proper has *not* declined as some Labour publicists have claimed (e.g., leading article of the *Clarion*, June 9th, 1934), but has on the contrary been substantially increased since the heyday of competitive capitalism. This is the second important result yielded by the present comparison. The proportion of all grades of persons occupied in mining, manufacturing, and transport increased steadily until in 1901 it reached approximately the 1921 level.

An interesting table in the preliminary report of the 1851 census showing the proportions of masters and men in trade and industry enables us to trace the changes that have occurred since in these ratios.\*

Taking the total number of persons occupied in mining, manufacturing, transport, and trade *only* as 100, we obtain the following ratios for 1851 and 1921 respectively :

	1851	1921
Employers ... ..	10.2	3.4
Employees :		
Managers and Officials ... ..		2.7
Foremen ... ..	84.9	2.1
Others ... ..		87.0
Workers on own account ... ..	4.9	5.3
Total ... ..	100.0	100.0

The figures for managers and foremen cannot be separated in the 1851 data, but I have given them for 1921, when the ratio for all types of employees was therefore 91.8. The most striking result of this comparison is the decrease in the ratio of employers ; even their absolute number was markedly lower. Contrasted with this decrease is the practically constant figure for workers on own

\* Although the figures on which that table is based were not complete, they were nevertheless regarded by the census authorities of the time as sufficiently representative to merit publication. At the same time they throw a revealing light on the extent to which industrialization had proceeded at that relatively early date. Thus more than 91 per cent. of the masters had either no paid employees at all, or less than ten, but the latter section employed less than 30 per cent. of the total number of men ; more than half the men worked in establishments with 30 or more employees, more than a quarter in establishments with 150 workers or more, but these amounted to less than  $\frac{1}{4}$  per cent. of the total number of establishments. About 12 per cent. of the workers were employed in factories with 350 men or over.

account (the percentage figures even suggest a small increase) which implies a doubling of their absolute number. The process of centralization and proletarianization could scarcely be more clearly illustrated: the small and medium sized employer is progressively ruined by the competition of the more powerful firms; the "independent" small man clings to his last desperate stronghold as a small artisan or tradesman who applies his own labour and that of his family for a return frequently below the market value of wage labour and during longer working hours than those of the proletariat.

The ratio of employees has greatly increased. It is probable that a certain increase has also taken place in the managerial section, but this was so small even in 1921, that any possible increase in this sphere can only account for an insignificant fraction of the displaced employers, and this remains true even if the foremen are added to the managers and officials. Within the remaining group of subordinate employees (87 per cent.), however, a marked change has taken place owing to the rise of the black-coated section: clerks, shop assistants, canvassers, etc. In 1921 this section accounted for 16.2 per cent.; its ratio for 1851 cannot be stated with certainty, owing to the fact that shop assistants as a class were not separately enumerated; it should also be noted that the heading "commercial clerks" excludes clerks in industrial establishments. The available data suggest a ratio of about 2 per cent.; the actual figure can scarcely have exceeded 5 per cent. It follows that for the limited group we are discussing (i.e., industry, transport, and trade only) the ratio of manual workers has declined, but from the point of view of the English class structure as a whole that decline is more than offset by the increase of the industrial as compared with the agricultural sector of the population. The economic and social significance of the rise of the black-coated group (or at any rate of its most numerous sub-section) forms the subject of the present study and need not detain us here.

To complete our retrospective survey of middle class development there remain the clerks and officials employed in central and local government offices and the professional groups. The former have increased in a ratio similar to that of the black-coated section in commerce and industry. The development of the latter is shown by the following series showing their numbers as a percentage of the total occupied population:

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	1851	1881	1901	1921	1931
Lower Professions ...	1.6	2.6	2.5	2.7	2.9
Higher Professions ...	1.0	1.2	1.3	1.5	1.6

The general tendency is a slow increase; the sudden jump in the lower professional group between 1851 and 1881 is accounted for by the increase in the number of teachers which followed the introduction of compulsory education in the eighteen-seventies.

The results of this comparison can be summarized in the following table of ratios :\*

	1851	1921
Black-coated Section ...	3.5	12.1
Workers on Own Account ...	3.4	4.4
Managers and Officials ...	1.0	2.5
Professions ...	2.6	4.2
Employers with 1—10 employees ...	6.2	1.9
Farmers, Gardeners, etc., own account ...	1.1	.9
" " " employers ...	1.9	.9
Total ...	19.3	26.9
Absolute Numbers (000's) ...	1,600	4,600

It will be seen from this table that the decline of the small employer group has been greater than the increase in the professional and managers' groups taken together. If black-coated workers and farmers are excluded the ratio of the remaining groups taken as a whole has remained constant (13.2 per cent. in 1851, 13.0 per cent. in 1921), but their economic level must have been

\* Percentage of total occupied population. The 1851 figures for black-coated workers and managers are estimates, the basis for the former has already been discussed. The latter is unlikely to be given at too low a rate, since it must cover navigation officers, higher railway, bank, government, etc., officials in addition to managers in industrial establishments proper; of these only the government officials are separately enumerated in the census; inn-keepers, etc., are for 1851 equally divided between the groups of employers and workers on their own account; small employers for 1921 are estimated as far as the productive group is concerned on the basis of the Census of Production figures of 1924, quoted above; in addition the ratio includes all retail trade and catering employers. The ratio of workers on own account in 1921 is understated, that for employers overstated, owing to the fact that all workers on their own account utilizing the labour of more than one member of their families are classified by the census authorities as employers. The investigators of the Social Survey of the Merseyside conducted by Liverpool University found that 20 per cent. of their group of "independent workers" (i.e., all workers on their own account not employing paid labour) utilized the labour of two or more members of their families; the chapter of that survey describing the conditions of these workers affords ample evidence of the proletarian income level of this group. See *Social Survey of the Merseyside*, Vol. II, Ch. 8, Sec. III, 1934.

lower in 1921, owing to the increased weight of the workers on their own account.

The decisive increase of the middle class as a whole has therefore taken place in the black-coated group, i.e., in the group of subordinate clerical and other commercial employees. Does this invalidate the Marxian forecast of a progressive proletarianization accompanying the development of capitalism? Does it mean, as G. D. H. Cole appears to suggest, that Marx did not and could not foresee the tendency for the rise of a new petty bourgeoisie of officials, clerks, etc., which would outweigh the decline of the old petty bourgeoisie of small tradesmen, etc.? (*What Marx Really Meant*, 1934.) Considered merely on the basis of changes in the numbers of different types of workers, tradesmen, etc., without reference to the changes in their economic standards, the concept of proletarianization is entirely meaningless. So far as changes in the proportion of manual and clerical workers are concerned there can be no doubt, both from the discussion of this subject in the third volume of *Capital* and from passages in the *Theorien über den Mehrwert*, that Marx clearly recognized the tendency for an increase in clerical functions that would follow an expansion of capitalist production (see Appendix I). The significance of this increase for the problem of proletarianization, however, can only be judged after a full investigation of the economic standards of this group to-day, their changes in the past, and their probable trend in the immediate future. This is the subject of the following discussion.

## CHAPTER I

### CLERICAL STANDARDS BEFORE THE WAR

#### I. 1840-1860

In the *Bankers' Magazine* for December 1844 appeared a letter signed "Old Clerk," which threw a vivid light on the spectacular rise of the clerical class in the early part of the nineteenth century.

"The failure and mismanagement of several Joint Stock Banks since the first introduction of the system of Joint Stock Banking into England," says "Old Clerk," "has thrown upon the surface of society a class of men, of whom the world formerly knew little beyond the fact of their existence, and many of whom knew little of the world beyond the immediate sphere of their own duties. The system was first introduced into England in 1826 in which year three banks were registered. Between that period and 1835, 56 banks were registered, which was at a rate of six banks each year. In 1836 a most extraordinary spirit of speculation for Joint Stock Banks arose all over the country, and no less than 45 were registered in the course of that year alone. Many of these established numerous branches, so that it has been calculated considerably more than 200 banking establishments were set on foot in England and Wales in 1836." The managers and clerks for these numerous new banks were recruited chiefly from the English private and the Scottish and Irish joint stock banks' staffs; a certain number were drawn from accountants', merchants', etc., offices. This development "made room for the advancement of many juniors in offices where vacancies had been created by the resignation of senior officers, and brought into employment an immense number of young men who had previously struggled in vain for such good fortune. It had also the effect of advancing in the scale of social improvement, and to places of trust and emolument, numerous young gentlemen of high character and intelligence, who otherwise would have remained in comparative obscurity, and lingered out an inglorious existence on a bare competency." After stating that similar results followed in the case of the railway and other public companies, the writer continues: "The failures and misfortunes of many joint stock banks, some of great magnitude



and extent, again threw back upon the world, in the course of a very few years, a large number of those managers and clerks."

As long as the requirements of banking, commerce, or industry did not exceed the resources of family concerns or small partnerships, there could not be an extensive development of clerical labour. In this early stage there was an almost feudal relationship between the small number of clerks to be found in such offices and their employers. The clerk was more a family servant than a wage labourer. The emergence of the joint stock company immediately revolutionized this relationship. In the joint stock form of enterprise the relation of master and servant is immediately depersonalized and transformed into the modern relationship between capital (here represented by the board of directors) and wage labour. But, as Marx pointed out, the numerical rise of the clerical working class is distinguished from that of the manual workers engaged in productive processes by the fact that it is the *result* of expanding production, and *never* its cause (see Appendix I, quotation 1).

The number of clerical workers was still very small at the time now under review. According to the 1851 census the total number of commercial clerks was 37,500, that of accountants 5,700, that of "bankers" 1,500, that of law clerks 17,000, while 2,100 were enumerated as draughtsmen. A special table in the census enables us to isolate the 12,000 civil service officials and clerks from the other employees of the government; while in addition there were 3,000 employees in the home service of the East India Company, and 10,000 local government officials.

The reply to a question in the House of Commons, quoted in the *Banker's Magazine* of December, 1849, gives the number of accountants, cashiers, draughtsmen, and clerks employed by railway companies in that year as 6,010; 1,426 of these were employed by companies whose lines were still in process of construction. We can therefore place the total number of clerical workers for 1851 at about 93,000; of these 25,000 were in the central or local government service (including that of the East India Company) and 68,000 were employed by private enterprise. The number of women was quite insignificant; it cannot have exceeded 2,000, all of whom were employed in the public services.

What was the economic position of these clerks at that early phase of their development? We are extremely fortunate in having contemporary evidence on this point. For the general

position of clerks I can do no better than quote John Stuart Mill, who could speak from personal experience, since he had spent thirty-five years in the offices of the East India Company. In his *Principles of Political Economy* Mill writes :

“ Until lately, all employment which required even the humble education of reading and writing could be recruited only from a select class, the majority having had no opportunity of acquiring those attainments. All such employments accordingly were immensely overpaid, as measured by the ordinary remuneration of labour. Since reading and writing have been brought within the reach of the multitude, *the monopoly price of the lower grade of educated employments has greatly fallen, the competition for them having increased to an almost incredible degree.* There is still, however, a much greater disparity than can be accounted for on the principle of competition. A clerk from whom nothing more is required than the mechanical labour of copying, gains more than an equivalent for his mere exertion *if he receives the wages of a bricklayer's labourer.* His work is not one tenth-part as hard, it is quite easy to learn, and his condition is less precarious, a clerk's place being generally a place for life. The higher rate of his remuneration therefore must be partly ascribed to monopoly, the small degree of education required being not yet so generally diffused as to call forth the natural number of competitors, and partly to the remaining influences of an ancient custom, which required that clerks should maintain the dress and appearance of a more highly paid class.” (1848 edition, Vol. I, page 469.)

In a later passage Mill writes that it is usual for people to pay their personal servants or others whom they place into positions of special trust above the market value of their labour. They do so because they want these people to serve them cheerfully, because they do not like to drive a hard bargain with persons with whom they are continually in personal contact, or because they do not want to have people around them who have the appearance and behaviour associated with a low standard of remuneration. “ Similar feelings,” writes Mill, “ operate in the minds of men of business in respect to their clerks.” (Op. cit., p. 482.) The transition from the old to the new relationship of clerical employment could not be more clearly characterized.

The same process is further illustrated by the following quotations which provide us with invaluable information about the economic position in those years of that section of the clerical class that has always been regarded as its aristocracy, the bank clerks.

In the *Bankers' Magazine* of January 1846 there appeared an article on the opportunities for banking enterprise in Ireland. The great opportunities for making money in that country are contrasted with the shamefully low wages of Irish banking employees. £150 per annum for managers, and £50 to £60 for clerks, including even such skilled grades as accountants and tellers, who were as a rule married men, are stated to be quite frequent salary rates; £200 for managers, £70—£80 for accountants and tellers, and £40—£50 for clerks are indicated as fair averages. The writer asks how married men can possibly manage on such salaries, especially since they must maintain the reputation of gentlemen. This article was the signal for something like a campaign on this subject in the pages of this journal by means of editorial notes, articles, letters, quotations from the daily Press, etc., which continued unabated for more than ten years.

The immediate result of the first article was a letter in the next number (February 1846) in which an English bank manager writes that people who prefer the barbarous surroundings of Ireland should not grumble at low remuneration, but that the real scandal lay in the fact that the salary rates quoted applied equally to the most prosperous areas of civilized England—its rapidly expanding textile areas. He himself was a bank manager with a wife, four children, and two servants, and he was expected to live, without falling into debt, on a salary of £150 per annum.

In the same issue the editors of the magazine found space for a satirical letter from a clerk who signed himself "Justicia, a Bank Director." This letter commences by stating that it is a well-known trait of human nature always to overestimate the value of one's own services and that this is particularly true of bank clerks. It continues:

"Now, sir, the system we practise is one which has been universally admitted to be sound by all who know anything of business: we just cheapen the purchase of the clerks' services as we do the stools on which they sit. No matter whether the article be of coarse country manufacture, so long as it will serve our purpose, and the price is reasonable, we prefer them to others of a finer polish. By this means we have them at our own price.

"Permit me to enumerate the various advantages of this system. First it tends to form in the clerks habits of meek submission and humility—most estimable virtues! Second, it adds dignity and authority to those in office—'born to command ten thousand slaves like them.' Third, it also renders them very

obliging and exceedingly anxious to be generally useful in any little service of a personal nature, which we may require. And, lastly, it is much more economical; for if, for instance, the stool on which they sit should by any accident fracture a limb, the bank must bear the expense; but if the clerks' health should become impaired in the bank's service, no expense would be incurred, or any inconvenience experienced, for his place could at once be readily supplied—the salaries we allow not being, in any one instance, except to messenger boys, under forty pounds sterling per annum."

In June 1846 a letter comments on an obituary notice of a clerk who had served for 50 years with the Bank of England; it states that long periods of service on the part of clerks both in private and joint stock banks are the exception rather than the rule, owing to the "system of oppression and overworking," the "paltry, contemptible and mistaken economy which cuts down their reward to the lowest scale of subsistence." Most bank employees who started work since 1834 are said to have changed their jobs as soon as they found a better chance. This state of affairs is stated to apply also to private banks. A later letter, however, contrasts the position of the grey-haired old servants of the better private banks with the unstable employment of the joint stock banks.

An editorial note from the September 1846 issue of the magazine says: "We are quite sure that bank clerks as a body are most unfairly remunerated." How can married men be gentlemen on £50 per annum, especially if they have to give heavy surety for their honesty; £60 to £70 is frequently the maximum for clerks. The question of surety is raised several times in the ensuing discussion. When the clerks could not furnish it themselves they had to go to some society, to which they had to pay a heavy premium. A clerk writes in the June 1852 issue that he started as a junior at the age of 18 in a Manchester bank with a salary of £30 which was to rise to £40 in the second year and to £50 in the third; for this he had to provide £500 surety, the annual premium on which amounted to £5; his expenditure for clothes was £15.

This letter brought two replies in the next issue: one apparently from his former chief—the writer of the first letter had in the meantime resigned his position—who did not deny the correctness of the facts quoted, but stated that this was quite enough for such a saucy and uppish fellow. The other reply claimed that, though it might be disconcerting for an ambitious young man

to earn "no more than a weaver's lad," the wages question was not so bad as the fear of the loss of his situation that haunted the clerk, or his "constant exposure to petty jealousies and slanders" on the part of the head clerk.

At the annual general meeting of the London Joint Stock Bank in 1846 a shareholder rebuked the directors for the fact that, though their profits were rapidly rising, their expenses were also increasing to an alarming degree. This induced the *Railway Herald* to publish an article on the shortsightedness of shareholders on the salary question, and the article was reprinted with all signs of approval in the *Bankers' Magazine* of October 1846. Some shareholders apparently imagine, so it runs, that the welfare of the clerks can be increased "not only by restricting their remuneration to the lowest possible limit, but by taking every little opportunity that offers and availing themselves of every pretext they can devise, for gradually reducing them still lower, while at the same time they insist on greater diligence and longer hours of work."

In this strain the campaign continued year after year. In April 1847 the famous "Thomas Bullion" devoted one of his series of articles on banking affairs ("Letters to a Bank Manager") to the salary question. He rejects the proposal of a fixed salary scale as impracticable and unjust, but pleads that the minimum granted to any individual should be sufficient "to enable the recipient to hold that footing in society, to which his rank may entitle him." It is too much to ask for high salaries for all, but, writes this benevolent gentleman, every clerk should always have the hope of a high remuneration in the future to inspire him; he should also be induced to give his best by occasional gifts, judiciously granted to deserving persons when times are good.

These wise counsels do not seem to have helped matters much for we continue to read of "beggarly remuneration," average salaries for employees below the rank of manager in one of the largest joint stock banks that are "equal to the wage of a journeyman carpenter" (1849), and even as late as 1853 the editor of the *Bankers' Magazine* writes: "No class of individuals, considering the appearance they are compelled to make, and the habits of propriety they are required to display, is so badly remunerated as this industrious portion of the community."

From the debating point of view the correspondence reaches its climax in November 1850 when John Stuart Mill is called to account for the statement reprinted earlier in this chapter. The

writer of the article in question is scandalized by the sentiments there expressed and argues that the position of bank clerks is surely one in which such trust is placed in them that they cannot be expected to work for the wages of a bricklayer's labourer, though unfortunately many employers seem to have taken Mill's advice only too literally. The most important practical suggestion that emerges from this article, however, is that clerks' wages should be paid at the most at monthly intervals, and not as at that time almost universally quarterly. If this suggestion were adopted, the writer proceeds, the clerks would be saved heavy interest charges on the money many of them are compelled to borrow towards the end of the quarter, and the value of their wage to them would be increased by at least ten per cent.

But worse was yet to come. We learn (from the February issue of 1852), that the City of London had been electrified in January by a rumour—which spread like lightning and even found its way into the Press—that a strike had taken place in the head office of the London Joint Stock Bank and had held up business for a time on January 4th. The rumour was, of course, at once denied in *The Times*, and the *Bankers' Magazine* writes that "those acquainted with the general habits of bank officers and the tacit obedience they invariably pay" could not possibly believe such a thing; nevertheless, it admits, it is quite clear that something very unpleasant did happen.

It is gratifying to note that the unprecedented step which the clerks took had the desired result, for we read in the issue of October 1853 (p. 179) that the London Joint Stock Bank had found it desirable to alter the condition of their clerks, owing to the "great dissatisfaction that prevailed in their bank." It also had a noticeable effect on the character of the discussion in our estimable source of information. The article in which the event itself is noted (February 1852) continues by stating that the public has really no business to meddle in the internal affairs of a large corporation which, of course, can adopt any policy it deems fit on the salary question; but at the same time it should applaud the liberal action of the London and Westminster Bank which apparently was the first to pay a ten per cent. bonus to its staff in that year. In the course of the article the *Observer* is quoted as stating that £100 a year after seven or eight years' service can be taken as a very respectable average for bank clerks' salaries.

So far the joint stock banks emerged from the discussion as by far the greatest offenders, but any complacency which the private

bankers may have felt on this score was soon to be rudely shaken. The editorial note of April, 1853, quoted on a previous page, according to which bank clerks were still one of the most unfairly paid sections of the community, confines itself to noting a tendency towards improvement: some private banks had set the example by a rise in their salary scales, which had been followed by bonuses granted to the staff by one joint stock bank, and "the unparalleled generosity" of a Mr. Sadlier, the chairman of another, who had made a munificent gift for the establishment of a provident fund for his clerks. It then proceeds to quote a letter to *The Times* in which the following startling revelation is made. It appears that it was a general custom among the private banks to send round their clerks to their customers at Christmas time to collect money for a "clerks' Christmas box," similar to that of the postman or baker's boy. The money thus collected was not retained by the clerks but was handed to the employer, who then distributed it among the staff, having fixed the amount of the clerks' salary *after* taking into account the yield of this charity collection. Thus it came about that the amount of the "salary" was in many cases, including that of the letter writer, actually lower than his "Christmas box." In other words those worthy gentlemen of finance had devised a system whereby the greater part of their wages bill was paid directly by the charitable contributions of their customers. The writer who had the pluck to expose this scandal asks the public to cease their contributions in the future. But the editor of *The Times* points out the danger of this suggestion: if the custom were suddenly abolished the employers *might*—of course there is no suggestion that they would—refuse to raise the "salary" of the clerks to the level of their previous remuneration as composed of salary plus Christmas box. In the case of those private and joint stock banks where the custom had been stopped a certain compensation had at first been paid, but on the clear understanding that that compensation would be discontinued. In view of this fact it would be better, said *The Times*, if the public would continue to pay until the custom had died out. Need we be surprised to find that, when the question of low salaries in joint stock banks is again raised, one of their directors points out in righteous indignation that it was easy for the private banks to be more generous, since their generosity came out of the pockets of their clients.

By October 1853 it appears that one bank (that in which the strike had taken place) had raised salaries, two banks had given

ten per cent. bonuses ("but we do not hear of any other banks taking their servants into consideration" in this "prosperous half-year"), and two other banks had established provident funds (among them the bank of the previously mentioned Mr. Sadlier, who, it is amusing to note, is spoken of in very different terms in the pages of our magazine a few years later, when the financial crash of the late 'fifties had unmasked him as a prototype of Mr. Hatry). Only one bank is extolled as "liberal," having adopted at its foundation an equitable scale of salaries which "puts clerks in a fair position after ten or fifteen years' service." By this time, however, a new bogey had made its appearance: the income tax exemption limit had been lowered to £100. The banks paid this tax for their shareholders, but not for their employees, and an agitation was consequently started by their more highly paid section for equal treatment in this respect. The fact that in later issues the magazine makes a special point of mentioning one or two banks which decided to pay this tax for their employees as well shows how exceptional this practice was.

In January 1854 a "Banker's Clerk" writes that after this long campaign to inform the public, it is to be hoped that the *Bankers' Magazine* would soon be able to tell its readers that bank clerks were being at last deservedly remunerated and that this "desired end had been gained, not by a strike (a certain indication of a low intellectual and moral standing), but by continual devotedness and zeal in their calling, public opinion being their apologist and safeguard." In his meek humility this worthy asks for a scale providing, after a four-year apprenticeship, for a salary of £80, which should rise to £130 after ten years, when the clerk would be 27 years old.

In those years British capital was riding gaily towards the crest of a prosperity wave which was destined to collapse in the crisis of 1857. Up to that point there was a lusty rise in the prices of consumption goods; according to a domestic budget published by a clerk in the issue of February 1856, the prices for such necessaries as flour, beef, sugar, bacon, lard, etc., rose by amounts varying from 30 per cent. to over 100 per cent. between 1852 and 1855.\* Not so, however, the remuneration of the clerks. In 1857 our magazine prints a letter received from a "Fellow of the Royal Statistical Society" who asks for family budgets to

\* Sauerbeck's index of wholesale prices (base average 1867-77 : 100) rose 23 points between the two years (from 78 to 101). Subsequently in 1857 it reached the peak figure of 105.



show how married clerks with salaries of £80 per annum, "of whom there must be a large number," can manage to exist. When in 1860 a clerk had been convicted of extensive frauds, we are told by the editor that he had heard of only one bank that had taken the hint and raised its salary scales in order to protect itself. The salary question, we are told, was still where it was before.

Here our information dries up, for the *Bankers' Magazine* was in those years taxed for the full capacity of its available space in order to reprint the long lists of bank failures. One additional point of information provided by these letters is, however, worthy of mention; it refers to the question of holidays. In February 1854 a clerk writes that there is a serious grievance in this matter. He knows of many bank clerks who have "not had a single week's leave of absence for the last seven years, except one week during the Great Exhibition of 1851." Apparently the English provincial banks were the worst offenders in this respect, conditions in the metropolis and Scotland being much better. In the provinces many banks recognized only Good Friday and Christmas Day as holidays. There is an indignant reply to this letter in the issue of March 1854, where we are told that at least in "every leading bank" every clerk receives up to 14 days' leave a year, "if he deserves it."

Such is the picture of the conditions of the most prosperous section of clerks during the 'forties and 'fifties. In order to appreciate the salary rates quoted, one must remember that the average cost of living during those years was actually above that of 1914.\*

\* Unfortunately there is no reliable series of retail price index figures which goes further back than 1877. Sauerbeck's wholesale price index, the annual average figures of which, from 1846 to date, are reprinted annually in the *Journal of the Royal Statistical Society* (see, for instance, page 286, 1933) yields the following ten year averages :—

1838-47	...	...	...	...	93
1848-57	...	...	...	...	89
1858-67	...	...	...	...	99
1868-77	...	...	...	...	100
1905-14	...	...	...	...	79

The rapid fall in wholesale prices since the early seventies was followed by the cost of living, as is shown by the first comprehensive index covering London and the large towns which fell from 121.7 in 1880 to the base of 100 in 1900 (see Second Series of Memoranda, Statistical Tables, etc., relating to British and Foreign Trade and Industrial Conditions, etc. Board of Trade, 1904, Cd. 2337.)

## II. Conditions at the end of the Nineteenth Century

The following figures show the growth of clerical labour during the second half of the nineteenth century; figures for the total value of British imports and exports are added in order to give

The highest salary rates for clerks mentioned in this series of articles, letters, etc., are quoted in a letter (apparently not written by a bank employee) published in January, 1864, in which bank clerks' salaries are stated to range from £250 to £80. In the February issue an article from the *Morning Post* is reprinted which comments on the high dividends declared by a number of joint stock banks and contrasts these with the salaries of the clerks, many of whom are stated to receive not more than £150 after fifteen years' service.

