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STUDIES IN THE MINIMUM WAGE

THE RATAN TATA FOUNDATION
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STUDIES IN THE MINIMUM WAGE

No. 1

THE ESTABLISHMENT OF MINIMUM RATES
IN THE CHAIN-MAKING INDUSTRY UNDER
THE TRADE BOARDS ACT OF 1909

BY

R. H. TAWNEY



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INTRODUCTION

THIS monograph is the first of a series in which it is proposed to examine some of the attempts which have recently been made to establish and enforce minimum standards of payment. Whatever may be thought of the policy of "the minimum wage," it will be agreed that the subject is sufficiently important to deserve study in the light of such experience as is available. From 1824, when Parliament abolished, in the teeth of the opposition of some employers and nearly all the workpeople concerned, the last working remnants of the wage-regulation of the old régime,¹ down to 1909, when the Trade Boards Act was passed, the determination of wages in England was left entirely, except for the somewhat ineffective protection given to workers on public contracts by the "Fair Wages" resolutions of

¹ 5 Geo. iv. c. 66, by which were repealed 13 Geo. III. c. 68, 32 Geo. III. c. 64, and 51 Geo. III. c. 7. These three Acts had empowered the Justices of the City of London, Westminster, the Tower Hamlets and Middlesex to fix the wages of silk-weavers in their respective areas. They were administered in practice down, at least, to 1818, and probably till 1824 (*see* Minutes of Evidence and Report of Committee on Ribbon Weavers, 1818, the Second Report of the Select Committee of the House of Lords on the Means of Extending the Foreign Trade of the Country, 1821, and Hansard's Parliamentary Debates, New Series, vol. ix., *passim*). The last Act actually on the statute book for fixing wages was 8 Geo. III. c. 17, which fixed the hours and wages of journeymen tailors in the City of London, and was repealed in 1824 by the Act repealing the Combination Laws. But, unlike the Acts applying to the silk trade, it had been a dead letter for many years (*see* Galton, *The Tailoring Trade*).

February 13th, 1891, and March 10th, 1909, to bargaining between workers and employers. But at the present time the tide seems to be turning. To the first four industries scheduled by the Trade Boards Act in 1909, four more were added in 1913. The Trade Boards Act, which was itself influenced by the example of Victoria, has been followed by the Miners (Minimum Wage) Act of 1912, and is already being imitated by other countries. In France, Germany and Belgium, bills have been introduced to fix minimum rates of payment for special classes of workers, and Germany has actually passed an Act setting up Trade Committees of a kind somewhat similar to the English Trade Boards, which touch the borderland of wage-regulation, though they have not as yet power to fix minimum rates which shall be obligatory. In America minimum wage Acts of one kind or another have been passed in nine states, Massachusetts, California, Colorado, Minnesota, Oregon, Utah, Washington, Nebraska and Wisconsin; and bills dealing with the same subject have been introduced in three other states, Missouri, Pennsylvania and Ohio. Nearly all these Acts and proposals have certain grave defects. German and Belgian reformers seem to be under the ancient delusion that home workers need a minimum wage more than workers in factories; French and American—in common with some English—reformers, that women need protection in the matter of wages more than men; while the Act of Massachusetts, with its pathetic appeal to public opinion as a substitute for legal penalties, is regarded by its own promoters as a very inadequate measure. But as an indication of a movement of opinion they are as significant as were the ill-drafted, ill-administered Factory Acts of the early nineteenth century.

Apart from Mr. and Mrs. Webb's *Industrial Democracy*, which deals exclusively with the standard rates established by trade unions, and from the Report of Mr. Ernest Aves upon Industrial Conciliation and Arbitration in Australia and New Zealand, previous writers upon the subject have usually, so far as I am aware, approached it either from the

standpoint of economic theory or from that of the student of administrative machinery. Professor Pigou's *Wealth and Welfare* is an example of the first type of work, M. Raynaud's *Vers le salaire minimum* of the second. Till recently, indeed, theirs were the only methods possible. For the study of economics is, after all, one branch of contemporary history, and, like other kinds of history, it is limited by the material available for analysis. But owing to recent departures in legislation evidence is now coming to light which can be used as a partial criterion of the social and economic effects produced by the intervention of a public body to fix minimum rates, and it is therefore possible to appeal, for a solution of certain primary problems, to the light of experience. Is it practicable to set up representative machinery which will be capable of dealing with the technical difficulties involved in drafting lists of piece prices? If minimum rates are fixed, is it possible to enforce compliance with them? What are the indirect effects of a rise in wages brought about by the intervention of a Trade Board? Does it lead to the dismissal of the slower or older workers, to a rise in prices to the consumer, to greater efficiency on the part of the workers or of the management, or of both? Does it hamper industry in the face of foreign competition, or does it confirm the experience of Lancashire that a relatively high minimum is compatible with cheap production, perhaps, indeed, essential to it? On what principles are minimum rates to be fixed? Should they be "the highest that the trade will bear"? Or should they be based on some rough idea as to what constitutes a living wage? Should there be a flat rate for all the workers in an industry? Or should the minimum fixed vary from one district to another?

It is obvious that questions such as these cannot be answered with confidence till after the lapse of a much longer period than has yet intervened since the establishment of minimum rates by the existing Trade Boards. It is obvious also that, owing to the great diversity in the organ-

isation, problems and resources of different industries, the experience of a single Trade Board can not be sufficient to throw light upon more than a few among them. If there is such a thing as a "representative industry," it is certainly not to be found in the chain trade, which is the subject of the following pages. That trade is, for several reasons, very far from being typical of the majority of the industries to which the Trade Boards Act has, as yet, been applied. It has never yet been faced by serious foreign competition, either in home or in foreign markets. It is still almost entirely a handicraft, and there is little scope for "speeding up," or—though the future is uncertain—for the introduction of machinery. The branches of it which are affected by the Chain Trade Board are carried on in small workshops or in sheds attached to the workers' own cottages. To assume, therefore, that the consequences of the Chain Trade Board's determinations are likely to appear in all other industries in which minimum rates are fixed, that, for example, because the fixing of minimum rates in the chain trade has resulted in some advance in the price of chain, a rise in prices is likely to be the normal result of raising wages, would be a serious error. I have dealt first with the chain trade partly because it was the first industry for which a Trade Board established minimum rates, partly because its concentration in a small area makes it relatively easy to investigate. The reader must, however, be prepared to revise by the experience of other Boards' conclusions based on that of the Chain Trade Board.

It would have been impossible for me to offer even the imperfect sketch contained in the following pages without the assistance of numerous individuals. I am indebted to the Chain Trade Board for permission to examine its records, and to its officials and members for endless advice and criticism, in particular to its chairman, Mr. Ernest Aves, to its secretary, Mr. G. T. Reid, to its previous secretary, Mr. J. A. Heaton, and to Mr. J. J. Mallon, secretary of the Anti-Sweating League and a member of the Board. During

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a visit to Cradley Heath I had an opportunity of learning the views of employers and workers too numerous to mention, whom I desire to thank now. I must especially express my gratitude to Mr. J. Fellows, chairman of the Employers' Association in the Chain-making Industry, to Mr. C. H. Sitch, secretary of the Hand-hammered Chain Branch of the National Federation of Women Workers, who has helped me with numerous suggestions, and to Miss H. M. Stocks, who, together with Mr. C. H. Sitch, made it possible for me to obtain the information as to the earnings of women chain-makers which is printed on pp. 89-99, and to Mr. A. Greenwood, Miss Bulkley, and Miss Hill, who have assisted me in the preparation of the statistical tables. The report of the proceedings taken by the Board of Trade against an employer paying less than the rates fixed by the Trade Board, which is contained in Appendix B, is reproduced from the *Worcestershire and Staffordshire County Express* by the kind permission of the Editor, Mr. A. Moody. For the use of the information given me, and for the views expressed, I alone, of course, am responsible.

R. H. TAWNEY.

THE CHAINMAKERS' MINIMUM RATES

I

THE ORGANISATION OF THE CHAIN-MAKING INDUSTRY

THE manufacture of Hand-hammered and Dollied or Tommied Chain, which was included in the schedule to the Trade Boards Act of 1909 as one of the four trades to which the Act applied without a Provisional Order, is concentrated in a space of between three and four miles on the borders of South Staffordshire and East Worcestershire.¹ The area is an epitome of economic history, and there are few parts of England where either the past has survived so visibly into the present or the present has so radically transformed the past. Comprised, for administrative purposes, in the Urban District of Rowley Regis, which had in 1911 a population of 37,000 persons, the chain-making townships, Cradley, Cradley Heath, Old Hill, Quarry Bank, Netherton, lie on the coalfield which stretches north and south from Cannock Chase to the Clent Hills, and form one unit of the ring of

¹ The total number of chainmakers in England and Wales was, in 1911, 7323, and out of these 6550 resided in the Administrative Counties of Worcestershire and Staffordshire, the County Borough of Dudley, and the Rowley Regis Urban District. Of these, 3038 resided in the Urban District of Rowley Regis (1990 in the Cradley Heath Ward of that Urban District), and 890 in the County Borough of Dudley. The total number of chainmakers in Staffordshire was 4073, and in Worcestershire 2477. (I am indebted to the Registrar-General for supplying these figures.)

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industrial towns of which Birmingham is the market. But the industrial revolution which transformed Wolverhampton and virtually created Wednesbury, Dudley and Walsall, has built its new and grimy storeys on to Cradley Heath, without either destroying or obliterating its ancient economic foundations. To the visitor accustomed to the manufacturing districts of Lancashire and Yorkshire the chain-making towns seem still to be a group of large villages. Fields, on which the enclosure awards of the eighteenth century are still visible, straggle with sooty hedges between houses which may be either farm cottages or urban tenements; newly built factory chimneys menace the sheds of chainmakers who have hammered iron in much the same way since iron was first hammered; and tram-lines run within sight of slag-heaps and of the remnants of a wood which was once, perhaps, a western outpost of the Forest of Arden.

This combination of economic types which are very old with those which are very new is the setting of the chain-making industry. Though allied branches of the iron trade, such as nail-making, have been carried on in the district from time immemorial, the manufacture of chains for commercial purposes is itself a comparatively modern industry, the development of which has taken place primarily owing to the increasing demand for chain in connexion with shipping, both mercantile and naval, building and agriculture. The number of workers employed in it has been probably rather more than doubled¹ in the course of the last fifty years, but even at the present day it is not large, and

¹ According to the Census Reports the growth of the industry in Staffordshire and Worcestershire has been as follows:—

	Males.	Females.	Total.
1861 . . .	2324	572	2896
1871 . . .	2845	892	3737
1881 . . .	2930	975	3905
1891 . . .	3567	1587	5154
1901 . . .	3811	1883	5694
1911 . . .	4447	2103	6550

amounted, according to the Census of 1911, to 6550 persons. In the chain-making industry both the newest and the oldest methods of manufacture are found side by side. The organisation of production and the class of persons employed vary with the different qualities and sizes of chain produced. A typical firm in Cradley Heath obtains an order for chain from a merchant in Birmingham, Manchester or London. It makes part of the chain in its own factory, and distributes orders for the rest, together with the requisite quantity of iron, to three or four shop-owners or middlemen, with whom it is accustomed to have dealings. The shop-owners in turn manufacture part of the chain in their own workshops with the aid of a staff varying in number from three or four to twenty-five or thirty workers, and give out orders for the manufacture of the rest to "single-handed" workers, who fetch the iron from them in the shape of bundles of rods, and make the chain in sheds attached to their own houses.

In this division of the chain-making industry, between factories on the one hand and small workshops and domestic houses on the other, there is a superficial resemblance to the similar differentiation which exists in the clothing industry. The resemblance, however, is only superficial. In the clothing industry much high-class work is given out, and the inferior work is often done in factories.¹ In the chain-making industry the inferior work is given out, and the best qualities and larger sizes of chain, including cables of which one link may weigh as much as half a hundred-weight, are made in factories. The factory occupiers in the chain-making industry number about 235,² and employ

¹ But the quality of the clothing made in factories is improving.

² Chain Trade Board Papers. C. 102. It is perhaps worth inserting here the estimate contained in this paper of the number of persons engaged in different sections of the trade; it is based mainly on information supplied by employers and trade union officials (*see* page 4):—

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some 1500 workers, all of whom are men. The growth of a factory system is quite a modern development, and there are workers in the trade who can remember the time when factories making chain could be counted on the fingers of one hand. It has taken place partly owing to the growth of the demand for high-class chain, the manufacture of which can be more easily supervised in a factory than it can when the chain is made at home, partly owing to the need of using machinery to manipulate the larger sizes, partly because the largest single customer, the British Admiralty, in pursuance of the policy of the Fair Wages Clause, requires the chain supplied to it to be made upon the contractor's premises, partly because of the pressure of the union for higher wages and better conditions of employment. The manufacture of the larger sizes of chains, such as those used for hawsers, is really a heavy kind of smith's work and is extremely exhausting, so exhausting that the working week is rarely more than forty hours. The men

(i) Employers—

(a) Factory occupiers in Cradley area	77
Factory occupiers in outside area	158
	—
Total	235

(b) Middlemen

Middlemen only, dollied section (Cradley area)	about 150
Factory occupiers and middlemen, hand-hammered section	230
Factory occupiers and middlemen, all sections	about 400 to 500

(ii) Workers—

(a) Men employed in factories	1500
(b) Men outworkers (<i>i.e.</i> working either in sheds attached to their houses or on premises of shop-owner)	about 670
	(more probably 800 to 1000)
(c) Women outworkers	about 2000

It will be noticed that there is a discrepancy between these figures and those of the Census of 1911.

work in gangs consisting of a foreman or chainmaker and two or three strikers who are paid by the former; and apart from the lifting machinery which is used to manipulate the iron, the making of the chain, of which the most important part is the welding of the chain, is done entirely by hand. Since on the soundness of chains such as these depends the safety of life and limb, those of them used for chain cables and anchors are required by Act of Parliament to be tested before sold, and it is usual for customers to insist upon a test being passed by other kinds of chain, such as those employed for rigging and cranes, for which it is not legally necessary. For this reason competition between the manufacturers of high-class chain is concentrated rather on quality than on price. The conditions of the market are, therefore, such as to make it easy for relatively high wages to be paid; and as the men employed in this branch of the industry are strongly organised and ably led, their earnings compare favourably with those in other occupations which require similar strength and skill.

If all chains were made under conditions similar to those prevailing among the factory workers, there would have been no demand for the application of the Trade Boards Act to the chain-making industry. In reality, however, the factories of Cradley Heath stand out from a confused background of small masters and domestic workshops, like their own chimneys against the beautiful wilderness of the Black Country. In Cradley Heath the twentieth century lives side by side with the eighteenth, and the greater part of the chain manufacture is carried on as it has been from time immemorial, not in factories, but in the small workshops of the shop-owners or in a room attached to the worker's cottage, the local name for which—"the brewhouse"—enshrines the domestic traditions of the industry. The total number of workers employed outside factories is probably rather more than double that of the factory workers, somewhere between 3000 and 3500. If it be asked how it is that two such

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different methods of production continue to exist together, it may be answered, first, that cottage industry represents the original stock of which large scale production is a later offshoot, and its prevalence to-day is historically less significant than the encroachments of a factory system; second, that the special causes which have hastened the development of factory production for the better qualities and larger sizes of chain have had little influence upon the poorer qualities and smaller sizes, and that the factory system represents rather the appearance of a new industry than a change in the methods of carrying on an old one. The production of the inferior kinds of chain in small workshops and in sheds belonging to the workers is, in fact, that rare thing, the survival of a genuine handicraft, not merely a modern device for securing cheap labour, as is, for example, the practice of giving out clothing to be made up in villages. The technical reasons which have taken other industries into the factory have as yet had little influence on the chain trade; for in making chain there has hitherto been little subdivision of labour or use of machinery. The small capital and simple appliances required—an oven where the iron is heated, a bellows by which the hearth is kept bright, a block on which the iron is hammered into the shape of a link—make it possible for almost anyone who is born in the district and who can use a hammer to enter the industry. The low piece rates and the absence of combination among the workers which are caused by this facility of entry make employers prefer to give out work which, if done in the factories, would have to be paid for at higher rates. Above all, the social habits of a district which has not yet leapt the gulf of an industrial revolution perpetuate the system in spite of, almost as much as because of, its economic peculiarities. Trade Union officials have in the past protested before Royal Commissions that the disappearance of the outworker and the small master would be an advantage to all engaged in

the industry. But what may safely be said in London is treason in Cradley Heath, and admirers of the Distributive State may see their gospel realised in an industry where, out of some 6000 workers, between 150 and 250 are small masters, between 1000 and 1500 work at their own stalls in their own sheds, and the man who has invested his small capital in an outshop clings to it tenaciously even though he could earn more money in the factory. Unfortunately his independence is more nominal than real. For he is at the mercy of an employer for his market, whether that employer is a factory occupier or a middleman, and the apparent liberty of domestic employment has hitherto been often little more than liberty to work seventy or eighty hours a week for a subsistence wage.

Of the chainmakers working outside factories some are employed on the premises of a shop-owner, middleman or subcontractor, some are "single-handed" workers working at home. The distinction between the two classes is somewhat similar to that between both and the factory workers. The former make the better qualities of chains, the latter the inferior qualities. Though a certain number of single-handed workers get orders direct from the factory occupier, the immediate employer of both is usually the shop-owner or middleman. The shop-owners, who number between 150 and 250, play a very important part in the chain-making industry. The larger men among them are on the way to become factory occupiers themselves, and in fact the factory occupiers have in the past been largely recruited from among them. The smaller shop-owners are journeymen who have got together a little capital and invested it in a small workshop with "stalls" for half a dozen men and women. Their principal functions are two. In the first place, they are small masters who themselves provide workshop room, fuel and tools for the workers employed on their own premises, and normally work themselves side by side with them. In the second place, they act as agents through

whom the factory occupiers distribute orders for chain to the home workers. A large factory may give out an order for chain which would employ several hundred workers. To deal with each of them separately, to enter the amount of iron which each has taken out, and to see that each brings back the chain by the date required, would entail a considerable amount of trouble in the way of book-keeping and supervision. This part of the factory occupier's business is therefore shifted on to the shoulders of a special class of subcontractors of whom a considerable factory will employ five or six. In return for a percentage from the firm, for which they bargain as best they can, they obtain orders, make some of it in their own workshops, distribute the iron needed for the rest among single-handed workers whose individual capacities they know, see that the chain is ready when needed, bring it back to the factory in one lot instead of in numerous small detachments and pay the workers for the chain which they make. Unfortunately their influence upon the industry has not in the past been confined to relieving the factory occupiers of the responsibility for producing the poorer qualities and smaller sizes of chain. They have also relieved them of responsibility for the conditions of employment. Owing to the small capital needed to establish a workshop, their numbers have been quite out of proportion to the needs of the industry, even as it is organised at present; the competition between them has been so keen that they have been tempted to take orders for chain on terms which would not be remunerative unless wages were reduced; and since they stand between the market and the wage-earners, who are ignorant of the price which they are getting from the factory, and who are obliged to bargain with them as individuals, they have been, if not the principals, at any rate the agents in beating down the workers' remuneration.

Of the 3000 to 3500 workers employed on the premises of shop-owners and at home, about 2000 are women, and

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about 800 to 1000 are men. It is impossible to say in what proportion they are distributed between the workshops belonging to shop-owners and the outshops belonging to the workers themselves; for sheds in which chains are made are concealed in all kinds of unlikely places, and not even those best acquainted with the district can be sure that they know where all of them are to be found. Speaking broadly, however, one may say that of the men nearly one-half, including most of the older ones, work at home, while the remainder are employed in the shop-owners' workshops; and that of the women, while 500 to 600 work in workshops, the majority, about 1500, work at home. As is natural in the case of an industry which permits of domestic duties being combined with work at the trade, a very large proportion of the women working at home are married or widowed. The condition as to marriage and the age distribution of a group of women outworkers are shown in the following tables: ¹—

TABLE I.
Condition as to Marriage.

Married or widowed.	. . . . . 409 or 70·6 per cent.
Single	. . . . . 170 or 29·4 per cent.
Total	. . . . . 579

TABLE II.
Age Distribution.

Under 20.	20 and under 25.	25 and under 30.	30 and under 35.	35 and under 40.	40 and under 45.	45 and under 50.	50 and under 55.	55 and under 60.	60 and under 65.	65 and over.	Total.
77	103	102	55	57	51	28	35	13	17	12	550

¹ These tables are based on inquiries made at Cradley Heath in July 1913. Twenty-nine workers did not state their ages.

Naturally in these circumstances there are all degrees of irregularity in the outworkers' hours of labour.¹ Their industry is part of the domestic life of the family, in which all members of the family may co-operate, the husband, with the eldest son or daughter, working throughout the day, the younger boys and girls taking it in turn to "blow" for him, and the wife giving as much time to the trade as other occupations will allow, sometimes making chain as continuously as her husband, sometimes coming into the shed to help him "when the baby is good."

The division of labour between men and women corresponds almost exactly with the division of the trade into hand-hammered and dollied or tommied chain. Hand-hammered chain consists of chain made and shaped solely by the use of a hammer. Though not necessarily of commonest quality, it does in practice comprise all the commonest qualities of chain produced, as it would not be profitable to dolly or tommy chain which was otherwise of inferior workmanship. This class of chain is made, except for youths and a few old men, whose working life is drawing to a close, exclusively by women. It is further divided into short link, coil chain and country work, a division of which more will be said when we come to discuss the piece lists obtaining in the chain trade.

The men's branch of the trade consists of dollied or tommied chain. It is not obvious at first sight why no women should be employed in this branch of the trade, as the very lightest kind of chain is sometimes dollied. The explanation is probably that the worker must be able, not only to make the chain, but to keep in repair the dolly or tommy, which consists of an iron tool brought down upon the link after it is welded either by hand (the dolly) or by the pressure of the foot upon a treadle (the tommy). The tool fits into the iron, and the worker strikes not the iron itself but the tool, with the result that the chain is

¹ See below, pp. 91-92.

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given a smoother finish than when it is hammered entirely by hand.

Attempts have occasionally been made to establish the chain-making industry at Newcastle and Manchester. So far, however, they have been entirely unsuccessful, and out of 939 workshops, which appear upon the Home Office list, 918 are in the Cradley area. Nor up to the present has the chain-making industry had anything to fear from foreign competition. Imported chain is scarcely used in Great Britain, and of the chain manufactured at Cradley Heath a very large proportion is sent abroad. The figures for the last six years are as follows: ¹—

	1907.	1908.	1909.	1910.	1911.	1912.
	£	£	£	£	£	£
Anchors, grapnels, cables } Chain }	598,504	491,652	441,870	497,520	158,520 388,419	184,563 438,124

It will be seen that the exports of chain fluctuate very violently according to the state of trade, as is to be expected in view of the close dependence of the chain-making upon the shipbuilding industry. According to the Report of the Census of Production the value of the anchors and chains produced in 1907 was £923,000, of which the exports for the same year (£598,504) form 64·8 per cent. In all probability the figure given in the Report of the Census of Production is an underestimate, as it is naturally difficult to get exact returns from the numerous small masters engaged in the chain-making industry. Even so the large proportion of the product which is sent abroad

¹ Annual statements of the trade of the United Kingdom for 1911 and 1912. Before 1912 the exports of chain were not separated from those of anchors, grapnels, and cables.

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is striking, and can hardly be less than 50 per cent. In the year 1911 the principal foreign markets and the amount of chain exported to them from Great Britain were as follows :—

Australia	£76,517
British India	27,905
Germany	27,158
Argentine Republic	16,734
Norway	15,146
Brazil	14,884
Netherlands	12,560
“Other foreign countries”	39,879
“Other British possessions”	18,018

The virtual monopoly by Cradley Heath of certain foreign and colonial markets is the more remarkable in view of the fact that chain is an extremely bulky article and expensive to transport. Whether that monopoly will continue in the future is an open question. Complaints are occasionally heard that foreign countries are beginning to manufacture for themselves, and that America, Belgium and Sweden compete with Cradley Heath in neutral markets. For the present, at any rate, there is no sign of such competition adversely affecting the English industry. Both employers and workers are agreed that it has never been so prosperous as it has been during the last three years. And if in the past the workers engaged in the industry have been reduced to accept wages which were low even for a low-wage district, the explanation is certainly not to be found in the competition of foreign countries or of other parts of Great Britain, but in the organisation and character of the chain-making industry of Cradley Heath itself.

THE RESULTS OF PREVIOUS INQUIRIES

THE chain-manufacturing industry has been the subject of several public investigations, of which the most comprehensive are that of the Commissioners¹ appointed to inquire into the working of the Factory and Workshops Acts in 1876, that carried out by Mr. Burnett² on behalf of the Board of Trade in 1888, and that of the Select Committee³ of the House of Lords on the Sweating System, which extended from 1888 to 1890. At any rate, after 1890 information as to the general character of the chainmakers' position was easily accessible, and, if Parliament did not intervene, its abstention was not due to lack of knowledge. A comparison of the facts recorded by these inquiries with the condition of the industry in 1910 shows that certain important changes have taken place in the course of the last thirty years. The development of factory production on a large scale is a comparatively modern departure. Owing to the transformation of the nail industry by the introduction of machinery, which was taking place rapidly between 1870 and 1890, the employment of women has considerably increased,⁴ while that of children has

¹ C. 1443. 1876.

² Report as to the condition of nailmakers and small chainmakers in South Staffordshire and East Worcestershire, by the Labour correspondent of the Board of Trade, November 1888.

³ Third Report and Minutes of Evidence from the Select Committee of the House of Lords on the Sweating System, 1889.

⁴ According to the Census the female workers formed in

been diminished by the Education Acts. The abuses of payment in truck,¹ though in various disguised forms they still obtain, are far less common than they were. The concentration of the chain industry in the neighbourhood of Cradley Heath has become more marked, as Walsall and Dudley, where a considerable quantity of chain was made in the 'seventies of the nineteenth century, have tended to specialise in other branches of production.

Far more noticeable, however, than these changes is the substantial identity of the conditions revealed in 1876 and 1888 with those which led to the application of the Trade Boards Act to the chain-making industry in 1909. Behind much that is written and spoken on economic subjects there lies the tacit assumption that industrial evils tend to be eliminated spontaneously by industrial expansion, and that, except in the case of a decaying trade, higher wages, shorter hours and increased amenity of working conditions are consequences which follow naturally from a mere increase in the volume of production. Whatever may be true of other industries, this doctrine does not receive any confirmation from the history of the chain trade. The principal improvements which have taken place in the conditions of the workers in the industry in the course of the last thirty years, are the increased wages of factory workers, the diminution in "truck" and the decrease in the employment of children; and of these the first is due to the formation of a powerful trade union of men, the second and

1861 19·7 per cent. of all the chainmakers in Staffordshire and Worcestershire, and 25·4 per cent. in 1881; according to figures for 1911, kindly supplied me by the Registrar-General, female workers formed in that year 32·1 per cent. of all the chainmakers in those counties.

¹ On truck in the chain trade see paper by Mr. Noah Forrest (a chainmaker) in the Transactions of the National Association for the Promotion of Social Science, 1859, and the reports mentioned above. There is said to be a certain amount of payment in truck at the present day.

RESULTS OF PREVIOUS INQUIRIES 15

third partly to legislation, partly to more stringent administration. Apart from such changes as have been brought about either by combination or by law, the condition of the majority of chainmakers in 1910, prior to the issue of the Trade Board's determination, was substantially the same as it had been in 1876 and 1888, and those who wish to understand it cannot do better than consult the three reports mentioned above. At each date there was the same system of production in small workshops and in sheds attached to cottages, the same inability of the worker to resist the pressure of the middleman, and of the middleman that of the factory occupier, the same attempts to form effective trade unions and the same failures, the same variety in the piece prices paid by different firms and at different periods, the same sweeping reductions in times of bad trade and the same fluctuations in employment. In 1876 it was complained that "there is all sorts of trickery and oppression carried on by some of the masters (not all), such as compelling them [*i.e.* the workers] to have breeze or gleeds from them, charging them carriage, making them change iron, keeping them waiting for a day or two in the week . . . giving them sizes to make which they are not accustomed to."¹ In 1910, when the Trade Board had just issued its determination, the union officials had to protest² that certain masters were trying to evade it by raising the price charged the worker for the use of blocks 50 per cent., by requiring the worker to make chain of a superior quality, and then paying for it as if it were chain of an inferior quality, and by accepting "gratuities" from the workers as a condition of giving them employment. In 1876 and 1888 much emphasis, perhaps too

¹ Report of Commissioners appointed to inquire into the working of the Factory and Workshops Acts, 1876, App. D, letter 22.

² Report of Messrs. Sitch and Homer and of Miss Stocks in *Worcestershire and Staffordshire County Express*, 17th September 1910.

much emphasis,¹ was laid on the part played by the shop-owner or middleman in pitting against each other the workers who applied to them for iron and thus reducing wages. "When the proprietor of one small shop applied for work to the factor or master . . . he would naturally say to the master, 'So-and-so is at work, why cannot I have work?' Then the master would say, 'You do not work at the same price as he does; if you worked at the same price as he does, then you could have work;' and thus one man is pitted against another; he is compelled to accept low prices in order to get work."² In 1913 both employers, shop-owners and workers describe "the unscrupulous middleman" as having been, up to 1911, "the curse of the trade." In 1888 much was made of the entire instability of piece-work prices: "I have worked at the trade," said a worker, "when the half-inch chain . . . was paid 7s. per cwt., and since then it has been made, I am afraid, for less than 2s. per cwt."³ "The outworkers' prices," stated a union official in 1913, "are, on the whole, 40 per cent. less than those paid in factories. Nevertheless, we got the outworkers' list at one time almost up to the level of the factory list, and we have had women's rates, at a time when they were well organised, higher than the Trade Board rates. But they soon dropped out of the union, and the rates fell at once."

