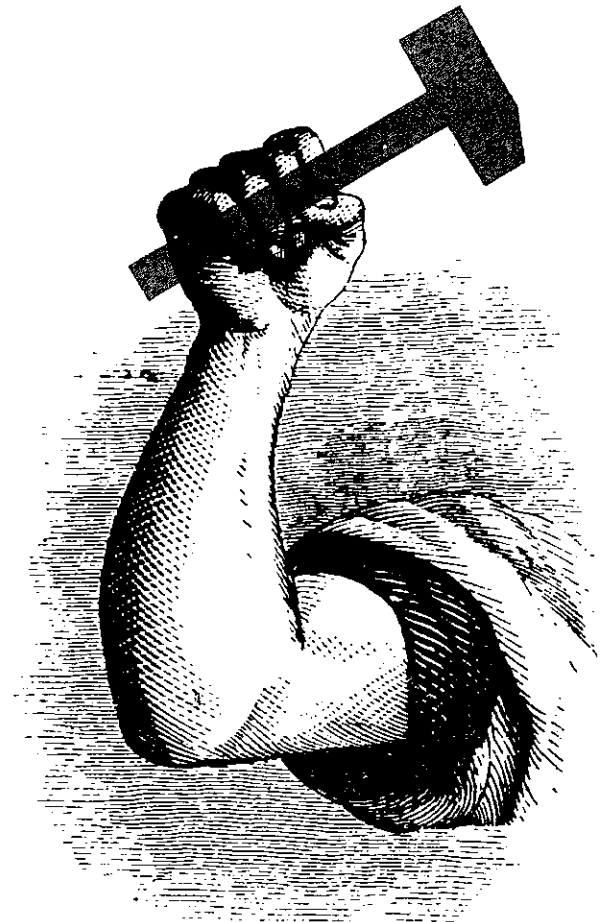


TRADE

UNIONS

EDITOR: W.E.J. McCARTHY



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Introduction

Trade unions are always in the news but this does not help them to be understood. This collection of Readings is designed to provide the would-be student of trade unions with a representative sample of the serious thought and study that has been concerned with trying to understand these complex and diverse institutions. It is based on books, articles and reports published in Britain and the United States.

The book is divided into seven Parts. The first two deal with the aims and methods of trade unions. The next two are concerned with their forms of government and structure of organization. Subsequent Parts describe the influences affecting their growth and their economic consequences. The final Part contains contributions to the contemporary controversy concerning their proper status in law.

It is my hope that the diligent reader of most or all the Readings will be left with three main impressions. First, a scepticism of references to the aims or views of trade unionists in general and the 'trade union movement' in particular. For the Readings show that the term 'trade union' has been used to cover a wide variety of organizations with contrasting aims, methods, strategies, traditions and structures. They indicate that the character of a union is influenced by many factors: the composition of its membership, the calibre of its leadership, the social, economic and legal environment in which it develops and so on. No one can say for certain that one or another of the forms of trade unionism described in these Readings is the right or proper form.

This is not to deny that outside communist countries most organizations that call themselves trade unions appear to exhibit *some* common features. On the contrary: the Readings show that one of the most fascinating questions in trade union studies concerns the exploration of the paradox between the apparent diversity and essential similarity of the complex phenomena known as trade unionism. The most perceptive description I

know of this paradox was termed by Allan Flanders 'the body and the spirit analogy'. Flanders likened unions to people, who share a range of bodily functions while retaining a unique 'spirit' or personality which is theirs alone.

It has always seemed to me that a respect for and a delight in the differences between unions is a sure mark of the serious student of the subject – whether he be a university teacher, a personnel manager, a politician or a senior civil servant. Certainly those who are temperamentally at odds with the nuances of trade union life frequently inveigh against their bewildering diversity – at the need to guard against the assumption that what one learns by hard experience about the Transport and General helps one to predict the reaction of the Amalgamated Union of Engineering Workers.

The second impression I hope the persistent reader will form concerns the disputed nature of much of what we claim to know about trade unions, coupled with an awareness of the areas of ignorance that continue to surround the few circles of knowledge. It is not merely that the Readings demonstrate that there is disagreement about their main objectives, or their appropriate structure, or how far they should be expected to behave like other democratic institutions. They also indicate that students are not agreed about the terms that should be used to describe their effects, that there is no accepted theory of the factors that influence their growth and decline, and that there are contradictory views about how far they can be influenced by changes in the law.