The following petition published in the *Bankers' Magazine* of April, 1864, shows the position of government clerks at that time:

*" Heads of various grievances brought under notice of Parliament by a petition bearing the signatures of upwards of 400 clerks in the indoor establishments of H.M. Customs, London. Printed for the information and guidance of the members of the House of Commons " :—*

" It is opposed to the interests of true economy to invite men of education and respectability to enter a department which withholds the requisite means for a decent maintenance, which degrades the clerks by forcing on to them, too often unsuccessfully, a constant struggle to procure necessaries, and which impairs the usefulness of a large body of public servants, who are thus compelled to devote their best energies and attention, not to the efficient discharge of their public duties, but to the means of averting suffering and want from those who look to them for protection and support." The main grievances mentioned in the petition of which this is the opening paragraph, are: (a) unfairly low salaries in the Customs, as contrasted with the Inland Revenue Departments; (b) few can avail themselves of their legal right to retire at 60, " as the low scale of allowances provided under the new Superannuation Act, computed on small salaries, would be insufficient to provide the common necessaries of life "; (c) the clerks are not allowed to do other remunerative work in their leisure time in order to meet the rising cost of living; (d) the small chances of advancement and the grossly unfair and haphazard system adopted in this respect, when there is a chance. " The inadequacy of pay," the petition states, " the anomalous and unfair action of the present system of promotion, and the exceptional treatment to which Customs clerks are subjected have produced an amount of despondency and discontent highly detrimental to the efficient working of this branch of the public service." In substantiation of this claim the following comparative salary data for representative offices in the Customs and Inland Revenue Departments are quoted:

	Customs.		Inland Revenue.	
	Number.	Salary.	Number.	Salary.
5th class clerks	50	£ 75—100	18	£ 90—140
4th " "	42	105—150	16	150—200
3rd " "	60	150—200	14	200—250
2nd " "	27	200—250	12	300—400
1st " "	23	250—320	16	400—550
Principal Clerks, etc.	13	320—450	—	—
Controllers, Chief Accountants, etc.	4	450—800	3	800

The average salary in the Customs department is stated to be £150, in the Inland Revenue Department £140.

some indication of the expansion of business that conditioned that growth :

	<i>Imports plus Exports.*  (£ Million)</i>	<i>Total Clerks. (000's)</i>	<i>Commercial Clerks. (000's)</i>	<i>Commercial Clerks. Females per 1,000 Males.</i>
1851 ... ..	268	95	37	—
881 ... ..	706	318	182	33
891 ... ..	715	414	237	72
901 ... ..	890	613	364	153
<hr/>				
1851 as percentage of 1901 ... ..	30.1	15.1	10.2	—

We are fortunate in being able to quote as reliable an authority for the conditions of the general mass of clerks, at least in London at the end of the century, as we were for the earlier period—Charles Booth, who devoted a special section of his survey of London life and labour to clerks. The information refers to conditions about 1895 (Charles Booth: *Life and Labour of the People in London. Second Series: Industry.* Vol. III, pp. 241 *seq.* and 272 *seq.*).

“Financially,” writes Booth (p. 277), “the great mass of clerks are on a level with the great mass of artisans, £75 to £150 a year comparing with 30s., 40s., 50s., and 60s., a week.” Boys, we are told, begin their clerical careers at 5s. or 6s. a week and can rise in good firms to 20s. Young men earn from 20s. to 25s., men of experience anything between 25s. and £1,000 a year, though “the numbers at high salaries must be comparatively very small indeed.” Booth estimates that the frequency curve for male adults rises from 25s. up to 40s. or 45s., and then steadily decreases. Women are said seldom to earn more than £50 or £60 per annum, and hardly ever to rise above £100. These data refer to clerks employed by private enterprise in London only; provincial rates are invariably lower.

The prospects for advancement in those years are described by Booth as follows :

\* The trade figures are five-year averages for 1880-84, 1890-94, and 1900-04; since totals for the years prior to 1854 are not readily available, the 1854 figure has been given for the first year. The figures for clerks are not strictly comparable owing to differences of classification; clerks in industrial establishments are not included in the 1851 figures, but are included both in the figures for total and for commercial clerks since 1881. The rate of increase is therefore slightly overstated in this table. There were practically no female clerks in private employment in 1851; in 1861 there were five for every 1,000 males, in 1871 sixteen.

"A junior clerk in a commercial house, starting at 15, 16, or 17 years of age earns less for his age, than, for example, a vanboy, influenced perhaps by the hope of future success and certainly by the social feeling which places clerks' work above manual employment. He may hope to become manager or master in turn, seeing how many have done so before him, and is thus content not only to work for a nominal wage for two or three years, but for many years to earn no more than, if as much as, an artisan. As in the legal profession, the eminence of a small minority dazzles the eyes of a large number whose talents might perhaps have been more profitably directed elsewhere" (page 275).

Relatively few clerks remain in one office until they are unable to work any longer; there is much change before middle age is reached. On the other hand "it seldom happens that an old, or even middle-aged man is engaged, except for temporary work. Those who drop out, drop under."

All these quotations show the extent to which the new, specifically capitalist, character of clerical employment had become the predominant element by the end of the nineteenth century. Nevertheless, remnants of the older personal relationship still persisted. Booth takes pains to stress the essentially personal nature of clerical work which he considers the cause of the wide range of salaries found. He is rash enough to use this point for a polemic against the "average undifferentiated human labour power, on which Karl Marx bases his gigantic fallacy"—and that in spite of his own admission that the number of highly paid clerks must have been very small indeed. It is instructive to contrast the unsentimental frankness of the rising bourgeois Mill with the honeyed benevolence of this shipping magnate, writing at a time when the unchallenged monopoly of British industrial capitalism had already become a thing of the past.

Booth gives some interesting information on the social standing of clerks as compared with that of artisans:

"From top to bottom clerks associate with clerks and artisans with artisans—but comparatively seldom with each other. A clerk lives an entirely different life from an artisan—marries a different kind of wife—has different aims and different ideas, different possibilities and different limitations." "More is undoubtedly expected from the clerk than the artisan, but the clerk's money goes further—is on the whole much better spent" (pages 277-8).

It is clear from these quotations that clerical employment was

at that time still the monopoly of the lower middle class. This fact is further illustrated by Booth's classification according to the number of rooms occupied and servants kept. Only 10·6 per cent. of the clerks in London lived under overcrowded conditions. The average size of the family, the head of which was a clerk, was 4·45, which includes ·79 other occupied members of the family and ·29 servants.

The *Bankers' Magazine*, after a long interval of only occasional comments, reverts in the 'eighties at greater length to the topic of the position of bank clerks. There is a series of articles on this subject running each month from August to December 1883. The first discusses their financial position, the second their work (after appealing in the true Victorian tract style to the high honesty, integrity, and nobility required for this calling, the writer ends, "he [the clerk] remembers that he has a great work to do, a duty to perform, and his aim in life is to do that work, to perform that duty, and in such a manner as shall meet not with the approval of men, but of God"); the third their social standing (above all, be little gentlemen and behave in a manner worthy of your noble calling!); the fourth their leisure time pursuits ("Bicycling," we are told, "once unknown, now so universally favoured, is a violent exercise, and as such can only be recommended with caution"); and the last their diet. Under this latter heading the clerks are strongly urged to become vegetarians—even if they abstain from eating meat only occasionally for a month or so, they will find that their working efficiency after lunch will be greatly increased.

(This series is followed up towards the end of the 'eighties by a series of letters which can be summarized under the heading of "benevolent advice to bank clerks." Be good, boys; work hard; don't mind overtime; always give more than is expected from you; swat up theory at night-time; and you will catch the goose that lays the golden eggs. Such advice from "An Old Clerk," a "Manager of a country branch" and others blossoms forth in the approved "business efficiency" style. The fitting reply was promptly forthcoming: what is the good of it all? If a manager's job really does become vacant in a country branch, it is speedily filled from outside, and not with a member of the staff of that branch. Or again: why bother to work up to a Bankers' Institute certificate, if at best you are rewarded for years of sacrifice by a paltry gift of £10 which just about covers the cost of the books required?)

Some information on the actual position of bank clerks during the second half of the nineteenth century may, however, be deduced from this material. In the first place it appears that during the bank flotation mania of the early 'sixties there arose, for a time, a scarcity of suitable persons to fill the new managerships and more responsible posts. Articles printed in the issues of March and August 1863 claim that this increased demand had a slight reaction on the general salary level; but no figures to substantiate this are quoted and it is admitted that this improvement can at best have only been very slight.

The next item of interest is the editorial comment on the "New Scheme of salaries in the London and Westminster Bank" (July 1871). The following figures show the differences between the old and the new scales on the assumption that a clerk will obtain all the advancement he can, and as early as he can, within the general category of the clerical grades :

			<i>New Scale.</i>	<i>Old Scale.</i>
Starting salary	...	...	£ 80	£ 88
5th year of service	...	...	122	132
10th "	"	...	172	175
15th "	"	...	232	231
20th "	"	...	300	286
26th "	"	(maximum)...	400	352

The editor points out that during the first 12 years of service the bank gained £72 by this new arrangement. After that time only did it start to give back some of this money to the clerks; even after 20 years it was still the gainer by £17—and of the clerks entering the bank's service "not one in twenty ever stays twenty years." At the same time bonus payments were abolished, together with a number of other advantages. "The clerks are greatly disappointed," writes the magazine, "they have not received a penny extra to meet the increased demands on their incomes, and many are consequently in a comparative state of penury." It must be remembered that Sauerbeck's index had risen from 96 in 1870 to 100 in 1871; it was to rise to 109 and 111 in the two following years.

The first of the 1883 articles gives the average starting salary in joint stock banks as £60; 16 years is stated to be the minimum starting age, but most clerks are said to start between 17 and 19. Assuming the normal boy to start at 18 and £10 a year to be the most frequent annual increment, the salary at 20 would be £80, at 30 £180, at 40 £280. While the salaries for juniors are

regarded as good, those for adults are characterized as unfairly low, though higher than the salaries paid in merchants' or insurance offices. Conditions in private banks are stated to have varied greatly, in some they were better, but in others not as good. In a letter on the "Prospects of Bank Clerks" in May 1889 the writer states that bank clerks have on the whole "light hours, a gentlemanly occupation, a fair salary, and a permanent engagement;" he gives starting salaries as between £40 and £70, while the maximum for "ordinary clerks" is from £150 to £250 a year. The writer mentions the "fierce competition" for banking jobs, and says that in view of this fact "high salaries, except in a few cases, cannot be expected." As for permanency, the practice of saving on the wages bill by dismissing the older clerks and taking on juniors is stated not to be frequent, although, "unfortunately, this system is in operation in some businesses, banking itself not being altogether untainted." It must be remembered that the fall in the cost of living after 1873 somewhat relieved the situation towards the end of the century.

The question of pensions is touched upon by the writer of the salary article of 1883, and also in a number of other editorial notes of the same period. It is clear from these reports that the great majority of banks had no such schemes whatsoever, and a great many clerks had to work all their lives, since their salaries were too low to enable them to save much, especially if they had families. An article in December 1882 mentions only 21 banks whose accounts show references to this matter—among them, however, are such institutions as the Bank of Rumania (where a pension to a former director is mentioned) and the Deutsche Bank. There are very few London or English provincial banks in the list.

Finally we are informed in an editorial note in January 1871 that the directors of a large London bank had hit upon the brilliant idea of prohibiting the marriage of any of their clerks, until they had reached a salary of £150 a year. The editor comments that this surely is going rather far—at least they should allow their clerks to marry heiresses before that level. Discretion and moral suasion are advocated as more effective than such blunt methods. A letter in January 1889 reverts to this subject with the bitter remark that progress in raising salaries is so slow (even as low as £2 10s. a year) that clerks are well in their thirties before receiving a salary of £150 a year, upon which they are allowed to marry.

The last decades of the nineteenth century, however, saw the beginnings of a clerical trade union movement. According to Booth there were numerous benefit societies and athletic clubs, but outside the civil service the National Union of Clerks was the only trade union proper; it had then about 200 members. Booth also mentions the National Union of Life Assurance Agents, founded in 1886 to enforce a commission of 25 per cent. instead of 17½ per cent.; in 1895 it had 1,666 members. "But," writes Booth, "these men are not clerks, and for clerks a trades union has no attraction." Of the civil service unions the oldest parent organization of the present Union of Post Office Workers was founded in 1881, that of the Civil Service Clerical Association in 1900.

The conclusions of this section can be summarized as follows. The rapid expansion of capitalist production and trade during the nineteenth century brought in its train the spectacular growth of a new clerical working class. At the same time it shattered the patriarchal relations between masters and men which previously had been especially marked in this type of employment. The tendency to reduce the remuneration of clerical labour to the minimum, in view of the monopoly of education which excluded the bulk of the working class throughout the greater part of the century, had on the whole achieved the assimilation of clerical wages to those of the skilled workers by the end of the period.

Socially, however, the clerks were throughout this era a section of the middle classes, and as gentlemen they pleaded in vain to the gentlemanly instincts of their employers to grant them the remuneration that alone would enable them to "fill the place in society to which their rank entitled them." Only in rare instances did any of them recognize that only the fighting methods of the class to which they were being economically reduced could bring about an improvement in their position. Where they were applied—or threatened to be applied—as in the case of the London Joint Stock Bank in January 1852, they achieved the desired result.

At the dawn of the twentieth century the horizon is clouded with the first signs of further storms to come.



III. 1900 to 1914—*Proletarianization Complete*

Year.	Imports plus Exports (£ Million)	Cost of Living.	Total No. of Clerks. (000's)	Females per 1000 Males.	Percentage of Male Commercial Clerks under 25.
1881 ... ..	706	122	318	48	51.6
1901 ... ..	890	100	613	157	49.0
1911 ... ..	1,284	107	843	245	46.4
Percentage increase					
1901—11 ...	44.3	7.0	37.5	56.0	5.0

The trade figures are five-year averages 1880-84, 1900-04, 1911-14.

After the relative stagnation of the eighteen-nineties, British trade again made a great spurt during the first 15 years of the present century. The cost of living, which reached its lowest point of 91 in 1896, rose continuously after that date, until by 1914 (110) it had recovered two-thirds of the fall between 1881 and 1896 (see *Nineteenth Abstract of Labour Statistics*, 1928. Cmd. 3140, page 130).\*

The total number of clerks still continued to rise, but the rate of that rise was no longer increasing after 1900; during the decades 1881-91, 1891-1901, and 1901-11 the percentage growth was 30.2, 48.1 and 37.5 respectively. Moreover, an important structural change now becomes clearly noticeable—the higher rate of increase in the number of women. A separation of the sexes reveals the following development:

	Rate of increase.	
	Males.	Females.
1881-91 ... ..	29.6	135.8
1891-1901 ... ..	31.9	151.6
1901-11 ... ..	27.8	100.0

The relative number of women within the clerical class rose rapidly, as is shown by the table at the head of this section.

\* The rise in the cost of foodstuffs greatly exceeded that of the general cost of living index between 1900 and 1914. The latter was not compiled at the time, but estimated on the basis of a number of partial index series after 1926; it was first published in the *Nineteenth Abstract of Labour Statistics* of 1928. The cost of food in London rose by 15 per cent. between 1900 and 1913 (see *Eighteenth Abstract of Labour Statistics*, 1926, page 137.

Whereas the number of women had been less than one-twentieth of the number of men in 1881, the proportion almost reached one-quarter in 1911 (the figures quoted refer to women in all types of clerical employment as distinct from those in Section II which covered commercial clerks only ; the tendency is the same).

Throughout this period the clerical group increased much faster than the total occupied population (this refers both to the males and the females (see table in Appendix II), but even as late as 1911 it was only 4.6 per cent. of that total (5.2 per cent. for the males, 8.1 per cent. for the females).

A further very interesting fact—especially in view of the salary scales quoted for bank clerks in the preceding section—is the very high proportion of young clerks. More than one-half of the males were under 25 years in 1881, by 1911 the proportion was still 46.6 per cent. ; the corresponding figures for the total male occupied population in those years were 32.6 per cent. and 28.8 per cent. The preponderance of young women is still more striking : two-thirds of them were under 25 in 1911, as compared with about one-half for all occupied women.

These developments necessarily reacted profoundly on the economic position of the clerical class as a whole. How profound these reactions were is shown by the following quotations. At the eighteenth meeting of the British Association in 1910 a special committee, with Professor Edwin Cannan as chairman, and Professor A. L. Bowley as secretary, presented their report on the "Amount and Distribution of Income other than Wages below the income tax exemption limit in the United Kingdom." The income tax exemption limit at that time was £160 ; clerks were included in the classes covered by this inquiry ; and the proportion of clerks in various trades receiving salaries above and below that limit were indicated. The results of this enquiry are of especial interest, since they provide the earliest data covering *all* types of clerical labour in some detail and at one time. I quote the following table :<sup>o</sup>

<sup>o</sup> In the table the percentage distribution given in the report for incomes under £160 has been recalculated in order to include the proportions of incomes above £160 which are given elsewhere in the report. The data for local government clerks refer to all employees other than teachers and manual workers ; the series of percentages in the table was obtained by combining the data given in the report for London and for 30 English and Welsh boroughs in a ratio of one to five.

*Clerical Salaries in 1909-10: Percentages of Clerks in salary groups.*

Salary.	Commerce and Industry.	Banks.	Insur- ance.	Rail- ways.	Civil Service.	Local Government.
<b>MALES.</b>						
Above £160 ...	23	44	44	10	37	28
Less than £160 ...	5	10	7	5	8	11
" £140 ...	6	8	6	7	11	11
" £120 ...	11	8	8	13	11	15
" £100 ...	15	8	7	20	10	12
" £ 80 ...	16	7	7	24	9	9
" £ 60 ...	10	7	10	12	9	6
" £ 40 ...	14	8	11	9	5	8
<b>FEMALES.</b>						
" £160 ...	0	—	0	—	1	2
" £140 ...	1	—	0	—	3	3
" £120 ...	2	—	3	—	4	3
" £100 ...	3	—	7	—	10	13
" £ 80 ...	11	—	46	—	26	12
" £ 60 ...	33	—	31	—	29	22
" £ 40 ...	51	—	13	—	27	44

The report shows that only one-quarter of the male clerks in private employment received more than £160 a year. In the largest group, commerce and industry, 55 per cent. and on the railways 65 per cent. of the males received only £100 or less, in the former group one-quarter received no more than £60 a year. Banks and insurance companies had the highest proportion of the more highly-paid clerks, though even in these groups more than one-half received less than £160. Public service clerks appear, on the whole, to have been better paid than the great mass of other clerks; though not as well as bank and insurance clerks.

In view of the rapid entry of women into clerical employment, great interest attaches to the salary distribution indicated for them. Booth's statement that their salary in private employment practically never exceeds £100 is fully borne out by the figures quoted. In the public services only about eight per cent. of the women employed received more than £100, but none more than £160. In the largest group—commerce and industry—51 per cent. had annual salaries of £40 and below (i.e., about 21s. a week at the present level of the cost of living). Even in the civil service more than one-quarter of the women employed received such derisory salaries. The average salary for all women is given by the report as £45 a year.

That these scales are certainly not an understatement of the

position in those years is proved by the fact that they were compiled by the investigators from material supplied by the employers of every type of clerical labour, not by the clerks themselves.\*

During these years an interesting pamphlet, *The Clerks' Charter*, was published by the National Union of Clerks. In this pamphlet the average salary for men and women clerks together is estimated to have been between 25s. and 30s. a week. But the most interesting section is that in which the causes of these low rates are discussed. The recent introduction of compulsory education for working-class children (1870) is given as the first and most important cause. The age-old educational monopoly of the middle classes had been finally abolished and a constant stream of potential clerks was being discharged on to the labour market from the new schools. The pamphlet states :

" The rapid extension of our commerce was ready to absorb a huge number with startling rapidity, but the inevitable saturation point has been reached with a consequent immediate inevitable lowering of salaries. In old City firms in London one can still find clerks filling berths at salaries ranging from £100 to £500 and even £1,000 a year for managing clerks. But when these posts become vacant through death or retirement they are filled up by younger men who rarely rise to the old salaries. There is thus a gradual steady diminishing of salaries going on, slow, but sure as quarter day."

The inevitability of this breakdown of the education monopoly and its reaction on the remuneration of clerical labour was clearly foreseen by Marx in the eighteen-sixties, when he wrote :

" The necessary preparation, such as the learning of commercial details, languages, etc., is more and more rapidly, easily, generally, cheaply reproduced with the progress of science and popular education, to the extent that the capitalist mode of production organizes the methods of teaching, etc., in a practical manner.

\* The Railway Clerks' Association has kindly supplied me with the following data for actual salary scales paid in the immediate pre-war years by five of the largest railway companies—the Great Western, Great Central, L.B. & S.C., L. & N.W., and Midland. Male clerks started as a rule at age 15 to 16 with salaries ranging from £.0 to £30 a year; in the tenth year of service salaries ranged from £75 to £95. The top of the scale was reached in one company in the tenth year with £78, in two others in the thirteenth year with £100, in one in the fourteenth year with £110, in the last in the fifteenth year with £120. It is clear from these data that the ten per cent. railway employees stated by the British Association enquiry to have received more than £160 a year must have been officers above the ordinary clerical grade.

The generalization of popular education makes it possible to recruit this line of labourers from classes that had formerly no access to such education *and that were accustomed to a lower scale of living*. At the same time this generalization of education increases the supply and thus competition. With a few exceptions, the labour power of this line of labourers is therefore depreciated with the progress of capitalist development. Their wages fall, while their ability increases. (*Capital*, Vol. III, page 354, Kerr edition.)

We are also reminded of J. S. Mill's statement, quoted above ; it is clear that the line of economic demarcation between clerks and the manual working class had vanished by this time. But let us return to *The Clerks' Charter*. The second main factor contributing to the fall of clerical wages is there stated to have been the rapid entry of women. It speaks well for the insight of the writer of this pamphlet that after quoting the numbers of female commercial clerks from the earlier census returns, he estimates that the number at the time of writing (1910) must have been over 100,000; the 1911 census revealed it as 117,000. The results of this increase are characterized as follows :

“Thousands [of women] are being turned out every year by business training colleges, schools, typewriter companies, and second-hand typewriter dealers. One well-known firm of the last-named category advertise constantly that they will send out machine and operator for 15s. a week. That they sweat their girls is patent and the secret of how they make a profit is given away by the advertisements appearing in the *Daily Mail* for girls to come and earn 2s. 6d. a week, while learning. Having finished such an apprenticeship I have known girls to offer their services through a labour exchange at nothing a week, in order to get into a real office and make a start. At that point the sweating is complete, one cannot go below nothing, but any number of advertisements appear offering from 5s. to 15s. a week for women clerks and plenty of young women can be found to accept such derisory salaries.”

Yet a third cause is given by this writer for the increasing competition on the clerical labour market, a cause which is of especial interest in view of later developments : it is amalgamations in banks and insurance concerns. These amalgamations not merely reduced the number of clerks required in these trades, but we hear from another source (the *Bank Officer*—see below)

that a continuous process of degrading was also taking place, i.e., the more skilled grades such as cashiers, etc., were being gradually reduced to the salary level of routine clerks. In the *Clerks' Charter* a certain Mr. Pipkin, manager of the Atlas Assurance Company, is quoted as having stated as early as 1909 that insurance clerks would gradually come to be divided into two grades, a lower grade which would begin at 20s. a week and rise to a maximum of 30s., and a higher grade to which only clerks able to undertake the higher work of insurance would be able to rise (i.e., trained actuaries, higher accountants, etc.). This view was a striking forecast of the present prospects in the insurance industry, as outlined to me—of course at adjusted salary rates—by an insurance specialist in an interview in 1930.

How did the clerks themselves react to these developments? Were they still content to retain the proud consciousness of gentlemanly superiority and to receive a pauper's income? Were they still satisfied with their position as faithful servants of capital, dazzled, like Napoleon's recruits, by the mirage of a captaincy of industry in the threadbare pocket of every office boy? To a large extent this was undoubtedly still the case. But it was no longer universally so. The attractions of trade unions were becoming more patent to a growing number of clerks. Already there were strong unions in the civil service. The Post Office Unions were first officially recognized in 1899 and again in 1906, while the civil service clerical unions were fighting for recognition in the immediate pre-war years. Fighting, for the authorities were doing all in their power to prevent their growth and official acceptance. The story of the two detectives found in a cupboard in the room in which one of the early meetings of the Union of Post Office Workers was taking place has a familiar ring in these days.\* The railway companies followed a similar tactic. Although the Railway Clerks' Association was founded in 1897 and had a membership of 9,476 in 1910, it was not recognized by the companies until well after the outbreak of the war. Nevertheless it was organizing the claims put forward by the clerical staff committees of the various companies and stood in general as the co-ordinating organ behind the fight of the employees.

In 1905 the National Association of Local Government Officers

\* According to the Treasury Memoranda on the Civil Service—see below—the clerical unions had been more or less recognized in 1907, but a claim put forward by them in 1911 was not considered on the grounds that they could not be officially regarded as representing the interests of the employees concerned.

24. CLERICAL STANDARDS BEFORE THE WAR

was founded, its membership increasing from 8,122 at the end of the first year to 23,786 in October 1914.

Among the general mass of commercial and industrial clerks the movement was far weaker, but, even under the extremely difficult conditions presented by the thousands of small offices, remarkable progress was made. The National Union of Clerks, which had had 200 members when Booth wrote, had 1,218 in 1910, in the following years its membership grew as follows :

1911	...	...	...	3,568
1912	...	...	...	5,262
1913	...	...	...	10,090
1914	...	...	...	12,680

Just under 12 per cent. of the members in 1914 were women. Bank and insurance clerks, the clerical labour aristocracy, as well as the great bulk of the commercial clerks still stood aloof from these movements—but a start had been made: the first cracks had begun to appear in the alliance that cemented the clerks to the ruling class.

## CHAPTER II

### WAR AND THE POST-WAR CRISIS—1914-1921

YEAR.	Imports and Exports, (\$ Million)	Cost of Living, July, 1914: 100	Total Number of Clerks, (000's)	Females per 1,000 Males.	Commercial Clerks : per cent. under 25.
1901 ... ..	800	91	613	157	49.0
1911 ... ..	1284	97	843	245	46.4
1921 ... ..	1156	249	1294	635	37.3
<b>Per cent. Increase or Decrease,</b>					
1911-21 ...	-10.0	+157	+54	+159	-19.2

The changes in trade are adjusted for changes in the price level on the basis of Professor Bowley's estimate that imports had remained practically constant between 1913 and 1923, while exports had declined between 20 and 25 per cent. See *Some Economic Consequences of the Great War*, pages 102, 203. The cost of living figure for 1920 has been taken instead of the 1921 figure, since it shows the extent of the rise, which reached its peak in November, 1920.