If the expansion of the chain-making industry which has taken place in the last thirty years had been accompanied by an advance in piece rates or earnings, the survival of these bad customs might perhaps have been tolerated as an evil which would be remedied as higher wages made the workers more capable of protecting themselves against oppression. In reality, however, there is little reason to suppose that the rates paid either for hand-hammered chain (the women's

¹ See below, pp. 61-62.

² Third Report of Lords' Committee on Sweating System, Minutes of Evidence, 1889, 18,034.

³ *Ibid.* 18,141.

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branch of the trade), or for dollied and tommied chain (the men's branch of the trade), were any higher immediately prior to the issue of the Trade Board's determination in 1910 than they were when the industry was investigated by the Lords' Committee on the Sweating System. This point is of crucial importance to the formation of a reasonable judgment upon the policy of State intervention to fix minimum rates of payment. Is it, or is it not, the case that wages were rising before the Trade Board raised them? While, even if they were rising considerably, intervention might be desirable in order to make them rise more, and rise more rapidly, the need of intervention is clearly more urgent if, without intervention, they were tending to be almost stationary or to be falling. In order to test which hypothesis is correct the following table gives—(i) the piece-work prices for making three qualities of hand-hammered chain according to the list agreed upon by a Joint Committee of Employers and Operatives on 4th February 1889, and the piece-work prices obtaining for making the same qualities of chain in 1910, prior to the issue of the Trade Board's determination; (ii) the piece-work prices for making dollied and tommied chain of "common" quality (the only quality for which the Trade Board has fixed rates), according to the list of 1889, and the piece-work prices for making the same quality in 1910.¹ It should be noted that the prices given in the list of 1889 were not necessarily, or even probably, observed in practice. This is, of course, one reason for the establishment of a Trade Board. But it invalidates any comparison

¹ For the hand-hammered and dollied lists of 1889 see Third Report of the Lords' Committee on the Sweating System, Minutes of Evidence, App. C. The prices given as paid for hand-hammered chain in 1910 are based on inquiries made by the officers of the Trade Board (Chain Trade Board Papers, C. 2105, 16th August 1910); those given as paid for tommied or dollied chain have been supplied to me by the kindness of Mr. G. H. Sitch.

18 THE CHAINMAKERS' MINIMUM

between the workers' earnings in 1889 and in 1910 which is based solely on a comparison of piece-work prices. Further, it must be remembered that in 1910 the chain trade was only just beginning to recover from a severe depression. The rates paid in that year must, therefore, be regarded not as typical but as representing the result of the fatal process of cutting which went on prior to the establishment of the Trade Board.

TABLE III.

(i) Piece Rates for making Hand-hammered Chain.

No.	Commonest. ¹		Per-centage Increase or Decrease	Common.		Per-centage Increase or Decrease	Extra.		Per-centage Increase or Decrease
	1889.	1910.		1889.	1910.		1889.	1910.	
	s. d.	s. d.		s. d.	s. d.		s. d.	s. d.	
No. 10	50 0	no information	60 0	no information	70 0	80 0	+ 14.2		
" 9	38 0	" "	48 0	60 0	56 0	no information	" "		
" 8	30 0	" "	37 6	37 6	44 0	" "	" "		
" 7	23 0	" "	28 6	28 6	34 0	31 2½	- 8.2		
" 6	17 0	13 0	-23.53	21 6	21 1½	- 1.74	26 0	27 0	+ 3.8
" 5	13 6	9 1	-32.71	16 6	12 11	-21.71	19 6	16 4	-16.2
" 4	10 6	8 0	-23.8	13 0	9 10	-24.35	15 6	18 6	+19.3
" 3	9 0	6 3	-30.55	11 0	8 3	-25	13 0	12 6	- 3.8
" 2	7 6	5 11	-21.11	9 3	7 1	-23.42	10 9	11 6	+ 6.9
" 1 } bare	6 9	no information	8 6	no information	9 9	no information	" "	" "	
" 1	6 3	4 8	-25.33	7 9	6 4	-18.27	9 0	9 7	+ 6.4
" 1½	5 9	4 5	-23.18	7 0	5 6	-21.42	8 0	no information	" "
" 1½	no information	3 10	...	no information	4 7	...	no information	no information	" "

¹ In the list of 1889, chain now called "commonest" is called "common (slap-dash)," and chain now called "common" is called "good ordinary"; the other two headings ("extra" and "best") were the same in 1889 as they are now.

RESULTS OF PREVIOUS INQUIRIES 19

(ii) Piece Rates for making Dollied or Tommied Chain.

	(i) 1889.	(ii) 1910.	(iii) Median 1910.	(iv) Percentage Increase or Decrease.
No. 6	s. d. 42 0	s. d. s. d. 25 0 to 30 0	s. d. 27 6	- 34.52
" 5	31 0	21 0 ,, 23 0	22 0	- 29.03
" 4	25 0	18 0 ,, 20 0	19 0	- 24
" 3	20 0	16 0 ,, 18 0	17 0	- 15
" 2	16 0	13 0 ,, 15 0	14 0	- 12.5
" 1 bare	no information	no information	...	...
" 1	13 0	12 0 to 13 0	12 6	- 3.85
" 1 1/2	10 0	11 0 ,, 10 0	10 6	+ 5
" 1 1/4	no information	8 6 ,, 10 0	9 3	...
" 1 1/8 bare	8 0	no information	...	...
" 1 1/8	7 0	7 0	7 0	unchanged
" 1 1/16	no information	5 0 to 5 6	5 3	...
" 1 1/16 bare	6 0	no information	...	...
" 1 1/16	5 4	6 0	6 0	+ 12.5
" 1 1/32 bare	4 10	no information	...	...
" 1 1/32	4 0	3 0 to 3 6	3 3	- 18.75
" 1 1/64 full	no information	3 0	3 0	...
" 1 1/64	3 8	3 0	...	- 18.18
" 1 1/128 full	no information	3 0	3 0	...
" 1 1/128	3 4	2 9	2 9	- 17.5
" 1 1/256 full	no information	no information	...	...
" 1 1/256	3 2	2 6 to 2 8	2 7	- 18.42
" 1 1/512 full	no information	2 6 ,, 2 8	2 7	...
" 1 1/512	3 0	2 5 ,, 2 7	2 6	- 16.66
" 1 1/1024 full	no information	2 5 ,, 2 6	2 5 1/2	...
" 1 1/1024	2 10	2 3 ,, 2 4	2 3 1/2	- 19.12
" 1 1/2048 full	no information	2 3 ,, 2 4	2 3 1/2	...
" 1 1/2048	2 9	2 0 ,, 2 3	2 1 1/2	- 22.73
" 1 1/4096 full	no information	2 0 ,, 2 3	2 1 1/2	...
" 1 1/4096	2 7	1 10 ,, 2 0	1 11	- 25.81
" 1 1/8192 full	no information	1 10 ,, 2 0	1 11	...
" 1 1/8192	2 5	no information	...	...
" 1 1/16384	2 3	" "	...	...

It will be observed that, in the majority of cases, the piece-work prices both for hand-hammered chain (the women's section of the trade) and for dollied or tommied chain (the men's section) were lower in 1910 than those fixed in 1889. Out of twenty-five separate sizes and

qualities of hand-hammered chain the prices of seventeen had fallen, and of six had risen, two remaining unchanged; while all the advances except one took place on chain of extra quality, and the prices of all sizes of commonest chain had fallen by amounts varying from 21 per cent. to 32 per cent. Out of seventeen sizes of dollied or tommied chain, for which information can be obtained, the prices of fourteen had fallen, of two had risen, and of one was unchanged; the smallest decrease being 3·85 per cent., and the largest 34·52 per cent. These facts agree, on the whole, with the less reliable information derived from a comparison of the wages earned in 1910 with those earned at the earlier dates for which evidence is forthcoming. Reference to Table XVI. on pp. 97-98 will show that the largest group of women chainmakers whose earnings can be calculated were obtaining in 1910 between 4s. and 5s. a week. In 1876 it was said that "women and girls get from 2s. to 8s. a week at chain-making."¹ In 1889 a large firm stated that the earnings of the women chainmakers employed by them for the week ending 13th October 1889 averaged 7s. 4d., from which 12½ per cent. was to be deducted for shop, firing and tools.² The secretary³ of the Midland Counties Trades' Federation put the average weekly earnings of men at from 10s. to 14s., and of women at between 4s. and 4s. 6d., while the latter were estimated by a clergyman⁴ residing at Dudley at 6s. or 6s. 6d., and by four women workers⁵ at 7s. (for 12 hours a day),

¹ Report of Commissioners appointed to inquire into the working of the Factory and Workshop Acts, 1876, Minutes of Evidence, 5693.

² Third Report of Lords' Committee on Sweating System, 1889, Minutes of Evidence, App. F.

³ *Ibid.* 17,867 and 17,868.

⁴ *Ibid.* 18,504.

⁵ *Ibid.* 18,816-19,273. The son of one witness earned 12s. to 13s. a week at chain-making, paying for his firing and blower out of that, and the husband of another earned 14s. to 15s. a week.

5s. (less 1s. for firing), 4s. 9d. (for 14 hours a day), and 4s. to 6s. 6d. respectively. While, therefore, an exact comparison of earnings in 1889 and earnings in 1910 is impossible, there is no reason to suppose that they were higher at the latter date than at the former. The earnings of the men working in factories rose¹ in the same period considerably, owing, it is to be presumed, to organisation. The earnings both of the men and of the women working at home or in small workshops either declined or were stationary, owing, presumably, to the absence of effective organisation. And real wages had declined even more than these figures suggest. For in 1889 prices were almost at the bottom of the great decline which began some ten years before and ended in 1896. Had, therefore, the Trade Board not intervened, the condition of the outworkers in 1914 would probably have still been much what it was in 1876, 1888 and 1910.

A condition of things which even so placid a body as the House of Lords' Committee on Sweating could describe by saying, "Not only do the workpeople work long hours for small wages at work often unsuitable to their sex, but they are subject also to numerous hardships and much injustice, on account of the helpless dependence of their condition,"² has naturally produced more than one proposal for reform. The suggestions made in 1876 and 1888 ran, in the main, in well-worn channels. What struck the working-class witnesses most was, as was natural, the undercutting of men by the cheap labour of women and children, and the impossibility of organising effective trade unionism among workers, each of whom made his or her bargain separately with a small master and executed

¹ Select Committee on Home-Work, Minutes of Evidence, 2788 (Miss Macarthur): "The men [*i.e.* factory workers] have increased their wages over 50 per cent. in the last fourteen years."

² Fifth Report of Lords' Committee on Sweating System, 1890, p. lxxxvii.

the work in isolation. In 1876, when the chain trade was being overrun by women displaced from the nail-making industry, the former grievance was uppermost in their minds, and they concentrated on two demands—the legal limitation of the hours worked by women and children, and the prohibition of the employment of women upon chains exceeding $\frac{1}{4}$ of an inch in diameter, partly on the ground that women were not strong enough to weld the large sizes of chain without inhuman exertion, partly because the men hoped to be relieved from their competition. The Commission naturally refused to accede to the last request. But the Factory Act of 1878, which assimilated the conditions of employment in workshops where young persons and children were employed to those obtaining in non-textile factories, not only abolished the most scandalous cases of overwork, but indirectly somewhat diminished the grievance of the men; and in 1888 less was said about the competition of female labour and more about the exactions of middlemen, the evils of domestic workshops, long hours and low wages. It was urged by the secretary of the Midland Counties Trades' Federation that outwork ruined the trade by making effective combination impossible, that all work ought to be done in factories, and that as a step towards this the regulations applying to factories should be extended so as to apply to the chain-makers' workshops. This would have the further advantage of abolishing the middleman—"it would do away with one profit"¹—and would thus enable wages to be raised. The same witness suggested that Parliament should fix a minimum ² rate of wages—a proposal which an adroit cross-examination induced him to retract; while the president of the Chainmakers' Society demanded that the maximum working day for men should be limited by law to eight

¹ Third Report of Lords' Committee on Sweating System, 1889, 18,080.

² *Ibid.* 18,039–18,043.

hours.¹ The middle-class witnesses travelled farther afield. Site values should be taxed in order to give the workers "equal access to the land."² Co-operative factories should be established with capital advanced by the State, which would put an end to the middleman by purchasing iron and selling chain in the best market, and would offer the chainmaker sanitary conditions of employment in place of his stall in a shed; a Board should be elected directly by the workers to manage the industry; the age at which children might be employed would be raised to fourteen, and for the adult workers there would always "be plenty of work to do, because I should continuously curtail the hours of labour."³ The latter scheme, which was approved by the Midland Counties Trades' Federation, was not altogether without fruit, and several small co-operative factories were established. But their end was the ordinary one of the (economically) righteous, and in less than two years they had ceased to exist.

It would be cruel to examine minutely the proposals which the Lords' Committee on Sweating thought relevant to the evidence which they collected. Rightly supposing that they were not a body whom the public would expect to endorse "visionary schemes," they confined themselves, as far as the chain-making industry was concerned, to recommendations relating to the cleansing of workplaces, the registration of outworkers, the increase of the inspectorate, the insertion in government contracts of a clause

¹ Third Report of Lords' Committee on Sweating System, 1889, 18,190-18,207.

² *Ibid.* 18,617-18,620.

³ *Ibid.* 21,620-21,715, App. K, and 18,572-18,576. Mr. Mahon, who produced the scheme for co-operative factories, seems to have alarmed the committee: "Then what we are dealing with in your scheme is not a scheme for the relief of distress among these particular workers, but a scheme for eventually altering the whole system of employment. . . . Everybody to work and everybody to be in the pay of the State!"

requiring the articles supplied to be made in factories, and the prohibition of the employment of women in the manufacture of chains exceeding a specified diameter. Of these proposals the last was impracticable as long as some thousand or fifteen hundred workers made chain at home; the last but one was the formal endorsement of an important policy which has conferred considerable benefit on the chain-making industry; and if the first three were so obvious as scarcely to need an inquiry extending over two years for their discovery, the value of the information collected may perhaps compensate subsequent generations for the impotence of the conclusions based upon it. What is important to notice, however, is that the proposal to establish minimum rates of payment was definitely rejected by the Committee of 1888 to 1890. But the low wages of the workers were the key to the situation, and almost all the other evils described by the Lords in their report flowed ultimately from the single fact that the workers could be enforced to accept any payment which the employer dictated rather than face the loss of employment. Because wages were low they could not organise: "3d. a week to the union . . . is a loaf."¹ Because wages were low they were constantly in debt to the middleman or shop-owner, who used the hold which this gave him to reduce wages still further. Because wages were low, women and children were obliged to supplement the earnings of their husbands and fathers. Because wages were low the workers were underfed, living on "bread and a drop of tea";² and because they were underfed their earnings fell still lower, for one cannot make chain all day on bread and tea.

It was, therefore, a sure instinct which made the secretary of the Midlands Trades' Federation emphasise the desirability of fixing a minimum wage by law, and a

¹ Third Report of Lords' Committee on Sweating System, 1889, 18,556, 19,342.

² *Ibid.* 19,131.

delusion that there existed some indirect method of improving the condition of the workers so long as their earnings remained at a level "barely sufficient to support existence." The most important event in the history of the chain trade between 1890 and 1909 was the formation in 1905 of a society of women chainmakers under the title of "the Cradley Heath and District Hammered and Country Chainmakers' Association," which in June 1907 became the Hammered Chain Branch of the National Federation of Women Workers.¹ Apart from the impetus to organisation given by the establishment of this union, the change of opinion which led to the scheduling of hand-hammered and dollied or tommied chain-making as one of the industries to which the Trade Boards Act of 1909 was to apply without Provisional Order was due not to any change in the circumstances of the chainmakers themselves, but partly to the activity of the Anti-Sweating League, partly to causes of a more general character, in particular the example of certain British colonies, which forced the question of the minimum wage to the front. The result was the appointment of a Select Committee on Home-Work, which in 1908 reported in favour of establishing Trade Boards in four industries. Unfortunately, however, the chain-making trade was far from being the only industry which required intervention, and it was not altogether surprising that when the Trade Boards Bill was first introduced that trade should not have appeared in the schedule to it. That it was finally included was due principally to the energy and skill of Miss M. R. Macarthur, the secretary of the National Federation of Women Workers, to whom the workers at Cradley Heath, like women workers everywhere, owe a deep debt of gratitude. Seconded by Mr. Mallon and by Mr. T. Sitch, the secretary of the Union of Men Chainmakers, she led an agitation to make the chain-making industry one of the four trades to which

¹ Report of Hammered Chain Branch of National Federation of Women Workers, 21st August 1909 to 31st March 1911.

the Trade Boards Act should apply without a Provisional Order. Many of the employers who had suffered from the undercutting of rates by unscrupulous or incompetent competitors welcomed the proposal. On an amendment moved by Mr. Henderson, the chain trade was scheduled in the place of the ready-made blouse trade. Being at once the smallest, the most compact and the most necessitous of the industries in which Boards were established under the Act, it was the earliest of the four industries to have minimum rates fixed by its Board, and was thus the first trade to which minimum wage legislation has been applied in England since the repeal of the Spitalfields Acts in 1824.

III

THE CONSTITUTION AND PROCEDURE OF THE CHAIN TRADE BOARD

THE Trade Boards Act came into force on 1st January 1910. Already, on 25th November 1909, the Board of Trade had issued regulations establishing a Trade Board for the Hammered or Dollied and Tommied Chain Trade, and the autumn of 1909 was occupied with bringing the Board into existence. It held its first meeting on 7th January 1910, in the District Council Offices at Old Hill, near Cradley Heath. On 10th May 1910, it presented a "proposal to fix" rates for hand-hammered chain, and on 15th October 1910, a similar "proposal to fix" rates for the tommied or dollied section of the trade. After the lapse of three months, in which objections were heard, the rates were actually fixed by the Trade Board—for the former on 22nd August 1910, for the latter on 1st February 1911. After the lapse of a further six months, the rates were made obligatory by order of the Board of Trade on 23rd February 1911, and 2nd August 1911, respectively. The first Chain Trade Board held its twenty-seventh and last meeting on 4th December 1912, when it came to an end, its three years of office having expired. Regulations establishing a new Chain Board were issued by the Board of Trade on 14th February 1913. The first meeting of the new Board took place on 2nd April 1913. On 11th August 1913, it issued a "Proposal to Vary" the rates fixed in 1910. It has held in all five meetings, and its term of office will expire at the beginning of 1916.

From this summary of the main events in the history

of the Chain Trade Board we may now go on to describe its constitution and proceedings, leaving till later our examination of the actual nature of its determinations. The question of the authority by which rules fixing a minimum wage are to be made is a crucial one. Among the objections brought against the establishment of legally enforceable minimum rates, it has frequently been urged that, even if economically desirable, they are not practicable. No authority, it has been argued, competent to make rules for the complicated interests involved could be created; if brought into existence it would be baffled by technical difficulties, or stultified by the divergent interests of its members; while, if it succeeded in agreeing sufficiently to issue a determination, its decision would be regarded by those conducting the trade as a piece of impertinent and oppressive interference, which would carry with it no moral weight, and would receive only the superficial compliance needed to escape the penalties of the law. That these difficulties have not arisen in any serious form on the existing Trade Boards, is due partly to their representative character, partly to the presence of appointed members, partly to the extreme and almost exaggerated caution with which their proceedings are conducted. According to section 11 (1) of the Trade Boards Act, a Trade Board is to consist of three groups of persons—(i) representatives of employers; (ii) representatives of workpeople; (iii) appointed members nominated by the Board of Trade. The choice of the latter, who form three out of the fifteen members of the Chain Trade Board, entailed no special difficulty. They consist of the chairman of the Trade Boards, of a gentleman who has had much experience as an arbitrator in trade disputes, and of a lady who had been employed by the Board of Trade to investigate the conditions of labour, and who took the place of another lady since created one of the Insurance Commissioners. In the case of the former two classes, the first difficulty, in an

unorganised industry like the chain trade, was to find or create a constituency. A second difficulty was that both employers and employed include two classes whose interests are not identical: on the one hand, the factory occupiers and the shop-owners, who, while they employ wage-earners, are themselves usually employed by the factory occupiers; on the other hand, men workers and women workers. What actually happened was that the Board of Trade's regulations determined the proportion in which these different interests should be represented, giving out of the six employers' seats five seats to factory occupiers and one to shop-owners or subcontractors, and out of the six workpeople's seats two seats to women and four to men. The fact that the manufacture of chain is concentrated in a small area made the choice of representative members easier than it is in most unorganised industries. They were elected at public meetings held *ad hoc* after advertisement at Cradley Heath, those elected being naturally, however, persons already determined upon by the employers' association and the trade unions. As ultimately constituted, the Board included, among others, the chairman of the Employers' Association, the head of another large firm, a leading shop-owner, the secretary of the Factory Workers' Union, an official of the Outworkers' (Men's) Union, and the secretary of the Women Workers' Federation, together with three persons actually working at the trade. The importance of leaving both sides free to choose, if they please, persons who are not themselves directly engaged in the industry has been clearly established by the experience of all the Trade Boards. It is in the interests of a Board that each side should make out for itself the best case possible, which is usually most likely to be done if claims drafted by persons with practical experience of the industry are formulated by persons accustomed to negotiation. In the case of a trade where trade unionism is weak or recently established, it is essential that the workers

should be able to choose as their representatives persons who cannot be intimidated, and who are accustomed to speaking with employers in the gate. Compared with a body of business men whose livelihood consists to a great measure in bargaining, and who obtain information as to the condition and prospects of the industry in the ordinary course of their everyday occupation, the disabilities of the manual worker are, as it is, heavy enough. There is no guarantee that justice will be done to their case, unless it is expressed by persons some of whom have the same qualifications as the employers.

A Trade Board does not get rid of the effect upon the determination of wages of bargaining, bluff, economic power and skilful diplomacy, though it sets limits to the use to which they can be put. In the earlier stages of the negotiations the appointed members usually content themselves with listening. It is left to the representatives of the two sides to make and debate the initial proposals; and, as long as this is so, the actual procedure of a Trade Board is very similar to that of any committee on which employers and employed meet to settle questions affecting their industry. Each party begins by making offers which it knows that the other will not accept. On the Chain Trade Board, for example, the first demand of the workers' representatives was that women's rates should be fixed so as to yield the normal worker 3d. per hour; while the employers, on the other hand, suggested 2½d. In negotiating as to piece prices the employers offered 7s. per cwt. for a certain standard size and quality of chain; the workers asked for 8s.¹ The ordinary arguments were used on each side, the employers urging that the time rate which they proposed for women compared favourably with that paid in other trades in the district, that if wages were raised unduly the trade would suffer from foreign competition, that the concession of the workers' demands would mean the wholesale displace-

¹ Chain Trade Board Minutes, 7th January 1910.

ment of labour by machinery, that the Trade Board's duty was to fix a "minimum," not a "standard," wage (a point to which we return later); the workers' representatives emphasising the low wages at present earned, the increasing cost of living, the probability that better wages would mean better work, and ridiculing the suggestion that the rate proposed would cause either foreign competition or the introduction of machinery to become a serious menace. When each side had manoeuvred for a position and seen enough of the other's hand, individual members would meet and talk matters over, and their differences would frequently be settled out of court by an arrangement to put forward an agreed rate as a compromise, for example (to return to the instances given above), 2½d. and 7s. 6d.¹ The extent to which the original proposals are modified by discussion depends, of course, to a considerable extent, on the relation of the representative members to their constituents. It is conceivable that one side or the other might come to the Board with a direct mandate to demand certain terms and accept no others. Something of this kind has happened upon one Board, where a powerful Employers' Association laid down the maximum which it was prepared to offer, with the result that some of the members of the Trade Board adhered to it, against their own judgment and wishes, out of loyalty to their organisation. On the first Chain Board, however, discussion was free and formed opinion even on the major issue of the basis from which the rates were to start. Once that had been determined, the technical questions involved in drafting actual piece prices were dealt with by the appointment of subcommittees of employers and workpeople. It is not the least of the advantages of a Trade Board, compared with certain other methods of settling wages, that it fixes the responsibility for reaching a practicable conclusion upon

¹ Chain Trade Board Minutes, 2nd February and 2nd March 1910.

persons who are fond of describing themselves as practical men.

So far we have spoken as though the Trade Board's determination depended entirely upon the representatives of employers and workers. In reality, of course, a Board includes a third group, the appointed members, numbering, in the case of the Chain Trade Board, three out of fifteen members. It is scarcely too much to say that the appointed members are the pivot upon which the whole system turns. Their importance was not so conspicuous, perhaps, in the case of the first Chain Trade Board, as in that of some of the other Boards, for two reasons. In the first place, the employers on the first Chain Trade Board, at any rate, were not quite unanimous in their policy. A member would occasionally break away, and as one of the six employers was a shop-owner, who, while he employs wage-earners himself, is also an employee of the factory occupiers, his colleagues were to some extent kept in check by the knowledge that his interests were not in all cases identical with their own. In the second place, whereas in the case of certain of the other Boards the practice obtains of "voting by sides," which means that the majority of each side determines its policy, and that each side presents a united front on the Board, on the Chain Trade Board voting takes place by head and not by sides, so that a defection from one side of one vote means, if the appointed members hold their hand, that the question is carried against it. Nevertheless, even on the Chain Trade Board, the power of the appointed members is considerable. In the earlier stages it is usually not exercised. The two sides initiate the proposals which are to be debated, and the appointed members listen. The members of the two sides vote on a motion, and if each side acts as a unit they are equal. The appointed members refrain from voting, and the motion is therefore not carried. The two sides must put forward new motions; each has to consider whether, if it pitches its claim too high,

the appointed members may not vote for that of the other side and carry a motion against it. Insensibly, therefore, it moderates its claims. It is better for the employers to offer a farthing more for fear that the workpeople may offer to accept a farthing less and win the appointed members to their side. It is better for the workpeople to accept less than they claim rather than to allow the employers, by moderating their demands, to carry the appointed members with them. Their mere presence, therefore, narrows the margin between one party and the other. They need not vote or even discuss, and, in practice, in the earlier stages of the proceedings, they do not. All they have got to do is to sit still and look intelligent.

But as the two parties approach each other, the duties of the appointed members become active and not merely passive, because their vote will be decisive. It would be wrong to call them arbitrators. An arbitrator hears evidence and then gives his own decision. The appointed members do not give a decision of their own. Though their influence over the earlier stages of the Board's proceedings is probably tending to increase, on the first Chain Trade Board, at any rate, they voted, in practice, only on motions submitted by representative members, and, in any case, when a motion is carried, the decision is not theirs but that of the whole Board. In the last resort, however, they do hold a casting vote, and this fact has two important consequences. It means, in the first place, that a complete failure on the part of the Board to arrive at any decision at all is virtually impossible. The formula, so common in most conferences of employers and workers—"the meeting broke up without any agreement being reached"—can rarely, if ever, have any application to a Trade Board, for if the appointed members disagree with one party they almost necessarily agree with the other. It is, of course, desirable that the settlement should be one which recommends itself to the representatives of both

sides, since they will have to explain it and help to make it work. But even a decision which is forced upon one side by the vote of the appointed members is better than a continuance of the industrial anarchy which goes on when the machinery for bargaining can be broken down by the disappointed party. One side may walk out of the room—the employers on the Chain Trade Board recently did so rather than acquiesce in a resolution in favour of proceeding to take steps to raise the minimum time-rate for hand-hammered chain-making from 2½d. to 2¾d.—but their disappearance does not terminate the Board's existence, and the knowledge that its proceedings may continue in their absence makes them extremely reluctant to leave the other side with the appointed members in possession of the field, as long as there is any possibility of modifying the Board's decision. When that possibility has ceased to exist, the dramatic withdrawal of one party is not a matter of great practical importance.

In the second place, the presence of the appointed members does not merely help to bring the two parties together; it helps also to give a more rational and less partisan tone to the Board's discussions, and offers some degree of security that some weight will be allowed to considerations of social expediency. What this means in detail will necessarily vary from one time to another and from Board to Board. What it means in principle is that the presence on the Boards of persons unconnected with the industry does something to prevent questions of wages being settled by a mere wrangle of conflicting interests. For one thing, when either party makes statements it is necessary for them to endeavour to prove them, or they will be discounted by the appointed members, and the case will naturally tend to go against those making them. When two parties are negotiating over questions upon which some light can be thrown by the presentation of concrete evidence, it seems reasonable that such evidence should be produced. The reason why, in the ordinary

process of collective bargaining between a trade union and an employers' association, that is so rarely done is, however, very simple. It is that each side is almost pledged to disregard any evidence which makes against its claims. On a Trade Board, on the other hand, there is a third party to convince, namely, the appointed members, and for this reason it becomes worth while to test the statements of the two sides by an appeal to facts. Thus, when in July 1912 the workers' representatives in the chain trade demanded¹ that the minimum rates fixed in 1910 should be raised, they based their claim partly on certain alleged facts which the employers' representatives denied. Where the persons with first-hand knowledge of the industry disagreed, how were outsiders to form an opinion? Was it the case that the cost of living and of fuel had risen since the minimum rates were fixed in 1910, that the quality of chain had improved, that the competition of foreign countries and of machine-made chain was serious? The only thing to do was to collect information by which the contradictory statements could be tested. This accordingly, after a provisional agreement had been reached, the Trade Board officials did. Evidence was obtained and disseminated upon which some reasonably accurate judgment could be formed of the economic situation of the industry.²

For another thing, and more important still, the presence of appointed members is some guarantee that considerations of a larger kind than always present themselves to the members immediately connected with the industry will be taken into account. It is always possible that the latter may disregard the claims of some minority which is not adequately represented on the Board, for example, women or young persons. There is a tendency, again, for the employers' side to argue that a

¹ Chain Trade Board Minutes, 1st July, 31st July and 13th November 1912.

