



The Dilemma of the Trades Unions

FRANK DUPUIS

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PUBLIC OPINION has long since become accustomed to the great power exercised by trades unions. When a section of workers in a strategic position disrupt essential services, inflict widespread hardship upon the public, and prevent thousands of their fellow workers from earning, few complaints are publicly expressed. No politician points out that this is the effect, not of the natural right to stop working, but of the monopoly power which prevents others from working in a particular section of industry. Perhaps the docility of the public is a reflection of the sporting spirit. As monopoly and protection are accepted as necessary to employment and to prosperity, and other sections of the community are engaged in the political free-for-all to obtain it, why deny the unions the opportunity to compete? But when a Labour government, brought to power by the support of the trades unions, finds itself obliged, despite earlier protestations to the contrary, to exercise control of wage bargaining, some trades unionists might wonder if it will always be possible to impose economic planning on everyone else and yet leave themselves free.

The unions apparently accept the proposition that people work primarily not for themselves but for "economic growth" via state planning, and as this and other socialistic methods of government require a high level of production as a source for taxation, and strikes and restrictive practices impede production, it is not surprising that Mr. Wilson finds himself at odds with his own supporters. No fair-minded person, however, would deny the right of any worker to negotiate wages in the way he wishes, subject to the equal right of others. Perhaps trade unionists will yet see that it might be better, instead of seeking privileges for themselves and supporting the monopoly principle in society, to seek out and abolish all privileges.

*Journey to Coercion** by John A. Lincoln gives a valuable account of the development of trade unions and their present position. As the author has been an adviser to trade unions he must know his subject and is likely to have no bias against unions and their legitimate aspirations. His style confirms this. In brief compass he gives all the essentials an enquirer might wish to know.

**Journey to Coercion* by John A. Lincoln. Polar Minibook. The Institute of Economic Affairs. 6s. 0d.

Mr. Lincoln condemns "the distortions of history" which suggest that a wages and prices policy is a new discovery and that governments in the past have invariably supported industrialists against workers. In the Middle Ages such a policy was the rule; both wages and the prices of staple commodities were regulated by authority, and the practice did not cease until the development of new industries in the eighteenth century made the regulations inoperable. At the same time the principle that no conspiracy in restraint of (internal) trade can be allowed was recognised in Common Law.

As late as 1796 workers were petitioning Parliament to revive wage control. They would hardly have done so if Parliament had been packed by manufacturers. It was in fact dominated by land owners, a more distinct class at that time and seldom directly involved in trade or manufacturing. The image of the wicked capitalist was fostered by old Tories as well as modern socialists and has always formed an effective screen to the existence and effects of land monopoly. Robert Southey, a Tory in 1830, pictured a happy land of benevolent landlords and grateful tenants threatened by the rise of vulgar manufacturers exploiting their operatives. Macaulay in reply showed how in every respect the rural labourers were worse off than the operatives. He might have gone on to say that this was the reason why workers flocked to the factories and that the low wages did not depend on anything the employers might do but on the fact that people, cut off from employing themselves on the land, had no option but to compete against each other for any wages they could get. No manufacturer could pay higher than the current rate of wages without risking bankruptcy. If manufacturers and operatives had combined in an enlightened struggle to abolish land monopoly, the enemy of both, industrial strife might have been avoided.

Trade unions evolved from the craftsmen's guilds which were not only provident associations but also pressure groups formed to prevent "unqualified" interlopers from competing in the labour market. The guilds realised that wages are not affected by competition between employers but by competition between workers. But the spirit of monopoly propagates itself. The Journeymen Printers of London in the seventeenth century forced master printers

to limit the number of apprentices, and later they checked the introduction of improved machinery. Today printing is one of the tightest of closed shops, checking improved methods to such an extent that printing workers are pricing their industry and employment out of the market.

Although today the life or death necessity for economic growth may be bogus, when Britain was at war with the French Republic there was a real need to increase production, and in that panic atmosphere the Combination Acts of 1799 and 1800 outlawed both "conspiracies" among workers to raise wages, and similar efforts among manufacturers to raise prices. But workers' provident associations were not outlawed, and in this form trades unions continued to exist and exert pressure over their members and over their employers. Mr. Lincoln quotes a document to show that in 1815 the calico printers "could have run study courses for the most militant shop stewards of the 1960s."