Would-be students of the subject react in different ways to this situation. Some decide to abandon such an elusive area of study in such a primitive state of development and take to something less discouraging and more simple – say theories of social structure. Others remain, but narrow their focus of interest to one aspect or one part of the subject: the factors affecting branch attendance amongst three hundred members of the National Union of Teachers or the recruitment policies of the Society of Midland Glass Bevelers. Yet I believe that there are many Readings in this book that should provide the determined student with evidence to prove that both forms of

despair are unnecessary. The best writers on trade unions have continued to address themselves to important general problems and while they have not settled many arguments they have managed to advance our understanding. To give but two examples from the Readings that follow: Ross's contention that trade union aims are basically political may only be a part of the truth, and in the end it is essentially unprovable. Nevertheless, once one has read Ross one cannot fail to recognize the political aspect of much of union bargaining strategy and tactics. A great deal that had been obscured now becomes much clearer. Similarly the critics of Lipset's theory of union democracy, who are well represented here, have effectively attacked his oversimple model of union government and drawn attention to the importance of many different determinants of rank-and-file influence that he and his associates ignored. It remains true that one looks at the relationship between union leaders and their followers differently after reading Lipset; his warnings and his criteria remain the best basis for a serious discussion of the problems of union bureaucracy.

The other impression I like to think the Readings will convey to the relative newcomer to the subject concerns the fascination of seeking to study trade unions in a systematic and unprejudiced way. I think this feeling comes through several of the most illuminating Readings in the book, although the reasons for the fascination varies. In some instances, for example Perlman's account of 'Labor's "home-grown" philosophy' or Hoxie's description of 'The economic program of trade unionism', the characteristic that compels attention is the existence of collective power – the organized power of ordinary men and women directed at those nominally set above them. The fascination lies in tracing how ordinary workers use their collective strength, and observing the kind of leaders they throw up to guide and direct them. In other cases, say G. D. H. Cole's perennial statement of the case for workers' control or Allan Flanders's analysis of the social purposes of trade unions, the focus of attention is on something more than power. It derives from an awareness that union power can be directed to different ends, and can even be abused. What is absorbing is

the knowledge that unions have it in them to act both as the representatives of narrow sectional interests and as the pathfinders of social justice – sometimes at one and the same time.

Throughout the process of selecting these Readings I have been conscious of a desire to balance my primary aim of representativeness with a subsidiary objective of giving preference, where possible, to material that is not easily available elsewhere. Fortunately it has been possible to include passages from quite a few almost unobtainable books and articles, if only because in each case they were clearly the best thing so far written on the subject. I am, for example, especially happy to be able to rescue from comparative contemporary oblivion J. D. M. Bell's devastating attack on the theory of industrial unionism. It is a pleasure to be able to introduce H. B. Davis's interesting early theory on trade union growth to a wider audience. I also trust that teachers of the subject will appreciate the inclusion of Lozovsky's first chapter from *Marx and the Trade Unions*. (At least this should do away with the need for future generations of students to burrow unproductively in dusty book stacks, only to find that the original has been stolen, misplaced or lent on a long loan to an anti-social don.)

I realize that my subsidiary principles have meant that some of the best-known and most respected works on trade unionism are not represented. There is no passage from the Webbs and no excerpts from Hugh Clegg's recent encyclopaedia *The System of Industrial Relations in Great Britain*. My answer is that fortunately these books are still easy to come by and that in each case the Reading I selected was at least equally appropriate and worthwhile and much less readily available.

Finally, I must apologize for the apparent conceit that leads me to include a hitherto unpublished article of my own on the principles and possibilities of British trade union law. It is based on a paper prepared for the 1968 Sunningdale Conference, when Barbara Castle was receiving views on the way the Government should respond to the proposals of the Royal Commission on Trade Unions and Employers' Associations (the Donovan Commission). I see no reason to change the views I expressed at the time and I believe they still represent an approach towards the problem of reforming trade union law

that is held by many students of the subject besides myself. The article also includes a summary of common law attitudes towards trade unions and an account of earlier Royal Commissions that is not available elsewhere.