² Chain Trade Board Papers, No. 304.

minimum once fixed should not be altered. The duty of a Trade Board, it is urged, is to prevent sweating by fixing minimum rates; when it has fixed minimum rates, that fact in itself is a proof that sweating has been prevented; to raise the minimum further is to go beyond its functions. Such an interpretation of the Trade Boards Act can be met only by showing that public policy requires that wages should be as high as the conditions of the industry concerned will allow—whether they should be raised at the cost of killing some section of the industry is a question which has not arisen on the Chain Trade Board, and which we need not discuss. It is the appointed members who are best able to emphasise that larger point of view, because they have no personal interest in the decision reached.

It will be seen from what has been said above that the issue of a determination by a Trade Board is usually preceded by a lengthy period of discussion. To any one who examines the actual proceedings of the Chain Trade Board, or indeed of any other, the suggestion sometimes made that the system is likely to result in ill-advised interference, in rashly thrusting an iron rod into the mechanism of industry, will appear almost ludicrous. In practice the Boards' proceedings are characterised by a caution surpassing that of Government departments. The Chain Trade Board, in particular, cannot be accused of any undue precipitation in reaching its determination. It held its first meeting on 7th January 1910. It did not issue a "proposal to fix" rates for hand-hammered chain till 10th May 1910, and for "dollied and tommied" chain till 15th October of the same year. The rates for these two classes of chain were not actually fixed till 22nd August 1910 and 1st February 1911 respectively; and the Board of Trade did not make the former rates obligatory till 23rd February 1911, when the Chain Trade Board had held as many as twenty meetings, and the latter till 2nd August 1911. The demand for an advance in the

minimum rates was first brought forward on 1st July 1912, and it was not till a year later, 13th August 1913, that the "proposal to vary," which is still merely a proposal,¹ and has to wait for further ratification, first by the Trade Board, and secondly by the Board of Trade, was issued, and even this gives no idea of the extreme circumspection with which the Trade Board proceeds. At every stage there is a sifting of proposals. When, at length, after exhaustive discussion, the "proposal to fix" certain rates has been agreed upon, there takes place what is virtually a referendum of the whole industry. Notices containing the proposed rates are sent out and must be affixed in workshops. Opportunity is given to employers and workers to send to the Board their objections and criticisms. Deputations are received and heard. The representative members go over the proposed determination with their constituents. In the case of the Chain Trade, Cradley Heath was visited by the Board's officials, and comments upon the rates were received on the spot. The result is that by the time the Board actually fixes rates almost every one who has a view to express has been consulted. After all this comes nominally a further period of waiting, the six months of "limited operation," in which an employer must pay the minimum unless he has a written agreement to the contrary, is liable to civil proceedings but not to prosecution if he pays less than the minimum without having such an agreement, and is eligible for public contracts only if he has given written notice to the Trade Board that he will pay it and be liable to prosecution if he does not. In the case of the Chain Trade this last stage was cut out. When, in August 1910, employers and middlemen began requiring their workers to agree in writing to accept less than the minimum, the latter, on the instruction of the union, which held that employers were trying to pile up stocks before the higher

¹ Since this was written the Chain Trade Board has fixed new rates in accordance with this proposal (see below, p. 49).

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rates came into operation, refused. The result was a lock-out, lasting from 17th August to early in October, which affected about half the women in the trade, and which was ended by the employers agreeing to give formal notice making the payment of the minimum rates fully obligatory upon them, and to employ only such shop-owners as agreed to pay those rates. Thus the period in which the payment of less than the minimum could be punished by a fine began earlier in the chain trade than in the other industries which came under the Trade Boards. The Chain Board's determination had, however, been already so thoroughly sifted, that no practical disadvantage resulted from this departure from the usual procedure. All it did was to prevent the piling up of stocks at low rates from leading to a period of unemployment when the rates were made obligatory by the Board of Trade.

IV

THE DETERMINATIONS ISSUED BY THE CHAIN TRADE BOARD

THE final results of the Chain Trade Board's labours were, four lists laying down a minimum time rate and minimum piece rates for hand-hammered and dollied or tommied chain-making, rules incidental to their enforcement, and rules as to apprenticeship. According to the provisions of section 4 of the Trade Boards Act, a Trade Board *must* fix general minimum time rates, and *may*, if it thinks fit, fix either (a) general minimum piece rates (*i.e.* piece rates applying to all the firms in the industry), or (b) special minimum piece rates (*i.e.* piece rates applying to particular firms for which they have been specially drafted on the application of those firms to the Trade Board). The minimum time rate fixed by the first Chain Trade Board was 2½d. per hour for hand-hammered chain (the women's section of the trade), and from 5d. to 7d. per hour for dollied or tommied chain (the men's section of the trade), according to the diameter of the iron used. These minimum time rates were to be paid when the tools, fuel, blast and workshop accommodation were provided for the worker by the employer. When, as is done by single-handed workers, these are provided by the worker, a higher minimum time rate must be paid, namely, 3½d. for hand-hammered chain, and from 6½d. to 9½d. for dollied or tommied chain. As it was agreed by the representative members of the Board that the standard working week should be considered to be fifty-four hours for women, and forty-eight hours for men, the weekly time wage for a

full week's labour, as fixed by the first Chain Trade Board, works out at 11s. 3d. for women, and at from 20s. to 28s. for men.¹ The minimum fixed for women is, it will be agreed, extremely low; it is lower than the time rates fixed by any one of the other three Boards established under the Act of 1909. As is pointed out above, it was a compromise between the employers' offer of 2½d., and the workers' demand for 3d. That it should have been accepted by the latter was due rather to the special circumstances of the time when it was fixed, than to their adherence to the view that 2½d. per hour could be regarded as an adequate wage for a woman chainmaker. When the first Trade Board met, in January 1910, the industry was only just beginning to recover from a severe depression. The exports of "anchors, grapnels, cables and chains," which had amounted to 38,112 tons in 1907, fell to 27,826 tons in 1908, and to 25,982 tons in 1909. In 1910 trade began to revive, and the exports rose to 28,478 tons. But the depression of the preceding year was still vividly in the minds of the workers; no one could say in the earlier part of 1910 whether it was yet over; and naturally the resistance to a low rate—at least, as a temporary measure—was less vigorous than it would have been if trade had been normal. Further, the Chain Trade Board was the first Board to fix minimum rates. Its members were naturally, though perhaps excessively, cautious. It was felt that if an attempt to fix a higher rate than 2½d. led to a rupture on the Board or to any industrial disturbance, the future of the whole movement might be jeopardised; and as 2½d. per hour was a considerable advance on the wages earned at the time by women, it was accepted. What the members of the Chain Trade Board did not, perhaps, sufficiently realise was, that by fixing a low rate

¹ Men's hours of labour vary very much: often they work more than forty-eight hours per week, in which case, of course, their earnings are greater than those given in the text.

they might be helping to keep down wages in other industries. The rate established by one Board is inevitably quoted when other Boards are fixing wages. One of the commonest objections to the rates of 3½d. and 3¼d. per hour proposed for women by the Boards in the clothing and cardboard box-making industries respectively, was that the Chain Trade Board had fixed a minimum of 2¼d.

In the chain-making industry, however, the time rates, though important as serving as a standard for the guidance of the Board in fixing piece rates, are in the actual routine of administration of minor consequence. The really vital issue was not the fixing of a time rate, but the drafting of piece-work lists. In this respect the determination of the Chain Trade Board presents a marked contrast to those of the Boards in the clothing and paper and cardboard box-making trades. In the latter industries, where, though the majority of workers are paid by the piece, the variety of rates is such as to have made general minimum piece rates covering the whole, or even the greater part, of the trade hitherto appear impracticable, the crucial element in the Board's determination is the minimum time rate. On the one hand, an employer whose piece rates are challenged has to prove that they yield the ordinary worker at least the minimum time rate, and a worker of normal capacity who is earning less than this has a *prima facie* case against him. On the other hand, the investigating officer who wishes to ascertain whether an outworker is being paid the required minimum, has no fixed list by which he can judge the rates at which she is paid. All he can do is to endeavour to ascertain how many hours she works, in order to earn a given sum, and from it calculate as best he can whether the piece rates fixed by the employer are such as to yield the hourly minimum fixed by the Board. In the chain-making industry the situation is quite different. Not only, as is inevitable in a trade where outwork is so predominant, are the vast majority of those employed piece-workers,

but the trade has always been governed in theory by general piece-work lists, which, though hitherto largely inoperative except in the factories, in which they are enforced by the men's organisation, are nevertheless the ordinary apparatus for calculating wages. The principal task of the Chain Trade Board was to fix a list of minimum piece prices. The establishment of a minimum time rate, though necessitated by the Act, would hardly have received attention without it, and there was some reluctance on the Board to undertake it. In practice it applies only to the very few workers who, quite occasionally, are put on an hourly wage : how few these are may be judged from the statement of an experienced authority that there are not more than three or four shops in the whole industry where workers are paid by time. Any statement, therefore, that all the women workers in the chain trade are *earning* at least 2½d. per hour, or all the men at least 5d., must be received with considerable caution. Except in the case of the few workers who are paid by time, what the Board and its officers are concerned in maintaining is compliance with the list of general minimum piece rates. This fact enormously facilitates the work of enforcing the Board's determination, and, given adequate inspection, makes impossible the non-compliance which, in the case of out-workers employed in the clothing and box-making trades, for whom no general minimum piece rates have as yet been fixed, is only too easy. But it leaves the correspondence of the minimum piece rates with the minimum time rate still a matter for investigation. No doubt a rough correspondence does exist between them ; for the piece rates were drafted by practical men with the minimum time rate in their minds. Probably, however, it is only rough ; for the speed at which different chainmakers work varies enormously ; if employers demand even a slightly better quality of chain, their output necessarily falls off ; and a small rise in the price of fuel is sufficient to bring their net earnings below the minimum. For

these reasons piece rates should always be fixed so as to yield the normal worker more than the minimum time rate, and investigations into earnings and hours should from time to time be made to ensure that the piece list really does yield the minimum hourly wage.

The actual process by which rates were arrived at may be illustrated from the procedure of the Board with regard to a single problem, the fixing of rates for dollied and tommied chain. First of all, two time rates were agreed upon,¹ of which the first and lower was to be of merely provisional service for calculating the piece rates to be paid upon the commonest quality of chain, the only quality of dollied or tommied chain for which rates were fixed; the second was to be the legally enforceable minimum time rate to be paid to time workers, and was fixed on a higher level, because it applied to all chains, not only to the commonest quality. To erect piece rates on the basis of time rates it was necessary to decide how much chain the ordinary worker could be expected to make in a given time. It was agreed that an average quantity of work was 90 yards of "short link" chain.² But the chain trade is a very exhausting one; and the larger the diameter of the iron worked, the more exhausting it is. It is quite impossible for a man who makes the heavier kind of chain to work as long as the man who makes the lighter kinds. Hence, unless he is to have a lower weekly wage because he does harder work, he must be paid on a higher hourly rate. How much higher should the time rate paid for the heavier kind of chain be? This was a point which could be settled only by the practical experience of those members of the Trade Boards who were familiar with the technique of the industry. Their conclusions were verified by an inquiry subsequently made by the officer of the Trade Board into the number of hours normally

¹ Chain Trade Board Minutes, 20th April 1910.

² Chain Trade Board Papers : Draft Report (unnumbered) of Procedure in fixing Dollied and Tommied Rates.

worked by different groups of workers. It was found that factories and workshops were generally open in Cradley Heath for fifty-four hours per week, that men making chain with links less than $\frac{1}{2}$ inch in diameter usually worked from forty-eight to fifty hours, and that the working week decreased gradually as the diameter of the iron worked increased, amounting in the case of men making between $\frac{11}{16}$ " and $\frac{3}{4}$ " full to about forty to forty-two hours, and in the case of men making $\frac{13}{16}$ " and over to thirty-six to thirty-eight hours.¹ Different time rates were, therefore, fixed, which varied, according to the size of the iron, as follows:—

	Minimum Time Rate.
No. 6. I.S.W.G. to	5d.
$\frac{1}{2}$ " to $\frac{5}{8}$ " + $\frac{1}{32}$ "	5d.
$\frac{11}{16}$ " to $\frac{3}{4}$ " + $\frac{1}{32}$ "	6½d.
$\frac{13}{16}$ " to $\frac{1}{2}$ " + $\frac{1}{32}$ "	7d.

The next thing to do was to construct a piece list on the basis of these time rates. Here the Board was helped by the existence of lists which were already in existence, though in practice they were not observed. The Board took one of them as a basis of discussion,² reduced some of the rates and raised others to produce a harmonious scale of prices, and added prices for intermediate sizes over $\frac{1}{2}$ ", for which in the past prices had not been fixed. The result was the list of "Minimum Rates for making Dollied or Tommied Chain."

Into the mysteries of the piece lists as they finally appeared, I do not propose to enter.³ Their details cannot easily be made intelligible to a person unacquainted with the industry, and it is not necessary here to do more than

¹ Chain Trade Board Papers.

² Chain Trade Board Minutes, 25th May 1910.

³ The production of these lists is not desired by persons connected with the trade; the reader would learn very little from them.

give a general statement of their main principles. For the purpose of piece-work lists the chain trade may be grouped into the two broad divisions which we have already described, hand-hammered chain, the women's section of the industry, consisting of chain made and shaped solely by use of a hammer, and dollyed or tommied chain, the men's section of the industry, consisting of chain which, after being welded, is given a smoother finish by being shaped by means of a tommy or dolly. The hand-hammered branch of the trade is itself subdivided into short link, coil chain and country work. Short link chain is the chain in which the links are short, that is to say, are not more than about four and a half or five times the diameter of the iron. Coil chain is a generic term for chain other than short link, which is made in long lengths for sale merely as chain and for no specific or known purpose. Country work consists of a great variety of articles, often, as the name implies, for country or agricultural uses, such as cow ties, plough traces, etc., but also comprising articles ranging from rabbit-traps to convicts' leg-chains. The piece list represents a combination of several variable factors, weight of chain turned out, diameter of iron used, quality of chain and number of links to a foot. Thus the prices of short link chain are reckoned at so much per cwt. of chain produced. Both in the case of hand-hammered and of dollyed or tommied chain they vary according to the diameter of the iron, and, in the case of hand-hammered chain, according to the quality of the work, four grades of hand-hammered short link chain being recognised—"commonest," "common," "extra" and "best"—for which different prices have been fixed. The prices of "country chain" are calculated in different ways according to the particular article under consideration, sometimes per cwt., sometimes per gross of links or rings, sometimes per number of chains made: they depend, like those of short link chain, on the size of the iron and the quality of the workmanship, with the difference that whereas in the

case of the former the Board has fixed a separate price for each grade of chain produced, in the case of the latter it has fixed rates only for the "commonest" chain, and provided in general terms that higher qualities are to be paid for at higher rates. The construction of a piece list is, therefore, a work of considerable labour, and would be quite impossible of accomplishment by any body not composed, like a Trade Board, of persons who have practical experience of the industry.

The constitution of the Trade Board, however, makes the technicalities, which puzzle the outsider, quite a minor matter. Provided its members can agree as to the basis from which the piece list is to start, the adjustment of individual rates is comparatively easy. The custom of the trade in fixing piece rates has always been to base the large number of prices which have to be settled upon a standard price for iron of a certain diameter, and to calculate the prices of chain of larger or smaller dimensions from this *datum*. The different lists which have been from time to time in use are known by the price which they fix for this particular size. Thus there is a 6s. 6d. list, a 6s. list, 5s. 6d., 5s., 4s. 6d., 4s., 3s. 6d. lists, under which the worker is paid from 6s. 6d. to 3s. 6d., as the case may be, for making links of the size which is taken as a basis; and the worker who knows on which list he or she is being paid can calculate what the prices should be for chain of different sizes and qualities. The crucial issue for the Trade Board to determine was the basis from which its list was to start. The employers wanted the Board to fix prices on the basis of the 4s. list for dollied chain, and the 3s. 6d. list for hand-hammered chain, the workers on the basis of the 5s. list for the former and the 4s. 6d. list for the latter. Ultimately the 4s. 6d. list for dollied and the 4s. list for hand-hammered were adopted as a compromise, and four lists of prices were produced, one for "short link" hand-hammered chain, two (including a supplementary list issued later) for "country chain"

and one for dollied or tommied chain. These lists fix the price to be paid to the worker according to the diameter of the iron, quality of the chain and other factors mentioned above. Since the chain may be made either by a "single-handed worker" in his or her own home, or on the premises of a shop-owner, each list includes two scales of prices, of which one is to be paid when workshop, tools, and fuel are provided by the worker, and the other, which is 25 per cent. lower than the first, is to be paid when they are provided by the employer. The question whether the lists apply to any particular section of workers depends entirely on the quality of work which they are doing. Chain made in factories, for example, is of high quality, and is in practice paid for on a higher list than that fixed by the Trade Board. The rates thus fixed are still in operation, but in July and November 1912, resolutions were moved¹ by the workers' representatives in favour of taking steps to vary the time rate for hand-hammered chain from 2½d. to 3d. an hour, "with consequent alterations of piece rates," and to make increases in the dollied and tommied rates of roughly similar amounts. The workers' side of the Board put forward its original demand for a minimum for hand-hammered chain of 3d. an hour, the figure since fixed for women making cardboard and paper boxes, and supported their case by arguing that the price of necessaries had risen since the rates were fixed, that the price of breeze had gone up, which meant that the workers' net earnings were reduced, that the quality of the chain produced had improved and that trade was now prosperous, whereas, when the first minimum rates were fixed, it was unusually depressed. The employers declined to put forward any alternative proposal, except the maintenance of the existing minimum, denying the workers' statements as to the rise in prices, and arguing that if rates were raised the

¹ Chain Trade Board Minutes, 1st July, 31st July and 13th November 1912.

trade would suffer from foreign competition and from the introduction of machinery, and that once a minimum had been fixed by the Trade Board it should be left to the trade unions to secure better terms for their members if they could. The appointed members suggested a minimum time rate of $2\frac{1}{2}$ d. for hand-hammered chain as a compromise, but this also was rejected by the factory occupiers' representatives, who carried their opposition to the length of retiring in a body from the meeting when a resolution in regard to hand-hammered chain was, after much delay, finally put.¹ The resolution was therefore carried in their absence, by those who remained. This resolution was in favour of increasing the rates by $\frac{1}{4}$ d. an hour, and not by $\frac{1}{2}$ d., as was originally proposed.

A similar struggle appeared likely in respect to the dollied and tommied rates, but fortunately a line of compromise was discovered. An advance from the 4s. 6d. to the 5s. "list" was conceded by the employers, but it was agreed between both sides to limit this advance to the larger sizes, *i.e.* those above $\frac{7}{8}$ " in which the competition of machine-made chain was less to be feared. When a resolution on these lines was finally moved, it was carried with only one dissident.

In pursuance of these resolutions the Board took steps to vary the rates in the form provided by the Act. The agreement of the employers in regard to the dollied and tommied proposal had also carried with it, not perhaps a formal approval of the hand-hammered proposal, but, at any rate, a discontinuance of open hostility to it. When, therefore, proposals to vary had been drafted and had been submitted to the Board for issue to the trade, only one employer actually voted against them. The proposals, it was understood, were issued without prejudice, and as the Act requires that all objections lodged against them within a period of three months shall be considered, it would not be proper to assume that the "proposal to vary,"

¹ Chain Trade Board Minutes, 31st July 1912.

which was issued on 11th August 1913, will necessarily be confirmed when it comes before the Board.¹ If it is ratified by the Board of Trade, it will mean that the minimum rates stand as follows :—

(a) Time rate for women : 2½d. when the employer provides workshops, tools and fuel, and 3½d. when he does not (as against 2¼d. and 3½d. at present).

(b) Time rate for men : 5d. to 7⁷/₁₀d., according to the diameter of the iron used, when the employer provides workshop, tools and fuel, and 6½d. to 10⁴/₁₅d. when he does not (as against from 5d. to 7d., and from 6½d. to 9¼d. at present).

(c) General minimum piece rates : an advance of approximately 10 per cent.

The new piece lists improve upon those originally issued in certain other respects as well, in particular by settling the number of links to be regarded as constituting "short link" chain as distinct from "country chain," which is paid at a lower rate.²

Apart from the minimum time wage and piece rates the only part of the Chain Trade Board's determination which calls for special attention consists of the provisions with regard to learners. The word "learners" is not mentioned in the Trade Boards Act, but powers to fix special rates for them are conferred by section 4 (1), which provides that rates may be fixed "so as to apply universally to the trade, or so as to apply to any special process in the work of the trade, or to any special class of workers in the trade, or to any special area." In some industries which come under the Trade Boards Act the question of fixing special rates for learners is of the greatest importance. When the ordinary way of recruiting the trade is for an employer to engage learners, it is obviously necessary to fix minimum rates for them. If the rates are fixed too

¹ The proposal to vary has been, since this was written, confirmed by the Chain Trade Board.

² For the significance of this point see below, pp. 56-57.

low they may lead to an industry being flooded with juvenile labour. If they are fixed too high they may check the natural expansion of the trade. If they are not carefully graduated—for example, if one of the steps is too large—they may lead to young persons being dismissed when they reach a certain age. If they are not accompanied by conditions requiring the employer to offer adequate facilities for learning the trade, they may lead to the employment of cheap labour under the guise of "learners." In the chain-making industry the learnership question is a minor issue. Since the industry is largely carried on either on the worker's own premises or in small shops, it is recruited mainly by boys and girls who have picked it up at home; the usual answer to an inquirer who asks a worker how he or she first acquired the trade, is, "I learnt at my mother's block," or "I learnt at my sister's block," or, "I have handled the tools ever since I could walk"; and investigations made by the Trade Board when the question of fixing learners' rates was under consideration revealed few learners employed under any formal learnership agreement in the "country" branch, and only very few, confined to some six or seven shops, in the "short link" branch of the trade.¹ The craft is, in fact, acquired like any other of the operations of domestic life, by living with the people by whom, and in the house in which, it is carried on.

If the Trade Board had fixed minimum rates for apprentices working at home, not only would they have been difficult to enforce in practice, but the results might have been to encourage evasion of the general piece list. A woman chainmaker, for example, who was anxious to obtain orders for chain in a time of bad trade, might have offered to accept work at less than the list price, and induced the employer to give it her by saying that she was employing a learner at home who need not be paid the full rates, and that, therefore, he need not be afraid of prosecu-

¹ Memorandum by G. T. Reid, 20th July 1910.

tion if he offered it to her. The course which the Chain Trade Board followed, therefore, was to refrain from making any rules as to learners employed in domestic workshops, and to fix rates only for such learners—probably an inconsiderable number—as should be working upon the premises of an employer. The rules¹ are slightly different in the case of learners making hand-hammered chain, and in the case of learners making tommied or dollied chain. They are as follows:—

(i) *Hand-hammered Chain*.—The period of learnership is to last for two years. During the first six months the minimum wage is to be 4s. per week, during the second six months 5s. 6d. per week, during the third six months 80 per cent. of the minimum piece prices, during the fourth six months 90 per cent. of the minimum piece prices. But these special rates for learners are only to be paid on certain conditions. "For the purpose of all the above rates, whether time rates or piece rates, 'learners' are persons who—(a) are definitely and effectively employed in the practical learning of the trade under an agreement in writing, and have not been definitely employed in learning the trade more than two years:

"(b) are under seventeen years of age:

"(c) are working on the terms of having the workshop and the tools and the fuel provided by the employer:

"(d) hold a certificate from the Trade Board issued on an application made prior to the commencement of the employment, or within such period thereafter not exceeding three calendar months as the Trade Board may in any case allow; provided always that in granting or withholding such certificate the Trade Board may take into consideration whether, having regard to the number of learners employed in any factory or workshop or under any journeyman or worker, the learner proposed to be certificated has a reasonable prospect of receiving due instruction;

¹ The rules as to learners are set out in full on the lists for making hand-hammered and dollied or tommied chain.

provided also that any certificate granted may be withdrawn if the Trade Board consider that the conditions of employment have ceased to be such as would have originally justified the grant thereof."

(ii) *Dollied or Tommied Chain*.—"Learners (as hereinafter defined) who are making the above classes of chain from iron of a size not larger than $\frac{1\frac{5}{8}}{2}$ " diameter shall receive the following minimum or lowest time rate free and clear of all deductions, that is to say—

CLASS (A)—During the first six months of employment a minimum wage of 4s. a week.

During the second six months of employment a minimum wage of 5s. 6d. a week.

During the third six months of employment a minimum wage of 10s. a week.

During the fourth six months of employment a minimum wage of 12s. 6d. a week.

CLASS (B)—But where a learner has served an apprenticeship of not less than two years to hand-hammered chain-making, such learner shall be allowed to count such period of learning as equivalent to one year of service to dollied or tommied chain-making. For the purposes of all the above rates learners are persons who—

(a) [as under hand-hammered chain]:

(b) have not been definitely employed in learning such branch of the trade more than two years in the case of learners employed under Class (A), and one year in the case of learners employed under Class (B):

(c) are under eighteen years of age:

(d) [as under hand-hammered chain, clause (c)]:

(e) [as under hand-hammered chain, clause (d)]. "

As has been already explained, the number of "learners" in the chain trade is so small that these rules do not affect more than an inconsiderable number of persons. As a matter of fact, between the date of the establishment of the Chain Trade Board and 3rd December 1912, only fourteen

learnership certificates¹ had been issued. The principles laid down by the Chain Trade Board are, however, of the greatest importance, and, if applied to industries where learners were more numerous, would have far-reaching consequences. In the first place, the mere fact that a Trade Board has power to fix minimum wages to be paid to young persons enables it to influence the number of them employed. If it pleases, it can make juvenile labour expensive to the employer. In the second place, since, if it declined to fix special rates for learners, the employer would be legally bound to pay them the full minimum rates, the Trade Board is in a position to make it a condition precedent to the fixing of lower rates for learners that their interests should be duly safeguarded, not only in the matter of wages, but in other respects as well. The most obvious way of doing this is to make it a rule, as the Chain Trade Board has done, that every learner should have a "learnership certificate," duly signed by the secretary of the Trade Boards. The effect of this compulsory registration of apprentices is that whenever an employer engages a learner the Trade Board receives official notice of the fact. A special application must be forwarded to it by the employer on each occasion, and is considered with reference to the circumstances of the particular case. The employer must show that he is prepared to offer genuine facilities for acquiring the trade to the learner, and that he is not engaging him merely because juvenile is cheaper than adult labour. He must in particular specify the number of journeymen and learners already employed. For the Trade Board, returning to the most primitive and universal of all industrial regulations, has rightly held that if the ratio of learners to journeymen is excessive, that in itself offers a presumption that the learner has no

¹ Chain Trade Board Papers, No. 437. Seven certificates were issued for girls and seven for boys. Of the ten firms concerned, six were in the hand-hammered branch, and four in the dollied or tommied branch of the trade,

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"reasonable prospect of receiving due instruction," and has laid it down that the proportion of apprentices to journeymen is not to be larger than one of the former to every eight of the latter. "In the case of Mr. X., where it was shown that four journeymen were employed and three learners, it was agreed to inform Mr. X. that the Trade Board were of opinion that this proportion was excessive, and that a certificate would be granted to A. B. only on the understanding that no learner should be taken on in the place of C. D., who would reach the age of seventeen in May 1912"; "It was agreed that an official should visit Mr. Y. and emphasise his obligation to teach": these entries do not come from the registers of a mediæval municipality or craft gild, but from the Minutes of the Chain Trade Board for 11th January 1911.

V

THE EFFECT OF THE CHAIN TRADE BOARD ON CONDITIONS OF EMPLOYMENT OTHER THAN RATES OF PAYMENT AND EARNINGS

IN a subsequent part of this monograph an attempt is made to give some account of the advance in wages caused by the establishment of the Trade Board in the chain-making industry. It would, however, be a serious mistake to think that the advantages derived from the fixing of minimum rates of payment are to be measured solely by the actual increase in earnings brought about by them. The effect of setting up a Trade Board in any industry is virtually to transfer the settlement of wage rates and of matters incidental thereto from the caprice of individual employers to the control of a representative body; and, quite apart from the direct increase in the workers' income represented by the difference between the new rates and the old, this transference of authority has two important consequences. In the first place it has the effect of defining industrial relationships by substituting general rules which have been reached after discussion for usages dictated by the convenience or necessities of particular individuals. In the second place it influences the whole conduct of the industry by placing all producers in respect of the price of labour upon an equal footing, and thus preventing the practices by which particular firms were able to secure an immediate advantage over their competitors in the matter of wages. Before giving figures of the advance in wages we will consider these two points in order.