In 1824, in the hope of checking violence and intimidation in trades unions, strikes and lock-outs were all legalised, with provisions designed to prevent intimidation and restraint of trade. Employers sought to protect themselves by contracts with their employees, but an Act of 1875 granted virtual immunity to those who broke them, and section four of the Trades Disputes Act of 1906 "established the unions as a privileged group immune from Common Law." But other sections of that Act did not coincide, and throughout this period cases in the Courts gave rise to varying interpretations of trade union legislation and its conflict with the Common Law principle that conspiracies in restraint of trade are forbidden.

The latest of these cases, which received considerable publicity, was *Rookes v. Barnard*, which began in 1956 and eventually reached the House of Lords. The draughtsmen's union had an agreement with the employers by which all strikes were to be avoided except after due notice and compliance with agreed procedures. But when Mr. Rookes resigned from this union the officials, notwithstanding their agreement, threatened to call a strike unless he was dismissed. The employers obeyed. Mr. Rookes sued the union for damages due to their unlawful acts against an individual. The officials claimed immunity under the 1906 Act and the Court of Appeal confirmed their claim. But the Law Lords, the highest tribunal in the land, gave judgment for Mr. Rookes. As the unions had long been acting in the belief that they were immune from the Common Law, this decision disturbed them profoundly. Union spokesmen demanded changes in the law in order to confirm their power, and of course, to abolish the individual's legal defence if he had the courage and means to claim it.

Mr. Lincoln asserts that such an attitude on the part of union leaders is against the true interests of all trade unionists, and in fact discourages voluntary membership. Since 1950 there have been an increasing number of cases taken by union members against their unions, and half

the number of strikes in recent years have been concerned not with raising wages, but with enforcing the authority of the unions. The solidarity of union members, Mr. Lincoln notices, is as mythical as majorities in communist elections. Workers join unions not because they want to but because they have to, and only five per cent. of them participate in union activities. Most union rule books, Mr. Lincoln observes, "are as unreadable as many trade union journals" but new members, informed that all such rules must be officially registered, assume that they are sound. In fact, the Chief Registrar of Friendly Societies has no authority to ensure that these rules are either valid or lawful.

There are some eight million members of trade unions affiliated to the T.U.C. in Britain, of whom half are in closed shops, and the total value of union funds exceeds £100 millions. But during the last twenty years the proportion of union members to total population and persons employed has tended to stagnate, and not to increase. It looks as though, with increasing resort to coercion, the spirit of confidence is waning among union members, and as there is "an active minority (of officials) which dreads any sign of returning membership life," this decline is likely to continue.

Mr. Lincoln believes that the spirit of the unions can be revived if they frankly renounce all efforts at coercion, "avoid compulsory unionism like the plague," remember that authority must be held by consent and exercised with consent, and bring all their activities within the spirit and letter of the Common Law which protects the rights of all. With voluntary and active membership, confidence will return, and by promoting fair contracts of service, to be equally honoured by both sides, the unions will bring peace and not strife to industry.

This advice, unfortunately, assumes a greater degree of wisdom and public spirit among the unions than is to be found in other sections of society. Governments, for example, claim to have the know-how to "create jobs" by positive measures; unions might claim the same.

Nevertheless, their present dilemma might prompt some trade unionists to discard the old myths of their establishment and ponder some questions more objectively. It is well known that many persons by exploiting the welfare regulations, can obtain more money than they can by honest work, so it looks as though there is some deeper factor than union activities which governs the general rate of wages. And if the Common Law principle regarding restraints on trade is sound, it should apply to what politicians do as well as to what unions do, to external as well as to internal trade. What could be a greater restraint on production than private land ownership, which checks the application of labour at the point where all production begins? Surely here is where government efforts to create jobs should begin. The "earnings" of land owners have risen far more than those of any honest, unprivileged producer, whether employer or employed.