

CHAPTER V

GREAT BRITAIN AND LABOUR

“We are upon the eve of a great reconstruction. It calls for creative statesmanship as no age has done since that great age in which we set up the government under which we live, that government which was the admiration of the world until it suffered wrongs to grow up under it which have made many of our own compatriots question the freedom of our institutions and preach revolution against them.—WOODROW WILSON, *The New Freedom*, Chap. I, p. 30.

IN the direction of instructing employed and employer many interesting things are taking place in England, and I would urge Chambers of Commerce in America to take notice. A most extraordinary book has come to me from Huddersfield. It contains two dozen lectures delivered by some of the most prominent British politicians and business men before a Conference made up of men and women from the West Riding of Yorkshire, as shrewd a business community as there is to be found. Mr. Asquith launches the book with these words in the preface, “I am glad to have the opportunity, afforded by the publication of this volume, of testifying to the value of the conferences which have been instituted for the purpose of examining, in the light of Democratic Principles, the many and complex social problems which will present themselves to our

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fellow-countrymen for solution when conditions of peace are once more restored to us. . . . I am confident that when the time arrives they (the conferences) will be found to have contributed materially to the formation of a sane and instructed public opinion in relation to the Work of Reconstruction after the War." ¹

A labourman dealt with the questions of the rights and responsibilities of labour in industry, and a capitalist with the rights and responsibilities of capital in industry. Mr. Vivian, for labour, stated the question broadly in the following:

"What are the more important aspects of the industrial problem from the workers' point of view? There is the question of the status of labour in industry, the remunera-

¹ A list of some of the names of the personages who spoke before the conference will give a fair idea of the way the British people are tackling the question of reconstruction:

The Rt. Hon. Dr. Addison, M.P., Minister of Reconstruction.

The Rt. Hon. Walter Runciman, M.P.

Sir Hugh Bell, Bart.

The Rt. Hon. J. H. Whitley, M.P., Chairman of the Whitley Commission.

Colonel Godfrey Collins, M.P., C.M.G.

The Rt. Hon. Herbert Samuel, M.P.

The Rt. Hon. Sir Alfred Mond, Bart., M.P., First Commissioner of Works.

The Rt. Hon. Lord Leverhulme.

Principal L. P. Jacks, D.D.

The Rt. Hon. Sir W. H. Dickinson, M.P.

The Rt. Hon. H. A. L. Fisher, M.P., President of the Board of Education.

Mr. Arthur Sherwell, M.P.

Mr. J. M. Hogge, M.P.

Mr. John Dillon, M.P.

Mr. H. G. Chancellor, M.P.

The Rt. Hon. J. M. Robertson, M.P.

Mrs. Henry Fawcett.

A representative group, containing members of the War Cabinet and pre-War Cabinet, captains of industry, lawyers and economists, discussed the great question of reconstruction. Labour was represented by Mr. Henry Vivian, and Mr. George Nicholls, both ex-Members of Parliament.

tion of labour in terms of money or share of product, and the conditions affecting labour under which trade and industry is carried on. I was glad to note in the Whitley Committee's Report a recommendation that labour should be treated more as a partner than as a servant in industry. Our task is to translate this recommendation into practice, having regard to the endless variety of conditions in our industrial life. I am aware that the recommendation does not necessarily imply a full acceptance of what is called co-partnership in its more technical sense. It rather suggests that in the discussion of the issues which arise between employer and employed the spirit of partnership should prevail rather than the spirit of superior and inferior. To some this may not be important. I think it is. In human affairs the spirit, the attitude of mind is often a determining factor in coming to an equitable conclusion over a dispute on material things. That the status of labour should be that of partner, and not of inferior, is a right that Labour must have conceded to it if we are to make headway. On the other hand, as Mazzini taught, there is no right without its corresponding duty, and so if labour is to be received in the industrial council room in the spirit of partnership and in the councils of the State it must take its share of the responsibility for the decisions, having regard to the nation's obligations and the public welfare."