The first point need not, as far as the chain industry is

concerned, detain us long. Apart from the matter of apprenticeship, which has been discussed above,¹ the rules incidental to the fixing of minimum rates which the Trade Board has found it necessary to make aim at protecting the worker by preventing the employer from indirectly reducing his wage by demanding additional work without paying for it. Thus the rates are fixed "free and clear of all deductions," which means that charges cannot be made for workshop convenience except to the extent laid down by the Trade Board, and that, as long as not more than the minimum rates are being paid, fines of all sorts—the scourge of women workers in some industries—are illegal. The reduction in prices which an employer may claim when he provides workshop, tools and fuel is fixed at 25 per cent., and thus the possibility of exorbitant demands is ruled out. Ten per cent. extra is to be paid to the worker for gauging the links; any "undue variation from the size of iron shall be paid at the next higher rate"; 8 lb. is fixed as the probable wastage in every 112 lb. of iron. In all these matters the Trade Board made few new departures, and was merely defining and codifying the custom of the trade as it obtained in the best firms. This, however, is in itself a substantial benefit to an unorganised body of workers, and it is virtually certain that it will be necessary to carry the power of definition considerably further in the future. For some time past, for example, not only have there been frequent complaints that employers were demanding better² qualities of chain for the price of "commonest," but it has also been alleged that certain classes of "short link" chain were being paid for as "coil chain," the list price of which is considerably lower.³ In the absence of a Trade Board the question

¹ See back, pp. 49-54.

² See below, pp. 94 and 111-113.

³ See below, pp. 94-95. The cause of these complaints is as follows: There are two classes of chain made by women, short link chain and country or coil chain. The difference

whether or not it is desirable to make rules to stop such indirect evasion of the list could not even be raised, for there would be no authority whose decision would be recognised as binding on the trade. As it is, however, the workers' representatives have brought this particular grievance before the Trade Board, and when the Board's new proposals come into effect, not only will rates be raised, but the possibility of paying the "coil chain" prices for "short link" chain will be abolished by a definition¹ which offers, for the first time, a means of determining within which of these two categories any particular chain falls.

The second point is more important. The subordination of all employers in the industry to a list of prices has had two consequences which are of the utmost importance to the workers, and are of considerable interest to students of the economics of the minimum wage. Of these the first is easily grasped. By fixing a minimum

between them turns on the number of links per foot, but no definition was laid down by the first Chain Trade Board, which assumed that the custom of the trade as to the number of links per foot constituting short link and coil chain respectively would be followed. The worker's complaint is that a shopowner or middleman will give, e.g., an order for 1 cwt. of No. 1 slap chain, telling her to make it with twelve or thirteen links to the foot, which, by the custom of the trade, is short link chain, and should be paid at the short link price, namely, 7s. 6d. per cwt.; and that then, when she brings the chain back, he will pay her the coil chain price, which is 6s. 10d. per cwt. This means that the middleman gets the chain made for the lower (coil chain) price, and then sells it as short link chain at the higher (short link) price.

¹ Proposal to vary, 13th August 1913. "In the case of commonest quality hammered chain, if the number of links per foot is one or two less than is specified in column 2 of the above table, the rate as for short link chain shall apply, except that commonest chain of sires Nos. 9 or 10 containing twenty-five links or more per foot shall be paid for as short link."

below which piece rates cannot fall, the Trade Board has checked the wild fluctuations in the workers' earnings which used previously to take place, and has given a new security to their standard of life, which, though it may still be low, is no longer so entirely precarious as it was before. No better example can be found of the effect both on the position of the worker and the organisation of the industry of the absence of any recognised standard wage or price list, than the conditions which till recently obtained in the chain-making industry. Prior to the operations of the Trade Board, what happened was that the rates paid at any one time depended entirely upon a bargain made between the individual worker and the factory or shop-owner by whom he, or more usually she, was supplied with iron. In making this bargain the worker was in a peculiarly helpless position. Not only was she unsupported by any effective organisation, but since she was alone when she got her order, and alone when she executed it, she was not even protected by the negative barrier to a decrease in price which is offered by custom in most businesses where a large number of workers are employed together, and which, ineffectual as it is, sometimes causes even the most necessitous or most tyrannical manager to hesitate before enforcing a sweeping reduction. If she was employed by a shop-owner or a middleman, she had no knowledge what price he was getting from the factory, or what price he could afford to pay her. The result was that, before the minimum rates were fixed by the Trade Board, the workers underbid each other for orders, and that prices were fixed, in the vivid words of a witness before a Royal Commission, by "a kind of auction reversed."¹ Among both factory occupiers and shop-owners there have always, of course, been some who declined themselves to take advantage of the necessities

¹ Report of the Commissioners appointed to inquire into the working of the Factory and Workshops Acts, 1876, vol. ii. Minutes of Evidence, 5688.

of the worker, who deplored the beating down of rates by their more unscrupulous competitors, and who welcomed the establishment of minimum rates by the Trade Board. But the description of the organisation of the industry from which these words are taken was as true of large sections of it in 1909 as it was when it was given in 1876. "On a Monday morning the contractors or mastermen assemble at the master's warehouse, when the master tells them what work he has, and unless trade is very brisk he calls them in one by one, and tests them as to what price they will make certain chains for, invariably giving the work to those who offer the lowest tender. Now it very often happens that the masters have orders on their books that there is no particular hurry for before the end of the quarter, or some time in the next. At these times when the men pay their accustomed visit to the master's warehouse, in quest of orders, the master does not put in an appearance, but deposes some subordinate, who, with a dismal countenance, tells the men that trade is bad, the master is out, and that he is afraid that there will be no more orders until there is a general reduction. The same process is repeated day by day, until those with any self-respect turn away in disgust, leaving the most necessitous, who are obliged to take what the master can give, and then they, with their wives and children, go to work night and day, as far as they dare, to make up lost time." ¹

Moreover, the multiplication of middlemen itself aggravated the worker's disabilities. Side by side with the shop-owner who discharges a useful function and makes a legitimate profit by taking iron from the factory in bulk, distributing it to the workers whose capacity for making different classes of chain he knows, supervising the work, and collecting the order when completed—an operation

¹ Report of the Commissioners appointed to inquire into the working of the Factory and Workshops Acts, 1876, vol. ii. Minutes of Evidence, 5688.

which saves time and trouble to the factory master—the ease with which small masters can enter the chain trade long ago caused the appearance at Cradley of a class of middlemen who really made their living by trading on the necessities of the workers. Their excessive number—there are said to be 150 to 250 shop-owners—resulted in reckless undercutting between them. In their anxiety to secure orders from factories they frequently took out work at the price which they should, if the nominal list had been a reality, have paid the workers, and in order to make a profit at all were obliged to retain themselves money which should have been handed over to the latter as wages. Nor was this the worst evil. It sometimes happened that one middleman took out a larger order than he could himself get executed. He would then sublet part of it to another, and the second would hand over part of it to a third. It is stated that on occasion the order would pass through as many as five or six hands before reaching the worker who actually made the chain.

The effect of this system in beating down wages is obvious. The first middleman could, perhaps, afford to pay a fair price. All the rest made their profit by cutting down wages, by (in the words of one of them) “persecuting the workers.” The worker was in their power, for she depended upon him for orders. Moreover, as so frequently happens where wages are so low that the workers are obliged to live from day to day, their very poverty produced a relation which placed them still more completely at the mercy of the subcontractor. A practice grew up under which he advanced them money, allowed them to “draw” upon him; became, in fact, not only their employer, but their banker, a banker with whom they were constantly overdrawn, and who, if they protested against a further reduction, could bring them to heel by a threat to stop their “draw” out of next week’s wages. The result was that the more necessitous or unscrupulous middleman would play off one worker against another,

telling a woman who called and asked for an order that he had no work for her, and then, as she was about to leave the office, calling her back to say that though he did not really need her services, he would, out of kindness to her, give her a little work, provided she would take it at a low price; reminding a man that he was in debt, and that if he made any trouble he would have to repay at once; stating that he knew somebody else who would be only too happy to get work at any price, if the first applicant refused it; suggesting that his goodwill was more likely to be helpful in a pinch than any trade union; lamenting that he could not pay better, as he would like to do, on account of the competition of unscrupulous middlemen who had just reduced prices, and whom he was obliged to follow, because the factory which gave him work had done so at such a figure that he could not make a profit.

The last statement was, often enough, perfectly true. The exactions of the middleman were not the cause, but a symptom, of the general disorganisation of the industry, and we must hasten to point out that what is said above does not imply that he has any special responsibility for the bad condition of this or any other trade. In the denunciations sometimes launched against the subcontractor, there is a good deal of ignorance and a certain amount of hypocrisy. The desire of society to find a scapegoat for industrial brutality without impeaching wealth, position and respectability, has in the past led the more romantic of the writers who have described "sweating," to personify it as a sinister figure swollen with profits made by taking out work at a high price from the employer, and getting it done at a low price by the worker. That such monsters exist is probably true, though they are not numerous at Cradley Heath. That sweating is a "system" which depends on the malpractices of "subcontractors" is wholly untrue; most unfortunately untrue, for, if it were, it would be comparatively easy to abolish it. The safest

maxim to follow when it is desired to fix responsibility is the legal one, "Who profits by it?" Now there is no doubt that in the chain industry (as in most others), the person who profits by the beating down of wages by the subcontractor is the ultimate employer, much more than the subcontractor himself. The factory occupiers who gave out work may often have been unaware of the conditions under which it was done. But the original pressure which led to the cutting of wages started with them.

"Half-ignorant, they turn'd an easy wheel,
That set sharp racks at work, to pinch and peel."

As far as Cradley Heath is concerned, the shop-owners, though they are more numerous than is necessary, and though their numbers have aggravated the evils of low wages in the past, are very largely at the mercy of the factory occupiers who give them work. They have really been not the principals, but the agents through whom competing employers have taken advantage of the absence of any standard rate to speculate on the possibility of reducing wages, in order that they might accept orders at prices which would not be remunerative unless wages were reduced. What the abuses described above mean is that, in the absence of trade union organisation, or of a legal minimum such as now exists, the price of labour tends to be the most elastic and compressible item in costs. The middleman cut at this because it was easier to do so than to beat down an astute factory master. The factory occupier knew that there was no fixed minimum, and therefore beat down the middleman till he could only recoup himself by reducing wages. The way in which the burden was shifted from one party to another till it finally accumulated with crushing weight on the wage-earner, will be evident if the reader recurs for a moment to the description of the organisation of the chain-making industry, which was given above. Orders for chains

are received by merchants in Birmingham, or London, or Manchester, and firms in Cradley Heath are asked to tender for them. A typical firm in Cradley Heath owns a factory, where it makes a certain amount of high-class chain. It employs three or four shop-owners to whom it gives out iron to be made into lighter chain, and perhaps at the same time gives out work of an inferior quality to some scores of single-handed workers. The shop-owners in turn make part of the chain on their own premises, and give out the rest to be made up by these home-workers. Now, when there is a minimum below which wages cannot fall, that fact has to be taken into account in tendering for contracts. A manufacturer can reckon up his costs throughout; so much for iron, so much for the workers whom he employs direct, so much for the middleman who cannot pay less than a certain price to the workers employed by him, and who must get a profit in addition. He can therefore offer the merchant an estimate, which includes all the items for which payment must be made, and the middleman, when taking out work from the manufacturer, can do the same. But since, before the establishment of the Trade Board, there was in fact no fixed minimum, what happened was that the manufacturer or middleman who was pressed, took an order which would not yield him a profit unless wages were beaten down, and, having taken the order, had accordingly to beat down wages. Every party, except the merchant who employed every one, and the wage-earner who employed no one, felt that a bad bargain at one stage could be retrieved by a good bargain at another. The employer argued (sometimes unconsciously) that, if he took work from the merchant at a low price, he could squeeze the shop-owner; and the shop-owner argued (often consciously) that if he got a low price from the employer, he could squeeze the wage-earner. Thus the whole chain of contracts was, as it were, subtly corrupted by the fact that, in the last resort, the worker could be cajoled,

bluffed or intimidated, into selling his or her labour at an artificially lowered price. Each party in the series knew this, and each who could traded upon his knowledge, the factory owner quite as much as the middleman. The former, in contracting with the merchant from whom he got his orders, knew that if he did not beat down the middleman his competitors would do so, and was therefore disposed, when pressed, to take his orders at a low price, trusting to recoup himself when his turn came to give orders to some one else. When the middleman came to the employer for iron, he knew that the employer always had the alternative of giving it to him, or making it up in his own factory, and that there were other middlemen who would beat down wages if he did not. When the worker, ignorant of what price the middleman was being paid, came to him for iron, it was almost inevitable for the middleman, if pressed or anxious to get a footing in the trade, to offer the lowest price which he or she could be induced to accept, rather than obtain no work at all. "The minimum rates," said an employer, "ought to have been in force long ago. The unscrupulous employers used to make things hard for the better men. . . . They would take work at any price, and tell any tale to the poor workpeople. First, the merchant would beat the manufacturer down 3d. or 6d., by saying—often quite untruly—that So-and-so was quoting a lower price. Then the manufacturer would say, 'Well, if other people can do it at that price, we can do it,' and would go to the workers and tell them, 'So-and-so has quoted such-and-such a price. If you want to have work you must take it at such-and-such a price from me.' There was no bottom in the trade before. Now all that has been stopped. A manufacturer can reckon up his cost throughout, so much for iron, so much for labour, and so on; and therefore he knows that he cannot quote below a certain price."

The first effect, then, of the absence of any standard

price was that the earnings of the workers were extraordinarily unstable, piece rates not only varying largely from firm to firm, but also fluctuating wildly from one period to another. When trade was good, trade unionism revived and took advantage of the boom to demand an advance; both men and women, for example, have at certain times in the past been paid on a higher list than that now fixed by the Trade Board, quite apart from the special concessions offered by particular firms. When signs of a depression occurred, the difficulty of organising outworkers reasserted itself, and by the time it had become serious and a union was most necessary, the union, as far as the outworkers were concerned, had virtually disappeared. The process would begin by individual middlemen who were in difficulties nibbling at prices. A worker would come to them for iron and refuse to take it out except at the union price. They would tell him that he was a fool to belong to the union, that he could get work from them if he took it out below the list price, and that nobody would know, that if he refused his "draws" would be stopped and he would have no more work from them. A competitor would next guess what was happening, and would tell his workers that So-and-so was giving out work below the list price, and that he was forced to do the same. The result was that a reduction in prices, which might have been necessary in a time of bad trade, was not so much a reduction as a complete collapse. It did not, as in a well-organised industry, take place after any formal discussion; it did not take place to an extent proportioned to the necessities of the trade; it did not apply equally or simultaneously to all firms. On the contrary, it was forced upon unorganised workers by individual employers^o and middlemen, each of whom was in a panic lest his competitor should succeed in making a bigger cut at wages than he did himself, and the only limit to it was set not by what employers could afford to pay, but by the point at which a worker would decide that it was better to

"clem playing" than to "clem working," and throw down his tools. There was, in the above-quoted words of an employer, "no bottom to the trade," and by the time that the ruinous beating down of wages was completed, it had resulted in competent women workers earning between 4s. and 5s. for a working week of over fifty hours.

The second effect of the absence of any standard wage was more subtle. It was that not only did wages fluctuate wildly with every fluctuation in trade, but that—paradoxical though it may seem—the fluctuations in the chain trade were themselves aggravated by the fluctuations in wages. One of the objections frequently brought against the establishment of legally enforceable minimum rates is that its effect would be to intensify the evil of unemployment by offering a barrier to a reduction in wages when trade was slack. Such a reduction is, it has been argued, "the natural remedy" to be applied when a depression is imminent. If the demand for labour is falling off, it should be stimulated by a fall in the price of labour. Any force which holds up wages merely accentuates the depth of the depression. The enforcement by a trade union of its standard rates is thus really in part responsible for unemployment; while a system under which the State forbids the payment of less than certain rates, though it may benefit those who remain in work, will inevitably increase the number of those who have no work at all, and thus either intensify distress or collapse under the pressure of the unemployment which it has artificially aggravated.

The chain trade of Cradley Heath offers an excellent opportunity for testing the doctrine that the acuteness of a depression can be mitigated by an immediate reduction in wages. Owing to its connection with agriculture and the shipbuilding industry, it naturally shows considerable irregularity; owing to the absence, prior to the Trade Board, of any standard rate, the price of labour was indefinitely compressible; and if the theory outlined above

were correct, this fact should have mitigated unemployment. In fact, however, the chain-making industry is one in which cyclical unemployment has been exceptionally acute; and what actual experience, as explained almost unanimously by employers, shop-owners and workers, shows is that the absence of a minimum, so far from steadying the demand for labour, actually increased its instability. The reason is simple. The consequence of the absence of any standard rate is to add an additional irregularity—a fluctuating labour price—to the other irregularities—a fluctuating demand and varying prices of raw material, which cause an industry to be busy at one period and slack at another. When there is a stiff barrier in the way of a reduction in wages, the production of goods is checked as the demand for goods diminishes, because prices fall while costs remain the same. In the chain trade wages could be cut almost at will; and since, in times of slackening trade, piece prices could be reduced to the minimum at which the worker could be induced to go on making chain rather than go without work altogether, it paid employers to crowd as much production as possible into the period when wages were at their lowest, and to curtail production when, owing to the revival of trade, they would naturally have been rising. What they did, therefore, was to pile up stock when wages were low; a small shop often holding 60 or 70 tons of chain, a large firm some hundreds. This, it might be thought, would have mitigated slackness by increasing production in slack times. In fact, however, it did not cause more than a temporary increase in production, and it intensified the irregularity of the industry. It did not cause more than a temporary increase of production; for while it is, of course, quite true that the cheaper an article is the more of it tends to be bought, it does not follow from this that when a general slackening of industrial activity causes the demand for an article to fall off, the demand will be revived merely by reducing the price at which the

article is offered. To argue that *because* a reduction in the normal price of chain would cause the use of it in agriculture and shipping to be increased, *therefore* a temporary reduction in the price of chain would cause farmers to buy more when the harvest is bad, or ship-builders to buy more when merchants are placing fewer orders for ships, is a violent *non sequitur*. The reduction in wages did not cause more chain to be made. It only caused more chain to be made when wages were at their lowest. And it intensified the irregularity of the industry. For it meant that the production of chain was going on steadily when there was no demand for the chain produced, and that when the demand revived employers had enough chain on hand to carry them over the first few weeks or months of the boom, with the result that at the time when workers would naturally have tried to get higher piece prices they were without work at all. Nor did it raise wages in times of depression. For since every one knew that there was little demand for chain, the employer who was working to stock could tell his workers that he was under no pressure to execute orders, and that if they grumbled he would give them no work at all. What happened, in fact, was that employers speculated on the possibility of reducing the price of labour, concentrated production in the period when labour was cheap, and offered less employment when it was dear. Some of them, indeed, went further even than this. It is perhaps not unduly cynical to say that the speculator who makes his living by taking advantage of price fluctuations is under a strong temptation to stimulate those fluctuations if he can. If an employer, by working to stock, could accumulate enough chain to carry him over the period when the demand was brisk, he would be able to stop production for a time, to take advantage of the consequent slackness to reduce his piece prices, and to commence production for the next active period with wage rates at the bottom level. This, accordingly, is what, prior

to the fixing of minimum rates, some of them seem to have made a regular practice of doing. In the words of a large employer, "they rushed down wages as an investment." It is said that, on occasion, a man who had enough stock on hand would even go so far as to encourage a strike. The classical example of working to stock when wage rates were low was given in 1910. The Trade Board had fixed rates for hand-hammered chain in August of that year, but, owing to the six months' period of grace allowed, they would not have become fully operative in the ordinary course of events till February 1911. Some firms, therefore, set about piling up large stocks of chain at the old piece prices, and locked out those workers who, on the instruction of the Union, demanded the new rates. Had this manœuvre been successful, not only would the firms concerned have got the advantage of having a large stock of chain made at extremely low prices, but the slackness which would have ensued pending its disposal would no doubt have been ascribed to the evil effects of State interference, and might have seriously discredited the Trade Board. On this occasion the prompt action of the Union and the brilliant leadership of Miss Macarthur compelled the employers to concede the new prices without the six months' delay. But this attempt to take advantage of the low prevailing rates to hurry on production was merely a single example, perhaps the last example, of what is stated by many of those connected with the industry to have been a not unusual practice. "When trade was bad," said a member of the employers' side of the Trade Board, "bad manufacturers and middlemen used to pile up large stocks at low prices, and when they had enough used to encourage a strike. . . . Now the tendency is to keep stocks down." "The minimum rates," said one of the largest factory owners in Cradley Heath, "will have the effect of steadying the trade. What happened previously was that employers took advantage of slack times to reduce wages. Then,

when wages were low, they seized the opportunity of cheap production thus offered in order to work to stock, and sold the chain when the good time came round again. *They rushed down wages as an investment.*" A shop-owner explained the process in greater detail. "I used to work for an employer who acted as follows: He would wait till he had piled up a lot of stock. Then he would encourage us to strike for the 5s. list. When he had cleared off all his stock he would offer us one or two orders at the higher price, and then tell us that he had no more work for us, except at a lower price, and so gradually bring the price down and down. That has been stopped by the Trade Board. It is in time of bad trade that it will be especially useful."

To these two great evils, the endless cutting of wages, and the accentuation of trade fluctuations caused by the fact that wages could be endlessly cut, the Trade Board has applied a remedy which would be most valuable even if the advance in earnings which it brought about were comparatively slight. No employer now can undersell another by reducing piece prices. No middleman can cajole the worker into accepting a reduced price on the ground that he has been beaten down by the factory. Both factory owner and middleman know exactly the lowest price which they must pay for labour, and tender for orders on that basis. The worker who gets iron from a middleman knows what price he or she should be paid, and the middleman, therefore, has to make his profit not by cutting wages but by obtaining reasonable terms from the ultimate employer. Equally important is the influence of the minimum rates in discouraging speculative production, the "rushing down of wages as an investment." What exactly the effect of the Trade Board will be in a time of bad trade it is, as yet, too soon to determine; for since the minimum rates came into operation the chain industry has, like most others, experienced a period of quite unusual activity. There seems no reason, however, to dispute the opinion of persons of practical experience in the trade

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that by making it impossible for manufacturers to beat down wages, in order to work to stock when they are at their lowest, the Trade Board will have removed one cause making for irregularity of production. As long as the shipbuilding industry is conducted as at present, it is probably inevitable that the trade connected with it should suffer from periodical recurrences of depression. But it is at any rate a minor advantage that the incentive to speculative production supplied by the absence of any standard rate should have been removed.

VI

THE EFFECT OF THE CHAIN TRADE BOARD ON RATES OF PAYMENT AND EARNINGS

THE facts which have just been given show that even low minimum rates are better than no minimum, and that the Trade Board would have conferred considerable benefits upon the industry even if its effect in raising wages had been slight. In reality, however, the advance in the rates of most classes of workers has been considerable, and it is to an examination of this increase that we must now turn. The material available for forming an estimate of it consists (*a*) of such of the new and old *piece rates* as are available for comparison, (*b*) of such figures as can be obtained as to the *earnings* of individual workers before and after the Trade Board's determination came into force. Of these (*a*) shows the actual advance in the prices paid for making different classes of chain, (*b*) enables a comparison to be made between the earnings of workers before and after the rates were made obligatory,—a comparison which does not necessarily yield the same results as a comparison of piece rates, as it is conceivable that when higher prices are paid fewer hours are worked.

I. MEN'S EARNINGS

(*a*) The advance in piece rates is easier to determine than the advance in weekly earnings, for reasons which will be given below. It is not, however, possible to say exactly what the advance has been in the case of piece rates,

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because, before the Trade Board's list was issued, different employers were paying various prices for exactly the same description of chain. Indeed, one great benefit of the establishment of a Board in the chain-making industry has been that, for the first time, all employers have been obliged to toe the same line. The great divergence in the prices which were previously paid accounts for the various estimates which are given the inquirer of the actual amount of the advance in piece rates brought about by the Trade Board; "25 per cent.," "40 to 60 per cent.," "10 per cent. on the better grades, and 50 per cent. on the lowest grades," "100 per cent. on some grades," were some of the estimates given by employers. The following table shows the advance in the piece rates for the making of dollied and tommied chain (the men's branch of the trade), brought about by the Trade Board. The figures as to the rates obtaining prior to the issue of the Trade Board's determination, on the basis of which the increase has been calculated, were supplied by the kindness of Mr. C. H. Sitch, the secretary of the Hand-hammered Chain Branch of the Women Workers' Federation. Owing to the fact that different prices were paid by different employers before the Trade Board rates came into force, the amount of the increase caused by the Trade Board depends, of course, upon the prices assumed previously to have obtained, being greatest in the case of the firms who paid the lowest, and least in the case of those who paid the highest, rates. For this reason three percentual increases are given—the minimum, the maximum and the median. There is no material for ascertaining to which of these the actual increase most nearly approximates. They must be taken, therefore, merely as supplying limiting points.

TABLE IV.

Increase Per Cent. in Rates for Dollied and Tommied Chain-Making caused by the Trade Board's Determination.

Size of Iron.		(i) Minimum Increase.	(ii) Maximum Increase.	(iii) Median Increase.
		Per cent.	Per cent.	Per cent.
No. 6	I.S.W.G.	33'3	68	50'65
" 5	"	43'4	57'1	50'25
" 4	"	35	50	42'5
" 3	"	19'1	28'1	23'6
" 2	"	13'3	30'7	22
" 1	"	13'4	22'9	18'15
" $\frac{1}{2}$	"	9'9	20	15
" $\frac{3}{8}$	"	—	—	17'6
" $\frac{1}{4}$	"	—	—	19
" $\frac{3}{16}$	"	21'2	35	28'1
" $\frac{1}{8}$	"	20	50	35
" $\frac{3}{16}$	"	—	—	33'3
" $\frac{1}{4}$	"	28'6	63'8	46'2
" $\frac{3}{8} + \frac{1}{32}$	"	—	—	50
" $\frac{1}{2}$	"	—	—	44
" $\frac{3}{8} + \frac{1}{32}$	"	—	—	38'8
" $\frac{1}{4} + \frac{1}{32}$	"	—	—	43'9
" $\frac{3}{16} + \frac{1}{32}$	"	—	—	36'3
" $\frac{1}{8}$	"	35'9	45	40'45
" $\frac{3}{16}$	"	25	33'3	29'15
" $\frac{1}{4} + \frac{1}{32}$	"	26'6	31'3	28'95
" $\frac{3}{16} + \frac{1}{32}$	"	30'6	48'8	39'7
" $\frac{1}{8} + \frac{1}{32}$	"	32'6	37'3	34'95
" $\frac{3}{16}$	"	33'6	50	41'8
" $\frac{1}{4} + \frac{1}{32}$	"	24'2	37'5	30'85
" $\frac{3}{16}$	"	29'4	54'5	41'95
" $\frac{1}{8} + \frac{1}{32}$	"	37'5	50	43'75
			Average	35'04

These figures speak for themselves as to the increase in the piece rates paid for making dollied and tommied chain, and need no commentary. On the size of chain

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(⁴/₁₇) where the median percentage increase was least, it was 15 per cent. On the size of chain where the median percentage increase was greatest (No. 6) it was 50.65 per cent. The arithmetical average of the median increases, obtained by dividing the total increases in column (iii) by the number of different sizes of chain is 35.04 per cent. The determination issued by the first Chain Trade Board brought about, therefore, an average increase in the piece rates paid for dollied and tommied chain of just over one-third.

(b) Only the most meagre information exists as to the past and present weekly earnings of chainmakers, and what there is requires to be handled with great caution. The Board of Trade has published figures of the wages of chainmakers, but they relate exclusively to those of men working in factories, who rarely make the class of chain for which the Trade Board has fixed prices, and who, when they do make it, are paid on a higher list agreed between the Union and the Masters' Association. These figures, therefore, throw no light upon the condition of the workers affected by the Trade Board. When weekly earnings can be obtained by personal inquiry, it has to be remembered that many men chainmakers and the majority of women chainmakers work at home, and that, therefore, it cannot be assumed that they work the full standard weeks of forty-eight and fifty-four hours. Tables VI. and XIII. (pp. 77 and 91) show that, as a matter of fact, very few of the men visited worked less than forty-five hours, but that nearly one-half of the women worked less than forty hours. A low weekly wage which suggests the most miserable rate of payment, may, therefore, merely mean that exceptionally few hours have been worked in the week under consideration. Moreover, the exhausting character of the work is such that chainmakers, though they work with a speed which seems to the onlooker appalling, do less in summer than in winter; and when figures of hourly earnings are given, which were collected, as were those of the women

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chainmakers, for a week in summer, it is necessary to bear in mind that in winter the hourly earnings of the same workers would almost certainly be somewhat higher.

Subject to these cautions, we may now give figures showing the earnings of a group of men chainmakers at a period subsequent to the fixing of minimum rates by the Trade Board. Table V. gives the weekly earnings, Table VI. the hours worked, Table VII. the hourly earnings. They are based on information collected from 222 men, during a week in October, by visitors acquainted with the district, the nature of the trade and (often) with the individual workers. They are, therefore, likely to be fairly accurate. Of the 222 men represented in them 74 were "mastermen," *i.e.* not masters, but "single-handed" workers who provided their own workshops, tools and fuel; and 148 were "journeymen," *i.e.* workers employed on the premises of shop-owners.