THE most striking feature of the changes in the volume of business and of clerical employment in the decade after 1911 is the fact that they no longer moved in the same direction. Up to that point clerical employment grew with the volume of business transactions for which the foreign trade figures could be taken as a very rough index; but while the volume of foreign trade declined between the immediate pre-war period and the post-war years, the total number of clerks actually increased by over 50 per cent. Since this increase is far greater than could be accounted for by any possible transfer in business from the overseas to the home market, it must be due to important structural changes within the sphere of clerical employment itself. In the first place there was a more than proportionate increase in the number of clerks employed in the public services (71 per cent.), but even if that factor is taken into account, the increase in private employment still amounted to almost 50 per cent. This increase is the more noteworthy if it is compared with the increase of the total occupied population which only amounted to 5.4 per cent. It should be noted, however, that



the rate of increase for male clerks showed a sharp decline as compared with the previous ten years—17 per cent. against 27.8 per cent. in the earlier period.\* The increase in the rate for clerical employment as a whole was, therefore, entirely due to the vast new influx of women. Their number increased by 202.2 per cent. between 1911 and 1921. The causes responsible for the increase of the whole group can only be guessed at. In part it may have been due to the fact that the increase during the previous period had lagged behind that of the development of business activity in general, in part to changes in the scale of business enterprises, while the greater difficulties of effecting sales during the period of advanced imperialism may well have necessitated a greater expenditure of labour power on such functions as cost accounting, recording, business forecasting, correspondence, etc. The proportion of clerks in the total occupied population rose from 4.6 per cent. to 7.5 per cent.; for women it rose from 3 per cent. to 10 per cent. and clerical labour thus became one of the most important fields of employment for women, ranking third after factory work and domestic service.

The reaction of these changes on the economic position of clerks is of considerable interest, but it pales into insignificance in the face of the mighty factors of war, inflation, and working-class militancy which dominate the economic developments of this period.

The outbreak of the war and the military recruitment that followed at first eased the employment situation for males and opened numerous new avenues of employment for women. But it further changed the hierarchic order of clerical trades, at least for the period of its duration. The services of clerks engaged on railways and in other transport enterprises as well as in industrial undertakings, mines, munitions factories, etc., became the most indispensable. The employers in these spheres were consequently far more amenable to pressure for economic improvement than those in banking, insurance, commerce, etc., and this had a marked effect on the relative salary levels of these respective classes until well after the end of the war.

\* It is extremely significant that in the important commercial and shipping area of Merseyside not only the rate of increase, but even the absolute number of male clerks declined. There were 32,000 in 1911, as against only 30,000 in 1921; female clerks increased from 6,700 to 17,900 during the same period; the decline in the number of males was shared by clerks both in private and in public employment (see Caradog-Jones; *Social Survey of Merseyside*, Vol. II, p. 325).

For the clerical class as a whole any improvement due to an increased demand for clerical labour was for a long time more than offset by the immediate and rapid rise in the cost of living. The following series of index figures gives annual averages for 1914-20 :

1914	...	...	...	100
1915	...	...	...	123
1916	...	...	...	146
1917	...	...	...	176
1918	...	...	...	203
1919	...	...	...	215
1920	...	...	...	249

In November 1920 the cost of living index reached its highest point of 276. The effect of this rise on clerical standards of life at pre-war salary levels can be imagined. Only a determined struggle for an increase in salaries to make up for the rising cost of living could avert complete pauperization. The manual workers, whose services were far more indispensable than those of most clerks and who had effective trade unions, were able to enforce wage increases closely following the rising cost of living. According to the *Twentieth Abstract of Labour Statistics* the average increases of working-class wages during the years 1914-20 were as follows :

*Percentage increase of Wages as compared with July, 1914.*

1914	...	...	...	1— 2
1915	...	...	...	10— 15
1916	...	...	...	20— 25
1917	...	...	...	55— 60
1918	...	...	...	95—100
1919	...	...	...	115—120
1920	...	...	...	170—180

### I. Civil Service and Railway Clerks

Were the young clerical trade unions strong enough to wage a similarly successful struggle? The following account of the struggle in the civil service, the most highly-organized clerical trade (with the exception, perhaps, of the railways), shows how dearly (the great mass of clerks had to pay for their petty-bourgeois dislike of working-class organization.) I quote from the *Memoranda relating to the Civil Service* submitted by the Treasury to the Royal Commission on the Civil Service, 1929 (pp. 49-50) :

“ The general level of retail prices of food tended to rise during the first few months of the war. This tendency became more

marked in the late winter and early spring of 1914-15, and pressure was put upon the Government to take steps to reduce prices. A debate took place in the House of Commons on February 11th and 17th, 1915, on the rise in the price of the necessaries of life. This debate dealt more with the cause of the rise in prices than with the question of increases in wages, but the speech of the President of the Board of Trade (Mr. Runciman) indicated that, if prices rose, wages would have to rise also (*Hansard*, Vol. 69, Col. 1189).

“During the ensuing months, substantial increases in wages were secured by work-people, at first more particularly in industries connected with the manufacture and movement of munitions, but before long in other occupations also.

“Application for the grant of a bonus to all postal workers receiving under £210 a year was made in March 1915, by the Joint Committee of Postal and Telegraph Associations, and was rejected by the Government on April 20th, 1915. This decision was not accepted by the joint committee who suggested that the matter should be referred to arbitration. The Government agreed to this proposal, and the question was accordingly submitted to Sir James Woodhouse who, in his award of July 8th, 1915, awarded a ‘war bonus’ at varying rates to postal employees receiving 60s. a week or under, exclusive of overtime.

“Meanwhile a claim for ‘war bonus’ had been received on behalf of civil servants generally, and was being held in abeyance pending the award of Sir James Woodhouse on the postal employees’ claim. On receipt of that award, the Government decided to consult the Committee on Retrenchment as to the desirability of extending its provisions to other departments. That Committee recommended that, as the reasons given in the award had no general application to the Civil Service, all applications from other departments should be considered by the Treasury on their merits, irrespective of the award. This recommendation was accepted by the Government in September 1915.

“In the result the great majority of the claims submitted to the Treasury on behalf of grades other than postal servants were rejected, on the ground that no case had been made out for throwing on the tax-payer the heavy additional charges involved. This decision was part of a deliberate policy of attempting to break the vicious circle of increases in wages, given on account of a rise in prices, leading to further rises in prices calculated in time to provoke further wage claims. Increases in wages continued, notwithstanding, to be given in many industries, and on September 9th, 1916, the Treasury issued a circular granting a ‘war bonus’ to civil servants generally in receipt of not more than 60s. a week. This ‘war bonus,’ which was slightly higher in amount

than the bonus awarded to postal servants in the award of Sir James Woodhouse, was extended to postal workers in lieu of that award.

"The increase in bonus granted by this circular failed to satisfy the Joint Committee of Postal and Telegraph Associations, which in October 1916, appealed for arbitration on a claim for a further increase in bonus. This was followed by a decision of the Government to establish an arbitration tribunal."

It was thus not before September 1915 that any section of civil servants received any salary increase at all, and even then that increase was confined to certain postal workers. By that time the cost of living had risen by 25 per cent. The increase, granted only to postal workers with 60s. a week or less, was one of 8s. a week on salaries up to 40s. and 2s. on those between 40s. and 60s. Even at the low figure of 80s. the increase granted was thus only 10 per cent., while on 60s. it was 8 per cent. to meet a cost of living rise of 25 per cent. But there were large numbers of civil servants not in the post office who also received salaries of less than 60s. a week. These people had to wait until September 1916 before they got any increase at all, and then they got only 4s. for salaries up to 40s. and 8s. for salaries between 40s. and 60s. By September 1916 the cost of living had risen to 50 per cent. above July 1914, and it continued to rise.

At this point the Government set up an arbitration tribunal—the Civil Service Arbitration Board—which made thirteen separate awards during the course of the following years up to November 1919. The final award of November 17th, 1919, granted bonuses of 80 per cent. of the salary plus 24s. a week for men with salaries up to 60s. a week; 80 per cent. plus 15s. a week (or £40 a year) for women with salaries up to 60s.; 80 per cent. plus £80 a year for men between 60s. a week and £500 a year; and 80 per cent. plus £40 a year for women of the corresponding salary group. In other words, if we take a salary of £300 a year, the percentage increase granted by this award was 50; if we take a weekly salary of 50s. the increase was about 55 per cent. (these increases refer to men; those for women were considerably lower). In November 1919 the cost of living exceeded that of July 1914 by 125 per cent.

Railway clerks—the most indispensable of all clerks, and probably the worst-paid section in pre-war days—were rather more fortunate, although they had to deal with the same employer, since the Government had taken over the railway systems for the duration of the war. But the Government realized that it was

bad policy to endanger war transport by procrastination tactics and niggardly awards, when it came to urgent wage claims by the organized railway workers—clerical as well as operative.

According to information supplied by the Railway Clerks' Association, the railway clerks received nine consecutive increases between February 15th, 1915 (five months earlier than the postal workers), and November 1st, 1918. The bonuses granted were flat increases on weekly salaries rising from 2s. and 3s. in the first award to 33s. in the last. On salaries of 30s. a week (i.e., about £80 a year) the first award granted an increase of 10 per cent., while the cost of living had risen by 15 per cent.; the increase granted by the third award in September 1916 (10s.) was 33 per cent. (cost of living 80—85 per cent.); finally, the increase in November 1918 raised salaries by 110 per cent., when retail prices had risen by 120—125 per cent.

The struggle of these two sections of clerks culminated in the immediate post-war years—when the wave of general working-class militancy was at its highest point and when the British bourgeoisie were still labouring under the joint effects of fear inspired by the Russian and other European revolutions and of mad speculation during the post-war boom—in two important collective agreements. Since these agreements have regulated the salaries of these groups of clerks right up to the present crisis, it is worth while to discuss them in some detail.

The earlier of the two is the railway clerks' agreement, which was concluded on August 1st, 1919, and substantially re-embodied in the later agreement of March 1st, 1920. Male clerks were grouped into five classes with the following salaries :

Class 5	£ 80—200	(more than 50 per cent. of the clerks).
" 4	£210—230	(about 25 per cent. of the clerks).
" 3	£240—260	( " 13 " " " ).
" 2	£270—300	( " 7 " " " ).
" 1	£320—350	( " 4 " " " ).

Female clerks were grouped in three classes : over 90 per cent. are in class 2 with salaries ranging from 34s. to 60s. a week, the remainder were first and special class clerks ; the former with salaries from 65s. to 70s. a week, the average salary of the latter being 85s. in 1929 (the percentage distribution of clerks over the different grades is based on 1929 figures). All these rates refer to adults over 18 years of age and carry £10 extra for clerks in London. Juniors received salaries rising from £35 at age 15 to £55 at age 17.

A comparison of these new rates with those prevailing in London before the war shows an increase of roughly 80—90 per cent. at comparable age grades. Thus at age 18 the pre-war scales were in the main about £50; these were raised to £90 in London by the new agreement. Similarly, those at age 27 rose from £100 to £180 in London. Remembering that the cost of living in August 1919 was 115 above 1914 we obtain a basis for a comparison between the two scales. It is important, however, to note that the new scales provided for higher maximum rates for routine clerks than any of the old company scales; that they provided scales for several grades of clerks above the routine level as well as for women; and that, though a clause was inserted which granted a bonus in case the cost of living rose above 225—which it subsequently did for a while—the rates quoted were fixed as minima which could not be reduced, however much the cost of living might fall. This last point was of the greatest importance for the whole subsequent development; it stabilized the money wages of railway clerks for more than ten years and thus raised the real value of their incomes in proportion to the fall in the cost of living.

This is the most notable difference between the railway clerks' and the civil servants' agreements. The civil service agreement was arrived at as a result of a report dated May 18th, 1920, and submitted by a committee of the National Whitley Council of the Administrative and Minor Departments of the Civil Service (see *Treasury Memoranda*, pp. 52—53). Taking 180 (the rate of February and March 1920) as the basis for the cost of living rise, the committee recommended the payment of a bonus of the full 150 per cent. on all pre-war salaries of 85s. or less. This bonus was also to be paid on the first 85s. of all higher pre-war salaries; on that part of these salaries that was between 85s. a week and £200 a year, a bonus of 60 per cent. was recommended, on any excess over £200 up to a maximum of £500 the bonus was to be 45 per cent. The system was to be subject to six-monthly review with the object of adjusting the cost of living bonus on the basis of the average index figure for the preceding six months. For every change of the cost of living above or below 180 amounting to five full points, the bonus was to be increased or decreased by  $\frac{1}{26}$  (i.e.,  $\frac{5}{180}$ ).

In effect the committee recommended that clerks with salaries up to 85s. (pre-war) should be indemnified for the full rise in the cost of living; clerks with pre-war salaries of £200 received less

than three-quarters of the cost of living rise as bonus; while officers with salaries of £500 before the war received an increase of 33 per cent.

The inferiority of this agreement as compared with that on the railways lay in the fact that it provided, not stabilized minimum rates, but basic salaries, roughly corresponding to pre-war rates of pay, plus a fluctuating bonus which was bound to decline when the cost of living fell. On the positive side the new agreement greatly simplified the grading of clerical workers in the service, it set up permanent machinery for wage negotiations, and it abolished the differences between the rates of bonus paid to men and women. Moreover, the assimilation of the staff then employed to the new grades had the effect of raising the basic remuneration for a considerable proportion. Subsequently the bonus was raised to a maximum of 165 in March 1921, but, since the cost of living had by that time already commenced its decline, the bonus fell sharply in later years.\*

## II. *The Bank Clerks' Awakening*

Such is the story of the struggle waged by the most highly organized sections of clerks during and immediately after the war. Now let us turn to a group in which there was no organization whatever when the war broke out, and which up to that time had been the clerical aristocracy, the bank clerks.

Even in pre-war days bank clerks were affected by a process of degrading which followed on the amalgamations in their trade and which frequently had the effect of assimilating the salaries of the more skilled types of workers to those of the routine clerks. †

Humiliating though these pre-war developments were to the pride of the bank clerks, they were as nothing compared to the attacks on their standards of life which were the result of war-time inflation and to which they were exposed without any

\* The basic scales for some of the most important clerical grades are: the "general clerical" class: main grade (about 90 per cent.) £60—£250, higher grade (10 per cent.) £300—400; female clerks in the same grade have lower maxima (£180 and £300 respectively); writing assistants (practically all women) 18s. to 36s.; typists 22s. to 46s. These rates refer to the established staff, the rates for the large number of unestablished and temporary clerks are considerably lower. The bonus system was abolished in 1934.

† The following facts illustrating the developments during and shortly after the war are quoted from the *Bank Officer* (the journal of the bank clerks' trade union—see below.)

defensive organization. By the end of 1917, when the cost of living had risen by 85 per cent., the very highest bonus paid in any bank—except perhaps one or two of the smaller private banks—was 20 per cent. One of the Big Five banks (Barclays) did not pay any bonus whatever until October 1918, when the cost of living had risen by 120 per cent.

This price exceeded the limit which even bank clerks are prepared to pay for the privilege of being regarded as gentlemen. Some of the most courageous among them accordingly called a conference in Sheffield in the early days of 1918 and gave birth to the Bank Officers' Guild. The young nestling was a little shy and hesitated to cast off the remnants of its petty-bourgeois egg-shell; in its first circular, dated February 1918, it described itself as "not a militant trade union, but a *guild*, conciliatory in its methods and broad enough to take in the whole profession from managers to junior clerks"; but nevertheless it soon grew strong enough to issue a journal (in August 1919) and to take up the fight for an improvement in salaries. Its aim was the establishment of a National Whitley Council for the banking industry, to be modelled on that for the civil service.

Eighteen months after its foundation the guild had 17 branches and 10,000 members throughout England and Wales; even before that date Barclays had granted its first war bonus and another bank had raised its bonus to 50 per cent., while the others followed rapidly in the course of 1919-20. Such was the salutary effect of the formation of a national organization for bank clerks.

The managements rose to the occasion; they were determined to prevent national organization at any cost. As an immediate counter-move they proceeded to the formation of staff guilds—i.e., organizations confined to the staff of each separate firm. Where some kind of social or benefit clubs had been in existence, the management reconstructed them into "negotiating organizations" which were supposed to perform the functions of the national guild, and allowed the credit for any salary increases to these company unions and not to the independent organization of the clerks. If negotiation there must be, then at least let it be bank by bank and on no account for the industry as a whole. Such was the attitude of the bankers. Nevertheless the Bank Officers' Guild grew rapidly. By August 1920, a year after the publication of the first issue of the *Bank Officer*, it had 128 branches with a total of 24,000 members; at the beginning of



1921 its membership was just under 30,000, or nearly 50 per cent. of the permanent clerical staffs of the English banks.

While this struggle was proceeding in England, there arose a crisis in Ireland, where conditions for bank clerks were, if possible, even worse than in England. An association framed on similar lines to the English guild was fighting for recognition on a national basis. Soon the membership of this association comprised 65 to 70 per cent. of the bank staffs. At this point its secretary took out one share in each of the large banks and attended their shareholders' meetings in order to deliver speeches claiming the recognition of the association. The response from the directors is epitomized in the following passage from the speech of the chairman at one of these meetings in 1919. ("Mr. Denroche comes here to-day," said the chairman, "with one aim—to dictate to the directors. They will not tolerate interference by him or any outsider, nor will they be dictated to by a parcel of boys.")

In the face of such stubborn resistance, the Irish Bank Officers' Association finally decided to call a strike of all bank clerks for December 20th, 1919. In view of the strength of the association and the amount of feeling which the agitation had aroused, the managements were forced to give in. They officially recognized the association and accepted the demand for independent arbitration. Since these had been the only issues on which the strike was to have been fought, the clerks won a complete victory.

The case of the clerks was put forthwith to an arbitration court which gave its verdict in March 1920. By this verdict scales were granted for routine clerks ranging from £100 to £445 a year, this maximum to be reached in the twenty-first year of service. Additional emoluments were provided for cashiers and other skilled workers, and there was to be a bonus as long as the cost of living exceeded 215. These were minimum scales which could not be reduced, even if the cost of living fell below 215. At the same time the association was granted the right to discuss with the management salaries, bonuses, hours of work, overtime, pensions, widows' and orphans' schemes, vacations, marriage restrictions, luncheon facilities, and any grievances of employees who considered themselves to have been unfairly treated.

The effects of this victory were of the greatest importance for the Irish bank clerks for a long time to come; their salary scales were maintained untouched right up to the present crisis. The strength of the association was brought to a further test in 1923, when the Belfast Bank amalgamated with the Royal Bank.

The association obtained the right to a pension for each clerk dismissed on account of the amalgamation, transfers of pensions for the clerks taken over by the new firm, and many other advantages.

Although not entirely eschewed, the idea of a strike was very obnoxious to the English bank clerks of the time. In the issues of the *Bank Officer* dealing with the Irish situation prior to the settlement the fervent hope is expressed that some kind of conciliatory method would obviate the occurrence of the strike. However, the Irish bank clerks were prepared to go through with it and their resolute action brought the results described. The same Irish bank chairman, who had expressed himself in such unequivocal terms before the settlement, addressed his shareholders at the next meeting, after the victory of the clerks, as follows: ("As to Mr. Denroche, whom I am glad to see here, the directors recognize the very great assistance he has been to us throughout the whole matter, and I and my colleagues are very grateful to him for the forbearance he has shown.") This was only a sporting attempt to make the best of a bad job, but the bankers showed their true colours in the struggle that was to ensue in Scotland and England, where the managements fought tooth and nail against recognition.

The Scottish situation was very similar to that in Ireland prior to the strike call. Here too a trade union of clerks, known as the Scottish Bankers' Association, had been formed; like its Irish and English brother organizations it was putting up a determined fight for recognition. As in Ireland, the resistance of the managements brought the situation to a point at which the Scottish clerks decided to call a strike for June 28th, 1920. But the managements had learned a great deal from their Irish experience, and the tactics they adopted are of great interest as a warning to militant workers in general. When informed of the strike call, the managements immediately approached the Ministry of Labour and asked for intervention. At the last moment that intervention was forthcoming. The Minister asked the clerks to postpone the date of the strike in order that he might approach the managements with a view to calling a joint conference of managements and clerks, on which the latter were to be represented by five elected members from the staff of each bank. The association agreed to this suggestion and postponed the strike. When circularized by the Ministry of Labour four of the eight Scottish banks of the time replied that they were prepared to meet the representatives of the staffs at the suggested conference. The other

four banks, three of which were the Scottish subsidiaries of the Midland, Barclays, and Lloyds banks respectively, replied that they were already negotiating with their own staffs and that they could not see, therefore, that the proposed conference would serve any useful purpose. The Ministry accordingly suggested to the clerks that they should meet the managements of the four banks only; the clerks accepted this proposal, but when these banks were again approached by the Ministry, three of them now replied that their assent had only been given on condition that all the eight banks concerned should be represented.

Through this manoeuvre the managements won the all-important factor of time. This they used to grant salary concessions and to employ every other means of undermining the solidarity of the union. Their tactics met with complete success, for after much delay and hesitation there was neither a conference nor a strike and the association remained without official recognition. This second fight, therefore, ended in victory for the managements, though at the cost of concessions.

At the same time there had been an actual strike of two days' duration among the bank clerks of South Africa, ending in a complete victory of the clerks, a further strike of bank clerks in Egypt, while their comrades in Australia had enforced the recognition of their union and the acceptance of permanent arbitration machinery.

While these battles were being waged in the outlying areas of the British banking world, the fight for recognition in its centre was still raging. The managements employed varied counter-attractions. Domestic staff associations were fostered and substantial increases in bonus rates were granted; and by such means the membership of the Bank Officers' Guild was confined to the 50 per cent. limit right up to the time of the post-war slump. The effects of this slump on the employment situation and its reaction on the mentality of the clerks, in many of whom militancy gave way to a feeling of fear for the security of their jobs, greatly prejudiced the chances of successful action by the union, which had hesitated to adopt militant fighting methods while conditions were still favourable for their cause. The membership actually fell off a little during the ensuing period.

The lengths to which the managements were prepared to go in their endeavour to smash the influence of the union were revealed by their action in regard to the 1919 Unemployment Insurance Act. This Act provides for special schemes to be set up in indus-

tries not greatly affected by unemployment, with the object of reducing the contributions to be paid by staffs and managements. Banking was one of the industries to which this clause applied, but it was a condition of the scheme that it should be jointly drafted and accepted by the managements and staffs of the industry. As soon as the Act was passed the Guild approached the managements with an offer to co-operate in the drafting of a scheme, but the acceptance of this offer would have implied the recognition of the Guild and it was therefore rejected. The managements then proceeded to work out their own scheme and to enlist the support of their staff associations for it. The approval of this scheme was advocated in the House of Lords on June 30th, 1921, by the Earl of Selbourne, who stated that it had been accepted by the British Bankers' Association (the organization of the managements) and all the staffs concerned. In reality the Bank Officers' Guild, representing about 50 per cent. of the staffs, had rejected it. This fact was brought to light in the ensuing debate and the endorsement of the bankers' proposals by the Ministry of Labour was delayed until September 1924, when the Guild had finally climbed down and accepted the scheme of the managements, without having received official recognition.

Thus the English guild, like the Scottish association, had suffered defeat in its main struggle for recognition. Nevertheless, its existence and struggle had effected a profound improvement in the position of bank clerks immediately after the war. The necessity of fighting it had forced the managements to grant very considerable concessions.

One after another the English banks granted bonus rises in 1920, though by 1921 the actual salaries paid were on the whole below the new Irish scales. In any case the basic scales, without bonus, were much below those operative in Ireland, but in this respect also conditions gradually improved. The National Provincial Bank was the first to grant—in 1921—new basic scales ranging from £50 to £247 10s. 0d. a year in the twenty-fourth year of service. At the end of 1923 the position in the different banks was characterized as follows in the *Bank Officer*: Midland, "Good"; Barclays, "Poor"; Lloyds, "Quite good"; Westminster, "Poor"; Colonial and Scottish, "Patchy."

There was a tendency at this time to add part of the existing bonus to the salary scales and to cancel the rest. By September 1924 salaries were mainly about 50 per cent. above the pre-war level with a bonus ranging from 15 to 30 per cent. The following

example provides an illustration of the effect of the existence and struggles of the Guild on bank clerks' salary standards. A bank clerk, member of the Guild, writing in the *Bank Officer* in 1925, quoted annual salaries received by him since the commencement of his career :

1903	...	£ 30
1906	...	£ 70
1914	...	£140
1918	...	£174

In that year the Guild was founded ; his salary rates were subsequently :

1921	...	£332
1922	...	£352
1925	...	£367
1932	...	£416

(the last figure was his maximum according to scale).

Before closing this description of the struggle of the British bank clerks in the immediate post-war period, I wish to refer to one further item of that struggle relating to the employees of Barclays Bank. We have already met this bank as the only one of the Big Five that had not given any war bonus up to the latter part of 1918. In 1919 this firm was still notoriously behind the other banks in the matter of salaries. The Bank Officers' Guild decided to form a domestic committee for Barclays. This Committee, elected from the branches all over the country, met in London and demanded access to the directors. This was refused, but instead the clerks received a 20 per cent. rise in salaries and in addition a 30 per cent. bonus. At the same time the management called for the election of a staff committee to be set up independently of the Bank Officers' Guild. The Guild answered this move by instructing its members to vote for the same candidates who had sat on the committee organized by the Guild. These were duly elected, and the management was thus confronted by the same committee which it had refused to receive shortly before. The result was that the management protracted negotiations without coming to any tangible result.

When the next annual elections for the committee were due, the Guild changed its tactics and instructed its members to abstain from voting altogether in order to prevent the setting up of any committee at all. But while a large section of the staff followed these instructions, another section did not, and thus the management was successful in getting its own committee. This meant

that the forces of the staff were split and their conditions continued to be unsatisfactory. At last the feeling of the staff rose to boiling-point, they held mass protest meetings in 1925 and ultimately forced the management to grant a new salary scale in November 1925. The delay of six years was directly due to split forces resulting from a tactical error at a decisive moment.