Part One Union Objectives and Methods

The Readings in this Part illustrate some of the different conceptions of the objectives and methods of trade unions. Flanders (Reading 1) argues that the essential purpose of trade unions is 'participation in job regulation', but suggests that this is not incompatible with wider social purposes, such as involvement in an 'incomes policy'. Perlman (Reading 2) expresses approval for the traditional concentration of American unions on 'the defence of the job-territory', although he stresses that this also involves its own form of idealism and self-sacrifice. Another American scholar, Robert Hoxie, argues (Reading 3) that unionism is based on an assumption of deep and basic differences of interest between employees and employers, yet it does not follow from this that unions seek to overthrow the capitalist system. Finally, Lozovsky (Reading 4) states the classical Marxist view: unions should be seen as organizing centres for working-class training, schools of socialism where the fight to eliminate wage-competition prepares the proletariat for the real struggle that is to come.

1 Allan Flanders

What are Trade Unions for?

Excerpt from Allan Flanders, *Management and Unions*, Faber & Faber, 1970, pp. 38-47.

This question 'What are trade unions for?' might be called the George Woodcock question. He has raised it repeatedly in recent years, but the answer is slow in coming and still remains more of a hope than a happening. There is in fact great confusion today about the purposes of trade unions. This affects attitudes to their future and what should be their legal and social rights and obligations in present-day society, as well as their own decisions on policy and organization. No less an authority than Professor Galbraith has stated that unions in the future will 'have a drastically reduced function in the industrial system' and will 'retreat more or less permanently into the shadows'. And his is not a lone voice. Trade unions are increasingly made the target of many criticisms. Much of this may be unfair, but the unions themselves rarely bother to state their own case in persuasive terms.

I would like, first, to reject two views of union purpose which merely mislead. They are poles apart but they have this in common. Those who hold them believe they know more about what trade unions are for than the unions and their members know themselves.

The first is the Marxist view. Admittedly it has many different shades and variations and, since all its advocates claim to be offering the one true interpretation of the one true gospel, they are often violently at odds with each other. Most of them, however, would subscribe to a recent exposition by the editor of the *New Left Review*.

As institutions, trade unions do not *challenge* the existence of society based on a division of classes, they merely *express* it. Thus trade unions can never be viable vehicles of advance towards social-

ism in themselves; by their nature they are tied to capitalism. They can bargain within society but not transform it (Anderson, 1967, pp. 264-5).

From this it follows that the inevitable limits of trade union action must be overcome with the help of a revolutionary movement or party which – to continue quoting from the same essay – ‘must include intellectuals and petit bourgeois who alone can provide the essential *theory* of socialism’. Why? Because ‘Culture in a capitalist society is ... a prerogative of privileged strata; only if some members of these strata go over to the cause of the working class can a revolutionary movement be born’ (Anderson, 1967, pp. 266-7).

Ignoring for a moment the conceit in this statement, I would not dispute the point that trade unions are not a substitute for political parties, be they revolutionary or reformist. Workers do not join unions because they think alike and share the same political outlook. They do so for the sake of gaining immediate improvements in their lot which can only come from collective action. Their unity, that completeness of the organization of trade unions which is the foundation of their strength, must always be imperilled when they import political faction fights. Unions may decide by a majority to support a particular political party – as many in this country have decided to affiliate with the Labour Party – but this is another matter. It reflects no more than a recognition that they must engage in political as well as industrial action to further their own objectives and taking sides is the best strategy because it produces the best results.

What I find so objectionable as well as invalid in the Marxist view is its implicit contempt for ‘pure and simple’ trade unionism. Trade unions, by doggedly sticking to their immediate ends and refusing to be captured and exploited by any political party, have gradually transformed society. Only not according to the sacred texts or the dialectical laws! That they may be right in preferring reform to revolution and unity to discord never crosses the mind of those whose theory tells them all the answers.

I do not deny that socialism – as someone once said – has been ‘the conscience of the labour movement’ (Herberg, 1943).

But this is socialism as a set of ideals, as a moral dynamic, not as a particular blueprint for an economic or political system. In this sense it has undoubtedly provided restraints against the emergence of the cruder forms of business unionism that can be found in the United States.

If the first mistaken view of the purposes of trade unions comes from the Left, then the second comes from the Right. The operative word for its expression is *responsible* trade unionism. Michael Shanks (1961, p. 115) has amusingly characterized, and only slightly caricatured, this view.