TABLE V.

Weekly Wages earned by Men Chainmakers during One Week in October 1913.

Wages.	Men.		Per cent. of Total.
40s. and over	
39s. and under 40s.	1	} 8	3.6
38s. " " 39s. . . . .	...	
37s. " " 38s. . . . .	...	
36s. " " 37s.		
35s. " " 36s.		
34s. " " 35s.	1		
33s. " " 34s.		
32s. " " 33s.	1		
31s. " " 32s.	2		
30s. " " 31s.	3		
Carry forward	8	8	3.6

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TABLE VII.

*Hourly Earnings of Men Chainmakers during One Week
in October 1913.*

Hourly Earnings.		Total.	Per cent. of Total.
10 $\frac{1}{2}$ d. and over	33	14.8
10d. and under 10 $\frac{1}{2}$ d.	I		
9 $\frac{1}{2}$ d. " " 10d. . . . .	...	
9 $\frac{1}{2}$ d. " " 9 $\frac{1}{2}$ d.	I		
9 $\frac{1}{2}$ d. " " 9 $\frac{1}{2}$ d. . . . .	...	
9d. " " 9 $\frac{1}{2}$ d. . . . .	...	
8 $\frac{1}{2}$ d. " " 9d. . . . .	...	
8 $\frac{1}{2}$ d. " " 8 $\frac{1}{2}$ d. . . . .	...	
8 $\frac{1}{2}$ d. " " 8 $\frac{1}{2}$ d.	4		
8d. " " 8 $\frac{1}{2}$ d.	I		
7 $\frac{1}{2}$ d. " " 8d.	4	56	25.2
7 $\frac{1}{2}$ d. " " 7 $\frac{1}{2}$ d.	6		
7 $\frac{1}{2}$ d. " " 7 $\frac{1}{2}$ d.	2		
7d. " " 7 $\frac{1}{2}$ d.	14		
6 $\frac{1}{2}$ d. " " 7d.	13		
6 $\frac{1}{2}$ d. " " 6 $\frac{1}{2}$ d.	9		
6 $\frac{1}{2}$ d. " " 6 $\frac{1}{2}$ d.	18		
6d. " " 6 $\frac{1}{2}$ d.	16		
5 $\frac{1}{2}$ d. " " 6d.	15		
5 $\frac{1}{2}$ d. " " 5 $\frac{1}{2}$ d.	28		
5 $\frac{1}{2}$ d. " " 5 $\frac{1}{2}$ d.	23	93	41.9
5d. " " 5 $\frac{1}{2}$ d.	27		
4 $\frac{1}{2}$ d. " " 5d.	12		
4 $\frac{1}{2}$ d. " " 4 $\frac{1}{2}$ d.	11		
4 $\frac{1}{2}$ d. " " 4 $\frac{1}{2}$ d.	5		
4d. " " 4 $\frac{1}{2}$ d.	8		
3 $\frac{1}{2}$ d. " " 4d.	2		
3 $\frac{1}{2}$ d. " " 3 $\frac{1}{2}$ d.		
3 $\frac{1}{2}$ d. " " 3 $\frac{1}{2}$ d.		
3d. " " 3 $\frac{1}{2}$ d.	I		
Under 3d.	I	.45
Uncertain	I		
Total	222	222	

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From these tables the following facts emerge: (i) In the week under consideration almost exactly one-half of the workers (49·5 per cent.) worked between fifty and fifty-five hours, while 42·3 per cent. worked between forty-five and fifty hours, and 7·3 per cent. worked less than forty-five hours.—(ii) Just over one-half of the workers (50·4 per cent.) earned between 20s. and 25s., while 16·6 per cent. earned less than 20s., 29·2 per cent. earned between 25s. and 30s. and 3·6 per cent. over 30s.—(iii) 14·8 per cent. of the workers earned 7d. per hour and over, 25·2 per cent. earned between 6d. and 7d., 41·9 per cent. between 5d. and 6d. and 17·5 per cent. under 5d.

It will naturally be asked how far these figures correspond with the minimum rates fixed by the Trade Board for the making of dollied and tommied chain. This question cannot, unfortunately, be answered with any precision, for the reason that different minimum time rates were fixed for making chain of different sizes, and that the figures given above do not show the proportion of men engaged in making each of those different sizes of chain. Two facts, however, call for notice. The first is the large number of men working fifty and more hours in the week under consideration. The Chain Trade Board assumed, as a basis for fixing the rates for making dollied and tommied chain, a standard working week of forty-eight hours. It is probable that this assumption is correct when the whole year, summer and winter, is taken into account, and that the hours worked in the week in October when these figures were collected were somewhat longer than they would be in the warmer months of the year. The second point which emerges from these figures is that 17·5 of the workers examined were earning less than 5d. per hour. Now 5d. was the lowest rate fixed by the Board for making the smallest size of chain, and though the speed at which different workers produce chain varies enormously, it is a little disquieting to find that (according to the facts supplied by themselves)

between one-fifth and one-sixth of the men visited were obtaining less than that minimum.¹ But we shall return to this point below, when speaking of the earnings of the women making hand-hammered chain.

How do the earnings of men in October 1913 compare with their earnings before the Trade Board's determination came into force? Owing to the absence of any official statistics as to the earnings of chainworkers other than those employed in factories, this question can only be answered by calculating what the men represented in the tables given above would have earned if, while making the same size of chain, and working the same number of hours as in the week in October 1913, when they were visited, they had been paid at the piece rates obtaining before the rates now in force were fixed by the Trade Board. This method of comparison is not completely satisfactory, because it is probable that the chainmakers worked for longer hours when paid on the old low list than they do now that they are paid on the higher list fixed by the Trade Board. "My husband," said the wife of a chainmaker, "used to work for sixty or seventy hours and bring home 12s. 6d. a week. Now he gets about 20s. in fewer hours." Nevertheless, it gives a vivid picture of the actual difference in weekly earnings caused by the rise in piece rates, particulars of which have already been given on page 74. To make the comparison it is necessary to distinguish between the "mastermen," or

¹ Apart from the existence of a certain number of abnormally slow workers, one explanation of the fact that 17.5 per cent. of the workers were stated to be earning less than 5d. per hour is, perhaps, to be found in the fact that in the case of dollied or tommied chain (though not in that of hand-hammered chain) the Trade Board fixed rates only for the lowest quality of chain, and left the workers to bargain for higher prices for better qualities. This omission to fix minimum piece rates for all qualities of chain is criticised by some workers on the ground that it leads to the higher qualities being paid for at unduly low rates.

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single-handed workers, who work in their own shops with their own tools, and the "journeymen," who work in shops and with tools supplied by the shop-owner. The latter are paid 25 per cent. less than the former, a margin designed to recoup the shop-owner for his outlay, and to leave him a living profit. Of the two following tables, Table VIII. gives the distribution of the earnings of "mastermen," Table IX. gives the earnings of "journeymen," (a) in October 1913, (b) immediately prior to the date when the Trade Board's determination came into force.

TABLE VIII.

Weekly Earnings of Chainmakers (Mastermen).

Weekly Earnings.	(a) Oct. 1913.	(b) 1911.
30s. and over . . . . .	...	...
29s. and under 30s.	1	...
28s. " " 29s.	1	...
27s. " " 28s.	3	...
26s. " " 27s.	3	...
25s. " " 26s.	5	...
24s. " " 25s.	8	...
23s. " " 24s.	6	1
22s. " " 23s.	7	3
21s. " " 22s.	16	3
20s. " " 21s.	8	...
19s. " " 20s.	3	...
18s. " " 19s.	7	5
17s. " " 18s.	5	6
16s. " " 17s. . . . .	...	2
15s. " " 16s. . . . .	...	12
14s. " " 15s. . . . .	...	8
13s. " " 14s.	1	23
12s. " " 13s. . . . .	...	6
11s. " " 12s. . . . .	...	2
10s. " " 11s. . . . .	...	...
9s. " " 10s. . . . .	...	2
8s. " " 9s. . . . .	...	1
Under 8s. . . . .	...	...
Total	74	74

TABLE IX.
Weekly Earnings of Chainmakers (Journeyman).

Weekly Earnings.	(a)	(b)
	Oct. 1913.	1911.
35s. and over	1	...
34s. and under 35s.	1	...
33s. " " 34s. . . . .	...	...
32s. " " 33s.	1	...
31s. " " 32s.	2	...
30s. " " 31s.	3	...
29s. " " 30s.	3	...
28s. " " 29s.	2	...
27s. " " 28s.	15	...
26s. " " 27s.	8	...
25s. " " 26s.	14	...
24s. " " 25s.	16	...
23s. " " 24s.	14	...
22s. " " 23s.	9	...
21s. " " 22s.	9	2
20s. " " 21s.	18	...
19s. " " 20s.	8	3
18s. " " 19s.	5	9
17s. " " 18s.	3	20
16s. " " 17s.	2	9
15s. " " 16s.	2	10
14s. " " 15s. . . . .	...	13
13s. " " 14s. . . . .	...	25
12s. " " 13s.	1	10
11s. " " 12s. . . . .	...	18
10s. " " 11s. . . . .	...	8
9s. " " 10s. . . . .	...	5
8s. " " 9s. . . . .	...	...
7s. " " 8s. . . . .	...	1
6s. " " 7s. . . . .	...	3
Under 6s. . . . .	...	1
Total	137 ¹	137

These tables show that the effect of the minimum piece rates established by the Chain Trade Board was to bring

¹ The figures relate to only 137 instead of to 148 (see p. 76) as in 11 cases the particulars obtained were insufficient for a comparison to be made.

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about a very striking increase in the weekly earnings of men. In October 1913, the "mode" (*i.e.* the point at which the largest group is found) lay, in the case of the "mastermen's" earnings, between 21s. and 22s., and in the case of the "journeymen's" earnings, between 20s. and 21s.¹ Had the piece rates obtaining prior to the issue of the Trade Board's determination still obtained, then the mode of the earnings of both mastermen and journeymen would have been between 13s. and 14s. The comparison between the wages earned at each date by the two classes of workers can be expressed as follows:—

	Mastermen.		Journemen.	
	1911.	1913.	1911.	1913.
	per cent.	per cent.	per cent.	per cent.
Under 15s. . . .	56·7	1·3	61·3	0·7
15s. and under 20s.	33·7	20·2	37·2	14·6
20s. " " 25s.	9·4	60·8	1·4	48·1
25s. " " 30s.	...	17·5	...	30·6
30s. and over .	...	...	...	5·8

The following diagrams will perhaps help the reader to visualise the difference in earnings brought about by the Trade Board.

¹ If returns had been obtained from a larger number of journeymen, it is probable, as Table IX. suggests, that the mode of their earnings would have lain at some point between 23s. and 26s.

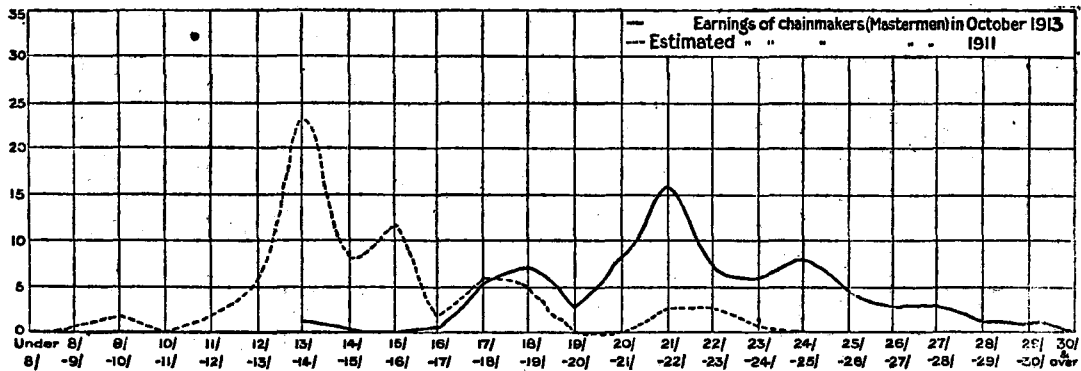


Diagram 1.—Earnings of Chainmakers (Mastermen). See Table VIII.

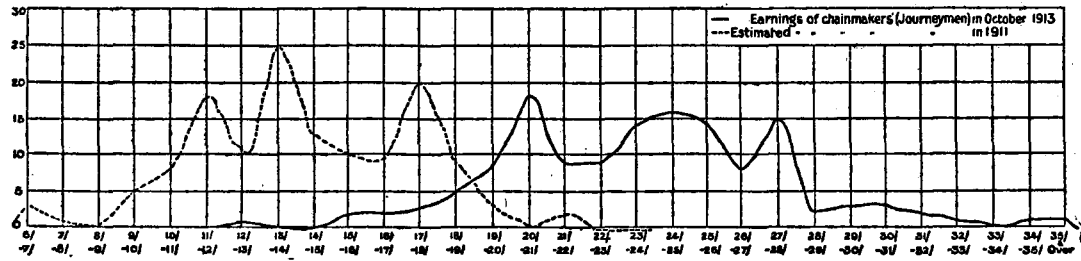


Diagram 2.—Earnings of Chainmakers (Journeyman). See Table VIII.

II. WOMEN'S RATES AND EARNINGS

(a) In the case of women, as in the case of men, the advance in piece rates must necessarily be a matter of some uncertainty, owing to the different rates previously paid by different employers. One employer, with the object of comparing the prices paid before and after the Trade Board was established, supplied the following figures from his books:—

	1908.	1913.	Percentage advance.
	per cwt.	per cwt.	
	<i>s. d.</i>	<i>s. d.</i>	
No. 1 best . . .	10 6	12 0	14'2
No. 3 extra . . .	14 0	15 0	7'1
No. 4 best . . .	19 0	21 0	10'5
No. 3 common . . .	11 9	13 0	10'6
1/2-inch common . . .	4 6	4 6	...
3/4 common . . .	3 9	4 2	11'1
1 common . . .	6 0	6 8	11'1

This firm, however, is not typical, as it paid higher rates than were customary. A more reliable indication of the change brought about by the Trade Board can be obtained from the following table. It shows (a) the increase in piece rates established by the Trade Board in 1910 for making hand-hammered chain as a percentage of the rates obtaining in that year prior to the issue of the Trade Board's determination, (b) the percentage which will be added to the rates fixed by the Trade Board in 1910 if the recently issued "Proposal to Vary" (see above, pp. 47-49) is ratified.¹

¹ Since the above was written the Trade Board has granted the proposed increase.

TABLE X.

Description of Chain.	Average increase per cent. caused by the rates fixed in 1910.	Average decrease per cent. caused by the rates fixed in 1910.	Number of cases on which comparison is based.	Percentage proposed to be added by the "proposal to vary." ¹
A. Short Link List . . .	...	...	...	...
viz : Commonest . . .	67	...	86	10
Common . . .	49	...	77	10
Extra . . .	19	...	23	10
Best ² . . .	...	10	3	10
B. Coil Chain . . .	26	...	205	10
(Section I. of list. Price paid per cwt.)				
C. Coil Chain . . .	16	...	596	10
(Section V. of list. Price paid per doz. yards.)				

It will be noted that the rise brought about in 1910 was greatest on the worst qualities of chain, and least on the better qualities, which are better paid, while on the small number of cases of "best" investigated there appears even to have been a decrease. The advance shown on the price of "commonest" chain is a large one to have been secured at one stage—67 per cent.—and that it should have been recognised as reasonable by the employers shows how appallingly low the rates previously obtaining must have been. In fact, however, the advance on certain classes of chain is greater than appears from

¹ Since the above was written the Trade Board has granted the proposed increase.

² The number of cases upon which the comparison is based is so small that little reliance can be placed upon it.

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these summary figures. If one looks, for example, at "short link commonest," one finds that on number 4 chain the increase effected by the Trade Board was 69 per cent., on number 3, 76 per cent., and on number 5, 81 per cent. Moreover, it must be remembered that a rise of 100 per cent. in piece rates means, other things being equal,¹ a rise of more than 100 per cent. in weekly earnings. For the worker has to pay the expense of fuel, and possibly of rent and tools, out of what he or she earns. Since this payment remains the same when the piece rates are raised, to double the piece rates means more than to double weekly earnings. To give an actual instance: Miss X., prior to the issue of the Trade Board's determination, was paid 3s. 6d. per cwt., and made 2 cwt. of chain a week, thus getting 7s., out of which she paid 2s. a week for breeze, so that her net wage was 5s. If her weekly earnings had risen by 100 per cent., she would have got 10s. per week. In fact, however, the piece rates were advanced by 100 per cent., so that she earned a gross wage of 14s., or, when 2s. a week was paid for fuel, 12s. A rise of 100 per cent., therefore, in the piece rates, meant in this case a rise of 140 per cent. in weekly earnings. Such large advances are, no doubt, quite exceptional. But the figures given above indicate that a rise of from 50 per cent. to 80 per cent. on the prices paid for the poorest class of chain has been quite a usual result of the Trade Board's determination. To this must now be added a further rise of 10 per cent. should the "Proposal to Vary," issued on 11th August 1913, be ratified.²

(b) In the case of women, figures of weekly earnings must be read with even greater caution than in the case of men, because of the extreme variations between the

¹ Of course other things often are not equal, *e.g.*, since piece rates were raised many of the women probably make chain for shorter hours, and give more time to domestic work than they did before.

² This rise has now been granted.

hours worked in any one week by different women. To some women chain-making is their livelihood; others make chain merely in order to supplement the earnings of husbands and fathers, and the impression produced by the table of weekly earnings given below (Table XII.) must be corrected by a glance at the table of hours worked (Table XIII.). Moreover, the figures as to the earnings of women relate mainly to women working at home ("single-handed" workers), not to women working on the premises of shop-owners (journeymen). For this reason the hours worked, according to Table XIII., are more irregular, and the weekly earnings, according to Table XII., are lower than they would have been if the majority of women represented had been working on the premises of an employer. This fact does not, however, affect the hourly earnings given in Table XIV.

One other point with regard to women's earnings remains to be noticed. Female workers of all ages are employed at home, and it was conceivable that the earnings given below might be depressed by the inclusion among the female wage-earners of a considerable number of young persons who had not yet attained the age at which a woman of normal health and strength may be held to be earning the wages of an adult worker. To avoid any misrepresentation arising from this possibility, Table XI. gives the ages of the 550 female workers who (out of a total of 588) stated their age.

They are as follows :—

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TABLE XI.
Ages of Women.

Ages.		Total.	Per cent. of Total.
65 and over	12	12	2'1
55 and under 65	30	30	5'4
45 " " 55	65	65	11'8
35 " " 45	106	106	19'2
25 " " 35	158	158	28'7
24 " " 25	21	} 139	25'2
23 " " 24	28		
22 " " 23	19		
21 " " 22	21		
20 " " 21	15		
19 " " 20	18		
18 " " 19	17		
17 " " 18	10		
16 " " 17	11		
15 " " 16	14			} 40	7'2
14 " " 15	4		
13 " " 14	1		
Total	550	550	

It will be seen that, while 25'2 per cent. are between the ages of 18 and 25, and 67'2 per cent. over 25, only 7'2 per cent. are under the age of 18. Had the proportion under 18 been larger, it would have been desirable to give separately the earnings of female workers under 18 and of female workers over 18. In view, however, of the extremely small proportion of the former, their inclusion makes no serious difference to the accuracy of the tables of earnings, and the reader can easily allow for it himself. The large proportion of women chainmakers who are over the age of 35 is striking, and confirms the figures given above (p. 9) as to the extent to which the industry is carried on by married women and widows.

90 THE CHAINMAKERS' MINIMUM

We may now give the tables showing the weekly earnings of 588 chainmakers in one week in July (Table XII.), the hours worked by them in the same week (Table XIII.) and their hourly earnings (Table XIV.) :—

TABLE XII.

Earnings of Women Chainmakers in One Week in July 1913.

Earnings.		Total.	Per cent. of Total.
15s. and over	2	82	13'9
14s. and under 15s.	2		
13s. " " 14s.	3		
12s. " " 13s.	10		
11s. " " 12s.	24		
10s. " " 11s.	41	89	15'1
9s. " " 10s.	44		
8s. " " 9s.	45		
7s. " " 8s.	86	86	14'6
6s. " " 7s.	113	113	19'2
5s. " " 6s.	118	118	20'0
4s. " " 5s.	46	100	17'0
3s. " " 4s.	32		
2s. " " 3s.	15		
Under 2s.	7		
Total	588	588	

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TABLE XIII.

Hours worked by Women Chainmakers in One Week in July 1913.

Hours.		Per cent. of Total.
60 hours and over	13	2.2
50 " and under 60	155	26.3
40 " " " 50	156	26.5
30 " " " 40	136	23.1
20 " " " 30	90	15.3
10 " " " 20	29	4.9
Irregular and uncertain	9	1.5
Total	588	

TABLE XIV.

Earnings per Hour of Women Chainmakers in One Week in July 1913.

Earnings.	Total.	Per cent. of Total.
4½ d. and over	2	} 91 15.4
4 d. and under 4½ d.	5	
3½ d. " " 4 d.	3	
3 d. " " 3½ d.	5	
3 d. " " 3 d.	11	
3 d. " " 3 d.	31	} 59 10.0
2½ d. " " 3 d.	34	
2 d. " " 2½ d.	59	
2 d. " " 2 d.	95	
2 d. " " 2 d.	95	
2 d. " " 2 d.	102	} 70 11.9
1½ d. " " 2 d.	86	
1 d. " " 1½ d.	76	
1 d. " " 1 d.	36	
1 d. " " 1 d.	20	
¾ d. " " 1 d.	9	} 9 1.5
Under ¾ d.	5	
Uncertain	9	
Total	588	588

Eliminating those whose hours and earnings are uncertain, the reader will see from these tables (i) that in the week under consideration just over half the workers—50·4 per cent.—worked between thirty and fifty hours, while 29·01 per cent. worked more than fifty hours and 20·5 per cent. less than thirty hours; (ii) that just over half the workers—53·8 per cent.—earned between 5s. and 8s., 17 per cent. earning less than 5s. and 29 per cent. over 8s.; (iii) that nearly three-fifths of the workers—59·06 per cent.—earned between $1\frac{3}{4}$ d. and $2\frac{3}{4}$ d. per hour, 25·21 per cent. earning less than $1\frac{3}{4}$ d. and 15·71 per cent. earning more than $2\frac{3}{4}$ d.

Apart from the remarkable irregularity of hours, two important points emerge from these figures. The first is, that even after the Trade Board has fixed rates, even when allowance is made for the comparatively small number of hours worked in some cases, and even when the forty workers who are known to be under 18 are excluded, the predominant earnings are, when measured by any reference to the idea of a "living wage," extraordinarily low. The second is the discrepancy between the earnings of the women and the minimum time rate fixed by the Trade Board. That minimum time rate is $2\frac{1}{2}$ d. per hour, and of the workers represented in the above table nearly three-quarters—as many as 74·09 per cent.—were, in July 1913, earning less than $2\frac{1}{2}$ d. How is this startling discrepancy to be explained? The most obvious course is, no doubt, to deny that it exists, and to say that the women visited uniformly understated their earnings, and overestimated the number of hours for which they worked. And, though the inquiry was carried out by persons whose practical experience of the chain-making industry enabled them to check statements which were obviously absurd, it may readily be conceded that errors as to earnings and hours were probably made by the workers interviewed, and that such errors as were made tended naturally to take the form of maximising hours and minimising earnings.

It seems to the writer, however, that the problem raised by these figures ought not merely to be waived on one side with the statement that they are inaccurate. One obvious way of accounting for them lies in the hypothesis that the piece rates may originally have been fixed too low to yield the ordinary worker 2½d. per hour. But apart from this suggestion, which, in view of the fact that the rates were fixed by persons with technical knowledge of the industry, is improbable, several possible explanations may be offered. In the first place, as stated above, the worker's output per hour is usually somewhat less in summer than in winter, and it is highly probable that an investigation similar to that carried out in July would, in winter, yield higher hourly earnings. In the second place, it is probable that since the rates have been raised the workers have worked somewhat more slowly than before. It must be remembered that many of these women have husbands, fathers and brothers making chain as well as themselves, that the increase in the total family income has often, therefore, been greater than would appear to be the case if attention were confined to the increase in the earnings of women workers alone, and that for this reason the earnings of the female members of a family are not as indispensable to it as they previously were. In the third place, the figures given in Tables XII. and XIV. relate to *net* earnings, *i.e.* total earnings less the deductions which have to be made on account of the worker's outgoings, on account of fuel, tools, and rent of the "stall" where the chain is made. Now there is strong reason for believing that the price of the fuel bought by the worker has risen since the Trade Board drew up the list of piece prices. This fuel, or "breeze," as it is called, is bought retail by the workers from hawkers who sell it from door to door at so much a basket. When the Trade Board fixed rates the ordinary price for two baskets was 5½d., and investigation made on behalf of the Board in July 1912 suggested that, though the price had risen enormously, from 17s. per ton to

between 30s. and 40s., during the coal strike, it had since fallen to about its former level. The inquiries seem, however, to have been confined to the price charged for large quantities by the manufacturers of the article, and it may well be that the retail price has risen more than in proportion to the wholesale price. In view of the general upward movement in prices since 1910, it would indeed be surprising if the cost of fuel had not risen also. The majority of workers examined on the subject are convinced that it has done so, 7d. now being quoted for two baskets which previously cost from 5½d. to 6d., and 4½d. for one which previously cost 3½d. It is possible, therefore, that one reason why the net hourly earnings of so many women appear to be below 2½d. is to be found in the fact that the outgoings incidental to chain-making have increased. In the fourth place, there is the possibility either that better, which means slower, work is demanded, or that list prices are being in some way evaded. To the former point we shall return later, and need only pause here to say that a frequent answer of the workers to the question whether they are better off is, "Yes, but I have to make extra for common," which means that they are being paid the price fixed for chain of the quality known as "common," but are required to make it of the quality known as "extra," a process involving greater care, slower production, and therefore lower earnings per hour. The latter practice does not necessarily involve an evasion of the letter of the Board's determination, though it does of its spirit and of the custom of the trade. As an example of what is meant one may cite the frequent complaint by the workers that they are not as much better off as they would otherwise be "because of the odd links," or "because I am paid for coil chain instead of short link."

The explanation of these statements is to be found in the fact that hand-hammered chain falls into two broad classes, "short link" and "coil." Short link chain, as its name implies, is chain the links of which are short in

length relatively to their width and thickness. The precise dimensions which are necessary in chain made from iron of a given size, in order that it may be termed "short link," vary. In chain of high quality the length of a link of "short link" chain should not be more than $4\frac{1}{2}$ times the diameter or thickness of the iron. In commoner classes of chain the ratio of length to thickness may vary up to $5\frac{1}{2}$. Now in the notices which were issued by the Trade Board no direction was given in the case of hand-hammered chain as to what was to be deemed short link, but in fixing the piece prices the rates for "coil" chain were made to merge into those for "short link" at a point which corresponded with the practice followed in the better, rather than in the commoner, varieties of chain. After the rates were fixed, this fact was gradually discovered by many employers, and they found it to their advantage in some cases, where the ratio of the length of link to its thickness was somewhat high for short link, to drop the term "short link," and to have the chain made under the "coil" list in which the prices were lower. Even though, as is probable, such chain found its way into the market and was sold as "short link," there was nothing illegal in the practice. It was, nevertheless, contrary to the spirit and intention of the Trade Board's determination, and provision is made in the recently issued variation notices to indicate clearly the point at which each size of chain shall cease to be called "coil chain," and shall be regarded and paid for as "short link." It needs to be observed, however, that in general these points are, as regards very common chain, somewhat more exacting than the old custom warranted. The ambiguity has been removed; there is now no doubt as to what is and what is not "short link"; but it is doubtful whether the substance of the workers' complaint, as regards the number of links, does not still, to some extent, remain.

How do the earnings set out in the above tables compare with the earnings of women prior to the fixing of minimum

rates by the Trade Board? This is a question to which it is not easy to get a satisfactory answer. Statements such as—that “in 1910 many of the chainworkers earned a net wage of 4s. or 5s.,” that “earnings have risen 2s. per woman worker employed,” or the more picturesque remark that “at the old prices a woman had to strike 1000 blows to earn 1½d., at the new rate it will take 725 blows to earn that sum,”¹—though made by competent authorities, and though no doubt true of particular workers, are of no scientific value owing to the great difference between different workers and between the hours per week which they work. Owing to the unfortunate omission of the Board of Trade to publish any figures as to the earnings of workers employed in outshops and at home in its Wage Census of 1906, no authentic record exists to show what weekly and hourly earnings were before piece prices were fixed by the Trade Board. Such figures as it has been possible to collect as to the hourly earnings of forty-three workers are given in the following table :—

TABLE XV.

Earnings per Hour of Women Chainmakers in One Week in 1910.

Earnings.		Workers.
3d. and over	. . . . .	...
2½d. and under	3d.	1
2½d. "	2½d.	1
2½d. "	2½d.	2
2d. "	2½d.	2
1½d. "	2d.	2
1½d. "	1½d.	5
1½d. "	1½d.	8
1d. "	1½d.	15
¾d. "	1d.	7
¾d. "	¾d. . . . .	...
Total . . .		43

¹ *Nottingham Evening Post*, 8th September 1910.