What was the reaction of the *Bankers' Magazine* to these sensational occurrences? The numerous references to the struggle of the clerks that occur in the years 1918 to 1922 are so profoundly revealing of the employers' fears and tactics as to be worthy of enumeration.

For many years the problem of the clerk and his salary had received only slight attention in this journal—the only exception being the subject of pension schemes to which annual reference was made on the occasion of the bank reports. In the issue of February 1918 there appeared an editorial note on "The position of the City and Merchant Bank Clerks." There was one section of people connected with banks, this note commences, that were not allowed to benefit by the large profits made by the banks ever since the outbreak of the war—the clerks. Though most banks paid a bonus of 20 per cent. on salaries up to £200 and 15 per cent. on salaries above that level, the position in general was very unsatisfactory. In spite of the patriotic services of the clerks, who after their day's work went to the Bank of England to do voluntary work on war loans for 2s. 6d. an hour, normal salaries still started at £40—£80, rising by £10 to £150 or £200, in some cases to £250, beyond which routine clerks had little chance of rising. Such salaries were surely insufficient, even with the addition of the bonus mentioned, to meet the increased cost of living. The note ends by advocating some kind of profit-sharing scheme as the solution.

The most significant facts about this note are, first, the date of its publication—immediately after the first meetings of the Bank Officers' Guild; secondly, the complete absence of any reference to the formation of that guild!

Three months later the same writer amplifies his statement by pointing out the unsatisfactory state of affairs in regard to widows' pension schemes; few such schemes existed, even for widows of clerks who had been killed in the war. Again there was no reference to the guild.

The first indirect hint of its existence appears in a letter to the editor in the issue of November 1918. The writer complains that

salaries had not increased and that bonuses were often granted without reference to the needs of the recipients, many clerks with long service records being awarded bonuses "that an artisan or a textile worker would not have looked at." Complaints by single individuals only lead to snubs, if not worse treatment, independent organization of the clerks is the only remedy. The editor comments that, while he has no desire to suppress letters like this, he feels it his duty to remind the clerks of the patriotic action of the bank managements in encouraging recruitment and of "the generous manner in which they treated all those of their staffs absent in their country's service." The banks, he continued, had heavy additional expenses in connection with temporary war time staffs; moreover, he claimed that bonuses were paid in most cases at an early stage, and had reference to individual needs.

By March of the following year the managements had definitely decided their defensive tactics; in that month the magazine contained a lengthy article on staff associations and guilds to which the attention of the reader is especially drawn in the editorial. The editor informs his readers that his magazine is entirely impartial in so far as the issue general guild or internal staff associations is concerned, but it must draw the attention of the clerks as responsible and educated members of society to the great danger involved in anything that might disrupt the smooth running of such an essential key industry as banking. It is true that bank clerks' salaries before the war were bad—but much had been done since then in the way of increases. Unity might mean strength, but it also meant danger.

The article itself admitted that the choice between a general guild and staff associations sanctioned by the directors might not be an easy one. But harmony and confidence between managements and staffs is surely the most essential thing; and any discussion about working and salary conditions must take place in the "light and air" of good fellowship. After all, why should there be suspicion on the part of the clerks? The directors are human beings like the clerks, surely they could appeal to their instinct of fair play! "Trust the directors" is the only possible slogan for the clerks! The article enumerates six reasons why internal staff guilds should be preferred to an outside organization: (1) the fairness of the managements when trusted; (2) separate guilds were started—"as far as we know"—on the initiative of the clerks, not of the directors; (3) internal guilds would have a larger total membership, since "many capable men would hesitate

to join a body not sanctioned by the directors"; (5) separate guilds would be better able to deal with internal matters; (6) they would have greater influence with the managements.

Finally the article mentions subjects that could profitably be discussed by the staff representatives: promotion is one of them, salaries another. Not every claim put forward would be justified, but might well be discussed. On the other hand there was the directors' case. They had paid the income tax for their clerks, in most cases they bore their insurance costs, they granted pensions; but above all they had their duty towards their shareholders to consider—these are "not wealthy capitalists"—think of all the poor widows and orphans, yes, many clerks themselves probably are shareholders! The directors are faced with the difficult task of holding the balance between these rival claims.

In July 1919 an editorial note comments on a manifesto issued by the Irish bank clerks. This manifesto is described as "drastic" and the editor is glad to note that the English clerks' guild is trying to exert a moderating influence on the Irish union. For it must be clear to all that force is bad—a strike would be a disaster.

In January 1920, after things had come to a head in Ireland, the editor covers up the significance of what occurred with a joke about the "Hibernian flavour" attaching to the action of the clerks, after which he proceeds to extol the "astute counter-move" of one of the banks—the subsidiary of an English company—who had given notice of dismissal to each member of the staff personally, to date from the day of the threatened strike.

In the meantime an article on the responsibility of managements for the welfare of their staffs, the value of good human relations, and the un wisdom of appointing rude chief clerks had appeared in September 1919. In the same month the editor commented on an article in the *Glasgow Herald* on the low salaries in Scottish banks. Even if these salaries were increased by 50 per cent. the economic level of the clerks would not be raised above that of artisans. Surely, the *Bankers' Magazine* editor comments, the directors will speedily put things right without recourse of "union methods" on the part of the clerks!

In October the bankers are informed in an editorial note that strongly-worded resolutions had been adopted at a meeting of the Scottish Clerks' Association, demanding recognition of their union, the granting of new salary scales, and a determined fight against internal staff guilds. The "Educational Notes" in the same issue of the magazine contain the information that the



Union Bank of Scotland had set up a special committee on staff affairs, consisting of two directors, the general manager, the head office manager, a branch manager, and five clerks from different branches, which was to meet quarterly to discuss the wishes of the staff. Also that the Glasgow clerks' debating society had held an "important" meeting! Not a word *here* about the Scottish union and their resolutions.

In December 1919 we are informed of the generosity of the same Union Bank, which had granted new salary scales ranging—at 1919–20 prices—from £40 to £300 after 20 years' service, provided a Bankers' Institute examination had been successfully taken after the third year.

The same January 1920 issue containing the joke about the Irish situation included five other references to the position of clerks. First, an article on "fusions" which turns out to be another write-up for internal guilds. After stressing the spirit of dissonance brought into the banking field by external organizations the article proceeds to give its fullest approval to one aspiration shared by both types of organization, that of raising the clerks to "professional" status. This recipe for deflecting the attention of the clerks from their vital interests to irrelevant matters costing the managements not one farthing is immediately exploited to the full. A second article in the same issue is headed "Banker or Bank Clerk" by "Three Young Bank Men" who enlarge upon the high professional standards now required in the vast amalgamated banks, which they compare to military organizations. This enables them to revel in such terms as the new "general staff," the "executive," the "commissioned officers," etc., as the new posts to which—not the bank clerks—but the "bankers" should aspire. Items 3 and 4 in this issue are boosts of internal guild meetings of the Scottish Union and Lloyds banks respectively. Finally, item 5 reports the regrettable occurrence of a one-day strike in an Egyptian bank.

In February and March the clerks are left in peace, presumably in order that they might absorb and ponder on the weighty advice given in January. A note on the nice new staff journal of the Anglo-South American Bank (February) and a report of the vote of thanks accorded to the internal guild of the Westminster Bank for their help in drafting a new salary scheme (March) are the only items in this period.

But in April the full registers of the propaganda organ are again drawn—with an eye towards the approaching crisis in Scotland?

—this time, however, the audience is regaled with a highly political tune. A political discovery of the greatest importance has been made and is announced in the first editorial leader entitled "Thrift as an Antidote to Socialism or Bolshevism." The "reckless extravagance of the wage earner," (at 1920 prices!) and his "ignorance of economic law," must, we are told, be stopped, unless this country is to drift, if not to Bolshevism, at least to the state of social disorder so familiar on the Continent. All this, however, is only by way of introduction to the main blast: an article by H. A. Gwynne, editor of the *Morning Post*, entitled "How to fight Bolshevism." (The British Government had just then recognized the Soviet Government.) After familiar references to the "appeal to the lowest instincts" of robbery, etc., we are told that to fight Bolshevism, an Anti-Bolshevist propaganda campaign would be "sheer waste of money." The word Bolshevism should never be mentioned. Instead, an alternative ideal should be put before the masses: the ideal of thrift. This will induce the workers to resist the "blandishments of Lenin." A "defensive system of thrift" will stand against the "attack of robbery." All private enterprise must combine in this fight, and since the banks were the first to be attacked by Lenin and Trotsky, they should be the first to hand over the large amounts of money necessary for this campaign. In addition they should provide a cheap savings bank service where the workers can invest, instead of wasting their vast wealth (although, as the editor remarks in his introduction, a serious problem would arise here: the tone of the establishments might be regrettably lowered if their doors would be open to the savings bank clientele).

A final item in this prolific issue is a further contribution by the "Three Young Bank Men" on commissioned officers in banks and how they should be recruited from the "bankers," instead of from the products of the older universities.

In the meantime the Bank Officers' Guild had made a gigantic effort to establish once and for all its claim to respectability. To the consternation of the bankers it had organized on April 12th a bumper meeting at the Central Hall, Westminster, at which the principal speaker was Lord Robert Cecil. In June the *Bankers' Magazine* expressed regret that it could not find space for a verbal reprint of all the speeches made at this meeting, the "high tone" of which delighted it, though it was of course, not represented in person. All the bankers' misgivings were speedily allayed by Lord Cecil's speech. It appears to have been the

familiar speech about "peace in industry," the virtues of the competitive instinct—"if you destroy competition, you destroy the liberty of the individual"—the partnership of capital and labour, and the need for the latter to understand the former's abhorrence of anything flavouring of Bolshevism. The president of the guild made a speech imploring the directors to grant him the privilege of co-operating with them in all staff matters. So far, so good, says the editor; now it only remains for us to ask the guild, first, to acknowledge openly how very much the directors had already done for the clerks, secondly to get on friendly terms with the internal staff associations.

But at this point the affirmations of friendship and brotherhood are rudely interrupted by the startling announcement in the stop press of the July issue of a strike threat in Scotland. Of course there is no ground whatever for such unprofessional action. With a sigh of relief the editor informs us, however, in the following month that the crisis had been happily averted. Part—though only the more respectable part!—of the story of the Ministry's intervention is told, and it also appears that right up to the morning of the proposed strike the rumour had been spread—by whom?—that recognition of the union had been granted. Now, after everything is over it is safe to divulge that the union was founded as early as March 1919, that its membership comprised 5,000 out of the 8,000 Scottish bank clerks, and that 80 per cent. of its members had voted for strike action. The editor comments, "We may be permitted to express the hope that any danger of the seduction of an appreciable portion of the clerical staffs of the Scottish banks from their traditions of loyalty through the machinations of paid agitators has been averted for good and all!"

After some further pushing of the co-partnership idea and of the blessings of education (July, August, September), a second broadside is released in the form of an article-book review by F. H. Allan of J. Shield Nicholson's *Revival of Marxism (Bankers' Magazine, December 1920)*. At that time Krassin was already negotiating in London with a view to the signature of a trade agreement between this country and the U.S.S.R., an aim to which the *Bankers' Magazine* was violently opposed. After a shallow discussion of Marxian theory the writer turns to its contemporary revival in England. This is of course due to Bolshevism. But although that poisonous doctrine could even be proclaimed from the platform of the Albert Hall, the writer is glad to be able to record that responsible trade union leaders

in this country will not "exploit trade disputes for an attack on established institutions." In his view, "When Marxism is in the ascendant among the industrial classes, the best way to check it is to foster among the community at large a confidence in constitutional government." People who argue that in England a Labour majority could constitutionally introduce the whole socialist programme, "forget that parliamentary power rests on the foundation of practical wisdom and the honour of statesmen." Its respect for "liberty" has so far justified "national confidence." "Let this confidence be lost . . . in pandering to the revolutionary spirit, and the British Parliament with all its proud traditions might by one stroke abrogate—perhaps for ever—the proud height to which, in the course of long years, it had attained." The true way of progress, concludes Mr. Allan, is that of mutual trust between capital and labour. And in this country, at any rate, the worker is "not poorer but richer," not "dragged at the chariot wheel of capital," but enthroned side by side "with the capitalist on the box seat."

In the same *Bankers' Magazine* of December, 1920, is a note from a correspondent on "Salaries and the Cost of Living." Salary increases and bonuses granted during the past 12 months, it runs, have lagged far behind the rise in the cost of living—not to mention the fact that that latter rise commenced many years before the former—with the result that the average married clerk without a private source of income is still in an "unenviable position." Bare necessities swallow practically the whole of his earnings. The "working man" is far better off than he. It is, therefore, not surprising that there is much unrest among clerks. Surely it would be better if the directors would propose a bold scheme of salary reform, instead of "nibbling at it from time to time." The following month (January 1921) brings an interesting reply to this letter. Of course it is true that bank clerks are badly paid; naturally, they ought to receive far higher salaries; *but*, remember that England is now much poorer than before the war. There is the cost of the war still to be paid—*someone* must do this. The workers have hitherto refused to bear their share of the burden, so naturally it rests so much the more heavily on the shoulders of the "rest of the community." As for the relative position of bank clerk and worker—the former should not forget that his position is a secure one "if he behaves himself," that he has a pension, and that he has a much better chance of advancement, "ability alone" being sufficient. The obvious retort comes

in the following month: Someone may have to suffer, but why the bank clerk? Because, unlike the worker, he is not effectively organized.

From now on the Bolshevik scare ceased to be used as propaganda among bank clerks. A new device was introduced. When the process of capital concentration has reduced to a minimum any prospect of economic advancement for the ordinary individual, the wish dream of self-improvement reaches a high degree of intensity among the petty bourgeoisie. It is of great importance to the capitalists to maintain as long as possible the illusion of the individual "road to success," and the *Bankers' Magazine* now concentrated its attention on propaganda directed to this end.

After several preliminary scouting expeditions, the full campaign was launched in June 1921 in the form of an article on "Staff Organization." A complicated grading system for bank clerks is advocated on the basis of proficiency tests where the clerks score points for "Personality," "Manners," "Ability," "Accuracy," "Method," and "Speed." Later the magazine invited entries for a prize essay competition on the subject of "Banking as a Career," and in the following month a hint is thrown out to the Bank Officers' Guild that this matter of education is one on which it can concentrate its activity, thus realizing its ambition of raising the clerks' professional status.

The clerks do not seem to have been enthusiastic—judging by the disappointing results of the essay competition—but this line succeeded in provoking a lengthy correspondence, and in securing the hearty co-operation of the guild. The climax is reached when an article by its president is reprinted in full in the *Bankers' Magazine* of November 1921, in which he advocates a system of three consecutive examinations for bank clerks between the ages of 17 and 22, the last of which shall confer on the clerks the official degree of "banker." The true reason why such grading schemes were now of interest to the managements had incidentally been allowed to slip through in a note in the March issue of the same year dealing with office mechanization. There it is quite blandly stated that bank staffs will ultimately be divided into two sections: a routine section consisting practically entirely of girls working on machines, and a "professional" section dealing exclusively with matters of general banking policy and management.

### III. *Insurance Clerks*

The situation in the insurance industry was somewhat less dramatic. Although most companies had paid bonuses during the war, there was a move towards their cancellation immediately after its conclusion. At that time the clerks in the industry made a similar move to that of the bank clerks and set up the Guild of Insurance Officials. Its first meetings were held in Manchester, London, Liverpool, and other towns during the early months of 1919. The first issue of the *Insurance Guild Journal*, published by this organization in January 1920, contained a statement of its aims from which the following section is quoted :

It was the purpose of the Guild :

"(a) To unite the employees of the Insurance Offices with a view to improving and regulating the relations between them and their employers, both by Whitley Council and otherwise.

"(b) To safeguard the interests of the staffs of Insurance Companies whose shares are purchased by other Insurance Companies, or who enter into any working arrangement, alliance, fusion, or amalgamation.

"(c) To ensure a Standard Pension Scheme for all Insurance Companies, and in connection with such scheme the recognition by all insurance companies of the number of years spent by any member in the service of any insurance company.

"(d) To ensure the abolition of any inequitable agreements and understandings (whether tacit or otherwise, whether between insurance companies, or an insurance company and members of its staff) which restrict the liberty of the individual."

The second item of this statement was of especial significance in view of the continuous amalgamations that were taking place in this industry at that time, and the Guild scored a good point in this respect when the Industrial Assurance Act of 1923 was passed. Section 38, sub-section II of this Act reads as follows :

"An amalgamation or transfer shall not become effective unless sanctioned by the commissioner, and the commissioner, before sanctioning any such amalgamation or transfer, shall hear any claims made on behalf of any class of persons (*including the employees of any association concerned*) who allege that they are adversely affected by the amalgamation or transfer, and may require as a condition of his sanction that the terms of the amalgamation or transfer shall be modified in such a manner as he may consider just."

This Act, however, refers only to industrial assurance companies ; clerks employed by the numerous other types of insurance undertakings are thus not protected.

By January 1920 the Guild had a membership of about 15,000, its appearance had prevented any efforts that may have been contemplated to cancel the ' war bonuses,' and on the whole it did not encounter anything like the resistance with which the Bank Officers' Guild had been met. One of the big companies even negotiated salary scales with the officials of the Guild within six months of its formation. There were, however, instances of a very different attitude on the part of the employers. But in general the Guild succeeded either directly or indirectly through its agitation in securing new salary scales, usually on the basis of the old scales plus bonus. In this way the remuneration of the post-war period was stabilized at a level which has been maintained right up to the present crisis.

#### IV. *Other Clerks*

The following remark made by the secretary of the clerical section of Natsopa in an interview with the writer, illustrates the conditions of the great bulk of clerks employed in industrial and commercial enterprises during the war. Describing the state of affairs before this section of clerks was organized just after the war, he stated :

“ Conditions before organization were very bad. There was the case of a large ' patriotic ' newspaper office taking on a man returning from the war at 47s. a week, although he had had 17 years' service with the firm and was married. In general, salaries of 50s. were quite frequent at a time when the cost of living was 176 per cent. above 1914. When the clerks' position was strengthened through organization and demands were put forward for a new agreement, Northcliffe forestalled this move by raising all his clerks to £3 a week, thus he could claim that the *Daily Mail* was already paying ' decent ' salaries.”

This was in a trade, in which shortly afterwards the union was able to negotiate agreements with the newspapers for minimum salaries of 90s. for adult male clerks.

That the case of the printing clerks was not an isolated one is clearly shown by the contemporary issues of the *Clerk*, the organ

of the National Union of Clerks, where the attention of the reader is again and again drawn to advertisements appearing in the press of the time offering responsible posts in all types of offices at scandalously low salaries. The only exception during the war period itself were the clerks employed in many iron and steel works, munition factories, coal mines, etc. Among this section of clerks the influence of the National Union of Clerks was strongest and it managed to secure substantial bonus grants for its members in these industries. But these grants were by no means obtained without struggle; there were many conflicts, the most serious of which was a strike of certain grades of clerical workers employed in Woolwich Arsenal.

The successes obtained by organization in this limited field and by the civil servants and railway clerks, coupled with the intolerable position of the great bulk of commercial and industrial clerks during the war, resulted in a marked increase in their militancy. The growth in the membership\* of the National Union of Clerks after 1915 clearly reflects this fact:

1914	...	12680
1915	...	8118
1916	...	11357
1917	...	14053
1918	...	32525
1919	...	40972
1920	...	47528

After an initial drop caused by recruitment of members of the union to the armed forces, its membership grew continuously, until, by 1920, it had increased almost fourfold as compared with 1914. If we add to this the growing influence of the civil service and railway clerks' unions, and of the National Association of Local Government Officers, the founding not only of the bank and insurance clerks' guilds, but of several other new organizations such as the Association of Women Clerks and Secretaries and several organizations of more local significance, we obtain a true index of the great change in outlook that was brought about by the war even among clerical workers.

All these organizations reached the peak of their strength and obtained their most important successes in the years immediately after the war. The great revival of the working-class movement and the successes gained by the civil servants and railway clerks could not fail to react on the salary level of clerical workers

\* Membership figures taken from the annual reports of the union for the years mentioned.



generally. There was a marked upward movement in salaries after the war which continued as long as the cost of living rose. Like the other unions, the N.U.C. were very active and they succeeded in negotiating a considerable number of agreements. In many cases these were the results of arbitration awards, many others were the fruits of successful strikes. Considering its membership and the fact that its activities were mainly concentrated on industrial undertakings (iron and steel, textile, printing works, collieries, etc.), municipal undertakings, co-operative societies and similar enterprises, the National Union of Clerks exercised a remarkable influence during those years. As in the case of the bank guild it was not only the direct activity of the union which effected the upward movement of salaries and the improvement in general working conditions, but the fear of the employers that the virus might spread, that, if they now refused to make concessions, they might be faced with a really powerful union which would make things far more complicated for them. To prevent this development there was only one possibility at that time: to bribe by salary concessions. The employers largely adopted that method. Later events will show how they reaped the benefit of this policy.

The following notes of the more outstanding successes of the clerical unions at that time may serve as an indication for the degree to which salary concessions could be enforced.

In 1920 the Amalgamated Union of Shop Assistants, Warehousemen and Clerks signed an agreement with the Army and Navy Stores Ltd., on the basis of an arbitration award which followed a two-day strike of the 4,000 employees of this firm. The strike affected the clerks as well as the other employees of the firm and was settled on the assurance of no victimization or prejudice, full pay for the week of the dispute, the acceptance of arbitration on the subject of a general increase in the minimum salary scales (the award to date back to the time of the first application by the union—four weeks before the strike), full recognition of all trade unions concerned, and national minimum rates for vehicle workers and packers. The arbitration award resulting from this victory granted a general advance on salaries and wages of 35 per cent., minimum wage scales, and various improvements in matters such as working time, overtime rates, holidays, etc.

The National Union of Clerks negotiated the following two agreements:

"(a) Town Clerk's and City Treasurer's Departments, Corporation of Bradford, 1920: Juniors, £70 4s. Od. to £176 16s. Od.; Clerks, four grades, salaries £255 16s. Od. to £385 16s. Od.; £385 16s. Od. to £460 16s. Od.; £485 16s. Od. to £585 16s. Od.; and £525 0s. Od. to £700 0s. Od. respectively,

"(b) J. Summer & Sons, Shotton, May 1920 (back-dated to December 1919): Juniors 85s. to 85s.; clerks, three grades: £4 10s. Od. to £6 10s. Od.; £5 to £7; £6 to £8 respectively; super-clerical grades such as section hands, draughtsmen, chemists, etc., £6 10s. Od. to £8 10s. Od.; chief clerks £9 to £10 10s. Od.; females, four-fifths of these rates."

A general agreement for collieries in South Wales and Monmouthshire provided for salaries of 42s. to 104s. for juniors, aged 16 to 21, £5 9s. Od. to £6 18s. Od. for assistant clerks, weighers, time-keepers, etc., £6 to £7 16s. Od. for senior clerks, £7 16s. Od. as the minimum for chief clerks.

Such rates were of course only possible in the exceptional circumstances of the boom conditions in the heavy industries immediately after the war, combined with the wave of working-class militancy that swept the world during the "first post-war round of revolutions."

These general conditions were exceedingly favourable not merely for building up a strong and unified clerical trade union movement, but also for its consolidation and for preparing for the inevitable counter-offensive of the employers. For the fulfilment of this task breadth of political vision, and a clear grasp of the full implication of the events that were taking place were indispensable for at least a determined minority of the organized clerks. The objective conditions presented many obstacles: (petty-bourgeois prejudices were still deeply rooted and widespread among the unorganized clerks; the task of approaching them in the numerous small offices especially in the City was as difficult as ever; the labour market was being swamped by thousands of demobilized soldiers; it was not easy to convince the great mass of clerks of the danger involved for their future position if they accepted present concessions as a bargain for the abandonment of a permanent organization.) But all these obstacles could have been overcome, if the organized clerks had themselves recognized the paramount necessity of breaking with their petty-bourgeois dreams of "professional" respectability, which led them to divide their forces into numerous separate "guilds," if they had realized that only a powerful union based on the *clerical class in its entirety*

could in the long run defend the standards of all clerks against the onslaughts of capital. But in actual fact they had no such clear-cut conception. (Some of the clerks working in the offices attached to certain industrial establishments entered the manual workers' unions for their respective industries (miners, transport workers, shop assistants, etc.). These clerks had at least cast off their anti-working-class prejudices, but they left the far more numerous section of their fellow clerks so much the weaker and, perhaps even more important, at the mercy of people who in many cases feared to offend the employers with a clearly formulated working-class policy for the clerical unions.) Even in the sphere of purely clerical employment the ranks of the clerks were divided, the most coherent sections, such as the civil service, the banks and insurance clerks, organized independent unions of their own, with the result that the National Union of Clerks was left to deal with the most difficult section of scattered industrial and commercial offices. But even under these conditions the bargaining power of the clerks could have been permanently strengthened, at least for those clerks who were unhampered by professional "guild" scruples, if there had been close co-operation between the various clerical sections of the manual workers' unions and the National Union of Clerks. In fact, however, the reverse was the case; there was intense rivalry between these bodies. The most scandalous example of this rivalry was the action of the Nottinghamshire and Derbyshire Miners' Association which, in 1919, co-operated with a Derbyshire colliery firm (the Butterly Company, see the *Clerk*, June to September 1919) to smash a strike of their clerical staff who were fighting under the leadership of the N.U.C. for improved salary conditions and the right of chief clerks to join the union.

Finally the rapid growth in membership and the numerous successes obtained blinded the members of the N.U.C. itself and prevented them from realizing the actual weakness of their union. Had they really grasped the implication of this fact, they would never have allowed questions of internal organization, that might have been appropriate in a really strong union, practically to monopolize their internal discussions and to lead to such personal bitterness that it caused large-scale secessions.

The first of these occurred in 1920 when most of the clerks employed in London newspaper offices left the N.U.C. and entered the printers' union, Natsopa, as a special clerical section. Later in the year the South Wales organizer of the union resigned

with a considerable proportion of the membership in that district and formed a rival organization. There was actually a law suit between the original and the seceding union. The employers had more cause to rub their hands in satisfaction on reading the report of its outcome than the members of the N.U.C. who "won" the case!