The position of the capitalist was stated by Sir Hugh Bell as follows:

"By way of illustration of what happens when we entrust to the State duties of the kind of which we spoke a few moments ago the following examples may serve. Shortly before the war broke out the coal trade of the kingdom was put under statutory obligation to pay a minimum wage, a measure of which the best thing to be said is that it has proved thoroughly unsatisfactory to both parties. It has not given the men what they expected, and I for one foresaw this. It has greatly increased the difficulty which the coalowners experience in managing their business, and has added unduly to the cost of getting coal. I won't trouble you with more than a passing reference to the great railway strike, which ended by the railway companies

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being called upon to pay more wages and then with great difficulty obtaining permission to charge more dues; nor will I dwell on the far-reaching effect of those transactions. I have mentioned these cases because they serve to illustrate the difficulty in which the capitalist is put to discharge the responsibility under which he lies to make his capital fully efficient. He has yet another. The men he employs have not yet learned that their true interest lies in a maximum of production. Partly because they are misled by politicians and others, partly because such teachings jump with their own inclinations, they think that by producing less they will earn more. Their employers are not free from the same reproach. It must often occur to the impartial onlooker that the employer who is condemning his men for idleness and lost time would do well to take the beam out his own eye before he dealt with the mote in his brother's. Be this as it may, one of the capitalist's greatest difficulties is to persuade the men in his employment that regular and earnest work is the only source from which additional remuneration can come. Let me not be misunderstood. I want no wage slavery. I am not wedded to an eight hours day. I desire the man to have reasonable leisure to enjoy the fruits of his labour. But I want him in return for his wage to do an honest and strenuous week's work, and to bear in mind that the only source from which his wage can come is the sale of the commodity he produces. Perhaps the greatest responsibility under which the capitalist lies is to convince labour of the truth of all this. I could — you all could — give instance after instance where the workman's failure to appreciate this has been the cause of immense loss to the employer, to the men, to the country. The ill is easy to state, the remedy more hard to find than any one not familiar with the complexities of industry could think possible. Of one thing I am sure, it does not lie in the intervention of the State, still less in help from the public purse. We who are engaged in industry, capitalists and labourers alike, must find the remedy ourselves. To do so we must bring to the study willing and open minds. Each must try to see the other side of the shield and to appreciate the difficulties of his co-workers as he expects them to appreciate his. If this is brought about, the solu-

tion of all the difficulties is at hand, and the conclusion to which we come this afternoon is that just as we found that our rights did not greatly differ, so we now find that our responsibilities are not far from being identical."

The important point advanced by labour is that the status of labour should be that of partner and not of inferior. This is the recommendation of the interim report of the Whitley Committee set up by the Government, "to make and consider suggestions for securing a permanent improvement in the relations between employer and workmen." But the capitalist does not look to State intervention nor help from the public purse to solve the difficulties. Sir Hugh Bell says, "We who are engaged in industry, capitalists and labourers alike, must find the remedy ourselves." Whether the recommendations of the Whitley Commission will find general acceptance only time can tell. In the first place, there are many prejudices of capitalists and trade-unionists to be overcome. In the second, there is to be considered the old suspicion that it may not be to the advantage of labour to sit in council with capital at a time of industrial crisis. Anyway, the recommendation of the committee is particularly interesting to Americans.¹

¹ Here are the salient features of the report:

"6. Many complicated problems have arisen during the war which have a bearing both on employers and workpeople, and may affect the relations between them. It is clear that industrial conditions will need careful handling if grave difficulties and strained relations are to be avoided after the war has ended. The precise nature of the problems to be faced naturally varies from industry to industry, and even from branch to branch within the same industry. Their treatment consequently will need an intimate knowledge of the facts and circumstances of each trade, and such knowledge is to be found only among those directly connected with the trade.

"7. With a view to providing means for carrying out the policy outlined above, we recommend that his Majesty's Government

One has only to look at clause No. 8 of the report to see how complicated the difficulty is in deciding the question of chairman and chairmen. But after all, it does seem such an eternal waste of time trying to settle this problem by tinkering and palliatives. In Great Britain there is nothing easier than getting together a Commission composed of philanthropists, capitalists, and trade-unionists for the purpose of considering any problem under the sun. They will meet regularly, take evidence, consider and report, but no one of political importance outside the com-

should propose without delay to the various associations of employers and employed the formation of Joint Standing Industrial Councils in the several industries, where they do not already exist, composed of representatives of employers and employed, regard being paid to the various sections of the industry and the various classes of labour engaged.

"8. The appointment of a Chairman or Chairmen should, we think, be left to the Council who may decide that these should be—

- (1) A Chairman for each side of Council;
- (2) A Chairman and Vice-Chairman selected from the members of the Council (one from each side of the Council);
- (3) A Chairman chosen by the Council from independent persons outside the industry; or
- (4) A Chairman nominated by such person or authority as the Council may determine or, failing agreement, by the Government.

"9. The Council should meet at regular and frequent intervals.