It will be seen from a comparison of this table with Table XIV. that whereas since the new piece rates were fixed by the Trade Board, the "mode" (*i.e.* the point where the largest group of earnings is to be found) lies between 2d. and 2½d. per hour, it lay, prior to the new rates being fixed, between 1d. and 1½d. These figures are, however, far too small to form the basis of any generalisation. In order to supplement them, I give below (a) figures showing what the hourly earnings of 426 workers, for whom figures have been collected, would have been if the old piece rates had still been in force, and what they would be if the "proposal to vary" were ratified; (b) a diagram comparing the distribution of earnings in one week in July 1913 with the distribution of the earnings of the same workers as it would have been if the old piece rates had still been in force, and with what it would be if the "proposal to vary" were made binding. The reason why the figures relate to only 426 workers, not, as in Table XII., to 588, is that in a considerable number of cases the particulars returned to us as to the quality and quantity of chain made in one week are not sufficiently accurate to allow of a calculation as to what would have been earned at the old piece rates being based upon them.

TABLE XVI.
Weekly Earnings of Chainmakers.

Earnings.	In 1910 (estimated).	In 1913.	Plus Rise of 10 per cent. now proposed.
15s. and over	1	2	9
14s. and under 15s. . . .	1	3	5
13s. " " 14s. . . .	1	3	9
12s. " " 13s. . . .	1	8	14
Carry forward	4	16	37

TABLE XVI.—*continued.*

Earnings.	In 1910 (estimated).	In 1913.	Plus Rise of 10 per cent. now proposed.
Brought forward . . .	4	16	37
11s. and under 12s. . . .	7	18	22
10s. " " 11s. . . .	2	27	37
9s. " " 10s. . . .	7	29	35
8s. " " 9s. . . .	16	39	55
7s. " " 8s. . . .	25	67	68
6s. " " 7s. . . .	31	86	68
5s. " " 6s. . . .	61	85	58
4s. " " 5s. . . .	103	30	24
3s. " " 4s. . . .	79	18	15
2s. " " 3s. . . .	70	9	6
Under 2s. . . .	21	2	1
Total . . .	426	426	426

These figures show that if the hours worked and quantity of chain made are assumed to have been the same in 1910 as in the week for which figures were collected in 1913, the fixing of piece rates by the Board has meant a considerable upward movement in the general level of hourly earnings. In 1913 the mode lay between 5s. and 7s.; in 1910 it would have lain between 4s. and 5s. In 1910, 64 per cent. of the workers would have been earning under 5s. a week, and 14·3 over 7s.; in 1913, 13·8 per cent. were earning under 5s., and 46 per cent. over 7s. If, and when, the "proposal to vary" is ratified, the mode will lie between 6s. and 8s., 10·7 per cent. of the workers will earn under 5s. per week, 59·6 per cent. will earn over 7s. per week and 22·5 per cent. over 10s. per week. If the low earnings still obtaining create amazement, even when the irregular hours worked by many of the women are taken into consideration, the

improvement from a state of things in which under 15 per cent. of the workers earned over 7s. a week, to one in which just upon 60 per cent. will do so, certainly offers some cause for satisfaction.

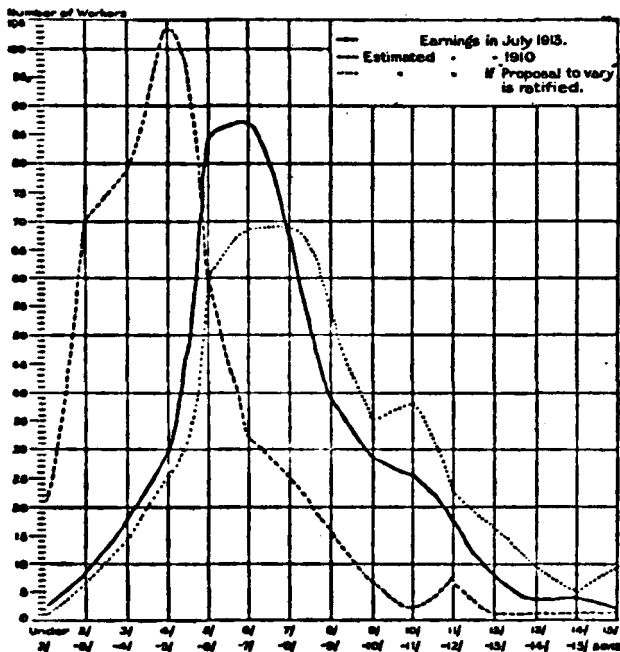


Diagram 3.—Earnings of Women Chainmakers.
See Table XVI.

Is this considerable increase in income traceable in any improvement in the social conditions of the district? In many towns the industries are too various to allow the consequences of prosperity in any one of them to be easily distinguished. In Cradley Heath, which lives by making

chains, the effect of the minimum rates is visible to the eye of sense. The Trade Board has, in fact, forced itself on the notice of classes of people other than workers and employers through the influence it has had upon the general life of the town. The first consequence of the establishment of minimum rates of payment was that the workers, having more to spend, spent more on food and clothes. According to shopkeepers, the effect of the Board of Trade's order, making the new piece rates obligatory, was to produce an immediate increase in their sales, which has continued during the subsequent period of good trade, and which has caused empty shops to be let and new shops to be opened. The second consequence was an improvement in the appearance both of the workers themselves and—a significant point—of their children. On this matter, about which no outsider can venture an opinion, the testimony of residents in the locality is decisive. "It is astonishing what a difference the rise in prices [*i.e.* piece rates] has made. The workers turn up earlier to work. They take more pride in themselves, and show more care in their work." "The appearance of the women at Trade Union meetings is different from what it was formerly." "The workers keep up a better appearance. There is a difference in their standard of living. Tradespeople take more money now than they used to do before the rates came into force." "We who live among the workers see the enormous difference which the Trade Board rates have made in their clothes, appearance and cleanliness. But it will take a generation to make much improvement in the lowest class of all." "The appearance of the children at school is much better: they are better fed, better clothed and better shod. When the women get more money, you may be sure it is spent on the children." Evidence such as this from employers, trade union officials and teachers, shows that even the short time which has elapsed since the rates came into operation has been long enough to allow of a

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distinct rise taking place in the workers' standard of life. It is as though a weight which crushed a plant had been removed. The bent stalk gradually straightens, the crushed leaves unfold and the sap begins to circulate through the expanding veins. And not only immediate expenditure but savings have increased. In the words of the superintendent of a large industrial insurance company: "In 1910 the women workers promised to pay up when the rates were fixed, and they did so. The rates have had a steadying effect on insurance, and since 1910 arrears, which are the most sensitive barometer of prosperity, have been less. Since the burden of industrial insurance falls chiefly on the women, the higher rates cannot fail to have made it easier for them."

Industrial insurance is not, however, the only form of working-class saving. Trade Unionism is, at least, equally important, for on Trade Unionism it to a great extent depends whether there will be enough money to save anything at all. What has been the effect of the Trade Board on Trade Unionism? At the present time three unions exist at Cradley Heath. The first is the powerful organisation of men employed in factories; the second, the union of men employed in outshops, most of whom are making dollied or tommied chain; the third is the local branch of the Women Workers' Federation. Of these three unions the first, which is a very successful organisation, including virtually all the men employed in factories, does not concern us. Few of its members are making qualities of chain for which the Trade Board has fixed rates, and those who are making them are paid on a higher list, arranged between the union and the masters' association. Compared with the first, the two latter societies have always been relatively weak. Like all industries where there is a large number of small masters, and where a large proportion of those employed work at home, the more poorly paid sections of the chain trade have always been difficult to organise; and the

agrèements which these unions have made with employers with regard to piece rates, though observed more or less satisfactorily in times of good trade, have, when trade fell off, been constantly undermined in the way described above.¹ If, as is sometimes suggested, the tendency of a Trade Board were to weaken voluntary organisation, it is these two societies which would have suffered from it. In fact, however, they have been strengthened rather than weakened. Provided a Trade Union does not relax its efforts when a Trade Board comes into existence, there are several reasons why the latter should facilitate its work. The workers, being better paid, are better able to pay contributions to their society. A Trade Board, by introducing uniformity into prices and fixing a minimum above which organisation can take place, makes it easier for the workers to act together than it is when each is at the mercy of the individual employers, or middlemen, who give them work. The discussion which accompanies its formation and its work supplies a motive which keeps members together, and is a training in industrial self-government. On the whole, this view of the matter is borne out by the experience of the chain trade. The membership of the two societies affected, though still far from coextensive with the industry, has grown considerably since 1909: in the case of men it is probably now about 70 per cent., in the case of women about 60 per cent., of the workers eligible. The men's union secured in February 1911 an agreement with the employers by which its members were to be paid on the 5s. instead of on the 4s. list, *i.e.* about 10 per cent. above the rates fixed by the Trade Board. "I stick to the union; 2d. a week is not much, and we can afford it now." "The Trade Board has kept our members together, because they see that Trade Unionism is the only way of getting the best out of the Act." "Trade Unionism without a Trade Board is no good for domestic workers. . . . We

¹ See back, pp. 64-66.

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can't hold more than the Trade Board gives"; such expressions of opinion by workers and trade union officials suggest that, so far, voluntary organisation at Cradley Heath has been able to use the Trade Board as a basis on which to build more securely. Nor must it be forgotten that the influence of a Trade Board in stimulating organisation is not restricted to the trade in which it exists. When the minimum rates fixed for one industry have brought about a considerable increase in the earnings of those employed in it, it is almost inevitable for workers in other industries to demand that they in their turn should receive a corresponding rise in their wages. This is, in fact, what has happened in the Midlands, where the hollow-ware makers, the clay-workers and certain sections of the metal trades have in the last year engaged in an agitation, with the result that the former have been brought within the scope of the Trade Boards Act, and the two latter have secured advances. Thus the influence of the Trade Board in the chain trade has extended to workers outside the chain-making industry, and has set up a standard to which other industries have been obliged to conform. The tragedy lies in the prolonged struggle which took place before the new level of wages could be won, and which, if these industries had been scheduled under the Trade Boards Act, would have been unnecessary.

VII

THE EFFECT OF THE CHAIN TRADE BOARD ON THE MANUFACTURE OF CHAIN

THE evidence cited in the preceding sections shows that the Chain Trade Board has been successful in its primary object of raising the standard of life of the worst paid sections of workers in the chain-making industry. Their incomes have risen considerably, though they are still deplorably low, and the increase in their incomes has resulted, according to the testimony of all observers, in improved nourishment, clothing and capacity for self-protection. An examination of the effects of the Trade Board which stopped at this point would, however, be very inadequate. The establishment of minimum rates of payment, whether by a trade union or through the intervention of some public authority, almost invariably has reactions extending beyond its immediate effect upon wages, and in forming an estimate of its ultimate value these indirect consequences of intervention must, of course, be taken into account. The immediate and most obvious effect of a considerable rise in wages is to increase the expense of producing the article for which they are paid. This increased expense of production may be added to prices, in which case it may result either in less of the article in question or (if the demand for this is inelastic) less of other articles being bought. It may be met by speeding up, by closer supervision, by better machinery, by the elimination of unnecessary stages in the passage of goods from the first producer to the ultimate consumer, by a larger output or a better quality of work on the part of

workpeople who are better fed, more contented and not compelled to work—if piece workers—at an inhuman pressure in order to earn a pittance. The higher rates may, again, result in a change of the personnel employed. Workers may be more carefully selected ; for it is a common experience that if employees are so helpless as to accept any kind of conditions, employers will put up with any kind of employees. The number employed may be diminished, because some of those employed when rates are low are thought not to be worth employing when rates are raised, or because a rise in prices to the consumer has resulted in a contraction of the demand. One class of labour may be substituted for another, men for women, boys for men, or *vice versa*. The question which, if any, of these reactions result from the legal enforcement of minimum rates—the question of “the economic effects of a minimum wage”—can be answered only with reference to some particular trade, and as the result of an inquiry into its history since minimum rates were applied to it. The ingenuity of employers and workpeople so greatly exceeds that of economists that discussions of what “must” happen, unsupported by evidence as to what has happened or is happening, are usually quite worthless. Moreover, it is not to be expected that the full effects of intervention should become apparent till after a considerable period, including both a boom and a depression. Since only three years have elapsed since the minimum rates became obligatory in the chain trade, and since during those years trade has been unusually active, it is as yet too soon to determine what their ultimate effect will be. All that can be attempted here is to describe such tendencies as have appeared up to the present time.

The organisation of the chain-making industry is such that some of the results which were anticipated from the fixing of minimum rates, and which have become to a greater or less degree visible in the clothing and cardboard boxmaking industries, have not occurred, and do not seem

likely to occur, at Cradley Heath. In the first place, the fact that the workers are largely piece workers employed at home, reduces to a minimum the motive for dismissing slow workers. Provided the employer or shop-owner who gives out iron gets the order executed, it does not matter to him how long the workers take to make the chain. When, as is the case with workers employed on a shop-owner's premises, the fuel is provided for them, the employer has some motive for getting rid of the slower workers, as they take longer to make the chain than the faster ones, and therefore consume more fuel per cwt. of chain produced. This fact may possibly make itself felt in times of bad trade. But it is obviously a weak incentive compared with that which appeals to an employer who is anxious to get the most out of a factory with heavy standing charges, and it has no application at all in the case of the majority of women who work on their own premises. So far, at any rate, inquiry both among workers and employers shows that there has been no decrease in the numbers employed. On the contrary, the general statement of both is that more are employed than at any previous time.

Nor, in the second place, is there any considerable evidence that work which was previously given out is now being done on the premises of the employer or shop-owner. Whether this will happen in the future it is as yet too early to say. Some, at any rate, of the workers would welcome the change as preventing the underbidding for employment which formerly went on, and as facilitating organisation. For the present the proportion between the chain produced at home and the chain produced in factories seems to be much as it was before the Trade Board rates came into operation. Only two cases have come to my notice in which home work has been affected. In one it was stated to have been diminished, in the other to have been increased. The first was that of a factory occupier who stated that he relied more upon his factory than

previously, on the ground that contracts which he had previously got for small chain which would naturally be made outside, were now being obtained by men who, as he believed, were evading the Trade Board's determination. In this case, therefore, assuming the statement to be correct, there was no diminution of home work, but merely a redistribution of orders for it between different employers. The second case was that of a shop-owner who employed 28 women. Prior to the Trade Board's determination he had employed 20 indoors and 8 outside. Now he employed 8 indoors and 20 outside. The reason given by him for the alteration was that the allowance off the rates of 25 per cent. which the Trade Board permits the shop-owner to keep in payment of his expenses and profits, was not sufficient to cover even the former, and that therefore he gained by giving work out and leaving the worker to provide tools and fuel, even though he had to pay her 25 per cent. more. Taken together, these two cases may perhaps be regarded as cancelling each other. So far, at any rate, there is little reason to believe that home work has been either increased or diminished.

In the third place, there is little evidence that the minimum wage tends in the chain-making industry to become the maximum, as it has sometimes, in general terms, been predicted that it would. Certain workers, it is true, have stated that whereas the old prices were higher than those fixed by the Trade Board, they have been reduced since the new rates came into operation. Such cases are, however, as can be seen by referring to the figures on pp. 74 and 86, quite exceptional. A glance at Table XIV., on p. 91, will show that the hourly earnings of women workers vary very greatly, according (in part) to differences in their strength and skill, which precludes the supposition that the effect of the Trade Board has been to reduce them to one "dead level." As a matter of fact, inquiry shows that some employers pay considerably higher prices than those fixed by the Trade Board

in order to attract the better workers. Indeed, in the dollied section of the trade, the employers have agreed with the Union to pay its members on the basis of the 5s. list, and though it is held that the agreement has not been satisfactorily observed, the fact that it should have been made shows that there is no general disposition to treat the Trade Board rates as a maximum which is not to be exceeded.

The principal indirect effects of the Trade Board rates are seen in connection with the price of chain, the quality of work and, to a less extent, the general organisation of the industry. In respect of its ability to raise prices to the consumer, the chain trade stands in a peculiar position. On the one hand, wages form a very large proportion of the total cost of making chain, especially of making the poorer qualities. There is in the chain trade nothing like the local variations in wages that there are, for example, in the clothing industry, variations which cause northern manufacturers to be hardly affected by an advance in wages of which southern manufacturers complain; there is little foreign competition; the fact that the industry is concentrated in a narrow area facilitates united, or at least simultaneous, action; and since the quality of each grade of hand-hammered chain is fixed, its price is naturally more sensitive to any increase in the cost of production. On the other hand, the fact that most of the chain affected by the Trade Board rates is made at home or in small workshops diminishes the opportunity, which exists in many trades, of meeting an advance in wages by a re-organisation of the methods of production. In this respect the chain-making industry differs very markedly from two others in which Trade Boards were set up under the Act of 1909, namely, the Wholesale and Ready-Made Bespoke Clothing Trade, and the Manufacture of Card-board, Paper and Chip Boxes. In both those industries, as will be shown in subsequent studies, that aspect of the "economy of high wages," which consists in the effect of

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an advance in wages upon management, has been conspicuous. In the chain-making industry there is no possibility for "speeding up" as far as the workers employed at home are concerned, while those employed on the premises of shop-owners seem to work already at a speed which no pressure could increase. There is, in fact, next to no "management," as distinct from "labour," the shop-owner, except where he is merely a middleman, being himself one manual worker among others. Economies connected with management can hardly, therefore, be introduced.

For these reasons the chain-making industry is not typical, and it would not be right to assume that the effect of raising wages in other industries by means of a Trade Board would necessarily be to raise prices merely on the ground that it had that effect in the chain trade. That this has been the effect in this particular industry there seems little room for doubt. The price of hand-hammered chain to the consumer has risen several times in the course of the last few years, as the following figures,¹ obtained from an exporting merchant, show:—

	1909.	1912.	Increase per cent.
⌋ (common) .	10s. 6d. per cwt.	14s. 9d. per cwt.	40·4
⌋ " } .	9s. 6d. "	11s. 9d. "	23·6
⌋ " } .	9s. 4½d. "	13s. 3d. "	41·3
⌋ " } .	10s. 7d. "	12s. 6d. "	18·1

For the purpose of comparing the rise in prices per cwt. to the purchaser with the increase in the piece prices per cwt. paid to the worker, one may set the average increase in the price of common chain given above side by side with the average increase in the piece prices paid for making

¹ Chain Trade Board Papers, 304.

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common chain (see back, p. 86). The result is as follows:—

Increase in price to purchaser of four sizes of common chain . . .	30·8 per cent.
Increase in piece prices to worker on common chain . . .	49 ..

It will be seen that the advance in prices to the purchaser is about three-fifths of the advance in piece prices paid to the worker. But these figures exaggerate the advance in prices to the consumer. For, as will be shown below, the quality of the chain made has improved, and the purchaser is therefore obtaining a better article for his money. Measured by the price paid for making it, chain of "extra" quality is about 20 per cent. better than chain of "common" quality, and clearly this difference should be taken into account in considering the advance in prices. How far this rise in prices, such as it is, is due to the rise in wages it is impossible to say. During the period under consideration the prices of most articles, including the raw materials for the manufacture of chains, have been rising, and 1912, the year for which prices are given, was one in which they were disturbed by the enormous temporary rise in the price of coal. The general view of manufacturers that the advance in wages has, in the main, come out of an advance in prices, must not, therefore, be taken as implying that the prices would not have risen if the old rates had remained in force.

To say that an advance in the price of chains is the principal immediate source from which the increased wages of chainworkers have come is not to imply that this must be so permanently. Though, for the reasons given above, the opportunities for introducing improvements in the process of manufacture are not so numerous as in most factory industries, there are signs that even in the chain-making industry the rise in wages has, as usual, let loose forces making for economies in production. In the first place,

the establishment of minimum rates appears to have a distinct effect on the quality of the chain produced. That the low rates paid resulted in inferior work has long been a common-place. The system, said a witness before the Commission of 1876, "compels men to work at the same low rate as women and children, and therefore they are obliged to make such a large quantity of work to earn a bare subsistence that they have no time to do full justice to their work, the incentive to good workmanship being crushed out through excessive competition, and thus . . . the markets are glutted with cheap but very inferior work."¹ "Chains," stated a manufacturer to the Lords' Committee in 1889, "are sent out all over the world when they are merely put in the blacking-pot; the 'blacking-pot test' has become one of the names of common chain."² That an improvement in the quality of the chain made would be one effect of setting up the Chain Trade Board was foretold before it was actually established. "I am informed by the Honorary Secretary of the Chainmakers' Association," said a speaker in the House of Commons, when the Trade Boards Bill was under consideration, "that every one of the good employers agrees that this trade should be placed in the schedule of this Bill. They say that not only is sweating bad for the employees who receive such miserable wages, but also that it is fatal to the reputation of the trade itself. Only last Saturday I was speaking to the ex-mayor of Dudley, who gave me a concrete case illustrating this phase of the question. He told me that only a few months ago he was in Canada . . . and when in one of the shipping yards he saw a quantity of chain. He referred to the fact that he was then mayor of Dudley, near Cradley. 'Oh,' said the gentleman to

¹ Report of the Commissioners appointed to inquire into the working of the Factory and Workshops Acts, 1876, Minutes of Evidence, 5688.

² Third Report of Lords' Committee on Sweating System, 1889, 22,506.

whom he was speaking, 'you know Cradley, do you? All I can say is, we shall have no more chain from Cradley, as the last lot we had was such shoddy stuff that it broke like single wire.' The hope and expectation which the good employers have as to the ultimate effect of this Bill is, that it will prevent this shoddy manufacture of chain which is being sent abroad to the detriment of the good name of the trade."¹ That this anticipation has to a considerable extent been realised is proved by the evidence both of employers and of workers. The reason is twofold. On the one hand, since a higher piece rate has to be paid for making the chain, employers insist, as far as they can, on having a better quality which will fetch a better price. When they can give out orders for "common" chain to men who are accustomed to making "extra," they do so; for the worker who usually makes chain of a better quality cannot easily lower his standard. When they cannot do this they inspect the chain more carefully and demand a better finish. Hence the frequent complaints from the operatives, that they are now required to make "common" chain of the quality of "extra," though they are only paid the "common" price. On the other hand, since the rates have been raised, the workers are no longer obliged to work with the same frantic speed as before in order to make a pittance. They tend, therefore, to work more slowly, and, because they work more slowly, to produce better chain. "Workers," said an employer, "who were earning 5s. a week were quite heedless of the quality of the work done, as the low prices made it necessary to them to work at the highest pressure. Now that they can get 11s. they take more pride in their work." "There is certainly a tendency," stated another, "to improve the quality of the chain made. . . . When there was no minimum, the master could say to the workers, 'Quality does not matter; sweat it down as you can.' Now employers demand a better quality of chain." "Formerly," said a shop-

¹ Hansard, vol. iv., pp. 368-9 (28th April 1909).

owner, "the workers had to work long hours and to rush the work. Now they can make it better because they go more slowly. At the same time, employers are trying to get a better class of chain in return for the Trade Board prices. They are really raising the quality of the chain so far as the Trade Board's definition is concerned." "The rates," said a chainmaker, "used to be so low that the worker had no time to put in good work. Slap chain [the poorest quality] used to be made one—two—three—down! It was exported under false certificates, stating it to be of good quality, 'slap' chain going as 'best'; which in time would have lost us our foreign markets. Now that the rates have been raised, the employers pick the workers more carefully, and won't let them make the chain so fast. Besides, now that the rates are higher, they can afford to work more slowly."

That bad wages produce bad work is an experience as common as it is habitually disregarded, and it is not surprising that with the advance in the prices paid the quality of the chain should have improved. The fact that it has done so suggests that the minimum rate is not likely to stand at any one level for a very long time together. Processes change, and improvements are introduced; and as they are introduced it is natural that an advance in wages should be demanded at the same time. It is, perhaps, more surprising that as yet the chain trade should have been little affected by machinery. To introduce machinery, or to speed up existing machinery, is a common reply of employers to an advance in wages, and in one industry, at any rate, the manufacture of cardboard and paper boxes, this result has already occurred.

How far has machinery been used to meet the extra wage-bill imposed by the Trade Board? This question can be answered with some accuracy. Of the two kinds of machine-made chain on the market, weldless or twisted chain and electric-welded chain, the former appears to be made by two firms in England, the latter by seven, which,

while continuing to produce a good deal of chain as before, have in the past few years put in electric-welding machines. As far, therefore, as the trade as a whole is concerned, one may say that hitherto the introduction of machinery, though somewhat accelerated by the Trade Board, has taken place only on a quite inconsiderable scale.¹

What likelihood is there of machinery being introduced in the future to such an extent as to cause a serious displacement of hand labour? This question is by no means easily answered. The view of most employers is that as wages rise the pressure to introduce machinery will become irresistible. It has not been so hitherto because labour was cheap. When the Trade Board fixed minimum rates, the agents of machine-making firms were active, and a certain number of machines were introduced. But they are expensive, costing £250 to £350 each; many of the employers are small men with little capital to spare; and those who could afford a considerable outlay preferred to wait and see what the future policy of the Board would be. "Prior to the fixing of minimum rates by the Trade Board," said a large manufacturer, "women's rates were so low that it did not pay to introduce machinery. . . . The reason why since then machinery has not been introduced more rapidly is that manufacturers have hitherto thought it possible that the minimum rates might be reduced, in which case their expenditure upon machinery would be wasted." The view of the workers is that machinery is a bogey which is brought forward whenever a rise in wages is demanded, that employers have cried "wolf" too long to be taken seriously now, and that in any case only certain sizes of chain can be welded by machinery. Between these conflicting opinions it would be presumptuous for an outsider to attempt to decide. He can only record the actual facts, and the facts appear to be that twisted chain (mostly of foreign manufacture) is at present competing to an appreciable extent with certain kinds of country chain;

¹ Chain Trade Board Papers, 304.

that electric-welded chain can be used to replace the smaller sizes (No. 6 and under) of hand-hammered chain, but that, as the former must be made of steel, it has the defect of being more brittle than the latter, and that at present welding by electricity is technically too imperfect a process to replace hand-hammered chain, even in the smaller sizes, while the larger sizes are as yet altogether unaffected by it. At the present moment, indeed, the demand for machine-made chain seems, in spite of the activity of trade, to be diminishing rather than increasing. Farmers, who a year or two ago were placing orders for it, have returned to hand-hammered chain, on the ground that the latter is more durable. Nor is it without significance that, so far as can be ascertained, not a single tender for a cwt. of machine-made chain should ever have been received by the Admiralty. For the British Admiralty is by far the largest buyer of chain in the world ; it is the ambition of every chain-making firm to secure its custom ; and if chain could be produced by machinery which would face the required tests, it would be incredible that the Admiralty should not have been inundated with offers to supply it.

It would, however, be contrary to all experience to assume that technical difficulties will permanently stand in the way of the introduction of machinery. If it is introduced, what is likely to happen ? What happened in another local industry, that of nail-making, was that a whole generation was spent in a fruitless struggle between hand labour and machinery, the price paid for the former steadily falling, and its fall failing ultimately to check the introduction of the dreaded machines. Clearly it would be disastrous if the same long agony were undergone by the chain trade. That the competition of machinery should be met by reducing the minimum rates, and by returning to the old condition of things in which a woman earned 4s. to 6s. a week for fifty or sixty hours of labour, is as unthinkable as it is that if this ruinous policy were adopted it would

succeed in excluding machinery once the latter had been made technically satisfactory. The minimum rates must at all costs be maintained, and, if possible, raised. Would it not, however, be possible for the introduction of machinery to take place without any great dislocation involving a serious diminution of employment? It would, if machinery were introduced by degrees and with due regard to the vested interests of the hand workers. Of the attempts which have been made in the past with this object only two, so far as the writer is aware, have secured the desired result. One is the stipulation made by certain unions that those already employed in the trade shall be given a period of trial, at the standard time wage, on the new machinery. The other is an arrangement to reduce the hours of labour. Neither of these possible courses are within the present power of a Trade Board, but it has, nevertheless, a resource which would be more effective than either. Since it can fix the minimum legally permissible, it can, in effect, regulate the speed with which machinery, once it is technically satisfactory, shall be introduced. If the same minimum rates were fixed for the machine worker as for the hand worker, machinery would carry all before it. If a much higher rate were fixed for the former than for the latter, it is conceivable that it would not pay to introduce machinery at all. If the rates for the machine worker were sufficiently high to make him considerably more expensive to the employer, while not so high as to destroy the advantages of machine production, machinery would be introduced, but it would be introduced gradually, and without causing any violent dislocation. The employer who was prepared to pay high wages and employ the most highly skilled labour would find it pay to use machinery; the employer who elected to pay lower wages would continue to produce by means of hand labour. There would, in fact, arise a division of labour in the trade somewhat similar to that which exists at present between factory workers and outworkers. One reason why

all chain is not taken into factories is to be found in the fact that the Union insists on all factory-made chain being made at a higher list than has been secured by the outworkers, with the result that only the larger and higher-priced chains are made in factories. In the same way, if higher rates were fixed by the Trade Board¹ for the machine workers than for the hand workers, the two methods of production would continue for a long time to exist side by side, as factory production and outwork do at the present time. What would happen would be a gradual transformation of the industry, instead of a violent revolution. Instead of the large firms with sufficient capital to put in machinery underselling the rest, and thus not only creating unemployment among wage-earners, but also ruining a large number of small masters, for whom the use of expensive machinery is out of the question, the industry would be divided between the new machine workers, mostly young persons paid at a higher rate, and the old hand workers, mostly of advancing years, paid, it is true, at a somewhat lower rate than the machine worker, but neither deprived of their employment, nor in danger of having their earnings cut down by the competition of machine production to the level at which they stood before the Trade Board was established. The long and fruitless struggle with machinery, which has been the most tragic chapter in the history of so many industries, would be avoided, and machinery, once it were ready to be introduced, would come in by degrees, not lowering the wages of the hand workers, but raising the wages of machine workers.