Thus the energies of the clerks were wasted on petty disputes and their ranks divided just at a moment that called for the greatest possible vigilance and the mobilization of all available reserves—at the moment when the short-lived bubble of British post-war prosperity burst. In November 1920 the tide of inflation reached its peak. From 276 in that month the cost of living index fell sharply to 269 in December. During 1921 it fell from 265 in January to 199 in December. The post-war slump had commenced. Its worst casualties were the heavy and export industries of this country, but even in London there were wholesale dismissals of temporary war-time staffs and the clerical labour market was greatly overstocked. But the temporary clerks and those in iron and steel works, coal mines, etc., were among the strongest sections of the N.U.C.—their lapsing through unemployment practically wrecked the union. Its membership dropped catastrophically:

1920	...	47,528
1921	...	35,500
1922	...	13,400
1923	...	11,000
1924	...	7,442

Within three years the union lost the entire gain of the war and post-war period. The initial drop in membership might have been arrested, had not the first attack revealed the fact that the union was in an entirely unsound financial position. Just at the moment when they were most needed, the union had to suspend payment of its full benefit rates. Just when every effort was required to keep the allegiance of the membership and to convince wider circles than hitherto of the paramount necessity of organization, the publication of its monthly propaganda and information organ was suspended. The *Clerk* ceased to exist after September 1921; there was no journal during the whole of 1922; its publication only recommenced in January 1923. The combined effect of these factors is clearly shown in the membership figures.

The following figures show how these events crippled the fighting power of the union: since 1916 the N.U.C. had fought

28 strikes and obtained between 900 and 1,000 salary increases for its members\* :

<i>Year.</i>		<i>Strikes.</i>	<i>Salary Increases.</i>
1916	...	1	34
1917	...	4	77
1918	...	7	192
1919	...	7	203
1920	...	9	292
1921	...	—	78

In January 1921 the *Clerk* still reports a fairly big strike of 250 clerks employed in an iron foundry, but after that the monthly reports of salary concessions dwindle rapidly. Towards the middle of 1921 their place is taken by reports of salary cuts which the union could only minimize, but not prevent. The unfortunate gap from the last quarter of 1921 to the beginning of 1923 does not enable us to follow the activities of the union month by month, as in the previous period ; but in the following years all is quiet, except for some unpleasant squabbles with certain co-operative societies and trade unions concerning the conditions of their clerical staffs. By 1924 the membership of the N.U.C. had fallen to less than 7,500, and this figure was practically maintained during the following decade.

Thus the general clerical union was all but smashed. But its defeat was still too recent to enable the employers to exploit their victory by immediately taking back the full extent of the concessions they had been forced to grant. They were clever enough first to consolidate their position.

### V. *Some General Conclusions*

I wish, in conclusion, to discuss the significance of the events described in this chapter from the wider aspect of changing class alignments at that most vital period in the history of British capitalism. It is clear, in the first place, that the events of those

\* This table cannot be taken as giving a complete picture of the events summarised, it merely illustrates the general trend. Since no complete statistics are kept by the Union, the material had to be compiled from the pages of *The Clerk* and the union's annual reports. It is probable that the figures quoted understate the actual position. It should be noted that the salary increases up to 1920 are to a very large extent important agreements covering the entire staffs of firms, and sometimes whole districts, while those for 1921 are mainly relatively unimportant individual adjustments, which, moreover, are counterbalanced by numerous decreases.

No detailed information is available for 1922, but it appears that there were no more strikes and no important increases.

years were the inevitable response of the clerks themselves to the process of their proletarianization which had been completed in the pre-war decade. By breaking the monopoly of the lower middle class for clerical employment through the establishment of general education for the children of the working class, and by reducing clerical living standards to the low level possible on the basis of this new competition, the capitalists had themselves inevitably changed the outlook of their clerks. By forcing working-class standards of remuneration on to the clerks, the employers at the same time forced them either to realize the full implications of their new position, or else to suffer pauperization. We have seen that the first results of this development were already manifesting themselves before the outbreak of the war. The war itself at first retarded this process; later, however, it proved a mighty stimulus for its rapid development. The joint effect of vanishing purchasing power for the clerks and successful working-class struggle could not fail to impress its lesson on the more progressive sections of the clerks. The process that had started before the war thus reached its culminating point in the immediate post-war years.

The tremendous danger involved in this development for the British bourgeoisie was fully realized by them. A really firm alliance of the majority of clerical workers with the manual working class would have had incalculable results for the security of British capitalism at that moment. That danger was averted first through the unequal political development of the clerks themselves and the great preponderance of petty-bourgeois influences even among those who were organized; and secondly through the astute manœuvres of the employers. The best illustration both of the employers' fear and of their skill in manœuvring is provided by the struggle of the bank clerks and the reactions of a journal like the *Bankers' Magazine* to that struggle.

With the greatest skill the employers directed the eyes of their hungry clerks to the alluring but empty vision of "professional" superiority—bank clerks were no longer just bank clerks, but "bankers"; insurance clerks became "officials," prone to look down upon the mere clerks of the commercial and industrial world. Such were the tricks that induced a large proportion of the clerks either to enter the staff "guilds" of their employers, or to remain completely unorganized.

But if such large sections of even the organized clerks—and not merely in the bank or insurance guilds—were infected with petty-bourgeois ideas of superior status, class harmony, industrial

democracy, etc., the responsibility must be placed with the reformist leadership of their unions. (Neither the leaders of these unions nor those of the wider industrial labour movement as a whole grasped the significance of a firm alliance between clerks and manual workers that could have been welded in those fateful years.) They were content to draw some of the more militant clerks into the clerical sections of their industrial unions—even sabotaging the work of the clerks' own union, as we have seen, in order to do this—and thus threw the great bulk of the clerks back into the ranks of middle-class supporters of the bourgeoisie. In this way they assisted the capitalists to extricate themselves from an exceedingly difficult position and to consolidate their reserves in the following period of temporary stabilization.

## CHAPTER III

### THE PERIOD OF TEMPORARY STABILIZATION

YEAR	Imports and Exports, July, 1914: (£ Millions),	Cost of Living, 1914: 100	Total Number of Cords (000's)	Cords—	
				Per 1,000 Males	Private Industry: per cent.
1911	—	—	943	245	46.4
1921	—	—	1,594	635	57.3
1931	—	—	1,665	669	34.3
Per cent. Increase or Decrease,					
1921-31	—	-4.9	-11.9	+13.3	+3.9
1931-31	—	—	—	+13.3	-8.3

The trade figures refer to average 1910-14, 1924, and 1929 respectively; they are the actual figures recorded in those years, i.e., unadjusted for price changes; cost of living figures 1911, 1924, and 1929; the remaining figures are census figures for the years indicated.

The end of the post-war boom and its reaction on the cost of living have been described in the preceding chapter. In 1920 the recorded trade values (£2,589 millions) reached more than double the average 1910-14 figure. In 1921 they declined by 25 per cent. to £1,896 millions; after a further small decline in the following year they recovered in 1924 to the figure indicated in the table. For the overseas trade of this country the period of temporary stabilization which lasts approximately from 1924 until 1929 is a period of stagnation; recorded trade values declined by about 7 per cent., trade values recalculated at 1924 prices by about 15 per cent., a decline which was accompanied by a rise of about 10 per cent. in the physical volume of trade. The cost of living fell steadily until in 1929 it was 11 points below 1924. Politically this period is marked at its beginning and end by the first and second Labour Governments, while the 1926 General Strike marked the belated crest and decline of the post-war wave of British working-class militancy.

The opposed tendencies of the decline in trade and growth in



the volume of clerical labour already discussed in the last chapter continued to operate in the period now under review, but in a far less accentuated form. Incidentally it may be pointed out that the trade figures as recorded had grown in the same proportion as the number of clerks between 1911 and 1920-21. The growth in the number of clerks in the decade after 1921 only slightly exceeded that of the general occupied population (it was 13·3 per cent. as against 9·8 per cent. for all occupied), and the most important factor is the pronounced decline in the rate of increase for women (16 per cent. as against 202 per cent. between 1911 and 1921). Detailed figures for both males and females will be found in Appendix II. The decline in the proportion of young clerks continued, though here again the rate of that decline has slowed down. Even at 34 per cent. for male clerks it greatly exceeds the proportion for all males occupied (25 per cent.). The same is true of the proportion for young female clerks (56·4 per cent. as compared with 46·8 per cent. for all occupied females).

### I. *Structural Changes in Office Work*

It is necessary at this point to indicate two important changes in the conditions of clerical work itself which greatly affected the status, remuneration, and chances of employment for clerks. I refer to the twin processes of office rationalization—large-scale amalgamations and the introduction of machines. The former process is characteristic of the whole imperialist period, although in the sphere of merchant and finance-capital large-scale monopolies are found at a very much earlier date. "This is so, because in commerce much more than in industry the same function, whether performed on a large or a small scale, costs the same labour time"; "it does not require more time to figure with large than with small numbers. But it costs ten times as much time to make 10 purchases at £100 each as it does to make one purchase at £1,000. It costs ten times as much correspondence, paper, postage, to carry on a correspondence with ten small merchants as it does with one large merchant." "For this reason, concentration appears historically in the merchant's business before it shows itself in the industrial workshop." (Marx, *Capital*, Vol. III, pp. 347, 348, Kerr edition.) The truth of this statement is most strikingly illustrated in this country by the banking and insurance industries. Amalgamations in the former began in the eighteenth century and throughout the nineteenth century the

process continued. The rate of amalgamation during the present century is shown by the following figures, which at the same time illustrate the tremendous expansion of banking business that accompanied this process of centralization:

Year.	Number of Banks.	Total Assets. (£ Million).	Total Profit Balances. (£ Million).
1900 ...	111	1,033	5.8
1913 ...	77	1,393	6.3
1918 ...	64	2,621	7.1
1924 ...	45	3,024	10.4
1929 ...	44	3,393	13.3

The table refers to separate banking undertakings in Great Britain and Ireland and is taken from the *Statist*, British Banking Section, May 23rd, 1931.

By 1924 the present dominant position of the "Big Five" in the general banking business of this country had been established; the other forty were private merchant banks, or Irish, Scottish, colonial, and foreign banks. The period after 1924 saw the consolidation and extension of business by the new monster banks on the basis of this amalgamation process. The number of branches maintained by the Big Five increased from 6,184 in 1923-4 to 8,455 in 1930-31 (abstracted from the *Banker's Almanac* 1924 and 1931 respectively).

The history of insurance amalgamations is similar, although in this case it is easy to underestimate the degree of concentration, owing to the practice by which companies, the control over which has been acquired by rival firms, continue to function as apparently independent entities. In addition there are numerous forms of pooling arrangements. Thus one company may acquire, for instance, the life business of another, while the remainder of the business of this firm is acquired by a third company or continues to be conducted by the original undertaking. The general information section of the *Banker's Almanac* of 1931 contains a complete list of insurance amalgamations in this country which can be summarized as follows: 84 companies existing in 1930 who have effected amalgamations since 1900 are themselves the result of a total of 842 amalgamations (or purchases of control over other companies, etc.). 146 of these amalgamations took place prior to 1900, 141 between 1900 and 1919, and 55 from 1920 onwards. No less than 80 of the companies which were absorbed by the 84 amalgamated concerns still continued to function as separate entities in 1930; practically all of these 80 firms were bought up since 1900, a considerable number since 1920.

As in banking the process of amalgamation was accompanied by a steady expansion of business :

*Total value of annual premiums paid to British insurance concerns (£ Million).*

Year.	Ordinary Life.	Industrial Life.	Fire.	Employer's Liability.	Accident.
1913 ...	31	17	29	4	2
1918 ...	37	22	42	5	2
1923 ...	51	33	58	6	3
1929 ...	75	42	58	6	4

Taken from the *Statist*, Insurance Section, July 4th, 1931.

The amalgamation process in the insurance trade thus started at an early date, as in the case of the banks, but it continued after the most important banking amalgamations had been completed, and was thus still in operation during the post-war stabilization period.

Conditions in general commerce were somewhat different. Vast monopolies, such as the East India Company, the Hudson Bay Company, and others had of course made their appearance long before the nineteenth century, and the same type of concern again became prominent during the course of that century with the companies concerned in the colonization of Africa. But the characteristic unit of business engaged in the overseas trade of this country during the greater part of the last century and up to the outbreak of the war was the small or medium-sized merchant house in the City, or Liverpool, Manchester, etc. It was mainly after the war that these numerous small firms found their position in many markets practically reduced to that of buying agents for the large new combines having all but monopoly control of the market in question. The most outstanding example of this new type of monopoly concern is the United Africa Co., which emerged in its present form and monopoly position as late as April 1929. The new company was the result of a merger between the Niger Company (one of the old colonizing concerns established by Royal Charter) and the African and Eastern Trading Corporation. At the time of amalgamation the former of these concerns had 27 separate subsidiary companies, the latter 38. The resulting combine had a capital of £15·7 millions at its formation, it controlled considerably over a thousand trading stations in West Africa, in addition to its offices in numerous other markets, and handled 60 per cent. of the palm oil, 45 per cent. of the palm kernels, and 50 per cent. of the cocoa purchased in West Africa, not to mention its dominant position as an exporter to that market. Moreover,

the whole concern is merely a section of the vast combine now known as the Margarine Union, one of the largest monopoly concerns in the world.

Although the United Africa Company is the most outstanding example of the centralization of capital in the sphere of overseas trade, the same process has very largely affected the trade in other overseas commodities and markets (e.g., tea, rubber, tin, etc., while for the position of the city clerks the vast overseas mining trusts, e.g., the South African gold and diamond combines, have a similar significance).

There remain the clerical workers in industry, transport, and retail trade. The tremendous degree to which capital has been centralized in all these spheres, especially since the war, is sufficiently well known to make the enumeration of examples superfluous. (The reader will find careful analyses of contemporary amalgamations in numerous issues of *Labour Research* and in the publications of the Labour Research Department; the standard reference book for this subject is the Stock Exchange Year-Book).

The amalgamation process created the monster office in which vast numbers of clerks are herded together for their daily work, just as the concentration of capital in industry herded the former craftsmen or cottage workers in the factory. By the resulting specialization of clerical functions it increased the productivity of clerical labour and was thus destined to have a decisive long-term reaction on the demand for that labour. But this reaction is infinitely intensified by the second process to be discussed, that of office mechanization. It is this process which completes the technical proletarianization of clerical labour. Just as in industry the former craftsmen were first brought together in the large-scale "factories" of the manufacturing period, before the nature of their work was revolutionized by the advent of modern machinery and they themselves transformed into proletarians in the modern sense, so it is the advent of the office machine, after the establishment of the office-factory, which vitally transforms the work of the clerks and finally destroys the former craft basis of their trade.\* Even before the full development of the processes now under discussion, the first step towards proletarianization was the process by which the relations between employers and employed were depersonalized. A small fraction of

\* One of the most striking symbols of the completed proletarianization of the clerks—one, moreover, which is vehemently resented by the clerks themselves—is the time recording clock.

the craftsmen or clerks, as foremen, chief clerks, etc., escaped the process of depersonalization for a time, and their existence in the clerical sphere gave rise to the myth of a specific difference in the economic principles regulating the remuneration of clerks and other workers.

Like technical rationalization in industry, the mechanization of office work began on a large scale much later in this country than in its younger imperialist rivals, especially the U.S.A. and Germany. Moreover the accountancy and statistical side of clerical labour, the mechanization of which appears to us to-day as practically co-extensive with the conception of office rationalization, was affected by this tendency very much later than the essential clerical process of writing. The typewriter is to-day such an everyday thing that we should hesitate to call an office mechanized in which this was the only machine. Yet the introduction of this machine at the end of the nineteenth century had the most revolutionary effect on the nature of clerical work. John Stuart Mill, in the passage quoted earlier in this study, could justly speak of the "mechanical labour of copying" as the most characteristic aspect of clerical work—performed at that time exclusively by men—and the same fact is illustrated by the early census classification which up to 1871 grouped all clerks engaged in book-keeping tasks not with clerks, but with accountants. The introduction of the typewriter eliminated the whole class of male writers and copyists, i.e., the class from which the very name of "clerk" derives. Typewriting became a female occupation almost from the start, and I can scarcely be wrong in regarding this fact as an important cause for the spectacular entry of women into clerical occupations prior to the war.

The second phase of mechanization, affecting book-keeping, began as a serious factor before the war, though it did not assume wide importance until later; it became general mainly during the stabilization period, with which we are concerned in the present chapter. Nevertheless, in this country at least it is by no means complete even to-day. A continuous and rapid process of change and technical improvement is still revolutionizing this branch of office machinery. The change is twofold: on the one hand certain machines, mainly of the largest and most costly type, are extended to ever wider fields of office work, until to-day practically every branch of book-keeping, invoicing, and statistical work can be performed by some models; on the other hand certain other machines are evolved for the performance of the most highly

specialized and intricate tasks. Nor is mechanization confined to the accountancy type of operations. It has vitally transformed and rationalized all methods of recording, filing, and indexing; in addition there are in practically all large offices to-day elaborate inter-office communication systems, time-recording systems, machines for printing circulars, show-cards, catalogues, and other advertising material; the envelope is mechanically addressed, sealed, and stamped, and even the process of dictation has been mechanized with the result that the skill of shorthand-writing may become superfluous.\*

It is not easy to estimate the exact degree to which office machines had been introduced by the end of the stabilization period. Although some form of mechanization was to be seen in most large and medium-sized offices by that time, the process seems still to have been in the experimental stage—not that there was any doubt whether to mechanize or not, but the question was how far and by which method to mechanize. This fact is illustrated by the remark of the sales manager of one of the largest automatic systems, working on the hole-punching principle, who told me that of all the motor manufacturers who had installed his machines by 1930, not two had installed them for the same purpose. The banks afford an example of the temporary limitation of mechanization owing to traditional methods of organization. The prevalence—up to the crisis—of largely decentralized control, leaving a great deal of the work and responsibility to local branches, considerably restricted the advantages to be gained from the installation of the largest machines. As late as 1920 many of the largest English banks had not even replaced their bound ledgers by the more economical loose-leaf system.

Similar conditions existed in 1929-30 in most large department stores and even in some manufacturing concerns. But it is clearly a state of affairs which bears the mark of an experimental phase unlikely to last much beyond the present crisis. On the other hand mechanization seems to have been practically complete in most of the large public service and semi-public

\* There are two models of dictation machines on the market. One of them was invented by Edison, who described this invention as "my contribution to the advancement of business women" (V. Jackson, *Labour Saving Office Appliances*). Not only does this invention tend to lower the salaries of "business women," since it makes the engagement of typists without the knowledge of shorthand possible on a more extended scale, but it also makes their work much more monotonous and fatiguing, for it is now possible to keep the girls at their machines for every minute of their working time, with the additional discomfort of earphones clasped to their heads.

corporation offices, as well as in the London offices of the large combines.

Perhaps the best indication of the degree of mechanization attained during the stabilization period is the fact that a whole industry specializing in the supply of these machines has appeared ; even, in 1927 as many as 97 separate firms were members of the Office Appliance Trades Association of this country. The full mechanization of clerical labour is only a question of time, though during the stabilization period the inevitable reactions of this change on clerical labour conditions were in many cases deliberately retarded by the managements, so that the full menace was not recognized by the great bulk of clerks in employment at the time, until it was hurled at them with irresistible force during the following crisis. The discussion of the effects of the second phase of office mechanization and of amalgamations on clerical working conditions therefore must be relegated to the following chapter.

## II. *The Social Composition of the Clerical Class at the end of the Stabilization Period*

The proletarianization of clerical labour is strikingly confirmed by the fact that the social isolation of the clerks from the working classes, which was so marked a feature of Booth's account quoted in Chapter II, had definitely broken down in the period now under review. To-day it will only be found—if at all—among certain more highly paid sections of clerks, such as male clerks in the large banks and insurance offices.

Two investigations conducted in 1929-30 in London and Merseyside respectively provide us with detailed information concerning the social classes from which clerical labour was recruited during that time. The London data are derived from the house sample cards of the New London Survey which was conducted under the auspices of the London School of Economics with the object of tracing the changes in the social conditions of London since Booth's time. In the course of the investigation particulars were obtained about the conditions of some 5,000 clerks. About a third of these were children in working-class families, while the remainder were either heads of households or children in middle-class families. It is not possible from this material to show the social derivation of clerks who were heads of families, and the following ratios are therefore confined to those (mainly below 25 years of age) who were living with their parents

or other relatives. If the sample is corrected to make allowance for the sections of the middle class which are not covered by it the proportion of young clerks living in working-class families is found to be 30 per cent.; only 12 per cent. were themselves children of clerks, while 37 per cent. were children of other middle-class parents. The term "other middle class" covers a wide range of people; the bulk are small shopkeepers or independent artisans, such as tailors; many are teachers, and a few are more prosperous business and professional people. The proportion of middle-class children is higher in the case of girls than in that of the boys (38 per cent. as compared with 35 per cent.), while the proportions for both sexes are equal for children of the working class. About one-fifth of the young clerks (21 per cent.) lived with their widowed mothers. In this case the social attribution cannot be exactly determined, but it is probable that the greater number belonged to the working class. It follows that in all probability the proportion of middle-class children (other than children of clerks) was about the same as that of working-class children (i.e., about 35—40 per cent.).

Similar results are obtained by an examination of the occupations of children in families of which the father is a clerk. There were 300 such families with occupied children in the sample; their average size was 4·81, of which 1·56 were occupied children. Of these ·46 were male clerks, ·51 female clerks. In other words more than one-third of the occupied children of clerks were not themselves clerks. A large number of both sexes were shop-assistants, some teachers; a certain number of the boys were commercial travellers and there were a few isolated doctors and other professional workers. But a considerable section were skilled workers, such as engineers in the case of the boys, or clothing workers in the case of the girls.\*

The Liverpool investigators came to the following conclusions:

" Clerks are very mixed in origin. Many are themselves children of clerks. A few boys and a much larger number of girls come from the professional classes. This can be explained by the fact that there is little work of any kind for girls of this class who are anxious to earn their own living during the few years between the time they leave school and marriage. But the great majority of

\* Full details of the survey results relating to clerks will be found in my thesis *The Black-Coated Worker in London*, 1934, University of London Library; certain sections of the material there collected have been reprinted, with partly differing conclusions, in volume VIII of the *New Survey of London Life and Labour*, 1934.



clerks, the males in particular, are the children of shop-assistants, insurance agents, school teachers, or they come from the skilled and semi-skilled sections of the working-class, the latter forming a high percentage of the whole." (Page 835, *Social Survey of Merseyside*, Vol. II.)

With regard to the occupations of the children of clerks the writers state :

"The children of clerks appear to take up work of various occupational grades. Many follow the example of their parents but the girls frequently become shop-assistants and factory workers; some of the sons enter the professions, and a considerable number become skilled or semi-skilled manual workers. This is an indication of the change that has been taking place in recent years in the division between social classes on Merseyside as elsewhere." (Page 836.)

One final word concerning the much-discussed entry of university men into business. It is not my object to enlarge upon the merits of the training provided by the older universities as a method of heightening the business acumen of to-morrow's captains of industry. But I am concerned with those numerous middle-class or scholarship students who enter a business career—i.e., take a clerical job after their finals—and also with those clerks who take a university degree by attending evening lectures. The bulk of the former, especially of the girls, accept clerical work because there are no other jobs going. Their training is entirely wasted in the sense that it does not raise their cash value in the eyes of their employers. The same applies to the majority of evening students who at the end of their course find that their hopes of escaping from the clerical drudgery by this means have been in vain. There remains a small minority of both day and evening students who took a specialized training in such subjects as applied economics or statistics. A section of these succeed in obtaining specialized posts as market investigators, statisticians, etc., in business firms. But to their surprise they find themselves treated little better, if not worse, in the matter of salaries and working conditions generally, than the higher grades of routine clerks. In other words "the progress of science and popular education" and with it the extent to which "the capitalist mode of production organizes the methods of teaching, etc., in a practical manner" has proceeded a large step further since the eighteen-seventies—including even university training by the scholarship method—

with the result that "the necessary preparation" now even for the most highly skilled posts "is more and more rapidly, easily, generally and cheaply reproduced" for the capitalists, while the proletarianization process is by this means affecting even the most highly skilled sections of the university trained business employees.

### III. Salary Changes

#### (a) Salaries 1924 and 1929-30

The results of enquiries conducted into the economic position of clerks both at the beginning and at the end of the temporary stabilization period enable us to some extent to trace the salary changes that occurred during its course. The first was a subsidiary investigation undertaken by Messrs. Bowley and Stamp for their analysis of the national income in 1924. The enquiry was conducted on lines similar to those of the British Association in 1910. Unfortunately only the results referring to salaries below the income tax exemption limit were published. That limit was £150 in 1924; the proportion of clerks covered by the published material is therefore very much smaller than in the earlier year and does not permit of conclusive deductions concerning the income level of the whole group.

The following data have been taken from Bowley and Stamp, *The National Income in 1924*:

<i>Percentage distribution of clerical salaries, 1924.</i>								
<i>Salary.</i>	<i>Indus-try.</i>	<i>Com-merces.</i>	<i>Banking</i>	<i>Insur-ance.</i>	<i>Rail-ways.</i>	<i>Local Government.</i>	<i>Civil Service.</i>	
			<i>Males.</i>					
Over £150	78.5	74.9	74.6	90.6	80.4	87.1	85	
Up to £150	10.7	8.9	13.5	3.9	11.7	5.3	} 15	
" £100	4.1	7.0	8.9	3.4	4.4	4.1		
" £ 80	6.7	9.2	3.2	2.1	3.5	3.5		
			<i>Females.</i>					
Over £150	12.5	13.6	68.7	30.4	16.9	47.5	60	
Up to £150	39.2	33.9	27.8	42.3	46.6	27.5	} 40	
" £100	32.8	33.7	3.4	13.6	26.7	15.5		
" £ 80	15.5	18.8	.1	3.7	9.7	9.5		

This table shows that in 1924 between 10 and 25 per cent. of the male clerks in different trades received salaries of £150 and below. This result is fairly consistent with what one would expect in view of the development described in the past chapter. It must be remembered, however, that most clerical salaries are paid on a weekly basis and since £150 a year is just below the very common

figure of £3 a week the proportion of clerks receiving salaries up to the latter limit must have been appreciably higher. This shows how very misleading a table based on salary groups, the limits of which do not coincide with the customary divisions of the trade, can be.