There has grown up in recent years a widespread superstition that a trade union leader is a sort of *ex officio* civil servant, responsible to the community at large. The trade union leader’s main responsibility, to judge from the sort of comment one reads in the press and hears from middle-class lips, is to ‘keep his chaps in line’ or ‘knock some sense into them’... In practical terms, the main function of a union leader according to this view is to deter his members from putting in ambitious wage claims, stop them from going on strike, and behaving in other anti-social ways, and encourage them to work harder and increase their productivity. ... Having done all that, he can gracefully retire with a peerage. He may even be introduced to the Queen and taken to dine in a West End Club from time to time.

It is interesting to see how in the Conservative Party’s industrial relations programme *A Fair Deal at Work* references to responsible trade unionism (and naturally, to preserve the balance, responsible management) continually recur. The many new legal restraints on trade unions which they propose to introduce are, they say, ‘as much in the interests of wage-earners and responsible trade unions as of employers and the public at large’ (Conservative Party, 1968, p. 63). In short, they have the good of the unions at heart, and especially their members’ good, even if the unions refuse to believe it.

The essence of this view is that trade unions are there to act as a kind of social police force – to keep the chaps in order and the wheels of industry turning. To this there is only one answer. The first and overriding responsibility of all trade unions is to the welfare of their own members. That is their primary commitment; not to a firm, not to an industry, not to the nation. A

union collects its members' contributions and demands their loyalty specifically for the purpose of protecting their interests as they see them, not their alleged 'true' or 'best' interests as defined by others.

Leadership is important, of course. Trade union leaders should be ahead of their members in thinking about their problems. It is their responsibility to point out the further and more far-reaching consequences of decisions which could be regretted later despite their strong immediate appeal. When union leaders seek only to court popularity and defend this on the grounds that they are 'the servants' of their members, they betray the responsibilities of their office. When the argument is over, however, their principal task must be one of representation. If they fail in this the trade union no longer serves its purpose. No other organization is there to do this job.

Obviously trade unions cannot reasonably behave as if they were not part of a larger society or ignore the effects of their policies on the national economy and the general public. No voluntary organizations can do that with impunity. If they do, they turn society against them and society can retaliate. In any case members of trade unions are citizens and consumers as well as producers. Even so, trade unions exist to promote sectional interests – the interests of the section of the population they happen to organize. As do professional associations and many other bodies! There is nothing selfish or slightly disreputable about this; it is an essential part of the democratic process. Indeed, once trade unions appear to be acting as servants of employers or servants of the government, they are bound to be written off by their own members who will turn, as they sometimes do already, to unofficial leaders to take up their demands.

Both of the views I have been attacking belittle the democratic function of trade unions: their function of representation. That is why each in its different way claims to know better than the trade unions themselves where the interests of their members lie. My starting point in defining union purpose is the opposite premise: that the best way of finding the right answer is to look at the behaviour of trade unions, to infer what they are for from what they do.

Here one thing is at once certain, and it applies to all trade unions and has applied throughout the greater part of their history. The activity to which they devote most of their resources and appear to rate most highly is collective bargaining. So the question we have to ask is what purposes do unions pursue in collective bargaining? The conventional answer is that they defend and, if possible, improve their members' terms and conditions of employment. They are out to raise wages, to shorten hours and to make working conditions safer, healthier and better in many other respects.

This answer is right as far as it goes, but it does not go far enough. Collective bargaining may be what the words imply – that depends on how we define bargaining – but it is also a rule-making process. The rules it makes can be seen in the contents of collective agreements. In other words, one of the principal purposes of trade unions in collective bargaining is regulation or control. They are interested in regulating wages as well as in raising them; and, of course, in regulating a wide range of other issues appertaining to their members' jobs and working life.

Why do they have this interest in regulating employment relationships and what social purpose does such regulation serve? It is certainly not a bureaucratic interest in rules for their own sake. Unions and their members are interested in the effect of the rules made by collective bargaining, which is to limit the power and authority of employers and to lessen the dependence of employees on market fluctuations and the arbitrary will of management. Stated in the simplest possible terms these rules provide protection, a shield, for their members. And they protect not only their material standards of living, but equally their security, status and self-respect – in short, their dignity as human beings.

One can put the same point in another way. The effect of rules is to establish rights, with their corresponding obligations. The rules in collective agreements secure for employees the right to a certain rate of wages; the right not to have to work longer than a certain number of hours; the right not to be dismissed without consultation or compensation and so on. This surely is the most enduring social achievement of trade unionism; its creation of a social order in industry embodied in a code

of industrial rights. This, too, is the constant service that unions offer their members: daily protection of their industrial rights.