If the histories of other industries make speculations as to the future of machine production in the chain trade inevitable, the present condition of that industry makes them for the time being almost otiose. Machinery is still on its trial, and, as we have shown, the additional cost of

¹ A Provisional Order would be necessary to empower the Trade Board to fix rates for machine-made chain.

increased wages has been met by its introduction in only an inconsiderable number of cases. On the other hand, there is one respect in which the condition of the industry is already beginning to undergo a transformation which may, in time, be of great importance, though at present it is only in its incipient stages. It has been pointed out above (pp. 7-8 and 59-61) that the middleman or shop-owner occupies a peculiar position in the chain-making industry. Standing as he does between the factory owner and the wage-earner, he is necessarily the first to feel the effect of any reduction in prices by the former, or any advance in prices to the latter, and he has hitherto been the agent through whom wages were beaten down. What has been the effect upon him of the establishment of minimum rates by the Trade Board? Has the rise in wages been met by squeezing him out or by reducing his profits? That this would be the case was anticipated when the Board was appointed. "The middlemen," it was said, "cannot continue to exist as middlemen. They must either confine themselves to working for wages, or, if they employ others, go into the market and sell their chain direct to the consumer, not to the factory owner." And the prospect was welcomed by some of the more experienced workers, who argued that the reckless competition of middlemen dragged down wages. Middlemen, however, always an ambiguous¹ word, is actually misleading when ap-

¹ See the following defence of the shop-owner (*County Express*, 8th October 1910). ". . . So far in this letter I have refrained from using the word 'middleman.' I leave it to those who use this word to define what they mean and make out their case, which they have not done as yet. If they mean what I think they do, then I emphatically protest against the shop-owners being placed in the same class. By shop-owner I mean the man who has learned his trade and worked at the block from his youth up, and who, after years of honest toil and thrift . . . has, by strict economy, saved a few pounds and invested them in tools for himself and others, and . . . added fire after fire as circumstances per-

plied without discrimination to the organisation of the chain trade at Cradley Heath. Those whom an outsider would describe as middlemen, because they are intermediaries between the factory owner and the wage-earner, may be divided into two broad classes. First, there are shop-owners who take iron from factory owners and make it into chain with a few workers, mostly men, in their own shops, or who make part of it in their own shops and give the rest of it to outworkers, mostly women, working at home. These perform a useful function, as long as the production of chain is not entirely concentrated in factories. They enable the employer to give out iron in large quantities to a few responsible persons, instead of being obliged to deal with several hundred individuals, and "see that the chain is brought in at one weighing and in one lot." Secondly, there are middlemen who are not themselves shop-owners, who often have little technical knowledge of the trade, and who are really parasites upon it, accepting orders at low prices and then (at least before the minimum rates were fixed) taking advantage of the worker's necessities to squeeze their profit out of him. In practice, of course, these two classes shade into each other. It is one of the evils produced by generations of low wages that every one at Cradley Heath seems to do a little "factoring," including the workers themselves. But the difference between them is nevertheless important. It is as great as that between a Jewish small master in the clothing trade who makes up coats with a few journeymen, and the middleman, or middlewoman, who merely acts as an agent for distributing orders and speculates on the possibility of reducing wages.

Of these two types of middlemen both have been affected by the Trade Board, and their profits form one of the sources from which the advance in wages has come. The mit. This man is typical of scores and scores in our trade. . . . It is by men of this type and along these lines that our whole industry has been built up. . . ."

Trade Board itself allowed for the customary organisation of the industry by differentiating between the prices to be paid by the employer who provides workshop, fuel and tools, and the prices to be paid by the employer who does not, but merely gives out work. The higher prices are paid by the factory occupier to the shop-owner, the lower by the shop-owner to such wage-earners as work on his premises, while the "single-handed" worker, working in his or her own home, must be paid the higher prices, whether he gets iron from the factory occupier direct or from a shop-owner. The effect of this arrangement on the middleman who is middleman and nothing else is obvious. The mere speculator who does not provide workshop, tools and fuel, but who simply distributes iron, must pay the worker the price which he himself gets from the factory so long as that price is the bare Trade Board rate. He can no longer accept orders at a higher rate and give them out at a lower. He is, therefore, eliminated, and as he was merely a burden on the industry the diversion into the channel of wages of money which he previously took as his profit is clear gain. The effect on the shop-owner himself, who is not a mere middleman, has not been so drastic, but it has certainly been to weaken his position. On the one hand, the mere defining and codifying of industrial relationships has blocked certain channels from which he previously drew profits. Formerly, for example, many shop-owners who had introduced electric blast into their shops used to charge the men working there as much as 4s. a week in consideration of it, so that if a shop-owner employed ten men he would receive 40s. a week for blast which probably did not cost him more than 20s. The possibility of doing this has now been stopped¹ by the fact that the Trade Board rates must be "free and clear of all deductions." More

¹ The advantage of the policy followed by the Trade Board in this matter is, at least, doubtful. The proposal made by the shop-owners was that "where shop-owners supply blast either by power or by paying blower the shop-owner be allowed

important, the effect of the Trade Board has virtually been to fix his profits. Before the minimum rates were fixed, a shop-owner who did not get a good price from the factory had the chance of recouping himself by beating down wages, while if he did get a good price from the factory, and beat down wages at the same time, he might make a considerable profit. Now that the alternative of squeezing the worker is removed, he stands, as it were, between two fires. Formerly he was the hammer, now he is the anvil. He must pay not less than a certain price for labour. He has no legal claim to more than a certain price from the factory occupier. His opportunity of occasionally making a bargain which, from his point of view, is good in both directions, is therefore abolished. Unless he can get special terms from the factory occupier, he must live on his margin of 25 per cent., or else go out of the trade. Whether that margin is sufficient is not for an outsider to say. It is probably inevitable that shop-owners should say that it is not, that it covers, and no more than covers, workshop expenses. Their anticipation that the advance in wages would come out of their pockets was partly responsible for the duration of the dispute in 1910, when they declined to pay the higher rates to the workers until they could secure from the factory occupiers some guarantee that their own rates would be fixed at a remunerative level. What has actually happened is fairly clear. A certain number of shop-owners have given up business. A certain number have "gone into the market," ceased, that is to say, to work for factory occupiers, and begun themselves to deal directly with the merchants who give orders for chain. A certain number have succeeded in getting from the factory a percentage over and above the rates fixed by the Board. A large the maximum charge of 3s. per week for such service rendered." It was defeated by a coalition of the factory occupiers and workers on the Board (Chain Trade Board Minutes, 11th January 1911).

number are struggling along with reduced profits. "When the Act came into force," said a middleman who could scarcely be called a shop-owner, "I visited my employer and told him I expected to be paid at the price of one quality higher than that at which I pay my outworkers, e.g. on No. —, 83s. instead of 60s. My employer told me that would give me a larger profit than he got himself, and offered 10 per cent. I get 10 per cent. now and as much more as I can. The middlemen, like myself, are worse off than they were before the rates were fixed. The price to the workers is fixed. The employer knows this, and has the alternative of giving out work to the middleman or of employing workers directly himself. He therefore pays the middleman as little above the price fixed for the worker as he can. . . . If I could get a job at £2 a week I would give up being a middleman." "The minimum rates," said a factory occupier, "have hit the middlemen hard, and under the new conditions there are fewer of them. We [*i.e.* the factory occupiers] can't go below the minimum, and if we pay them the full minimum we are free as regards the law. The shop-owner has, it is true, an allowance of 25 per cent. for tools and fuel. But that only meets his actual costs. He has no margin. What he does, therefore, is to demand more from the superior employer or factory owner. But there is no stipulated sum which he is paid above the Trade Board price. He strikes his bargain like other people and does the best he can. Hence there is a tendency to squeeze him." "I know of four shop-owners," stated a shop-owner, who was himself, owing to the class of chain he made, little affected by the Trade Board rates, "who have given up business since the rates came into force. If the Act were properly administered, more would disappear. The Trade Board has made it bad for the shop-owner. Formerly some of them would take orders from the employer at a very low rate, and make their profit by beating down the workers. Now they have to pay the

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Trade Board rates and make their own profit on the top ; it must come from the employer, not from the workers. . . . The workers know what they ought to get, and tend, therefore, to go direct to the manufacturer's office, instead of to the middleman. The more the minimum is raised the more likely are shop-owners and middlemen to be squeezed out."

VIII

THE ENFORCEMENT OF THE CHAIN TRADE BOARD'S DETERMINATIONS

IF we do not here enter at length into the administrative problems involved in the enforcement of minimum rates, it is not because they are unimportant, but because they are common to all the Trade Boards, and will therefore be considered in their place in a subsequent monograph. It is obvious, indeed, to the most superficial observer that as the number of industries brought within the scope of the Trade Boards Act is increased, the office by which it is administered must inevitably obtain a different status from that which it now has. At the present time the Trade Boards Office has no direct dealings with the Treasury, and can spend no money without the sanction of the Board of Trade, which means that, to give only one example, no legal proceedings can be undertaken without the Board of Trade's permission being asked and obtained on each occasion. The task of enforcing the determination of the Trade Boards is in the hands of a staff of investigating officers, in connection with whose work the Trade Boards have established administrative committees. But, though employed on behalf of the Trade Boards, the investigating officers are appointed by the Board of Trade, which has laid it down that they must receive instructions only from the Chairman of the Trade Boards, and be responsible to him alone. Nor is this system of dual control the only feature of the new organisation which

suggests that it is still immature. There is the further problem which arises from the need of co-ordinating the work of the different departments whose staffs at the present time inspect factories and workshops, in particular of the Home Office and of the Board of Trade. Factory inspectors, the investigating officers of the Trade Boards, Labour Exchange officials, Insurance officers are all engaged in supervising industry, with different objects and from different points of view; and it can scarcely be doubted that they should be placed in a closer connection with each other than has existed hitherto.

Postponing till a later occasion a discussion of these larger questions of organisation, we may describe shortly the administration of the Trade Boards Act in so far as it concerns the chain-making industry. Section 6 (1) of the Act provides that, when a rate has been made obligatory by the Board of Trade, any employer paying less "shall be liable on summary conviction in respect of each offence to a fine not exceeding twenty pounds, and to a fine not exceeding five pounds for each day on which the offence is continued after conviction therefor." Section 6 (2) provides that the court may order the employer convicted of paying less than the minimum rates to pay, "in addition to any fine, such sum as appears to the court to be due to the person employed on account of wages, the wages being calculated on the basis of the minimum rate." Section 7 (1) (b) provides for the procedure which was actually followed in connection with the chain trade, by laying down that, during the interval of six months which must elapse between the determination of minimum rates by the Trade Board and the issue by the Board of Trade of an order making them obligatory, "any employer may give written notice to the Trade Board by whom the minimum rate has been fixed, that he is willing that that rate should be obligatory on him, and in that case he shall be under the same obligation

to pay wages to the person employed at not less than the minimum rate, and be liable to the same fine for not doing so, as he would be if an order of the Board of Trade were in force making the rate obligatory." The enforcement of the minimum rates is the duty of the staff of the Trade Boards Office, which consists in all of twenty-five persons. Of these seven are investigating officers, but as one of these is employed during his whole time in the office, the total number available for the purpose of inspection is six, of whom four are men and two are women. In the four trades which were scheduled in 1909 there are about 200,000 workers, and as in the case of two of them, ready-made and wholesale bespoke tailoring, and the making of paper, cardboard and chip boxes, the workers to be protected are distributed in every part of the country, and are employed as often in small workshops as in factories, anything like systematic inspection is out of the question until the present staff is largely increased. The authorities responsible for staffing the office appear, indeed, to have learned nothing from the history of Factory and Workshops Acts administration, and to be determined to thrust upon the investigating officers of the Trade Boards the same impossible task that was placed upon the early factory inspectors. But the investigating officers and the factory inspectors are to the wage-earners what the policeman is to the owners of property, and it is as intolerable that the former should be deprived of the protection which is their right by law because of the parsimony of the Treasury, which means, of course, the indifference of the Government, as it would be that the latter should be exposed to robbery because the police authorities did not provide sufficient constables. Indeed, it is more intolerable. For those who depend upon wages are seven-eighths of the nation, and what they stand to lose through lack of an adequate service of inspectors is not merely their property, but their livelihood, their health and even their lives.

The inadequacy of the present staff of investigating officers produces less practical evils in the case of the chain trade than it does in that of the tailoring and box-making industries, partly because the concentration of the manufacture of chain in a small area facilitates inspection, partly because, since minimum piece rates and not merely minimum time rates have been fixed by the Trade Board, it is relatively easy for the investigating officers to discover breaches of the determinations, partly because the energetic trade union brings offences to their notice. What happens in practice is that an investigating officer visits Cradley Heath once in every four or six weeks. If he has no special clue to follow he walks into all the shops in a given area and asks the workers what chain they are making, what price they are being paid for it, whether any deductions are made or gratuities demanded, who weighs in the chain and whether they have their "particulars" notes. If an irregularity is found he goes to the employer or shop-owner who supplies the iron, obtains from him a list of all his outworkers, and visits them in turn. The Union, at the same time, maintains a fairly elaborate system for detecting cases of underpayment. The district has been divided into sections; the head of each section notifies cases needing investigation to the secretary of the Union; and the secretary of the Union communicates them to the authorities at the Trade Board Office, or, if an investigating officer is on the spot, to the investigating officer. The only case¹ in which a chain manufacturer has hitherto been prosecuted for paying less than the minimum rates was due to this co-operation between the Trade Board officials and the Trade Union. The offence on that occasion was clear. The defendant, during the period of "limited operation," had induced three of his workers to sign an agreement to accept less than the minimum rates. This

¹ See Appendix B. Since this was written three other prosecutions have taken place.

he was legally entitled to do under section 7 (1) (a) of the Trade Boards Act, which provides that when a rate has been fixed by a Trade Board, but not yet made obligatory by the Board of Trade, the minimum rate shall apply only "in the absence of a written agreement to the contrary." Subsequently, however, to doing this, he, in common with the majority of employers in the Chain Trade, had, in accordance with section 7 (1) (b) of the Trade Boards Act, given written notice to the Trade Board to the effect that he was willing that the minimum rate should be made obligatory upon him, and had thus rendered himself liable to prosecution if he paid less than the minimum rate fixed in the Trade Board's determination. In spite of doing this he paid two workers 13s. per cwt., when they should have been paid 17s., and one worker 18s. 6d., when he should have been paid 27s., at the same time entering the correct prices upon their "particulars" notes. The defendant pleaded guilty to the offence, and his counsel had nothing to say on his behalf except that the Act was a bad Act, that the mother of the two boys concerned had asked that they might be paid at the lower price—which, when put in the witness-box, she denied having done—and that their employer, "out of the tenderness of his heart, allowed them to work" at the lower prices. The Bench took a serious view of the offence, fined the defendant £5 and costs, and ordered him to repay to the three workers arrears of wages amounting respectively to £3. 15s. 3d., £3. 9s. 4½d. and 11s. 3½d., a total loss to him of £32. 4s. 10d. The case had a salutary effect in Cradley Heath, and complaints of underpayment have since diminished. It is not pretended, of course, that there is no evasion whatever. Both employers and workers are convinced that there are still a certain number of masters who, on occasion, pay less than the rates fixed by the Trade Board; and a resolution was carried at the Trade Board on 1st July 1912, recommending the appointment of an inspector "to give his whole time to the district for a

period of six months." ¹ But there is no reason to believe that breaches of the determinations are common. On the whole, as far as the chain trade is concerned, nearly all the evidence suggests that the Act is being successfully administered.

¹ Chain Trade Board Minutes, 1st July 1912.

IX

SUMMARY AND CONCLUSION

THE facts which have been presented in the preceding chapters of this short work do not offer a foundation upon which any large generalisations as to the effects of the establishment by a Trade Board of minimum rates of payment can be erected. Both the obstacles to, and the facilities for, the application of a minimum wage to the chain-making industry are, on the whole, peculiar to itself; and we must therefore postpone a discussion of the wider issues raised by that policy till we have examined its operation in other industries, the circumstances of which are different from those of the chain trade. It may, however, be useful to the reader to summarise the main points which emerge from the experience described in the preceding pages. They are as follows:—

(i) The experience of the Chain Trade Board has proved that it is possible to fix and enforce minimum rates of payment for a highly technical industry, and to do so with the approval of the public opinion of all the main classes of persons concerned in the trade.

(ii) Apart from their direct influence in increasing earnings, the minimum rates thus fixed (*a*) have checked the fluctuations in piece rates and earnings which used previously to take place; (*b*) are likely, in the opinion of employers and workers, somewhat to smooth out the fluctuations in production, which, in the past, were partially due to the absence of any minimum below which the price of labour could not be reduced.

(iii) The rates paid both to men and to women workers

in 1910, prior to the Trade Board's determination, were considerably lower than those agreed upon between the Associations of Masters and Journeymen in 1889, and there is no reason to suppose that they would have risen if the Trade Board had not intervened.

(iv) The effect of the Trade Board's first determinations was to bring about a rise in the piece rates paid for making dollied or tommied chain of about 35 per cent., and a rise in the piece rates for making hand-hammered chain of "commonest," "common" and "extra" quality of about 67, 49 and 19 per cent. respectively. This advance in piece rates has been reflected in the increased weekly earnings of both men and women, and in a rise in the general standard of life of the district.

(v) The effect of the Trade Board has been to give an impetus to Trade Unionism.

(vi) There is no reason to suppose that the increase in piece rates has caused unemployment or an alteration in the proportions of chain made on the premises of the factory occupiers, of the shop-owners and of the workers.

(vii) The increased piece rates have been met partly by an advance in the price paid for chain by the purchaser, partly by an improvement in the quality of the chain made, partly by a reduction in the profits of the shop-owner or middleman, partly, but only to a small extent, by the introduction of electric-welding machinery.

(viii) The Trade Boards Office is understaffed. But, as far as the chain-making industry is concerned, there is little reason to think that the minimum rates fixed by the Trade Board are evaded to any serious extent.

APPENDIX A

TRADE BOARDS ACT, 1909

[9 EDW. 7. CH. 22]

A.D. 1909.—An Act to provide for the establishment of Trade Boards for certain Trades. [20th October 1909.]

Be it enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows :—

ESTABLISHMENT OF TRADE BOARDS FOR TRADES TO WHICH THE ACT APPLIES

I. Application of Act to certain trades.—(1) This Act shall apply to the trades specified in the schedule to this Act and to any other trades to which it has been applied by Provisional Order of the Board of Trade made under this section.

(2) The Board of Trade may make a Provisional Order applying this Act to any specified trade to which it does not at the time apply if they are satisfied that the rate of wages prevailing in any branch of the trade is exceptionally low, as compared with that in other employments, and that the other circumstances of the trade are such as to render the application of this Act to the trade expedient.

(3) If at any time the Board of Trade consider that the conditions of employment in any trade to which this Act applies have been so altered as to render the application of this Act to the trade unnecessary, they may make a Provisional Order that this Act shall cease to apply to that trade.

(4) The Board of Trade may submit to Parliament for confirmation any Provisional Order made by them in

pursuance of this section, but no such Order shall have effect unless and until it is confirmed by Parliament.

(5) If, while a Bill confirming any such Order is pending in either House of Parliament, a petition is presented against any Order comprised therein, the Bill, so far as it relates to that Order, may be referred to a select committee, or, if the two Houses of Parliament think fit so to order, to a joint committee of those Houses, and the petitioner shall be allowed to appear and oppose as in the case of Private Bills.

(6) Any Act confirming a Provisional Order made in pursuance of this section may be repealed, altered, or amended by any subsequent Provisional Order made by the Board of Trade and confirmed by Parliament.

2. *Establishment of Trade Boards for trades to which Act applies.*—(1) The Board of Trade shall, if practicable, establish one or more Trade Boards constituted in accordance with regulations made under this Act for any trade to which this Act applies or for any branch of work in the trade.

Where a Trade Board is established under this Act for any trade or branch of work in a trade which is carried on to any substantial extent in Ireland, a separate Trade Board shall be established for that trade or branch of work in a trade in Ireland.

(2) Where a Trade Board has been established for any branch of work in a trade, any reference in this Act to the trade for which the Board is established shall be construed as a reference to the branch of work in the trade for which the Board has been established.

3. *General duties of Trade Boards.*—A Trade Board for any trade shall consider, as occasion requires, any matter referred to them by a Secretary of State, the Board of Trade, or any other Government department, with reference to the industrial conditions of the trade, and shall make a report upon the matter to the department by whom the question has been referred.

MINIMUM RATES OF WAGES

4. *Duties and powers of Trade Boards with respect to minimum rates of wages.*—(1) Trade Boards shall, subject to the provisions of this section, fix minimum rates

of wages for timework for their trades (in this Act referred to as minimum time-rates), and may also fix general minimum rates of wages for piecework for their trades (in this Act referred to as general minimum piece-rates), and those rates of wages (whether time- or piece-rates) may be fixed so as to apply universally to the trade, or so as to apply to any special process in the work of the trade or to any special class of workers in the trade, or to any special area.

If a Trade Board report to the Board of Trade that it is impracticable in any case to fix a minimum time-rate in accordance with this section, the Board of Trade may so far as respects that case relieve the Trade Board of their duty.

(2) Before fixing any minimum time-rate or general minimum piece-rate, the Trade Board shall give notice of the rate which they propose to fix, and consider any objections to the rate which may be lodged with them within three months.

(3) The Trade Board shall give notice of any minimum time-rate or general minimum piece-rate fixed by them.

(4) A Trade Board may, if they think it expedient, cancel or vary any minimum time-rate or general minimum piece-rate fixed under this Act, and shall reconsider any such minimum rate if the Board of Trade direct them to do so, whether an application is made for the purpose or not :

Provided that the provisions of this section as to notice shall apply where it is proposed to cancel or vary the minimum rate fixed under the foregoing provisions in the same manner as they apply where it is proposed to fix a minimum rate.

(5) A Trade Board shall on the application of any employer fix a special minimum piece-rate to apply as respects the persons employed by him in cases to which a minimum time-rate but no general minimum piece-rate is applicable, and may as they think fit cancel or vary any such rate either on the application of the employer or after notice to the employer, such notice to be given not less than one month before cancellation or variation of any such rate.

5. *Order giving obligatory effect to minimum rates of wages.*—(1) Until a minimum time-rate or general minimum piece-rate fixed by a Trade Board has been made obligatory by order of the Board of Trade under this

section, the operation of the rate shall be limited as in this Act provided.

(2) Upon the expiration of six months from the date on which a Trade Board have given notice of any minimum time-rate or general minimum piece-rate fixed by them, the Board of Trade shall make an order (in this Act referred to as an obligatory order) making that minimum rate obligatory in cases in which it is applicable on all persons employing labour and on all persons employed, unless they are of opinion that the circumstances are such as to make it premature or otherwise undesirable to make an obligatory order, and in that case they shall make an order suspending the obligatory operation of the rate (in this Act referred to as an order of suspension).

(3) Where an order of suspension has been made as respects any rate, the Trade Board may, at any time after the expiration of six months from the date of the order, apply to the Board of Trade for an obligatory order as respects that rate; and on any such application the Board of Trade shall make an obligatory order as respects that rate, unless they are of opinion that a further order of suspension is desirable, and, in that case, they shall make such a further order, and the provisions of this section which are applicable to the first order of suspension shall apply to any such further order.

An order of suspension as respects any rate shall have effect until an obligatory order is made by the Board of Trade under this section.

(4) The Board of Trade may, if they think fit, make an order to apply generally as respects any rates which may be fixed by any Trade Board constituted, or about to be constituted, for any trade to which this Act applies, and while the order is in force any minimum time-rate or general minimum piece-rate shall, after the lapse of six months from the date on which the Trade Board have given notice of the fixing of the rate, be obligatory in the same manner as if the Board of Trade had made an order making the rate obligatory under this section, unless in any particular case the Board of Trade, on the application of any person interested, direct to the contrary.

The Board of Trade may revoke any such general order at any time after giving three months' notice to the Trade Board of their intention to revoke it.

6. *Penalty for not paying wages in accordance with minimum rate which has been made obligatory.*—(1) Where any minimum rate of wages fixed by a Trade Board has been made obligatory by order of the Board of Trade under this Act, an employer shall, in cases to which the minimum rate is applicable, pay wages to the person employed at not less than the minimum rate clear of all deductions, and if he fails to do so shall be liable on summary conviction in respect of each offence to a fine not exceeding twenty pounds, and to a fine not exceeding five pounds for each day on which the offence is continued after conviction therefor.

(2) On the conviction of an employer under this section for failing to pay wages at not less than the minimum rate to a person employed, the court may by the conviction adjudge the employer convicted to pay, in addition to any fine, such sum as appears to the court to be due to the person employed on account of wages, the wages being calculated on the basis of the minimum rate, but the power to order the payment of wages under this provision shall not be in derogation of any right of the person employed to recover wages by any other proceedings.

(3) If a Trade Board are satisfied that any worker employed, or desiring to be employed, on time work in any branch of a trade to which a minimum time-rate fixed by the Trade Board is applicable is affected by any infirmity or physical injury which renders him incapable of earning that minimum time-rate, and are of opinion that the case cannot suitably be met by employing the worker on piece-work, the Trade Board may, if they think fit, grant to the worker, subject to such conditions, if any, as they prescribe, a permit exempting the employment of the worker from the provisions of this Act rendering the minimum time-rate obligatory, and, while the permit is in force, an employer shall not be liable to any penalty for paying wages to the worker at a rate less than the minimum time-rate so long as any conditions prescribed by the Trade Board on the grant of the permit are complied with.

(4) On any prosecution of an employer under this section, it shall lie on the employer to prove by the production of proper wages sheets or other records of wages or otherwise that he has not paid, or agreed to pay, wages at less than the minimum rate.

• (5) Any agreement for the payment of wages in contravention of this provision shall be void.

7. *Limited operation of minimum rate which has not been made obligatory.*—(1) Where any minimum rate of wages has been fixed by a Trade Board, but is not for the time being obligatory under an order of the Board of Trade made in pursuance of this Act, the minimum rate shall, unless the Board of Trade direct to the contrary in any case in which they have directed the Trade Board to reconsider the rate, have a limited operation as follows :—

(a) In all cases to which the minimum rate is applicable an employer shall, in the absence of a written agreement to the contrary, pay to the person employed wages at not less than the minimum rate, and, in the absence of any such agreement, the person employed may recover wages at such a rate from the employer ;

(b) Any employer may give written notice to the Trade Board by whom the minimum rate has been fixed that he is willing that that rate should be obligatory on him, and in that case he shall be under the same obligation to pay wages to the person employed at not less than the minimum rate, and be liable to the same fine for not doing so, as he would be if an order of the Board of Trade were in force making the rate obligatory ; and

(c) No contract involving employment to which the minimum rate is applicable shall be given by a Government department or local authority to any employer unless he has given notice to the Trade Board in accordance with the foregoing provision :

Provided that in case of any public emergency the Board of Trade may by order, to the extent and during the period named in the order, suspend the operation of this provision as respects contracts for any such work being done or to be done on behalf of the Crown as is specified in the order.

(2) A Trade Board shall keep a register of any notices given under this section :

The register shall be open to public inspection without

payment of any fee, and shall be evidence of the matters stated therein :

Any copy purporting to be certified by the secretary of the Trade Board or any officer of the Trade Board authorised for the purpose to be a true copy of any entry in the register shall be admissible in evidence without further proof.

8. *Provision for case of persons employed by piece work where a minimum time-rate but no general minimum piece-rate has been fixed.*—An employer shall, in cases where persons are employed on piece work and a minimum time-rate but no general minimum piece-rate has been fixed, be deemed to pay wages at less than the minimum rate—

(a) in cases where a special minimum piece-rate has been fixed under the provisions of this Act for persons employed by the employer, if the rate of wages paid is less than that special minimum piece-rate ; and

(b) in cases where a special minimum piece-rate has not been so fixed, unless he shows that the piece-rate of wages paid would yield, in the circumstances of the case, to an ordinary worker at least the same amount of money as the minimum time-rate.

9. *Prevention of evasion.*—Any shopkeeper, dealer, or trader, who by way of trade makes any arrangement express or implied with any worker in pursuance of which the worker performs any work for which a minimum rate of wages has been fixed under this Act, shall be deemed for the purposes of this Act to be the employer of the worker, and the net remuneration obtainable by the worker in respect of the work after allowing for his necessary expenditure in connection with the work shall be deemed to be wages.

10. *Consideration by Trade Board of complaints as to infraction of minimum rates.*—(1) Any worker or any person authorised by a worker may complain to the Trade Board that the wages paid to the worker by any employer in any case to which any minimum rate fixed by the Trade Board is applicable are at a rate less than the minimum rate, and the Trade Board shall consider the matter and may, if they think fit, take any proceedings under this Act on behalf of the worker.