Apart from the abnormally high proportion of female bank clerks with salaries above £150, the great bulk of women in private employment received salaries below that level, about half of the women in the commerce and industry groups below £100.

Information about conditions at the end of the stabilization period is more complete and detailed. Salary scales for Greater London and Merseyside were obtained by the social surveys of those areas already cited. Commencing with the London results I shall first quote figures to illustrate the frequency curve of different salary levels irrespective of age, but separated according to sex, in order to provide a basis for comparison with earlier scales.

*Clerical salaries in London, 1929-30.*

*Percentage distribution of clerks in salary groups:*

<i>Salary.</i>		<i>Males.</i>	<i>Females.</i>	<i>Total.</i>
Up to 20/-	... ..	9.1	14.8	11.5
" 40/-	... ..	17.3	48.5	29.9
" 60/-	... ..	18.4	29.4	22.8
" 80/-	... ..	27.2	5.6	18.6
" 100/-	... ..	15.6	1.2	9.8
" 120/-	... ..	7.2	.2	4.3
Over 120/-	... ..	5.2	.3	3.1
Total	... ..	100.0	100.0	100.0
Average Salary	... ..	70/-	45/-	60/-

Full details of the results of the London house sample relating to salaries will be found in my thesis; the greater part also in the clerical chapter of the *New London Survey* (see p. 64). The sample data on which these tables are based are subject to a slight correction owing to the deficiency of the sample to which I have already alluded. The editors of the survey, however, endorse my view that the deficiency is confined to the higher age grades (mainly of the males) and that in those grades it is unlikely to exceed 3s. They have therefore raised the average salary rates by 2s. 6d. But they appear to overlook the fact that the salary groups on which all tables are based are 5s. groups, of which the figures indicated are in each case the upper limits. An addition of 2s. 6d. to the average rates of each group and for the whole sample therefore merely has the effect of moving the figures quoted from the top to the centre of each group. In other words, instead of being between 65s. and 70s., the average salary for males, e.g., is now to be regarded as being between 67s. 6d. and 72s. 6d. It seems to me to be fairer to characterize such an average rate as 70s., instead of 72s. 6d., unless it is clearly shown that the latter rate is the upper limit of a 5s. salary group (which the survey editors omitted to do). In the following tables, therefore, the uncorrected results are quoted, and it should be understood that the figures stand for the centre of a 5s. group.

The great bulk of the salaries of male clerks are shown by this table to have been below 80s. ; the number between 80s. and 100s. was slightly less than that between 20s. and 40s. ; after 100s. the proportion fell rapidly. Female salaries were much lower ; almost one-half were between 20s. and 40s., very few over 80s. The combined series is mainly interesting because it shows the average cost to the employer per unit of clerical labour, irrespective of sex. The table makes clear the advantage to the employers of any technical improvement which allows the transfer of work from men to women (e.g., accountancy work).

A salary scale which does not take account of differences in age is, however, not very helpful as an indication of the economic position and prospects of any particular group of workers. This is especially true in the case of clerks, because of the abnormally high proportion of juniors in this occupation. Taking all clerks, irrespective of trade, the London results show the following average and median salaries for different age and sex groups (I give median rates in addition to averages in order to enable London salaries to be compared with those quoted later for Merseyside ; the table also shows the proportions of male and female clerks in the different age groups)\* :

*London Salaries in Age Groups, 1929-30.*

<i>Age Groups.</i>	<i>Under 20</i>	<i>20-24</i>	<i>25-39</i>	<i>over 40</i>	<i>Total 20 and over.</i>
<i>Males.</i>					
<i>Per cent. in age group</i>	10.6	15.2	36.8	27.4	79.4
<i>Average Salary ...</i>	25/-	50/-	80/-	100/-	80/-
<i>Median .. ...</i>	10/-	45/-	75/-	90/-	80/-
<i>Females.</i>					
<i>Per cent. in age group</i>	35.9	30.0	30.5	3.6	64.1
<i>Average Salary ...</i>	27/6	40/-	55/-	60/-	47/6
<i>Median .. ...</i>	25/-	40/-	55/-	60/-	45/-

The first thing to note about this table is the fact that clerks on

\* A median is the middle figure of a series arranged in order of magnitude ; the fact that in all male groups except the last in the table the median is lower than the average shows that in those groups at least 50 per cent. of the clerks received salaries which were by 5s. or 10s. lower than the average for the group and that the salaries above the average rate are more widely spread than below it. It is interesting to note that this discrepancy does not occur in the group comprising all adult males, while in the case of the females the position is exactly the reverse : average and median rates coincide in all subgroups (except in that of the juniors), while the median is lower in the adult group as a whole.

the whole receive their maximum salaries very late in their careers, in fact only at a time when the proportion in the age group is already declining. Thus a more detailed analysis on the basis of ten year age groups shows that the highest number of male clerks (27·8 per cent.) is found in the age group 20-29, the average salary of which is about 60s.; the number in the age group 30-39, with an average salary of 85s., is already lower (24·2 per cent.); there is a rapid fall in the next decades (16·6 per cent. for ages 40-49, 9·0 per cent. for ages 50-59), the average salary for both groups being 100s. Less than 2 per cent. of the males are 60 years and over, and it is significant that their average salary is 10s. lower than that for clerks aged 40-59.\*

The average salary for adult male clerks was 80s., that for males aged 25 and over 87s. 6d.—90s. Only about 8 per cent. of the males aged 25 and over received more than £6 a week. The normal clerk could thus expect about £5 a week, prior to the present crisis, if he retained his job after his fortieth year, and his maximum salary rarely exceeded £6 to £7. This result is reasonably consistent with the statement in the *Guide to Employment of London Boys and Girls* issued by the London Advisory Council for Juvenile Employment, that "male clerks on routine work would not normally rise to a higher salary than £200 to £250" (see also the clerical chapter of the *New London Survey*, Vol. VIII).

Women reached their normal maximum of 60s. when they were about 30 years of age, a certain proportion a little earlier, the average for age 25-29 being 50s. The proportion employed after 25 years of age falls rapidly: 30 per cent. are between 20 and 24 (average 40s.), 18 per cent. between 25 and 29, 12·5 per cent. between 30 and 39, 2·5 per cent. between 40 and 49 (the average for the last two age groups being 60s.), while only 1·1 per cent. are 50 years and older (average 70s.). The number of women clerks older than 49 in the sample is too small to show whether the same decline in the average salary of the highest age group is found among women, as among men (the German results just mentioned showed it to have been the case in that country). The maximum salary for women before the crisis was rarely above 80s., the average for those aged 25 and over being 55s.

\* The same fact was found by a very detailed examination of clerical salaries in Germany, see *Die wirtschaftliche und soziale Lage der Angestellten*, Gewerkschaftsbund der Angestellten, Berlin, 1931; for a summary of the position of salaried employees in Germany, see: H. Speier, *The Salaried Employee in Modern Society*, Social Research—New York—No. 1, February, 1934, where also further literature on the subject is given.

The London results can be further analysed according to different industrial groups.

*Clerical Salaries in London by Industry, Sex, and Age, 1929-30.*

<i>Sex and Age.</i>	<i>Commerce and Industry.</i>	<i>Transport.</i>	<i>Banking and Insurance.</i>	<i>Public Services.</i>
<i>Males.</i>				
Under 25—				
Percentage ...	44	24	37	14
Average Salary ...	35/-	40/-	42/6	45/-
25 and Over—				
Average Salary ...	80/-	85/-	105/-	95/-
All Ages—				
Average Salary ...	65/-	75/-	82/6	90/-
<i>Females.</i>				
Number per 100 Males	91	13	58	41
Under 25—				
Percentage ...	70	59	60	51
Average Salary ...	35/-	35/-	40/-	40/-
25 and Over—				
Average Salary ...	52/6	57/6	65/-	60/-
All Ages—				
Average Salary ...	40/-	45/-	50/-	50/-

It will be seen, first, that the proportion both of females and of juniors of both sexes is considerably higher in commerce and industry than in the other groups. The proportion of male juniors is exceptionally low in the public services (an indication of the fact that recruitment has been restricted since the war), as is that of females in transport. The number of women actually exceeds that of the men by over 80 per cent. in retail establishments (owing to the large female staffs in the offices of department stores). An analysis of the cards returned by clerks employed in large commercial or industrial offices showed that the proportion of females in these offices also exceeds that of the men (though only slightly); in addition their proportion of male juniors is also markedly above the average for commerce and industry.

The table shows that salaries were lowest in the largest group (commerce and industry); transport salaries were fairly near those in commerce and industry, if single age groups are taken, though the averages for all ages were higher owing to the smaller proportions of juniors in this trade. Salaries in banking, insurance,

\* The divergencies between this table and the similar one in the clerical chapter of the *New London Survey* are due to the fact that the present table is based on a special analysis which was not available when the survey chapter was in proof. The present table should therefore be regarded as more correct.

and the public services were considerably above those in the remaining trades.

The Merseyside house sample yielded the following results. "Higher grade clerks in banks, insurance offices, and elsewhere" are not included in this sample, but since the editors claim that this deficiency was to some extent counter-balanced by the exclusion of certain types of less highly paid clerks, it appears permissible to compare these results with those for the commerce, industry, and transport groups in London :

*Median Weekly Salaries of Clerks on Merseyside, 1929-30.*

<i>Sex.</i>	<i>Age Groups.</i>				<i>Total £0 and over.</i>
	<i>—20</i>	<i>20—24</i>	<i>25—34</i>	<i>35 and over.</i>	
<i>Men ...</i>	<i>16/-</i>	<i>38/-</i>	<i>69/6</i>	<i>74/-</i>	<i>60/-</i>
<i>Women ...</i>	<i>15/6</i>	<i>29/-</i>	<i>38/6</i>	<i>39/-</i>	<i>34/-</i>

The wide divergence between these rates and those for London are in part attributable to the differences in the sample selection, but even if these are discounted, it probably remains true that the Liverpool rates were markedly below those obtaining in London. London and Merseyside together account for about 45 per cent. of the clerks in England and Wales (Greater London alone for about 43 per cent.). If the Liverpool rates are typical for the provinces, salary rates for the country as a whole would approximate to the London and Liverpool rates combined in equal ratio.

Out of these salaries the clerks had, however, still to meet certain unavoidable expenses, which must be taken into account in calculating their net earnings. Thus the average London clerk pays 3s. a week for fares, the average Merseyside clerk 2s. These figures cover all clerks, including those without any travel expenditure (just under 20 per cent. in both areas); it follows that the expenditure on fares for a considerable section of the clerks must have been very much higher in both areas. All clerks not employed as permanent clerks in the public services, banks, insurance, and railway offices, had in addition to pay unemployment and health insurance contributions, if their salaries were below £250 a year. In 1929-30 these contributions were 1s. 4d. and 1s. respectively for adult male and female clerks. Finally, single clerks in receipt of £170 and over had to pay income tax corresponding approximately to weekly amounts of 1s. 7d. at a salary of 80s. and 2s. 10d. at £250. Married clerks were in those years subject to the tax only if their salaries amounted to £300 or more.

Against these deductions must be offset bonuses, usually in the form of Christmas gratifications, paid in some offices when trade was good, and pensions in the public service and the larger banks and insurance offices. Neither of these emoluments, however, affected the great bulk of the clerks. Overtime, though by no means infrequent, was rarely paid for.

(b) *Salary Changes between 1914 and 1929.*

In this section an attempt will be made to correlate all the salary data quoted since 1910-1914 with the changes in the cost of living in order to show the development of the clerks' real salaries from pre-war times until the present crisis.

The wages of manual workers, skilled and unskilled combined, and the cost of living changed as follows during that period (the figures are taken from the *Twentieth Abstract of Labour Statistics, 1928*):

Year.		Cost of Living.	Workers' Wages.
1914	... ..	100	100
1918	... ..	203	195-200
1920	... ..	249	270-280
1921	... ..	226	210-215
1924	... ..	175	170-175
1929	... ..	164	170-174

The wages of manual workers rose in a ratio closely approximating the cost of living increase—though still slightly below it—until about 1918; in 1919 real wages were slightly, in 1920 considerably, above those in 1914.\* Wages fell more sharply than the cost of living, so that real wages fell below the 1914 level during the years 1921 to 1923, while by 1924 nominal wages again exceeded those of 1914 in about the same proportion as the rise in the cost of living. Between 1924 and 1929 nominal wages on the whole remained stationary, while the cost of living fell 11 points, with the result that real wages rose approximately to that extent.†

Clerical salary changes can most easily be followed in the civil service (the same changes apply to the salaries of clerks employed by the London County Council up to 1930, when the sliding-scale

\* The rise for unskilled workers was on the whole far greater than that for skilled workers, and in consequence the gap between their respective wages was considerably narrowed.

† All these figures refer to full time standard agreement rates, not to actual earnings.



system was abolished for these clerks). The bonus, established in 1920, changed as follows in subsequent years :

1920	...	July	135	November	155
1921	...	March	165	September	130
1924	...	"	80	"	75
1929	...	"	70	"	70

The bonus indicates the percentage increase on the lowest salaries (35s. and under in 1914); all higher salaries up to £500 received increases ranging from one-third to just below the full amount. While the real salaries of the lowest rates thus on the whole remained stationary at the pre-war level between 1920 and 1929, the average real salaries for the clerical grades of the civil service as a whole were markedly lower than before the war.\* As the cost of living fell, the discrepancy was slightly mitigated, but it was not removed. Actual rates paid declined with the cost of living, but since they were adjusted under the bonus scheme for each six-month period on the basis of the average cost of living for the preceding six months, the paradoxical situation arose that during 1924 to 1929 the cost of living was invariably higher in winter than in summer, while the civil service salaries were lowered each autumn, to be raised again in the following spring. This would have been the case in the autumn of 1929, but it was prevented by the determined protests of the unions. The general trend of civil service salaries during the stabilization period was downward, in contrast to the workers' wages which were more or less stable.†

The following figures supplied by Mr. Hill of the National Association of Local Government Officers indicate the trend in the salary level for non-manual employees of local authorities. The figures show the percentage distribution of these officials over various salary groups throughout Great Britain at the given dates according to the estimates of the Association. It should, however, be remembered that a considerable number of non-clerical grades,

\* This assumes that the Ministry of Labour Index accurately reflects changes in the cost of living for the lower middle class, an assumption which is widely disputed.

† The total reduction in the actual salaries paid between November 1920 and March 1929 is shown by the following data taken from the *Post Year Book of 1930* :

Basic Scale.	Salaries,		Per cent. reduction.
	November, 1920.	March, 1929.	
35/-	89/3	59/6	33
65/-	140/9	99/3	29

such as medical officers of health, sanitary inspectors, town clerks, etc., are included in these figures, which are, therefore, not strictly comparable to the data quoted for other trades. Finally, the considerable extension of this service especially since the war must be taken into consideration.\*

<i>Salary.</i>	1914	1921	1924	1929
	per cent.	per cent.	per cent.	per cent.
Up to £120 per annum	29	12.5	16.3	20.2
Over £120 up to £200	59	40.0	50.5	47.4
Over £200 ... ..	12	47.5	33.2	32.4
<b>Total ... ..</b>	<b>100</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

A comparison of clerical salaries in other trades between 1929 and the earlier years is very difficult, owing to the lack of reliable average rates for each trade, or for the group as a whole for the two earlier enquiries. The reports from which I have quoted the scales for 1909-10 and 1924 merely show the average salaries below the income tax exemption limit. Since in the earlier year the greater part of the clerks are included in the figures published, it is possible to estimate the average salaries for those above the exemption limit and therefore the average for the whole group with a fair degree of accuracy on the basis of our general knowledge of conditions at that period; but unfortunately this is not possible for 1924.

The following table shows average salaries for males and females in different trades as yielded by the British Association report of 1910 (on the assumption that the average salary for those above the income tax exemption limit was £200 a year) and the London house sample results of 1929-30. No exact picture of the change can, of course, be obtained by this comparison, especially in view of the differences in the areas covered, but it conveys an idea of

\*According to the material collected by the same authority salaries for clerical workers vary greatly as between different authorities, often even of the same category, e.g., county councils, boroughs, etc.; thus the maximum salary for clerks in a northern county council was £122 per annum, while that of clerks employed by the L.C.C. was £338 (1932 date). The different local authorities have complete autonomy in determining the salary and working conditions of their staffs; similar discrepancies exist in the matter of superannuation for, even to-day, in spite of the vigorous campaign of the National Association of Local Government Officers approximately one third of the officials and about three-fifths of the manual workers employed by local authorities are not covered by any superannuation schemes. A national salary scale and uniform superannuation schemes are therefore the most important demands of the Association.

the general trend. In addition I quote index figures showing the change in the level of real salaries from that of 1914.

*Average Salaries of clerks in certain industries in 1910-14 and 1929-30.*

	<i>Commerce and Industry.</i>		<i>Transport.</i>		<i>Banks.</i>		<i>Insurance Companies.</i>	
	<i>Cash Salaries</i>	<i>Real Salaries</i>	<i>Cash Salaries</i>	<i>Real Salaries</i>	<i>Cash Salaries</i>	<i>Real Salaries</i>	<i>Cash Salaries</i>	<i>Real Salaries</i>
<i>Males—</i>								
1910-14	40/-	100	36/-	100	53/-	100	53/6	100
1929-30	65/-	102	75/-	130	90/-	106	75/-	88
<i>Females—</i>								
1910-14	15/6	100	—	—	—	—	23/-	100
1929-30	40/-	161	45/-	—	60/-	—	45/-	122

These figures suggest that in the largest group, commerce and industry, and in the banks the net rise in the nominal salaries paid in 1929-30 over 1914 was just above the rise in the cost of living; if figures for the country as a whole were available for the later year, they would probably show that the rise was a little below that of the cost of living for commerce and industry, and just about the same for the banks. In the transport group, in which the great bulk are railway clerks, the marked rise in real salaries clearly demonstrates the effect of the 1919 agreement, discussed in the previous chapter. The striking fall in real salaries in insurance offices may be due to a deficiency of the sample, which quite conceivably did not cover a sufficient number of clerks employed in some of the large industrial offices, where salaries are often considerably above the average for the industry. But on the other hand it should be noted that average insurance salaries before the war were the highest of all clerical groups and that the 1929 figure for the actual salary paid is still considerably above that for commerce and industry. The reduction in the real salary level of this trade may, therefore, be an indication of the fact that the great structural change envisaged by Mr. Pipkin in 1909 (see p. 23) had already commenced to operate in the intervening period, with the result that the salary level of insurance clerks was closer to the average level for all clerks at the later period. The figures for females show that there was a definite improvement on their pre-war starvation salaries, though the average post-war rates were still low for a woman who had to keep herself.

Our conclusions on the changes that have taken place since the immediate post-war years must perforce be still more indefinite.

The material at our disposal only allows us to compare the lowest salary rates, and it is naturally very unsafe to generalize on the basis of the changes that occurred in these rates alone. If the lower quartile\* rates for 1924 are estimated on the basis of the material supplied by Bowley and Stamp and compared with those for 1910 and 1929, the results suggest the following general changes for the real salaries of male clerks.

The lower quartile for commerce and industry rose from 22s. 6d. in 1910 to 57s. 6d. in 1924, and fell again to 85s. in 1929; real salaries thus appear to have remained roughly equal at the beginning and end of the whole period, but in 1924 they were 46 per cent. above the earlier and later level. It is very unlikely, even allowing for the large increases granted in certain industrial offices towards the end and immediately after the war, that the lower quartile rate obtaining in 1920 was much in excess of the figure returned by the 1924 sample; on that assumption the increase in 1920 would have been about equal to the rise in the cost of living for that year; there has been a marked fall in the actual salaries paid since that period, but the figures suggest that the sharpest drop occurred after 1924. In the case of the railways we are able to check the results fairly definitely by our knowledge of the agreement scales. Lower quartile rates in 1910, 1920, 1924 and 1929 were 25s., 63s., 60s., and 60s. respectively, real salaries remained at the same level at the first two dates, in the later years they rose sharply by 37 per cent. and 50 per cent. respectively. These figures show that the rise in real salaries was markedly steeper for the lower salary rates than for the average. In the banks the 1924 rates were only slightly above those obtaining in 1929; in view of the events described in the last chapter they cannot have been higher in 1920 if the industry as a whole is considered; the figures confirm the impression conveyed in the last chapter that real salaries in the early post-war years were below pre-war rates (about 84 per cent.); by 1924 the gap had nearly been closed through the fall in the cost of living (real wages were 6 per cent. lower), and by the end of the period the gap was entirely closed. The insurance data are interesting in view of the possibility, suggested by the changes in the average rate, that an important structural change had taken place in this industry. The fall between 1910 and 1929 in the lower salaries was not nearly

\* Just as the term median denotes the centre figure in a statistical series (see footnote to p. 69), so the terms "lower quartile" and "upper quartile" indicate respectively the first and the third quarter figure.

so marked as in the average for the industry, it only amounted to 6 points against 12 for the average; the 1924 rate suggests an increase in real salaries of 33 per cent.\*

These results may be summarized as follows. The changes observable as between different industrial groups show widely divergent tendencies. The tendency found among manual workers just after the war for the wages of the more highly-paid sections to rise more slowly than those of the remainder is also observable among clerks. Thus bank and civil service salaries on the whole showed a much smaller rise than those of the other trades. But while bank salaries had probably even risen a little between 1920 and 1924, civil service salaries had already fallen sharply.

There must have been a marked fall in the salaries paid in many industrial offices between 1920 and 1924, though in the combined commerce and industry group this fall may well have been counter-balanced by the long deferred upward move in commercial offices. Railway clerks had cost of living bonuses under their agreement until June 1921, after which their salaries returned to their basic agreement level.

After 1924 the lines again diverged. Bank salaries—for the clerks actually in employment—remained fairly stationary, thus again rising to their pre-war superiority over those of commercial and industrial offices, which fell considerably. Civil service salaries declined, though at a much slower rate than between 1920 and 1924; while the salaries of railway clerks remained stationary after 1924.

Thus there was a marked tendency towards differentiation during the stabilization period, a differentiation of which the full extent is not visible if the changes of broad groups only are examined. A certain class of clerks, mainly in the large banks and insurance offices, where the grant of pensions is customary, were definitely raised above the level of their fellow clerks, even in their own industries, and imbued with a feeling of superior status and security. But this clerical labour aristocracy of the stabilization period shared the characteristic of the lower English nobility that

\* The fall in salaries between 1924 and 1929 suggested by these figures for the insurance industry seems at first sight inconsistent with the statement made to me by officials of the insurance guild and quoted in the previous chapter, that agreement scales had on the whole remained stationary since about 1920. But only some of the larger offices are covered by these scales, and it is therefore quite conceivable that the rate for the industry as a whole did in fact fall as suggested by the lower quartile rates.

their title was confined to the present holders and did not descend to their children. For they were the last survivors of a class of male clerks, the need for whom was already being minimized during their lifetime by the advent of office machines. Even before the outbreak of the crisis new salary scales providing for definitely lower maximum rates were gradually being introduced in some banks. These scales were not, however, as yet applied to clerks already in employment at the time of their introduction. Thus the protests of the fathers were silenced at the expense of their sons.

(c) *Clerical Salaries as compared with Workers' Wages*

A comparison between the earnings of clerks and those of manual workers is by no means an easy task. In the first place there is the great variety in the salary levels of clerks in different trades; secondly the incidence of paid overtime, short time work, and unemployment is very unequal as between the two groups; thirdly the manual workers reach their maximum wages between the ages of 20 and 22, while clerks reach their normal adult salary fully eight or ten years later and can, in some cases, rise to a higher maximum.

The London Survey established the average full time weekly wage for a number of skilled manual occupations as about 80s. for male workers of 21 years and over in 1929-30 (see the clerical chapter of the Survey, section "General Conclusions"). This rate was equal to the average for all male clerks aged 20 and over; the average for clerks of 25 and over was 87s. 6d. to 90s. But these averages include the very much more highly-paid clerks in the public services, banks, and insurance offices. Even so the average clerical salary was about the same as the average full time wage for skilled workers of comparable age. It is, therefore, perfectly clear that the salaries of the great bulk of male clerks in London were below the average full time wages of skilled workers. This is so even if the survey method of adding the necessary sample correction of 2s. 6d. to the averages is accepted. Moreover, the wages of a number of skilled manual occupations, not subject to much unemployment, such as printers, railway engine drivers, bus drivers, skilled workers in electricity undertakings, etc., were in 1929 on a level with, and frequently above, the average salaries of all male clerks, even of 25 years and over (see the Ministry of Labour publication *Standard Rates of Wages and Hours of Labour 1929*).

The Liverpool results are even more convincing in this respect.

Here the median salary of adult male clerks (60s.) was quite definitely below that of the skilled manual workers (68s. 11d.) (see tables on pp. 27 and 331 of Vol. II *Social Survey of Merseyside*—even if average rates were quoted instead of medians, it is unlikely that the gap between the two rates would vanish).

In view of this striking corroboration from the provinces I cannot but dissociate myself from Sir Hubert Llewellyn Smith's conclusion that "on balance there can be little doubt that the average male clerk occupies a superior economic position to the average skilled workman" (clerical chapter, London Survey). For, even if the incidence of unemployment on skilled workers in 1929 is taken into account, the large number of young clerks and the rapid decline of the numbers in the higher age groups will have largely counterbalanced any benefit the clerks may have derived from their greater security (certainly in London, where the rate of unemployment in many skilled occupations was relatively low at that time).

It is true that clerical working hours, holidays, and similar conditions were better than those of manual workers. But to argue that, because the majority of clerks make higher demands in their housing or clothing standards, they are in a superior economic position, is to ignore the fact that they pay for these outward signs of respectability with a lower standard of food, entertainments, and—as the survey samples clearly show both for London and Liverpool—with a much smaller family.

Finally, the history of clerical standards, since Booth testified to their financial equality with those of skilled artisans, shows beyond doubt that for the last 40 years clerks have, from the point of view of the employers, been but one section of the vast army of wage workers. The wages of this section may at certain times show a slightly different movement from the general average, if it suits the differentiation tactics of the capitalists, but in the long run their movement inevitably follows the general trend of the exchange value of labour power.

#### IV. *Ideological Developments*

Clerical ideology during the stabilization period was in the main determined by the events described in the previous chapter: i.e., by the material advances gained after the war, by the disastrous disruption of the clerical union, by the demoralizing effects

of the post-war slump, and by the astute tactics of the employers which the unions in many cases even failed to recognize as such and never effectively counteracted.