"10. The objects to which the consideration of the Councils should be directed should be appropriate matters affecting the several industries and particularly the establishment of a closer co-operation between employers and employed. Questions connected with demobilization will call for early attention.

"11. One of the chief factors in the problem, as it at first presents itself, consists of the guarantees given by the Government, with Parliamentary sanction, and the various undertakings entered into by employers, to restore the Trade Union rules and customs suspended during the war. While this does not mean that all the lessons learnt during the war should be ignored, it does mean that the definite co-operation and acquiescence by both employers and employed must be a condition of any setting aside of these guarantees or undertakings, and that, if new arrangements are to be reached, in themselves more satisfactory to all parties but not in strict accordance with the guarantees, they must be the joint work of employers and employed."

mittee seems to take any practical interest in its recommendations. Consider the attitude of labour to the Whitley Committee and its report. In a report on reconstruction by the sub-committee of the British Labour party, which seems to have struck the imagination of some liberal bodies in the United States, we are told,

“We need to beware of patchwork. The view of the Labour party is that what has to be reconstructed after the war is not this or that government department, or this or that piece of social machinery; but, so far as Britain is concerned, society itself. The individual worker, or for that matter the individual statesman, immersed in daily routine—like the individual soldier in a battle—easily fails to understand the magnitude and far-reaching importance of what is taking place around him.”

There is to be no patchwork. Labour will have none of the scraps of reform which have occupied the attention of Parliament since 1832. That the change is to be a vast one we can gather from the following statement from Labour's manifesto:

“The individualistic system of capitalist production, based on the private ownership and competitive administration of land and capital, with its reckless ‘profiteering’ and wage-slavery; with its glorification of the unhampered struggle for the means of life and its hypocritical pretence of the ‘survival of the fittest’; with the monstrous inequality of circumstances which it produces, and the degradation and brutalization, both moral and spiritual, resulting therefrom, may, we hope, indeed have received a death blow. With it must go the political system and ideas in which it naturally found expression. We of the Labour party, whether in opposition or in due time called upon to form an administration, will certainly lend no hand to its revival. On the contrary, we shall do our utmost to see that it is buried with the millions whom it has done to death. If we in Britain are to escape from the decay of civilization

itself, we must ensure that what is presently to be built up is a new social order, based not on fighting but on fraternity — not on the competitive struggle for the means of bare life, but on a deliberately planned co-operation in production and distribution for the benefit of all who participate by hand or by brain — not on the utmost possible inequality of riches, but on a systematic approach towards a healthy equality of material circumstances for every person born into the world — not on an enforced dominion over subject nations, subject races, subject colonies, subject classes, or a subject sex, but, in industry as well as in government, on that equal freedom, that general consciousness of consent, and that widest possible participation in power, both economic and political, which is characteristic of democracy.”

These are lofty notions and seem particularly attractive. There is nothing the matter with their face value. But what is to be the process of change? How is society to be reformed? The manifesto tells us that the four reforms which labour considers fundamental are as follows:

- (a) The Universal Enforcement of the National Minimum;
- (b) The Democratic Control of Industry;
- (c) The Revolution in National Finance; and
- (d) The Surplus Wealth for the Common Good.

The minimum wage is to be not less than 30s. per week, but the sub-committee say this minimum will need revision according to the level of prices. This is a sign of grace, but as there is no suggestion to control prices we imagine the committee concerned with the revision will be kept exceedingly busy. But trade-union rules are to be restored. The population in rural districts, mining villages, and town slums, are to be rehoused at a cost of three hundred millions sterling. The working hours of adult labour are to be reduced to forty-eight per week with-

out the reduction of the standard rate of wages. There is to be democratic control of industry. The progressive elimination of the private capitalist from the control of industry is demanded and the labour party seeks a genuinely scientific reorganization of the nation's industry, no longer deflected by individual profiteering, on the basis of the common ownership of the means of production; the equitable sharing of the proceeds among all who participate in any capacity and only among these." Then everything is to be nationalized. The nation's land, "as suitable opportunities occur," railways, mines and the production of electrical power must be nationalized immediately. But these are not all the services to be taken under State control; harbours and roads, posts and telegraphs, great lines of steamers, railways and canals, all to be worked for the common good. Other main industries, especially those now becoming monopolized, should be nationalized as opportunity offers. There is to be a revolution in national finance. The manifesto says:

"We definitely repudiate all proposals for a protective tariff, in whatever specious guise they may be cloaked, as a device for burdening the consumer with unnecessarily enhanced prices, to the profit of the capitalist employer or landed proprietor, who avowedly expects his profit or rent to be increased thereby. We shall strenuously oppose any taxation, of whatever kind, which would increase the price of food or of any other necessary of life. We hold that indirect taxation on commodities, whether by customs or excise, should be strictly limited to luxuries; and concentrated principally on those of which it is socially desirable that the consumption should be actually discouraged. We are at one with the manufacturer, the farmer, and the trader in objecting to taxes interfering with production or

commerce, or hampering transport and communications. In all these matters — once more in contrast with the other political parties, and by no means in the interests of the wage-earners alone — the Labour party demands that the very definite teachings of economic science should no longer be disregarded as they have been in the past."