- (2) Before taking any proceedings under this Act on behalf of the worker, a Trade Board may, and on the first occasion on which proceedings are contemplated by the Trade Board against an employer they shall, take reasonable steps to bring the case to the notice of the employer, with a view to the settlement of the case without recourse to proceedings.

CONSTITUTION, PROCEEDINGS, &C. OF TRADE BOARDS

II. Constitution and proceedings of Trade Boards.—

(1) The Board of Trade may make regulations with respect to the constitution of Trade Boards which shall consist of members representing employers and members representing workers (in this Act referred to as representative members) in equal proportions and of the appointed members. Any such regulations may be made so as to apply generally to the constitution of all Trade Boards, or specially to the constitution of any particular Trade Board or any particular class of Trade Boards.

(2) Women shall be eligible as members of Trade Boards as well as men.

(3) The representative members shall be elected or nominated, or partly elected and partly nominated as may be provided by the regulations, and in framing the regulations the representation of home workers on Trade Boards shall be provided for in all trades in which a considerable proportion of home workers are engaged.

(4) The chairman of a Trade Board shall be such one of the members as the Board of Trade may appoint, and the secretary of the Trade Board shall be appointed by the Board of Trade.

(5) The proceedings of a Trade Board shall not be invalidated by any vacancy in their number, or by any defect in the appointment, election, or nomination of any member.

(6) In order to constitute a meeting of a Trade Board, at least one third of the whole number of the representative members and at least one appointed member must be present.

(7) The Board of Trade may make regulations with respect to the proceedings and meetings of Trade Boards, including the method of voting; but subject to the pro-

visions of this Act and to any regulations so made Trade Boards may regulate their proceedings in such manner as they think fit.

12. *Establishment of district trade committees.*—(1) A Trade Board may establish district trade committees consisting partly of members of the Trade Board and partly of persons not being members of the Trade Board but representing employers or workers engaged in the trade and constituted in accordance with regulations made for the purpose by the Board of Trade and acting for such area as the Trade Board may determine.

(2) Provision shall be made by the regulations for at least one appointed member acting as a member of each district trade committee, and for the equal representation of local employers and local workers on the committee, and for the representation of homeworkers thereon in the case of any trade in which a considerable proportion of homeworkers are engaged in the district, and also for the appointment of a standing sub-committee to consider applications for special minimum piece-rates and complaints made to the Trade Board under this Act, and for the reference of any applications or complaints to that sub-committee.

(3) A Trade Board may refer to a district trade committee for their report and recommendations any matter which they think it expedient so to refer, and may also, if they think fit, delegate to a district trade committee any of their powers and duties under this Act, other than their power and duty to fix a minimum time-rate or general minimum piece-rate.

(4) Where a district trade committee has been established for any area, it shall be the duty of the committee to recommend to the Trade Board minimum time-rates and, so far as they think fit, general minimum piece-rates, applicable to the trade in that area, and no such minimum rate of wages fixed under this Act and no variation or cancellation of such a rate shall have effect within that area unless either the rate or the variation or cancellation thereof, as the case may be, has been recommended by the district trade committee, or an opportunity has been given to the committee to report thereon to the Trade Board, and the Trade Board have considered the report (if any) made by the committee.

• 13. *Appointed members of Trade Boards.*—(1) The Board of Trade may appoint such number of persons (including women) as they think fit to be appointed members of Trade Boards.

(2) Such of the appointed members of Trade Boards shall act on each Trade Board or district trade committee as may be directed by the Board of Trade, and, in the case of a Trade Board for a trade in which women are largely employed, at least one of the appointed members acting shall be a woman :

Provided that the number of appointed members acting on the same Trade Board, or the same district trade committee, at the same time, shall be less than half the total number of members representing employers and members representing workers.

APPOINTMENT OF OFFICERS AND OTHER PROVISIONS FOR ENFORCING ACT

14. *Appointment of officers.*—(1) The Board of Trade may appoint such officers as they think necessary for the purpose of investigating any complaints and otherwise securing the proper observance of this Act, and any officers so appointed shall act under the directions of the Board of Trade, or, if the Board of Trade so determine, under the directions of any Trade Board.

(2) The Board of Trade may also, in lieu of or in addition to appointing any officers under the provisions of this section, if they think fit, arrange with any other Government Department for assistance being given in carrying this Act into effect, either generally or in any special cases, by officers of that Department whose duties bring them into relation with any trade to which this Act applies.

15. *Powers of officers.*—(1) Any officer appointed by the Board of Trade under this Act, and any officer of any Government Department for the time being assisting in carrying this Act into effect, shall have power for the performance of his duties—

- (a) to require the production of wages sheets or other record of wages by an employer, and records of payments made to outworkers by persons giving out work, and to inspect and examine the same and copy any material part thereof ;

- (b) to require any person giving out work and any outworker to give any information which it is in his power to give with respect to the names and addresses of the persons to whom the work is given out or from whom the work is received, as the case may be, and with respect to the payments to be made for the work ;
- (c) at all reasonable times to enter any factory or workshop and any place used for giving out work to outworkers ; and
- (d) to inspect and copy any material part of any list of outworkers kept by an employer or person giving out work to outworkers.

(2) If any person fails to furnish the means required by an officer as necessary for any entry or inspection or the exercise of his powers under this section, or if any person hinders or molests any officer in the exercise of the powers given by this section, or refuses to produce any document or give any information which any officer requires him to produce or give under the powers given by this section, that person shall be liable on summary conviction in respect of each offence to a fine not exceeding five pounds ; and, if any person produces any wages sheet, or record of wages, or record of payments, or any list of outworkers to any officer acting in the exercise of the powers given by this section, knowing the same to be false, or furnishes any information to any such officer knowing the same to be false, he shall be liable, on summary conviction, to a fine not exceeding twenty pounds, or to imprisonment for a term not exceeding three months, with or without hard labour.

16. Officers to produce certificates when required.—Every officer appointed by the Board of Trade under this Act, and every officer of any Government Department for the time being assisting in carrying this Act into effect, shall be furnished by the Board or Department with a certificate of his appointment, and when acting under any or exercising any power conferred upon him by this Act shall, if so required, produce the said certificate to any person or persons affected.

17. Power to take and conduct proceedings.—(1) Any officer appointed by the Board of Trade under this Act, and any officer of any Government Department for the

time being assisting in carrying this Act into effect, shall have power in pursuance of any special or general directions of the Board of Trade to take proceedings under this Act, and a Trade Board may also take any such proceedings in the name of any officer appointed by the Board of Trade for the time being acting under the directions of the Trade Board in pursuance of this Act, or in the name of their secretary or any of their officers authorised by them.

(2) Any officer appointed by the Board of Trade under this Act, or any officer of any Government Department for the time being assisting in carrying this Act into effect, and the secretary of a Trade Board, or any officer of a Trade Board authorised for the purpose, may, although not a counsel or solicitor or law agent, prosecute or conduct before a court of summary jurisdiction any proceedings arising under this Act.

SUPPLEMENTAL

18. *Regulations as to mode of giving notice.*—(1) The Board of Trade shall make regulations as to the notice to be given of any matter under this Act, with a view to bringing the matter of which notice is to be given so far as practicable to the knowledge of persons affected.

(2) Every occupier of a factory or workshop, or of any place used for giving out work to outworkers, shall, in manner directed by regulations under this section, fix any notices in his factory or workshop or the place used for giving out work to outworkers which he may be required to fix by the regulations, and shall give notice in any other manner, if required by the regulations, to the persons employed by him of any matter of which he is required to give notice under the regulations :

If the occupier of a factory or workshop, or of any place used for giving out work to outworkers, fails to comply with this provision, he shall be liable on summary conviction in respect of each offence to a fine not exceeding forty shillings.

19. *Regulations to be laid before Parliament.*—Regulations made under this Act shall be laid as soon as possible before both Houses of Parliament, and, if either House within the next forty days after the regulations have been

laid before that House resolve that all or any of the regulations ought to be annulled, the regulations shall, after the date of the resolution, be of no effect, without prejudice to the validity of anything done in the meantime thereunder or to the making of any new regulations. If one or more of a set of regulations are annulled, the Board of Trade may, if they think fit, withdraw the whole set.

20. *Interchange of powers between Government Departments.*—(1) His Majesty may, by Order in Council, direct that any powers to be exercised or duties to be performed by the Board of Trade under this Act shall be exercised or performed generally, or in any special cases or class of cases, by a Secretary of State, and, while any such Order is in force, this Act shall apply as if, so far as is necessary to give effect to the Order, a Secretary of State were substituted for the Board of Trade.

(2) Any Order in Council under this section may be varied or revoked by any subsequent Order in Council.

21. *Expenses of carrying Act into effect.*—There shall be paid out of moneys provided by Parliament—

- (1) Any expenses, up to an amount sanctioned by the Treasury, which may be incurred with the authority or sanction of the Board of Trade by Trade Boards or their committees in carrying into effect this Act; and
- (2) To appointed members and secretaries of Trade Boards and to officers appointed by the Board of Trade under this Act such remuneration and expenses as may be sanctioned by the Treasury; and
- (3) To representative members of Trade Boards and members (other than appointed members) of district trade committees any expenses (including compensation for loss of time), up to an amount sanctioned by the Treasury, which may be incurred by them in the performance of their duties as such members; and
- (4) Any expenses, up to an amount sanctioned by the Treasury, which may be incurred by the Board of Trade in making inquiries, or procuring information, or taking any preliminary steps with respect to the application of this

Act to any trade to which the Act does not apply, including the expenses of obtaining a Provisional Order, or promoting any Bill to confirm any Provisional Order made under, or in pursuance of, the provisions of this Act.

22. *Short title and commencement.*—(1) This Act may be cited as the Trade Boards Act, 1909.

(2) This Act shall come into operation on the first day of January nineteen hundred and ten.

SCHEDULE

TRADES TO WHICH THE ACT APPLIES WITHOUT PROVISIONAL ORDER

1. Ready-made and wholesale bespoke tailoring and any other branch of tailoring in which the Board of Trade consider that the system of manufacture is generally similar to that prevailing in the wholesale trade.

2. The making of boxes or parts thereof made wholly or partially of paper, cardboard, chip, or similar material.

3. Machine-made lace and net finishing and mending or darning operations of lace curtain finishing.

4. Hammered and dollied or tommied chain-making.

APPENDIX B

REPORT OF PROCEEDINGS TAKEN BY THE BOARD OF TRADE AT STOURBRIDGE POLICE COURT AGAINST AN EM- PLOYER INFRINGING THE CHAIN TRADE BOARD'S DETERMINATION.

[Reproduced by the courtesy of the Editor of the *Worcestershire and Staffordshire County Express*, Saturday, 26th August 1911]

A CASE of great interest to the chain trade was heard at the Stourbridge Police Court yesterday, when the first prosecution under the Trade Boards Act was heard, a manufacturer being summoned for paying less than the minimum rate of wages fixed by the Trade Board. The justices present were Sir Henry F. Grey (presiding), Capt. Thompson, Mr. F. P. Fellowes and Mr. Joseph Wooldrige. The defendant, A. B., chain manufacturer of Cradley, was charged, on the information of George T. Reid, of the Board of Trade, that he did unlawfully, on various occasions between the twelfth day of May 1911 and the twenty-ninth day of July 1911, at Cradley, pay to John Edward Harbach, a workman in his employ, wages less than the minimum rate of wages fixed by the Trade Board established under the Trade Boards Act, 1909, for the hammered and dollied or tommied section of the chain trade as the general minimum rate of wages for piece work to be paid for that chain and obligatory on him, contrary to the provisions of the said statute. There were also similar charges in respect to Llewellyn Tromans and Alfred Heath of Cradley.

Defendant pleaded guilty.

Dr. Ginsberg, instructed by Messrs. Tunbridge & Co., Birmingham, appeared to prosecute on behalf of the Board of Trade, and Mr. A. E. Sheldon defended.

CASE FOR THE PROSECUTION

Dr. Ginsberg said he appeared on behalf of the Board of Trade, and as it was an important matter which affected the industry of Cradley, he would like, although his friend had pleaded guilty, to state the case at some length, because he understood that it was important that the exact intention of the legislature in passing the Act of Parliament should be realised, and the way in which it should be carried out should be for the benefit of the employer and employee. He was rather given to understand that these did not understand their position, so he would like to state what the law was, and hoped the Bench would forgive him if he occupied their time a little.

Sir Henry Grey—It's not a question of time, but, as defendant pleads guilty, you need not go into it at great length.

Dr. Ginsberg said the Trade Boards Act was passed in 1909, and came into operation in October 1910. By that Act it was necessary to establish a Trade Board for the various trades, one of which was the chain trade. In the case of the hammered and dollied chain trade they were obliged to form a Trade Board, and one was established and at once proceeded to lay down the rate of wages which should be paid. That was in October 1910. A little later notice was given to the workmen and the employers that those rates were to be put forward and adopted if within three months no objections were made. No objections were made, and on 26th January a minute was passed by the Trade Board making those rates obligatory, and notices were sent to the employers and were published in the *London Gazette*. Then, in the beginning of February, notices were sent to all the employers, including defendant, and later on in the month.

The defendant, among others, signed the list, by which they adopted the rate. There was power given to any employer under section 7 of the Act, that

“Where any minimum rate of wages has been fixed by a Trade Board, but is not for the time being obligatory under an order of the Board of Trade made in pursuance of this Act, the minimum rate shall, unless the Board of Trade direct to the

contrary in any case in which they have directed, the Trade Board to reconsider the rate, have a limited operation (a) in all cases to which the minimum rate is applicable an employer shall, in the absence of a written agreement to the contrary, pay to the person employed wages at not less than the minimum rate, and, in the absence of any such agreement, the person employed may recover wages at such a rate from the employer."

When it was seen that the rate was coming, and that it was necessary all the employers should adopt it, it was adopted. Thus, as appeared on 13th February, defendant had adopted the Act, and it became obligatory upon him. At that time the boys Harbach and Tromans were taking bundles of iron from him to make into chain, and they received notes containing a copy of the rates to be paid. The bundles contained half a hundredweight of iron to be worked up, and they were to be paid at the fixed rate. He would read one of the notes—an original—which stated that on 29th July 1911, E. Harbach received a note which gave the size of the chain as No. 3, description 21s. 6d., weight 1 cwt. 0 qr. 25 lb., and that he was to be paid for it at the rate of 21s. 6d. per cwt. Mr. Reid had taken certain extracts from the books of Mr. A. B. in relation to Harbach, and the books showed that the rate shown in the books corresponded with the rate which was shown upon the particulars which he had just read, but his witnesses would say that in each case the money which came into the hands of this employee was substantially less than the rate which had been accepted by the defendant as being the minimum rate which he was paying. That being so, there was no question but that an offence was being committed under the Act. Section 6 said—

- (1) "Where any minimum rate of wages fixed by a Trade Board has been made obligatory by order of the Board of Trade under this Act, an employer shall, in cases to which the minimum rate is applicable, pay wages to the person employed at not less than the minimum rate clear of all deductions, and if he fails to do so shall be liable on summary conviction in

respect of each offence to a fine not exceeding twenty pounds, and to a fine not exceeding five pounds for each day on which the offence was continued after conviction therefor."

In addition, Dr. Ginsberg said the court might, by the conviction, adjudge the employer to pay, in addition to the fine, the difference between the rate actually paid and the rate calculated from the basis of the minimum rate of pay to which the employee was entitled. There was no point of dispute except to prove the rate of wages which ought to be paid, and the rate of wages actually paid. The Act said the wages must be paid clear of all deductions, and the onus lay upon the employer. There was a section of the Act which provided that in case of infirmity or physical injury, which might incapacitate the employee from doing the work properly, the Trade Board might, if it thought fit, grant to the worker, subject to such conditions, if any, as they prescribed, a permit exempting the employment of the worker from the provisions of this Act rendering the minimum time rate obligatory, and the employer would not be liable to any penalty for paying wages to the worker at a rate less than the minimum time rate so long as any other conditions prescribed by the Trade Board on the grant of the permit were complied with. There was no such infirmity in these cases, so it was not suggested that these boys were not entitled to the full minimum time rate of wages. And there was no suggestion either that they were learners, for which there was also provision made in the Act. Everybody, with these exceptions, who was employed under this Trade Board must have the full rate clear of all deductions. The reason was that the framers of the Act felt the worker needed protection, and having given that protection to the worker, and having said the minimum rate of wages must be paid, it was only fair to the employer who paid the full rate of wages that offenders should be punished, because it was manifestly unfair that his neighbour should be able to undersell him in consequence of his contravention of the law by avoiding the statute and paying a less rate of wages. There was no suggestion that Mr. A. B. did not know the law. He signed the "white list," and had a notice by post, and the list was put up in the office. The boys would tell them that in this particular chain,

No. 2, the rate should have been 17s., but they had at different times had 13s 6d., and more recently 12s., per cwt. These boys were not sufferers, they were learners; they earned the money and handed it over to their mothers, who kept the house. The mother, when she went to the butcher or the baker, thought in money, but the boys thought in rate, the rate per cwt. They might not tell the exact amount of money earned, but they were perfectly clear on the rate. They would say, "We ought to have been paid at the rate of 17s. per cwt., but, in point of fact, we were only paid 13s. per cwt." With regard to the No. 4 chain, it should have been paid for at the rate of 27s. per cwt., and when one looked at Tromans' sheet one would see he was paid 18s. 6d. week after week.

Sir Henry Grey—18s. 6d. instead of 27s. ?

Dr. Ginsberg—Yes. Proceeding, he remarked that they were dealing with people who were not very well able to take care of themselves. The whole justification under which the prosecution was brought was that the work-people were not able to take care of themselves in the same sort of way as an ordinary business man could with regard to contracts. Therefore they had an absolute statutory provision that any contract by which the worker agreed to accept payment at a less rate than the minimum should be void. In spite of the contract the worker, or his mother, or his father had signed, he was entitled to the full rate. Some time previous to the signing of the white list, certain matters cropped up, and among them the matter of these boys. Defendant told them that he was not able to pay them the full rate, and got them to sign an agreement that they would accept less than the minimum rate. Until that Act became obligatory he might have been right in doing it, but immediately defendant signed the "white list" he accepted the rate as obligatory, and the contract should have been dropped, and the full rate of wages paid. Instead, he continued to pay the boys at the low rate, and showed that he knew he was doing wrong, because one of the mothers of the boys would tell them that Mr. A. B. on one occasion put down the money according to the rate on the table, but took some back and paid her the balance. The boy Heath would tell them that he was told by the defendant he could not afford to give any

more. He (Dr. Ginsberg) was entitled to ask the Bench for a penalty of £20 in regard to each offence, but he did not propose to do so, because this was the first case under the Act. But the Board of Trade attached great importance to it, for a very great deal of thought and work had been gone to in framing it, and it was desirable the case should be gone into and thoroughly ventilated. This kind of evasion of the law was not right to other employers, to the employee or to the Government, and it was necessary it should be stopped. In regard to the amount which had to be paid back to each of the boys, he would like to ask his friend to go into certain papers, of which he had supplied him with copies, with Mr. Reid, and, if they could not agree they could then ask the Bench what they considered was the right amount.

Mr. Sheldon—I should strongly resist any order for the return of any money to these boys.

Dr. Ginsberg—Under those circumstances I think it will become necessary for me to put my witness in the box.

Mr. Sheldon—I much prefer that course.

Sir Henry Grey—Has the defendant ever paid the boys the full amount?

Dr. Ginsberg—Yes, the full amount on 15th August, being three days after Mr. Reid, the complainant in this case, had been round among his workpeople.

EVIDENCE FOR THE PROSECUTION

Mrs. Heath, wife of Noah Heath, examined by Dr. Ginsberg, stated that she resided at Cradley, and her son Alfred was employed by defendant. In February she saw the list of rates fixed by the Trade Board, and knew, in consequence, what rates her boy was entitled to.

Did you ever go to Mr. A. B.'s to get your boy's wages? Sometimes—about three times, I think. •

And you had some idea what money you ought to receive? Yes; I knew what I ought to receive.

Did you receive it? No, sir.

Did you make any observation as to it being less or more? I asked him to give more, and he said he could not afford to.

THE QUESTION OF REPAYMENT

Mr. Sheldon said he was afraid he had rather misled his friend. He quite agreed that they had underpaid the men, and that the Bench had a discretion which they might exercise and order this money to be refunded. All he asked them to do was to exercise that discretion and not order this money to be refunded, on the ground that the parents of these children themselves knew exactly what they were doing. If they thought fit they could go to the County Court and recover the money. If the Bench did decide to award them something he was prepared to agree as to the actual amount with his friend.

Dr. Ginsberg said upon this he would read section 6 of the Act, subsection 2, which said—

“On the conviction of an employer under this section for failing to pay wages at not less than the minimum rate to a person employed, the Court may by the conviction adjudge the employer convicted to pay, in addition to any fine, such sum as appears to the Court to be due to the person employed on account of wages, the wages being calculated on the basis of the minimum rate, but the power to order the payment of wages under this provision shall not be in derogation of any right of the person employed to recover wages by any other proceedings.”

He admitted it was open to the Bench to refuse to grant him this, and that it would then be open for them to recover it by civil proceedings. It was also perfectly competent for them to say that here was a man who had underpaid these people, and that the whole machinery set in motion was devised to prevent a man getting the benefit of this sort of thing, and that they were fully justified in ordering him to repay it.

Sir Henry Grey said the Bench would be quite prepared to hear arguments, if necessary, as to whether the youths should be refunded anything, and, if so, what.

Dr. Ginsberg thanked the Bench, and added it was important. The whole object of legislation of this kind was to make it clear, not that a vindictive punishment should be dealt out, but that benefits should not be derived by doing a wrongful act.

• Mr. Sheldon intimated that he wished to put some questions to Mrs. Heath, who had left the witness-box.

Mrs. Heath, recalled, was asked by Mr. Sheldon the age of her son, and replied that he would be seventeen on 3rd October next.

Mr. Sheldon—Does he get between 17s. and £1 a week if he works? Witness—17s. 6d., I think.

Mr. Sheldon—I wish to draw the Bench's special attention to this, that this is a lad of but sixteen years of age. When was Heath first employed by Mr. A. B.? Witness—I cannot tell.

You heard about the Trade Boards Act and "white list"? Yes.

Did you fear for your son's employment by reason of the increase in wages? Were you afraid that he would not be able to get any employment? Well, he hadn't much work at the time.

Did you go to Mr. A. B. and ask him with tears in your eyes to take your son on? That I never did! (Laughter.)

Did you sign any agreement with regard to your son's wages? The boy signed.

That was the agreement roughly to accept 5s. below the list. They were to contract at prices at which they had been working? Yes.

Have you constantly asked Mr. A. B. to continue on your son at the lower rate, notwithstanding this? No.

Is your son working now? No.

Is it a fact he cannot get work? He was working for Mr. A. B. last.

Is it not a fact that at the minimum rate of wages your son is unemployable? I don't wish to say anything. (Laughter.)

Dr. Ginsberg—Has your son made hammered chain for some years? A good bit.

So when other boys were playing, he was at work qualifying to earn man's wages? Is that so? •

Sir Henry Grey—I do not think she quite understands.

Dr. Ginsberg—He was working day after day in the shop learning to make chain while other boys were playing in the fields? Mrs. Heath—Not that I know of.

Mr. Felix Fellowes—What quality has he been making?

Dr. Ginsberg replied that in the first place he had made

dollied chain, but he also made block chain. Block chain was made so that it would pass over the pulley of a block without any obstruction, and to this extent it had to be made better than the ordinary chain.

Mrs. Heath, in reply to Dr. Ginsberg, said the chain was made in the chain shop at their own home.

So that the 17s. 6d. of which you speak is gross, and you have to provide out of that 17s. 6d. the rent of the shop, or the interest on the shop, and the cost of the fuel and all the other details? Yes, sir.

You said the boy earned 17s. 6d. a week; does he earn 17s. 6d. a week every week in the year? No, he has to work for it before he has it. (Laughter.)

Does he get work every week? Pretty regular work is found him, but not every week.

He does not average 17s. 6d. a week gross on the whole? No.

Dr. Ginsberg intimated that he did not propose to go into the other cases after what his friend had said.

Mr. Sheldon said he would like one of the boys called.

Dr. Ginsberg said he would call any witness the defence liked. A plea of guilty had been given, the figures had, he understood, been agreed, and so far as he was concerned he did not propose offering more evidence.

Sir Henry Grey mentioned that he would like to know whether the figures which had been handed up were agreed to.

Mr. Sheldon—Yes, I have agreed to them.

Llewellyn Tromans, examined by Dr. Ginsberg, said he was sixteen years old.

Mr. Sheldon—What did you earn if you worked six days a week? Sometimes 14s., and 13s. and 12s.

Have you ever got 15s. or £1? No.

How long have you been in the trade? Only eight months making dollied chain.

• Dr. Ginsberg—How long have you been making chain at all? I made hammered chain before dollied for about twelve months.

How old were you when you began making chain? Thirteen.

And you are now sixteen? Yes, in October.

Does your employer provide you with coal to heat the fire? No, we have to find that ourselves.

And who pays the rent of the place in which you work ?
Mother.

And how many hours a day do you work ? Eight to eight.

How many days a week ? Six.

The Clerk suggested the other two boys should be put in the box to prove their ages.

Dr. Ginsberg observed that they appeared younger than they really were.

Alfred Heath was then called, and when asked to read the oath, said he could not do so.

Dr. Ginsberg—What is your age ? Witness—Seventeen on 2nd October.

The Clerk—How long have you worked in the chain trade ? Witness—I have made chain since I left school—hammered chain and dollied.

When did you leave school ? When I was thirteen.

Mr. Fellowes—Have you ever been to a night school ?
Witness—No, sir.

Nowhere since you were thirteen ? No.

You ought to. It is a disgrace for you not to be able to read the oath. You ought not to neglect your education like that.

John Edward Harbach was next called, and gave his age as nineteen.

THE DEFENCE

Mr. Sheldon said that in the first place he had to contend that this was another instance of an Act of Parliament doing harm instead of good. Section 6, subsection 3, provided for certain exemptions in cases of infirmity and physical injury, and also in regard to piece work. In this case neither of these exemptions was available for the protection of his client ; no application he could make under the statute would be any assistance to him. The chain which these young men were engaged in making was dollied chain—a small size—and the price which Mr. A. B. himself obtained for it was 17s.

Mr. Ginsberg—Are you going to prove that ?

Mr. Sheldon—I will, if necessary, put my client into the box to say that the price which he actually obtains for it is the price which he is compelled to pay under the Trade

Board rules. In the circumstances now happened he has to cease making this chain, with the result that these young men will also cease to be employed. Proceeding, Mr. Sheldon said it had been equally well known both to Tromans and the others and to their parents that if the Trade Boards' rate of wages were insisted upon these youths were unemployable, and the mothers went to Mr. A. B. and asked him with tears in their eyes to keep them on. And he did so. There was no question of pressure being brought to bear upon the children or the mothers. They had got starvation on the one side, and this arrangement with Mr. A. B. on the other, and Mr. A. B., out of the tenderness of his heart, allowed them to work.

Dr. Ginsberg said that if this philanthropist went into the box he would be prepared to cross-examine him.

The Clerk—Are you prepared to put him into the box ?

Mr. Sheldon replied he was. His instructions were that the mothers went in each case to Mr. A. B. and pressed him to retain these boys, notwithstanding the Act of Parliament. In regard to signing the "white list" he urged that shortly after February his client was approached by certain other members of the chain trade, and he was told that unless he signed his workmen would be withdrawn. He was not an educated man—far from it. He had no idea of the actual result of what he was signing, and he did sign and bound himself. His friend had pointed out that from and after 2nd August, when the order was made apart from the white list, the proper rates of wages had been paid, and in future in all cases, where his client was compelled to take this class of work, he would again continue to pay the proper rate of wages. He was instructed to express regret that this state of things had arisen, but it arose out of an ill-advised and ill-considered Act of Parliament. There ought to have been provision made for the employment of youths of this kind, and he (Mr. Sheldon) proposed, after the Bench had given their decision, to put in motion certain machinery with a view to having provision made to enable youths of this kind to be employed profitably to themselves and their masters. Under all the circumstances he suggested this case might be well met by a small penalty, which would be a warning to other trades in similar positions in Cradley

and the district who, he was informed, were equally guilty with his client. His client was the scapegoat for others.

Dr. Ginsberg thought Mr. A. B. had better go into the box.

Mr. Sheldon—I do not think so, unless my friend desires it. My friend says I have made a statement and I am not prepared to substantiate it?

Dr. Ginsberg—No, I do not say that.

Mr. Sheldon—Then I do not wish to call him.

Dr. Ginsberg—I will leave it there.

THE DECISION

Sir Henry Grey, after the Bench had retired for a short time, said—We think that this is a very serious case, and what makes it all the worse is that we are clearly of opinion the defendant knew perfectly well what he was doing. We shall have to order him to refund the figures agreed, that is, to the boy Heath, £3. 15s. 3d.; to Tromans, £3. 9s. 4½d.; and to Harbach, 11s. 3½d.; we also order him in each case to pay a fine of £5 and the Court costs, and £2 in each case towards the costs of the prosecution; in default in each case one month's imprisonment, to run consecutively.

The fines, costs and money ordered to be refunded totalled £32. 4s. 10d.

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