In the first place there was a definite policy on the part of the employers of encouraging and materially supporting sports clubs, theatrical societies, etc., in most large offices. By this means a corporate firm spirit was successfully instilled into the clerks, a spirit which differentiated them from their fellow-clerks in smaller offices to whom they now felt superior. This method had the indirect result that a new "ideal" was simultaneously set up for these other clerks who desired to emulate their more fortunate fellow-clerks, and more often than not were anxious to avoid the working-class stigma attaching to trade union membership. This tactic, coupled with a judicious handling of the salary question and a policy of meeting the reduced demand for clerical labour following upon the introduction of machines by a cessation of recruitment rather than by actual dismissals, proved to be an effective antidote to trade union influences.

Its effectiveness was reinforced by an assiduous cultivation of the "education" principle which we have already met in the discussions of the *Bankers' Magazine*. The activities of the Bankers' and Insurance Institutes and the elaborate education systems of some of the railway companies are examples of the employers' efforts in this direction; the numerous London County Council evening institutes and similar establishments filled the gap for the younger clerks in the smaller offices.

But the keystone of this elaborate edifice of anti-working class influences was the deliberate encouragement of membership of such bodies as the territorial army or the special constabulary. The granting of an additional week's holiday to members of the staff who spend at least a fortnight in a territorial army camp was one of the most frequent methods adopted; it was pointed out in the staff book of rules of more than one large enterprise that membership of their sporting association qualified the employee for enrolment with the special constabulary.

The degree of success obtained in this latter direction in some offices was brought to light on the occasion of the demonstrations following the arrival of the Hunger Marchers in London in November 1932. On that occasion several thousand "specials" were mobilized, mainly to relieve the regular force of their traffic duties. On November 2nd the *News Chronicle* published a number of interviews with "specials" who were reported to have been



drawn from "bank clerks, shop assistants, grocers' roundsmen, commercial travellers." Two out of the six interviews published were given by insurance clerks: on point duty in the Strand was Constable C. F. Morrison, of Finchley: "I am doing duty from four to eight this evening," he said. "At 9.30 a.m. I started my normal work as a clerk in the Prudential Assurance Company's office, Holborn, but changed into uniform after lunch, and reported to Bow Street for instructions. This is my first time on point duty. The job isn't at all bad. . . ."

At St. Pancras Church was Constable E. D. Milledge, of Morden: "I am a clerk with the Prudential in the ordinary way. We have over 200 specials working at the office now. Given time off for traffic duty, three batches of us left the office in uniform to-day, 30 constables to the batch. Some very fast traffic to deal with here—the Euston-King's Cross stream knows how to lick. Everything went smooth, until roadmen tore up a manhole in the centre of the crossing, erected their barrier and posted red lamps. Then the fun started. Cars to the right of me, cars to the left. . . . I wish Lord Trenchard had come along." The naïve pride of the petty bourgeois in the privilege of being allowed to offer his bones for the protection of the interests of capitalism against the workers could scarcely be better expressed. England does not require the "crude foreign methods" of Fascism to dupe its disinherited lower middle class into becoming the shock troops of the ruling orders; this object is achieved and "law and order" maintained far more decently and unobtrusively by the simple device of establishing an auxiliary police force.

The most decisive test for the success of the capitalists in regaining the firm allegiance of the clerical class was the General Strike of 1926. The clerks as a whole did not participate in this strike, except as scabs. Both the bank and insurance guilds now reaped the benefit of their assiduous cultivation of respectability, for a considerable number of their members left them in their anxiety to dissociate themselves from anything that savoured even remotely of a trade union.

The N.U.C. did not officially call out its members, but most of the clerks still belonging to this union—about 7,000—came out together with the manual workers of the establishments in which they were employed. The union also participated in the general T.U.C. strike levy on all members still at work, and its secretary was in charge of the general purposes committee of the strike leadership. The Bank Officers' Guild considered that their peculiar

character as a non-political union fitted them to act as mediators between the T.U.C. and the Government and they consequently made efforts to do so during the deadlock.

One important section of clerical workers, however, stood firm as a rock in this swamp of respectability and fear—the clerks employed by the Port of London Authority, many of whom were at that time members of the clerical section of the Transport and General Workers Union. The leadership of that union had instructed the clerks to remain at work. But a number of militant clerks, who felt it to be their duty to demonstrate their solidarity with their fellow-workers, forced the issue at a special district executive meeting which gave a majority vote in favour of strike action on the part of the clerks. As a result a considerable section of both the upper and lower division clerks employed by the authority came out and some of the offices were completely deserted. This example of a successful demolition of the artificial barrier between the black-coated and manual proletarians, which the employers had skilfully maintained almost everywhere else, came as a complete surprise to the Port of London Authority management, who now learned to their cost how unwise they had been in delaying the cultivation of their clerical employees' sporting instincts. For, ironically enough, the Authority's sports club and grounds were officially opened in—May 1926!

The Port of London Authority learned its lesson and was determined not to be caught again. The first move was an attempt to break the organizational link between clerical and manual employees. For this purpose a special Port of London Authority section of the non-political National Association of Local Government Officers was established with the approval and assistance of the Authority's head office in 1927, and it was announced that this was in future to be regarded as the proper union for the upper division clerical staff, instead of the Transport and General Workers Union. Yet the management appears to have considered it wiser not to place too great a trust in the efficacy of this move. Ever since the strike the clerical employees of the Authority have been treated with the utmost consideration even to the extent that they did not suffer any salary cuts during the 1931 crisis, in spite of the wage cuts inflicted on the manual workers.

But the action of these clerks was the great exception. In general there can be no doubt that the clerks as a whole had by that time succumbed to the blandishments of the bourgeoisie

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against which there was no effective leadership to rally their forces. The clerks again enlisted among the reserves of capital, or at best maintained a benevolent neutrality towards it, just at a time when their employers were introducing the structural changes described in the first section of this chapter which the following crisis revealed as the worst menace yet encountered by them.

## CHAPTER IV

### THE CRISIS

THE last phase of the stabilization period in Britain was marked by a speculative boom which reached its climax shortly after the Wall Street crash in the Hatry debacle of September 1929. The first effects of this crash were felt in the London stock-broking and finance houses, but its reactions gradually spread throughout the city until by the end of 1930 the developing world crisis and the catastrophic fall in international trade brought widespread distress to commercial, industrial, and financial firms.

The development was for a long time an unequal one, since foreign traders suffered more severely than those engaged in the home market, but even the latter were severely hit by the decline of purchasing power and intense foreign competition, especially in the earlier phases of the slump, prior to the abandonment of the gold standard and the introduction of protective duties. The departure from the gold standard marked the end of the protracted post-war deflation, but, while it stopped the catastrophic downward movement of the price level, the accentuation of the world crisis for a long time prevented an upward movement. In other words the degree of inflation in this country since September 1931 roughly corresponded to the further depression of world gold prices with the development of the crisis.

The following series of figures will convey some idea of the depth of the crisis in this country (the trade figures are total imports, exports and re-exports for each half-year, commencing in January and July respectively; the cost of living indexes and the unemployment figures are the averages for each of these months):

*United Kingdom.*

	<i>Foreign Trade.</i> (£ Million).	<i>Cost of Living</i> (July, 1914—100)	<i>Number Unemployed</i> (000's)
1929 January ...	1,024	167	1,375
July ...	1,036	161	1,193
1930 January ...	896	166	1,599
July ...	805	155	2,126
1931 January ...	653	153	2,663
July ...	663	147	2,807
1932 January ...	577	147	2,855
July ...	541	143	2,921
1933 January ...	521	142	2,955
July ...	571	138	2,508
1934 January ...	581	142	2,407
July ...	599	141	2,162

*I. Clerical Salary Cuts*

These dramatic developments had profound reactions on the economic position of clerical labour. In the first place they led to salary cuts, and secondly the traditional security of clerical employment was undermined on a hitherto unprecedented scale. The salary reductions began with the announcement by the Midland Bank on December 10th, 1929, of a new salary scale for male clerks to operate as from January 1930. The salient features of this new scale are set out below, together with the scales introduced by the same bank in 1925 and 1929 respectively and with the Irish scale fixed for the clerks of all banks after the 1919 strike threat. This last scale was still operative for the Irish offices of the Midland Bank even after the operation of the 1930 scale in England.

*Salary Scales of the Midland Bank, 1925-1931, and Irish Scales, 1920.\**

<i>Male Clerks :</i> <i>Year of Service.</i>	<i>London Scales (£ per annum)</i>			<i>Irish Scale (£ per annum)</i>
	1925	1929	1930	1920
Starting salaries ...	70	70	70	80
During 3rd year ...	120	100	100	110
" 5th " ...	160	140	130	130
" 10th " ...	265	240	205	200
" 15th " ...	370	355	—	290
" 16th " ...	—	370	—	310
" 23rd " ...	—	—	—	450

The most revolutionary change in the 1930 scale is the drastic shortening of the period during which the clerks are normally

\* Figures taken from the *Bank Officer*, January, 1931; the provincial scales are in each case lower than the London scales quoted.

assured of automatic salary increases. The 1929 scale had still provided for a rise up to the sixteenth year of service, bringing the clerks to the tolerable salary level of £370 in London; now, however, any increases after the tenth year and above the salary of £205 in London are "a matter of merit," according to the very flexible phrase of the managements. The scale salary for the tenth year itself suffered a cut of 14.6 per cent. as compared with 1929, and 22.7 per cent. as compared with 1925. There could be no clearer proof of the drastic changes in the structure of banking employment that had occurred in the preceding years than this radical change in the salary policy; it is perfectly clear that the bank managements were now determined to push their rationalization schemes to their logical conclusion. The announcement of the new scale came as a bombshell to the bank clerks; for the employers in banking and commercial offices generally it was the signal for a campaign of cuts which were almost universally imposed during the following two years. Salary reductions were the main topic of interest of almost all bank people I interviewed during that period and in 1931, though the large banks still adhered to their policy of keeping the allegiance of their present staffs by applying new scales only to those entering their employment after the introduction of these scales. Nevertheless they usually began a slight preliminary attack on the privileges of their older clerks by making them pay the increased income tax arising from the Budget of September 1931. They also tightened up the regulations regarding payment for overtime work.

The nature of the policy adopted by most offices at that time was clearly revealed in a number of interviews I had with managers of employment exchanges and private employment bureaux first in June 1931 and later in April 1932. I quote the following extracts from my interview reports:

The manager of a well-known private employment bureau in the City (June 1931):

"There is definite evidence of salary reductions in the City, ranging from 5 per cent. to 25 per cent. Very many firms have cut their staffs' salaries by 10 per cent., one case where salaries were cut up to a maximum of 40 per cent. is known—and these are by no means small and insignificant firms. The move for reductions is typical for the past six months."

The manager of another large City employment agency (June 1931):

“ Between 20 and 30 large firms in the City are personally known to informant to have operated salary cuts between 20 per cent. and 25 per cent. Informant estimates that about 50 per cent. of the City firms have either cut salaries, or dismissed many of their older employees and replaced them—if at all—by cheaper labour. The present move can be regarded as an attempt to return to the pre-war level of clerical remuneration.”

The effect of this move on the position of women and juniors is illustrated by the following remarks of the manager of a Ministry of Labour employment exchange in the City, who also endorsed the characterization of the general tendency given by the two authorities just quoted (May 1931) :

“ Salaries offered to women clerks are definitely lower than formerly ; whereas in former years appointments at £3 or £3 10s. were frequent, the majority of vacancies now filled from the exchanges offer salaries ranging from 30s. to 50s. Machine work is mainly done by young girls specially trained for the purpose, usually by the manufacturers of the machines.

“ The tendency to offer salaries is equally marked in the case of juniors and new entrants into business. Office boys now frequently commence at 12s. 6d. to 14s., while trained juniors must in many cases be content with 20s. Salaries offered to young girls, other than unskilled messengers, etc., at 10s. or 12s., are a little higher than those of the boys ; the majority of girls starting as typists with normal speeds commence with salaries ranging from 20s. to 25s.”

The secretary of the City of London College (June 1931), speaking of juniors with a specialized training in commercial subjects, said :

“ Salaries offered are now definitely lower than previously—a trained youth is offered 20s. ; girls’ jobs that formerly carried 35s. to 40s., now go at 25s. to 30s.”

The same authorities characterized the further spread of this downward move of clerical salaries during the following nine months as follows :

The manager of one of the bureaux previously quoted (April 1932 :) :

“ Almost all firms in the city have now imposed salary cuts on their staffs. While in July 1931 cuts ranged from 10 per cent.

to 25 per cent., the combined effect of these earlier cuts with those imposed, frequently in the same offices, since that time, has been a reduction in salaries averaging between 20 per cent. and 30 per cent., with individual cases up to 50 per cent."

The manager of the other bureau fully endorsed this opinion, while the manager of the employment exchange confirmed the statement that many firms had imposed additional cuts and that reductions had been universal throughout the City.

A further interesting fact emerged from these discussions: several of the authorities interviewed reported that there was a parallel tendency to tighten up other working conditions, especially in the matter of hours worked. Thus for instance the number of offices starting at ten or closing before five o'clock was stated to be much smaller than a few years ago, and I was told that clerks were now much more rarely granted a free Saturday morning. As one informant put it: "Things got rather slack after the war, now they are being tightened up again."\*

The three sections of clerks with strong trade unions suffered nothing like the same reductions. Thus the secretary of the Railway Clerks' Association described the position in railway offices as follows (February 1932):

"As from the first full pay following March 28th, 1931, the earnings of clerks below the special class have been subject to a reduction of 2½ per cent. on the first £100 per annum, and a deduction of 5 per cent. on all earnings above £100 per annum, with a maximum deduction of £15 per annum. The earnings of men in the special class have been subject to a flat rate deduction of 5 per cent., with no maximum."

According to the secretary of the National Association of Local Government Officers some 80 per cent. of the officials in local government services suffered temporary salary cuts, which, however, only averaged 3·2 per cent. on salaries up to £400 in the country as a whole (the cuts for lower salaries were even smaller, while those on the highest salaries averaged only 7·5 per cent.).

\* The London Survey cards showed a 44 hour week to have been the most frequent arrangement for clerks in 1929-30; in some firms the number of hours was as low as 36 per week; railway clerks worked 48 hours according to their agreement, while the numerous group of cashiers, etc., in retail establishments—usually young girls—had by far the worst conditions in this respect, their hours varying between 49 and 54 per week.



The following developments took place in the civil service. It has already been reported that the reduction of the bonus rate from 70 to 65 which should have been imposed in the winter of 1929, if the provisions of the sliding scale agreement had been operated, was successfully averted. The bonus remained at 70, despite the further fall in the cost of living, until September 1930, when it was cut to 65, and in the following March by a further 10 points to 55; in September 1931, the bonus was reduced to its lowest point of 50.

These cuts brought the salaries of the lower-grade clerks and manipulative employees, but especially of the very numerous temporary clerks, to a very low level; moreover, the cuts in the actual salaries paid were heavier for the lower salaries, as the following table shows:

*Civil Service Salary Cuts, 1929-31.*

<i>Basic pre-war salary.</i>	<i>1929-30 salary</i>	<i>Salary after September, 1931.</i>	<i>Percentage cut.</i>
35/-	59/6	52/6	11·7
65/-	99/3	89/5	10·1
£250	£361 2s. 6d.	£329 8s. 3d.	8·8

The first conclusion to be drawn from these developments is that there was a further process of differentiation between the economic standards of different sections of clerks. Commercial and industrial clerks were again the worst sufferers; clerks in the large banks were spared but they were given to understand in no uncertain terms that they were privileged pensioners of a formation about to be largely disbanded. Finally, the gap between the salaries of civil service and railway clerks and those of the great mass of commercial and industrial clerks was further widened.

Salary cuts for the majority of clerks were at least as marked as the fall in the cost of living, and in many cases, especially for those previously in receipt of higher salaries, they were considerably more severe. It can be safely assumed that for the clerks in commerce and industry any excess above the 1910-14 level of real salaries which might still have existed in 1929 had by this time vanished. But this is by no means the whole story: the average level of remuneration per unit of clerical labour employed was further depressed through the large-scale substitution of highly skilled male labour (accountants, etc., with salaries ranging between £5 and £8 before the crisis) by girls or young men on machines

with less than half their salaries. Furthermore there was a sharp increase in the amount of the compulsory deductions from the clerks' salaries; not merely were the insurance contributions raised, but the standard rate of income tax was increased, while, what was even worse, the exemption limit was lowered from £170 to £130 for single persons, and from £300 to £200 for the married. Finally the spectre of mass unemployment made its appearance on the clerical stage.

## II. Clerical Unemployment

The exact extent of clerical unemployment cannot be ascertained from the normal unemployment statistics. At best these statistics can be taken as an index of the general trend, but they afford no basis for estimating the total number affected. The most important reason for this is that the incidence of clerical unemployment is heaviest in the group previously in receipt of salaries above the insurance limit. Most of these men are not recorded in the unemployment statistics when they lose their jobs, because they apply to the employment exchanges only in exceptional cases. They are not entitled to unemployment relief, and in this section of workers the middle-class outlook had become most deeply rooted, because they believed that their positions were secure, and they would often do anything rather than attach to themselves the stigma of the "dole."

Nevertheless the figures for "wholly unemployed persons on the registers of employment exchanges in the London Division (Ministry of Labour), classified as belonging to the commercial group of occupations," which have been supplied to the London Survey investigators by the Ministry of Labour, clearly show the catastrophic speed with which this scourge fell upon the clerks during the present crisis. The figures include a small number of commercial travellers in addition to persons in clerical occupations proper.

### *Unemployed Clerks registered at London Employment Exchanges.*

<i>Date.</i>	<i>Males.</i>	<i>Females.</i>	<i>Total.</i>
1928 May ... ..	3,365	1,284	4,649
1929 May ... ..	3,360	1,398	4,758
1930 January ... ..	5,036	2,088	7,124
April ... ..	5,620	2,526	8,146
July ... ..	5,182	1,926	7,108
October ... ..	7,115	3,568	10,683
1931 January ... ..	8,428	4,491	12,919
April ... ..	9,181	5,690	14,871

Date.		Males.	Females.	Total.
1931	July ...	9,534	4,758	14,292
	October ...	11,459	7,171	18,630
1932	January ...	12,140	6,568	18,708
	April ...	12,408	6,943	19,351
	July ...	11,177	5,479	16,656
	October ...	12,219	6,273	18,492
1933	January ...	12,304	5,385	17,689
	April ...	12,282	5,971	18,253
	July ...	10,682	3,877	14,559
	October ...	10,570	4,367	14,937
1934	January ...	10,607	3,787	14,394
	April ...	9,849	3,674	13,523
	July ...	8,245	2,531	10,776

The 1931 census of occupations gives a special classification of persons in each occupational group who were unemployed at the time of the census enquiry. The total number of clerks there recorded as unemployed in England and Wales in April 1931 was 68,831 (43,170 men and 25,161 women);\* if unemployment in the whole country increased at the rate of the London employment exchange figures, the total in April 1932 would have been about 90,000 in England and Wales; the figures for Scotland and Northern Ireland would probably bring the total for the whole country to well over 100,000. In a letter published in the *Manchester Guardian* of April 25th, 1934, the General Secretary of the National Federation of Professional Workers estimated the total number of all unemployed black-coated workers, including those in professional and other non-clerical occupations, at between 300,000 and 400,000.

The seriousness of the problem is illustrated by the following extracts from the reports of my interviews in London in 1931 and 1932 and from the clerical chapter of the Merseyside Survey.

The manager of a City employment exchange (June 1931) :

“The situation is extremely serious; for the City of London the Hatry crash meant a sudden change for the worse; stock exchange firms and produce exchanges are practically at a standstill, with the result that a large number of stockbrokers' clerks are now on the registers of the Stock Exchange Benevolent Society. They are frequently men of 45, 50, or 55 years of age for whom the chances of reabsorption are practically nil. Staffs have been brought down to an absolute minimum. The same holds good for the export trade, while the inland trade has on the whole

\* 42,492 of the males and 25,113 of the females belonged to the census group clerks, draughtsmen and typists; the remainder were bank, insurance, railway, civil service and local authority officials.

not been as severely hit. The slump in the brokerage and export trade has now begun to affect accountancy and solicitors' offices. The position of men over 40 is desperate.

"In large firms, without a tradition of security of employment and pensions, the effects of mechanization and amalgamation are disastrous. Almost all large firms have cut their male staffs considerably, in the case of the older men this means that they are permanently unemployed. Rationalization has had a distinctly notable effect on clerical unemployment.

"The case of the large banks, insurance offices, etc., is somewhat different; actual displacements have been the exception in these trades; as a rule men are being detained, if necessary on the redundant list, in order to be absorbed in new branches, or whenever other vacancies occur. But in these trades recruitment has practically ceased: thus one firm with a staff of about 8,000 took on only two boys during the whole of last year (another informant, head of a well-known training college, stated that one of the Big Five had only taken one boy during five months), in insurance there are only a few actuarial vacancies, practically no clerical ones. This makes the position of the generations due to leave from the public and secondary schools a very serious one. But the climax of the clerical employment crisis is still ahead, the true significance of the situation will not become apparent until the full effects of this policy of a cessation of recruitment have made themselves felt."

Quotation from the *Annual Report of the Headmasters' Employment Committee for 1930*, p. 7:

"The introduction of book-keeping machines into offices, to which I referred in my last report, proceeds rapidly. Mechanical book-keeping can be adapted to a great variety of businesses, and the committee's officers learn almost daily of firms which are installing or have installed these machines. Often the advent of mechanization results in dismissals, while other concerns, although they are able to retain the staff thus rendered surplus, can take no juniors for a period: and cases are known of juniors of three or four years' service who are still on 'post' work. The banks are largely adopting this system, and during the year at least two of them dismissed considerable numbers of staff as a result. The Big Five are taking very few juniors at present; indeed some of them have told our boys there is little or no chance of fresh appointments being made before Easter 1931. During the early part of the year, the committee was able to place some 20 boys with two of these banks. . . . Unfortunately it is doubtful whether there will be a repetition of this state of affairs during the coming year; in fact it appears almost certain that for a

considerable time there will be many more boys desiring to enter banks than can be absorbed. Mechanization has been the cause of staff reductions in many other undertakings, public utility companies and commercial houses alike, and greater difficulty is being experienced in placing boys in good clerical posts. The present large register is due to two factors, depression and mechanization, but even when the depression lifts, it seems probable that there will be a diminution in the number of junior clerical openings in the City, especially for boys."

The manager of a well-known City employment agency: (June 1931):

"The export trade has been particularly badly hit, also private and international banks, finance houses, stockbrokers, etc., in all these trades there have been wholesale dismissals. Informant knows of no period within memory when there have been so many unemployed bank clerks, here mechanization adds to the effects of the slump. One bank has thrown several hundred clerks on to the employment market within two years, another dismissed about 100 on mechanization. A similar state of affairs is to be found in practically all big offices. The older men—to a less extent also the older women—are especially affected; young women and in a few cases also young men are taken on in their stead and put to work on the new machines. The chances of re-employment for average clerks without very special qualifications over 30 years of age are very poor; for those with specialized knowledge 40 may be put as the highest age limit for a reasonable hope of re-employment, though there are of course very rare exceptions. In the case of women, young women are generally preferred, but the woman over 30 has not quite the same difficulty in finding work as the man of the same age."

The principal of another well-known City employment bureau (June 1931):

"There have been terrible staff reductions in the City. At least two firms with staffs of over 100 each are known to have dismissed 50 per cent. of their staffs. Mechanization has made big strides in the last three years. Informant estimates that not more than 10 per cent. of the machines then in use were being worked by men, mechanization, therefore, implies a large scale transfer of work from male to female labour. It is also responsible for large staff reductions, especially in big offices. Male clerks of medium rank with salaries ranging from £3 to £7 per week are generally speaking the grade most seriously affected."

According to the secretary of the Association of Women Clerks and Secretaries "rationalization was at first favourable to women, there was an increasing number of posts at salaries above the old rates for women book-keepers, but considerably below those for men engaged in this work ; but at the same time there was a great increase in unemployment for women of the higher grades." The position for juniors seems at first to have been more complicated. Up to the middle of 1931 the tendency to replace older clerks by juniors seems to have created a certain number of vacancies for boys, in spite of the cessation of recruitment in the pensionable trades ; but as the crisis deepened this mitigating factor ceased to operate.

The 1932 interviews confirmed the trend towards the worse indicated by the employment exchange figures. Apart from the accentuation of the position for juveniles and for women, considerable reductions appear by this time to have taken place especially in the small and medium-sized City offices. Many of the former were then being run by the principal with the help of his wife and sometimes a young girl to answer the telephone, type letters, etc. By November 1931 the great bulk of dismissals appear to have been completed ; the labour exchange figures suggest that the employment market remained stagnant until about July 1933, when a slight reduction in the number of unemployed occurred.

These results can be summarized as follows. Two dominant tendencies must be clearly distinguished if the sudden impact of unemployment on clerical labour is to be understood. First, that of reducing the numbers of senior and more highly paid accountants routine clerks, etc. While the mechanization process made this policy in the long run inevitable, it nevertheless only assumed major proportions during the slump, when the original motive was reinforced by the bad state of trade. Dismissals in pursuance of this policy reached a frequency during the 1930-31 crisis which far exceeded anything previously known in clerical employment. The second tendency is the cessation of recruitment of male juniors, not merely in the banks and insurance offices, but also in the civil service, public utility corporations, railway offices, etc. Although this movement became a serious obstacle to the entry of boys from the schools in their first employment only during the slump, it had already commenced many years before the crisis. In addition to mechanization and amalgamations, the entry of numbers of ex-service men into these types of offices had resulted

in chronic over-staffing ever since the post-war years. But while the structural changes in offices not "hampered" by pension traditions or strong unions had made it possible to place most boys in some kind of job prior to and even during the first phase of the crisis, the quality of the posts offered was already much below their previous expectations; clearly the majority of these jobs, if not of the blind alley type, offered at best very limited possibilities of advancement beyond the routine level.

These tendencies reached their climax during the crisis. The efforts of the managements in some of the large enterprises to postpone the debacle as long as possible, while there was yet no suspicion of the coming of the crisis, are strikingly illustrated by the following extract from a report submitted in 1928 to the directors of a large London public utility corporation by their staff manager. This report states :

"(c) That there must of necessity be a large percentage of the staff engaged in purely routine duties, and for such work there is obviously an economic limit to the pay.