Although labour demands heavier imposts on incomes, assessment by families instead of by individual persons, the raising of the present unduly low minimum income assessable to the tax, raising the excess profits tax, taxing land values, it is recognized that all this will not suffice. Then the sub-committee launches its financial thunderbolt:

"It will be imperative at the earliest possible moment to free the nation from at any rate the greater part of its new load of interest bearing debt for loans which ought to have been levied as taxation; and the Labour party stands for a special capital levy to pay off, if not the whole, a very substantial part of the entire national debt — a capital levy chargeable like the death duties on all property, but (in order to secure approximate equality of sacrifice) with exemption of the smallest savings, and for the rest at rates very steeply graduated, so as to take only a small contribution from the little people and a very much larger percentage from the millionaires."

These are some of the suggestions put forward by the Labour party, and they are undoubtedly signs of the time. It would be madness to disregard them. Industrial unrest had been gathering social and political force for years before this war broke out. In Britain it had reached such a pitch by the spring of 1914 that it threatened the political and industrial systems then in vogue. But the war has given labour an opportunity of seeing many of their socialistic notions put into practice by politicians to whom the term Socialism was formerly anathema. They

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have seen their schemes of nationalization adopted in principle by government, and they say, not unreasonably, if it be good to nationalize and control industry in the emergencies of war, why should any one oppose the scheme for good and all? The old reply to this will not do. We cannot put them off by calling them utopian dreamers. War experience has knocked the bottom out of that excuse. Even in America the period of State control we have endured has been sufficient to teach labour and socialists that with some modification nationalization and control of industry may, perhaps, be established for the good of the community. But no one stops in advocating these schemes to consider the altogether exceptional circumstances in which these schemes have been utilized. Does any one imagine, after a moment's sober reflection, that the community would benefit from these schemes, even with modification and certain readjustments, when economic forces are again at work and the nations compete with one another for the old and the new markets? It is one thing to consider these things from a national standpoint; it is quite another when we have to consider them from the international. It must be remembered that during this war *at least half the population in Europe have not participated in the international industrial struggle*; and the effect of this on the competition for markets has by a great many people been overlooked or ignored. It is high time for us to begin to consider it again. That nationalization has worked comparatively well in some countries cannot be denied, for instance, railways, canals and forests in Germany, but it does not follow that any and every country is adapted politically and socially for nationalization. If people would

try to understand how closely connected German schemes of nationalization are with her military and bureaucratic system they would find reasons enough to make them pause. Then again the communal success of nationalization depends very largely for its smooth working on the way nationalization is brought about. To nationalize the land and plant of a great industry, as has been done during this war, seems simple enough, but the time has been far too short to judge of its success as an established part of government control. Then, in this country the experience of labour in connection with nationalization has been singularly free of any of the disabilities which British labour has suffered. Here it has been a period of wage prosperity. Apart from the men who have been to the front our labour forces have experienced very few of the sufferings of European labour. Whether the problems and lessons of the war as they are known in Europe will be brought home to the industrial forces of this country, time alone can tell. But as things are, we are not yet in a position to judge wisely what bearing on the future our short experience in nationalization will have. Still, professional and amateur reformers write with a predilection for some state control, many basing their ideas, not so much on conditions in America, as upon the recommendation of the manifesto of the British Labour Party. Here there is a great danger, both to labour and capital, in leaving investigation of industrial conditions to political amateurs, men who have had little or no direct experience in the industries they are called upon by government to investigate. This is one of the dangers of the American system. And it must be obvious to the impartial observer that we

in America have neither the personnel nor the methods of procedure for investigating industrial conditions such as they have in Britain. Perhaps the day is come when our captains of industry and intelligent labour leaders will recognize the stupendous error they have made in leaving what are called politics, legislation and administration, to men who make political capital of party issues, seldom clearly defined, and who waste the nation's time and money only too often in mere personal and parochial affairs.