"(d) The difficulty arising out of paragraph (c) is that a number of men are kept for long periods at the same routine task which has a deadening effect on them. A way to meet this difficulty is that which has been adopted generally, viz., the employment of female labour, and the use of mechanical appliances. This course has been adopted by the Corporation to a limited extent and it would be wise to develop it a little further, but not so as to inflict any hardship on the male clerks.

"(e) That there exists a hardship on the part of the Corporations clerks in the lower classes owing to slowness of promotion. There is also the fact that it is difficult to define the nature of the work to be done by one class and the others.

"(f) The difficulty has been aggravated by the fact that the Corporation's service had become overstaffed with the result that during the last five years substantial reductions in numbers have had to be made."\*

\* The number of railway clerks decreased from 90,333 in 1921 to 80,215 in 1931, according to the railway employment statistics compiled by the Ministry of Transport; the secretary of the Railway Clerks' Association gave the following reasons for this decline :—

- (a) The amalgamation of companies which affected not only the number of staff employed by the companies themselves, but also the number employed in the Railway Clearing House ;
- (b) The falling off in traffic and non-recruitment of juniors ;
- (c) The linking of stations under one station-master ;
- (d) Performance by porters of work at small stations previously done by station-masters and clerks ;
- (e) Accountancy in big offices now done by machines operated by women clerks.

A great proportion of the unemployment caused by the dismissal of the older clerks and the cessation of recruitment are in no way reflected in the unemployment statistics quoted. Most of the boys who were unable to find work remained at school for another year, if their parents could afford it ; some might go to the universities, the rest were forced to stay at home. Both the displaced old people and the unemployable young had to be maintained out of the earnings of any members of the family fortunate enough still to be in employment. The young who go to universities, evening institutes, etc., are improving the standard of their educational equipment at a time when the proportion of skilled labour required in clerical work is being drastically reduced. The lot of the old clerks is desperate.

" Many men above the insurance limit have been thrown on to the labour market," I was told by officials of the London Chamber of Commerce, " a random example of a man aged 51 with 35 years' service earning £350 a year as a cashier being sacked, is typical of many others. Some of these people may have saved a little or have children to help them along. They will try to get other jobs, but will find that exceedingly difficult if over 40. Usually they will take up some kind of salesman's job, but these are almost without exception quite rotten ; most of them carry commission only, sometimes with a few shillings expenses ; the goods are new articles, not advertised or widely known, and it is terribly uphill work. Many work for a long time without success, others may get 10s. or £1 a week out of it, few can stick to it for long."

At this point another official interrupted the speaker : " But surely, it depends largely on the salesman, some people do marvels." " Very rarely nowadays," was the reply, " when daily six or eight people knock at every private door."

The *Merseyside Survey* characterized the situation as follows :

" Unemployment has assumed a serious aspect among clerks. Skilled workers, such as audit clerks, can generally find a similar post elsewhere if they are dismissed. The majority of clerks who have ' got on ' also possess knowledge which can be classed as skilled, but it has little value outside the particular firm they have served. In seeking new work they often have to start at the bottom again or content themselves with temporary employment. Many are the tragedies of men with families who have been ' axed ' and obliged abruptly to change their whole standard of life. In the past—apart from the experience of 1921—the frequent



dismissals of better paid men which have characterized the recent slump seem to have been almost unknown, although the higher salaries were sometimes reduced in times of difficulty. The ordinary clerk did not expect periods of unemployment to last long. . . . A pathetic demoralization begins to reveal itself when a clerk is long out of work. He becomes shabby, down-at-heel, and unemployable. When his unemployment benefit is exhausted, pride frequently prevents him from applying for public assistance and extreme poverty is experienced. He is singularly useless at any other occupation, and some kind of canvassing seems to be his only way of making a living. . . . Security of tenure has acquired a greatly enhanced value in the eyes of clerks in the last few years" (but many public offices and similar undertakings are reported to have greatly increased the proportion of their lower paid and non-pensionable temporary clerks.) "This tendency for clerks to become divided into two sections: the permanent and the temporary, is likely to have a far-reaching effect upon the occupation. . . . A revival of trade would almost certainly cause the demand for clerks to increase again. A position similar to that which existed in the years before the slump would then arise. The tendency to replace men by women might be checked, but most of the new jobs would go to women. Thus a trade revival alone is not going to solve the difficulty of finding an outlet for those boys from secondary schools who are not able to enter the professions." (pp. 328-9, 336-7, Vol. II.)

### III. *Conclusions*

The most important reaction of the world crisis on the standards of clerks was the removal of the final barrier against their complete economic proletarianization: that of security of employment. For the great majority of clerks this is to-day a thing of the past, and they have therefore acquired the last decisive characteristic of the wage worker, that of uncertainty with regard to the future. This fact cannot be removed by any revival of trade; it is firmly implanted on clerical occupations through the rationalization processes that reaped their first fruits during the crisis. It is often argued that office mechanization does not cause unemployment, and the great increase in the number of clerks long after the introduction of the typewriter is cited as a proof of this contention. All such abstract arguments are, however, entirely beside the point. When the typewriter was introduced, capitalism was just about to enter its imperialist phase and the vast expansion of international trade and of the scale of business units generally more than

counteracted any tendency towards a fall in the number of clerks due to the new machines. The second great mechanization move is taking place under entirely different conditions. Capitalism has entered a stage of general crisis; after stagnating during the post-war period, world trade has fallen catastrophically, and in the state of tariff and economic war at present prevailing there is not the slightest probability that it will again rise to its pre-crisis level before the outbreak of the next "round of wars and revolutions."

The economic status of the great mass of clerks has thus finally and irrevocably been identified with that of the manual working class. The same factors determine the living standards of both; working class methods of struggle alone can bring about an improvement in the economic position of the clerks, they alone can protect them against further degradation.

It is true that for tactical reasons a small minority of clerks in certain offices are still allowed to occupy a privileged position; but their days are counted, their number declines from year to year through the operation of the same factors that have brought about the economic degradation of their fellow-clerks.

These conclusions are in no way affected by the reduction since July 1933 in the number of unemployed clerks registered at the employment exchanges.\* Nor are they invalidated by the partial restoration of the salary cuts which has taken place in the civil service and in a small number of other offices.† On the contrary, the civil service settlement conceals what in the not-too-distant future may well prove to be a serious menace to the clerks affected by it, for it provides for the abolition of the sliding scale arrangement and the consolidation of salaries at their present rates, just at a time when the cost of living has almost certainly reached its lowest level and when an inflationary rise may well recur.

\* It is impossible to determine the extent to which this decline is due, not to the re-employment of the clerks previously registered, but to their removal from the registers after they have exhausted the benefit to which they are entitled; from the nature of the case it seems probable that this latter cause accounts for a considerable proportion of the decline.

† As from July 1st, 1934, the civil service bonus has been raised from 50 to 52½, as compared with 55 before September, 1931, and 70 before September, 1930.

## EPILOGUE

WE are now able to return to the wider problem of the political alignment of the middle strata raised in the introduction to this study. The basic fact of economic proletarianization at least of their clerical sector has, I hope, been established by the facts presented in the preceding chapters, and the tendency towards an extension of this process even to the university-trained and professional groups has at least been hinted at. But the problem of the ideological position of the lower middle-classes, the problem which side they will take in the ever more intense class struggles of present-day Britain, remains. The answer will be provided by the history of the next few years ; it will have a decisive bearing on the progress of the great struggle for social emancipation ; it will vitally affect not only the duration of that struggle, but also the sacrifices it will necessitate.

I have shown how the lack of a conscious lead on the part of the working class enabled the capitalists to regain the allegiance of the great mass of clerical workers in the country at a time when that allegiance had been profoundly shaken. The temporary stabilization period provided the bourgeoisie with the possibility of consolidating this success. But the world economic crisis with its disastrous reactions on the standards and the security of all sections of the petty bourgeoisie has again filled that section of society with discontent, while at the same time it has deprived the capitalists of the possibility of making any concrete concessions to their indispensable allies. To-day, broad sections of the lower middle-classes are disgusted with the existing regime and are crying out for a radical change that will bring back their former comfort and security.

They are met by a powerful propaganda campaign promising the fulfilment of every wish they cherish, a campaign offering to save them from the clutches of the financiers whom they hate, while at the same time playing upon every reactionary prejudice they have inherited in order to alienate them from the working class whom they are induced to fear. Wild demagogy, a medley of mutually conflicting promises, and bigoted reaction are the

stock features of every fascist programme from Hitler's 25 points to Mosley's speeches, or the fantastic appeals of the notorious Huey Long, U.S.A. senator and governor of Louisiana State.\*

"By their fruits ye shall know them"—what has fascism in power done for its petty-bourgeois supporters? Experience in every fascist country has shown that the dreams and hopes of a disinherited class are quickly shifting sands for a regime that has no possibility of their fulfilment. For a time the demagogic appeal of a Hitler, backed by the financial resources of a Krupp or Thyssen, may succeed in maintaining the petty-bourgeois masses in a state of intoxication.† For a time the fascist machine provides at least the maintenance of a hired thug to a fair number of unemployed clerks, students without the chance of an appointment, or bankrupt tradesmen. But once its regime is sufficiently consolidated to discard the anti-capitalist mask, fascism turns on the militant elements among its own supporters with the same savage terrorism which up to that time it had reserved for its working-class opponents. In the economic sphere the cynical betrayal of every promise made for the "salvation" of the middle classes is, if anything, even more complete. The number of posts for the university trained has nowhere increased under fascism; on the contrary, even the possibility of studying has been drastically curtailed by decrees reducing the number of students admitted to the universities. The large stores have not been closed, but the position of the small shopkeepers has been rendered desperate by a police-enforced stability of retail prices at a time when wholesale prices are rising. Clerical unemployment is as acute as ever; moreover, the meagre salaries of the clerks still in employment are drastically reduced by an ever-growing list of "voluntary" and frankly compulsory deductions; at the same time, the admitted policy of driving women out of paid employment wherever possible is a heavy blow in an occupation which is one of the most important outlets for female labour.

Fascism thus stands exposed by its own deeds as a movement that has nothing concrete to offer to the despairing middle strata

\* See the discussion of this subject in R. P. Dutt's *Fascism and Social Revolution* (Martin Lawrence).

† The financial backing of fascist movements by influential capitalists is by no means confined to the Continent; for an account of the monetary supporters of the British fascists see the Labour Research Department publication *Who Backs Mosley?* Also *Fascism Made or Break?* (Martin Lawrence).

of modern society; a movement, every action of which, once it has assumed State control, only drives these strata into deeper degradation. As such it can at best postpone the breach in the old alliance between the capitalists and the petty bourgeoisie. This postponement at a moment when the rising power of the working class threatens the very existence of capitalism is of decisive importance for the supporters of that regime. Nevertheless, it is only a temporary expedient. It enables the bourgeoisie to reorganize its machinery of repression, but this very process again isolates that class in proportion as the disillusionment of the petty-bourgeois masses grows. Instead of salvation, fascism brings economic decay and savage repression both to the workers and to the middle classes.

What are the prospects offered to the middle strata, and particularly to the clerical workers, by an alliance with the working class? We must distinguish the phase in which society is still fettered by the yoke of decaying capitalism from that in which the working class has victoriously established its rule and is engaged in the construction of a new, socialist society.

The preceding chapters have, I hope, produced ample evidence of the value to clerks of one typically working-class means of defence that is of great importance in the former phase: that of trade union organization. It is the only available means of safeguarding the economic interests of clerks as a class in face of the ever-present desire of the employers to economize at the expense of their staffs. A second consideration is assuming decisive importance in this and other non-fascist countries outside the Soviet Union at the present time: an alliance with the forces of the working class, a united front of all whose most vital interests are affected by the menace of fascism, is the only means by which the advent to power of that scourge can be prevented.

Once fascism has established its power, there is no one who could have the slightest doubt that only the working class can bring about its own emancipation and that of the deceived petty-bourgeois masses. But with or without fascism the solid support of the working class is a powerful means for the achievement of any partial demands of the middle strata.

And in the second phase, after the victory of the working class, in a socialist society? Only in such a society is it true to say with the office-machinery salesman that the office machine relieves the "human staff" of the drudgery of a dull routine

and sets it free for "its proper function of intelligent direction" (Jackson, *Labour Saving Office Appliances*)—under capitalist conditions, fascist or "democratic," the human staff is set free for nothing but the "scrap heap." Socialism alone can offer unlimited possibilities of expansion and the fullest development of their faculties to the professional workers and clerks, as to the manual workers. Not only is the clerk's work rendered immeasurably more interesting to him, since he has full knowledge of its function in the socialist economy as a whole, and since he is personally interested in the results of his labour, not only has he for the first time a real chance of exercising his full capabilities and of rising to a position appropriate to his skill, but his economic situation, even in the lowest grades of work, is greatly improved.

That these are not empty promises is proved by the situation of clerical labour in the Soviet Union. The figures quoted in Appendix IV give an indication of the rapid growth of clerical labour in Russia at a time when the number of clerks is tending to fall in every other country. Even more striking is the evidence they provide for the improvement in the average income of office workers. Moreover, the U.S.S.R. alone can offer complete security to all its clerks; unemployment for clerks, as for manual workers, is a thing of the past in the only socialist country to-day.

The ultimate alliance of the middle strata with the working class is a historical necessity arising directly from the identity of their basic interests as opposed to those of the capitalist. The isolation of these strata from the capitalist class and an alliance of their most advanced section with the workers is a condition for the conquest of power by the working class (see Stalin: *The October Revolution and the problem of the Middle Strata*, published in *The October Revolution*, Martin Lawrence), and it is this conquest that alone can shatter the fetters of decaying capitalism and clear the way for a socialist society.

The struggles described in this study and, more recently, the actions of the civil servants in the autumn and early winter of 1931—their mighty demonstrations, unheard of in civil-service history, the crowded meetings in the largest halls and in Hyde Park, the attempted go-slow strike in Manchester Post Office—show that the clerks of this country can stand up in defence of their interests, if they are challenged.

To-day they are facing an even greater challenge: the challenge

of fascism, the challenge of war. Capitalism in its decay threatens their very existence. But the forces striving for emancipation are everywhere at work : they are dispelling the illusions of the working masses and leading their struggles, they are braving the terror of fascism and colonial suppression, they are creating a new life over one-sixth of the world's surface. For British Clerks the time for hesitation has passed.

## APPENDIX I

### MARX ON THE MIDDLE CLASSES

(1) *The tendency towards a growth in the numerical importance of the middle classes with the development of capitalism.*

The tendency towards the growth of clerical labour is inherent in the very concept of an expansion in the scale of production ; it is this expansion which in the first place necessitates the employment of wage earners specializing solely in recording, accounting, correspondence, and similar distributive functions, as Marx clearly shows in the following passage. What is true of the origin of the office, is equally true of its later growth following the further expansion of production :

“ To begin with the office [of the industrial capitalist—F.D.K.] is always infinitely smaller than the industrial workshop. But for the rest it is clear that as production expands, the commercial operations multiply that are indispensable for the continuous circulation of the industrial capital. Operations, that is to say, that are required to sell that part of the capital that has emerged from the productive process in the shape of commodities, operations necessary for the acquisition of new means of production with the money thus realized, finally those of keeping proper account of the whole process. Price calculation, accountancy, cash control, correspondence, all belong to these operations. *The more developed the scale of production, the more extensive, though by no means in the same proportion, are the commercial operations of industrial capital, and therefore also the labour and other circulation costs necessary for the realization of value and surplus value. The employment of commercial wage workers, who work in the office proper, thus becomes a necessity.*” (*Kapital*, Vol. III, p. 330, German Marx-Engels Institute Edition, see also Kerr edition, p. 352).

But Marx also predicted that the middle classes would grow *at a greater ratio* than the productive sections of the proletariat with the further development of capitalism.

It was the hope of Malthus “ that the middle class grows while the proletariat (engaged in production) forms an ever smaller proportion of the total population (even though its absolute numbers



grow). *That is in fact the development of bourgeois society.*" (*Theorien über den Mehrwert*, Vol. III, p. 60, Kautsky edition, 1920).

(2) *Concentration of Capital and Amalgamations.*

"If every merchant had only as much money as he is personally able to turn over by his own labour, there would be an infinite dissociation of merchants' capital. This dissociation would increase to the extent that productive capital in the forward march of the capitalist mode of production, would produce and operate on a larger scale. The disproportion between the two classes of capital would increase. In proportion as capital in the sphere of production would be centralized, it would be decentralized in the sphere of circulation. The purely commercial business of the industrial capitalist and thus his purely commercial expenses would be infinitely expanded thereby, for he would have dealings with 1,000 capitalists at a time instead of 100. In this way a large part of the advantage of the independent organization of merchants' capital would be lost. Not only the purely commercial expenses but also the costs of circulation, sorting, expressage, etc., would grow. This applies to industrial capital. Now let us consider the merchant's capital. In the first place, let us look at the purely commercial labour. It does not require more time to figure with large than with small numbers. But it costs ten times as much time to make ten purchases at £100 each as it does to make one purchase at £1,000. It costs ten times as much correspondence, paper, postage, to carry on a correspondence with ten small merchants as it does with one large merchant. A limited division of labour in a commercial office, in which one keeps books, another has charge of the treasury, a third carries on the correspondence, one man buys, another sells, another travels, etc., saves immense quantities of labour time, so that the number of workers employed in wholesale commerce stands in no proportion to the comparative size of the business. This is so, because in commerce, much more than in industry the same function, whether performed on a large or a small scale, costs the same labour time. For this reason, concentration appears historically in the merchant's business before it shows itself in the industrial workshop." (*Capital*, Vol. III, pp. 347-8, Kerr edition.)

(3) *Factors determining the wages of clerks and the causes of their proletarianization:*

"The commercial labourer does not produce any surplus value directly. But the value of his labour is determined by the value of his labour power, that is, of its costs of production, while the

application of this labour power, its exertion, expression and consumption, the same as in the case of any other wage labourer, is by no means limited by the value of his labour power. His wages are therefore not necessarily in proportion to the mass of profits, which he helps the capitalist to realize. What he costs the capitalist and what he makes for him are two different things. He adds to the income of the capitalist, not by creating any direct surplus value, but by helping him to reduce the costs of the realization of surplus value. In so doing, he performs partly unpaid labour. (The commercial labourer, in the strict meaning of the term, belongs to the better paid classes of wage workers, he belongs to the class of skilled labourers, which is above the average.) However, his wages have a tendency to fall, even in proportion to the average labour, with the advance of the capitalist mode of production. This is due to the fact that in the first place, division of labour in the office is introduced; this means that only a one-sided development of the labouring capacity is required, and that the cost of this development does not fall entirely on the capitalist, since the ability of the labourer is developed through the exercise of his function, the more one-sidedly the division of labour develops. In the second place, the necessary preparation, such as the learning of commercial details, languages, etc., is more and more rapidly, easily, generally, cheaply reproduced with the progress of science and popular education, to the extent that the capitalist mode of production organizes the methods of teaching, etc., in a practical manner. The generalization of public education makes it possible to recruit this line of labourers from classes that had formerly no access to such education and that were accustomed to a lower scale of living. At the same time this generalization of education increases the supply and thus competition. (With a few exceptions, the labour power of this line of labourers is therefore depreciated with the progress of capitalist development. Their wages fall, while their ability increases. The capitalist increases the number of these labourers, whenever he has more value and profits to realize. The increase of this labour is always a result, never a cause of the augmentation of surplus value." Engels has added a footnote to this passage, which reads as follows: "How well this prognosis of the fate of the commercial proletariat, written in 1865, has stood the test, can be corroborated by hundreds of German clerks, who, trained in all commercial operations and acquainted with three or four languages, in vain offer their services in London City at 25s. per week, far below the wages of a good machine maker. A blank of two pages in the manuscript indicates that this point was to be further elaborated." (*Capital*, Vol. III, pp. 853-5, Kerr edition.)

## APPENDIX II

### THE GROWTH OF CLERICAL LABOUR IN ENGLAND AND WALES 1851-1931

The following table shows (a) the total number of clerks according to sex; (b) those in public service and private employment respectively; (c) the percentage of clerical labour in the total occupied population; (d) the rate of increase for each decade of clerks and the total occupied population respectively, distinguishing the sexes.

Year	Total Number of clerks (000's)			ALL Clerks in	
	Males.	Females.	Total.	Public Service. (000's)	Private Employment.
1851 ...	93	2	95	27	68
1881 ...	294	14	318	45	273
1891 ...	381	33	414	64	350
1901 ...	530	83	613	94	519
1911 ...	677	166	843	157	686
1921 ...	792	502	1,294	268	1,026
1931 ...	882	583	1,465	—	—

Year.	Clerks per cent. all Occupations.			Per cent. rate of increase.			
	Males.	Females.	Total.	Clerks Males. Females.		Total.	All Occupations.
1851 ...	1.6	.7	1.2	—	—	—	—
1881 ...	3.8	.4	2.9	203	600	221	30.0
1891 ...	4.3	.8	3.2	29.6	135.8	30.2	14.6
1901 ...	5.2	2.0	4.3	39.1	151.6	48.1	12.0
1911 ...	5.2	3.1	4.6	27.8	100.0	37.5	12.5
1921 ...	6.7	9.9	7.5	17.0	202.2	53.5	5.4
1931 ...	6.7	10.4	7.8	11.4	16.0	13.3	9.8

All figures are derived from the census volumes of England and Wales for the years indicated. The 1851 figures include government officials (given on the basis of the special analysis of government employees contained in the 1851 census), local authority officials, law clerks, commercial clerks, bankers, accountants, and railway clerks (estimated on the basis of figures quoted in the *Bankers' Magazine*). The heading "commercial clerks" includes clerks in industrial establishments in all the returns quoted, except those of 1851, these clerks are therefore not included in the figures quoted for that year in this table. The data for 1881 to 1911 cover commercial and business clerks, law clerks, railway, insurance, bank, civil service, and local authority officials and clerks (the figures for insurance and railway clerks for the years 1881 and 1891 being estimates). The data for 1921 and 1931 summarize the census headings clerks, draughtsmen and typists, bank, insurance, railway officials, civil service and local authority officials and clerks. The total figures for the public services for the last two census years can only be obtained by a cross-reference to the "industry" tables of the census returns, since 1921 government typists are not included in the heading civil service clerks, but in the general typist group, while in the 1931 tables all government clerks, as distinct from officials are returned in the general clerical group; unfortunately the 1931 "industry" tables have not yet been published. The percentage increase figures given in the last section of the table against the year 1881 indicate the total increase between 1851 and 1881.

### APPENDIX III

A LIST OF TRADE UNIONS CATERING FOR CLERKS, THEIR MEMBERSHIP IN 1931, AND THE JOURNALS PUBLISHED BY EACH

<i>Organization.</i>	<i>Membership 1931</i>	<i>Journal</i>
<i>(a) Purely Clerical Unions :</i>		
National Union of Clerks and Administrative Workers	8,146	<i>The Clerk</i> (quarterly)
Association of Women Clerks and Secretaries	3,536	<i>The Woman Clerk</i> (monthly)
Civil Service Clerical Associa- tion	23,294	<i>Red Tape</i> (monthly)
National Association of Local Government Officials	64,672	<i>Local Government Ser- vice</i> (monthly)
Bank Officers' Guild	20,426	<i>The Bank Officer</i> (monthly)
Guild of Insurance Officials	13,183	<i>The Insurance Guild Journal</i> (monthly)
Railway Clerks' Association	59,473	<i>Railway Service Journal</i> (monthly)
<i>(b) General Unions with Clerical Sections :</i>		
Transport and General		
Workers' Union	422,048	<i>The Record</i> (monthly)
National Amalgamation of Shop Assistants, Warehouse- men, and Clerks	412,083	<i>The Shop Assistant</i> (weekly)
National Union of Distributive and Allied Workers	116,208	<i>New Dawn</i> (fort- nightly)
National Society of Operative Printers and Assistants	20,636	<i>Natsopa Journal</i> (monthly)
Union of Post Office Workers	90,039	<i>The Post</i> (weekly)

Only the most important unions at present in existence, catering either wholly or partially for clerks are included in this list. Company unions, such as the various staff "guilds" of the big banks, etc., are excluded. The membership figures are taken partly from the *Report of the Chief Registrar of Friendly Societies for 1931, part 4, Trade Unions*, partly from the *Labour Year Book, 1932*.

## APPENDIX IV

### SOME FIGURES ILLUSTRATING THE CONDITIONS OF CLERICAL WORKERS IN THE U.S.S.R.

THE rapid improvement of clerical salaries after the civil war period in the U.S.S.R. is shown by the following figures, taken, not from Russian sources, but from the League of Nations publication *Wages and Regulation of Conditions of Labour in the U.S.S.R.* which was compiled by S. Zagorsky, a Russian emigré, employed by the International Labour Office. According to this publication the *real* wages of salaried employees in large scale State controlled industries rose from a monthly average wage of 83·57 pre-war roubles in 1924 to an average of 54·42 pre-war roubles in 1929, an increase in real wages of 62·1 per cent. (see table on p. 185).

The average real monthly wages of the higher administrative and technical staff rose from pre-war roubles 91·41 in March 1927 to 103·49 in March 1929; these salaries thus increased by 18·2 per cent. during those two years, as compared with 7·8 per cent. in the case of the previously mentioned categories of workers (p. 185).

Finally, the real wages of Soviet employees (workers in government offices, social and cultural institutions, economic administrations, trading and credit offices, and the postal services) rose from 87·02 pre-war roubles (average for the groups mentioned) in the period 1925-26 to 42·95 pre-war roubles in 1927-28, an increase of 16·1 per cent. in two years (p. 186).

These data can be amplified by the following figures supplied by the State Planning Commission and Central Statistical Institute of Moscow. The figures show the numbers and the average annual incomes of office workers in industrial works, construction enterprises and government offices respectively. The income rates are the actual rates paid in roubles. For comparison the average income rates for manual workers in factories are also quoted.

	1930	1931	1932
<i>Total Number (000's) of office workers employed in</i>			
Industry ... ..	422	633	791
Construction Works ... ..	143	283	385
Government Offices ... ..	—	560	542

*Average Annual Salary (Roubles) of Office  
workers in—*

Industry ... ..	1817	2101	2699
Construction Works ... ..	1794	1965	2858
Government Offices ... ..	—	1424	1560
<i>Factory Workers (manual)</i> ... ..	1035	1184	1482

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