Such rights could be, and to some extent are, established by law. But collective bargaining serves yet another great social purpose. Apart from providing protection, it also permits participation. A worker through his union has more direct influence on what rules are made and how they are applied than he can ever exercise by his vote over the laws made by Parliament. We hear a lot these days about participation, including workers' participation in management. I have yet to be convinced that there is a better method than collective bargaining for making industry more democratic, providing its subjects and procedures are suitably extended. Putting a few workers or union officials on boards of directors only divorces them from the rank-and-file. In collective bargaining, trade unions must continually respond to and service their members' interests.

The constant underlying social purpose of trade unionism is, then, participation in job regulation. But participation is not an end in itself; it is the means of enabling workers to gain more control over their working lives. Nothing has happened over the post-war years to change that basic purpose or to lessen its importance. The really remarkable thing about this period has been the slow rate of progress made by trade unions in advancing their social purpose, in spite of incessant activity on wage claims and the seemingly more favourable circumstances resulting from full employment. To account for this we must consider another equally fundamental aspect of trade unionism.

Trade unions are a mixture of movement and organization, and the relationship between the two is the key to an understanding of the dynamics of their growth. Movement, in the words of G. D. H. Cole (1937, p. 12), 'implies a common end or at least a community of purpose which is real and influences men's thoughts and actions, even if it is imperfectly apprehended and largely unconscious'. The members of a movement combine because, sharing in some measure the same sentiments and ideas, they want to achieve the same things. The bonds of organization are different. An organization must have effective

means for ensuring that its members comply with its decisions. These means are its sanctions; the rewards it can offer and the penalties it can impose to uphold its internal discipline. On the strength of its sanctions, rather than on the appeal of its objectives, the unity and power of an organization depends.

One problem which has always confronted trade unions is how to convert temporary movement into permanent organization. In their early days they often counted their membership by supporters during a strike rather than the number paying regular contributions. To evolve from loose groups that could be destroyed when the economic tide flowed against them, they had to acquire sanctions strong enough to sustain continuous membership. One way, usually the most important, was to secure recognition from employers so as to build up enduring relations with them in the form of collective bargaining. They could then provide their members with the constant service of advancing their industrial rights. More than that, they could then prevent employers from penalizing union membership, perhaps get them to penalize non-membership instead, as under 'closed shop' agreements.

While movement had to be converted into organization if trade unions were to flourish, they could not subsequently allow it to languish and disappear. Trade unions by their very nature have to be dynamic organizations. They must constantly renew their vigour by keeping the spirit of a movement alive in their ranks. In this respect they differ, for instance, from business organizations. The latter can grow and expand if they have sufficient money to buy command over the material and human resources they need. People will join them, that is to say enter their employment, for the sake of the remuneration offered. Trade unions cannot be run simply as businesses. Many members may join who wish to play no active part in union affairs, who see their contribution, perhaps, as nothing more than payment for a service. Even so, every union must have at least a core of active members who feel some deeper loyalty. A trade union that had none of the characteristics of movement, which was thrown back entirely on the bonds of organization, would be in a sorry state. To sum up, trade unions need organization for their power and movement for their vitality, but

they need both power and vitality to advance their social purpose.

With this conclusion in mind how are we to assess the position of trade unions in our society over the past two decades, the period since the war? Until recently there was only one word to describe it – it has been by and large a period of stagnation. Only now can one discern important signs of change. Looked at from the point of view of organization there was no overall union growth. True, total membership figures increased slowly but they have not kept pace with the growing size of the labour force. Density of union organization, the proportion of actual to potential membership, has declined. This decline was greatest among male manual workers because of the contraction of industries – coal, cotton, railways – that had long been the citadels of union strength. But even among the far less well-organized sections of women and white-collar workers, in spite of some impressive increases in membership, their overall density of organization has only barely increased.

This has had its counterpart in an absence of movement. Given the inflationary background, unions may have been constantly busy putting in claims for wage increases and negotiating settlements. They had to run fast in order to stay on the same spot. This has become almost a routine, a response to pressures rather than the outcome of campaigns. Where were the new objectives directed towards a further fulfilment of the unions' social purpose, which alone could have generated a genuine movement to capture interest and arouse enthusiasm?

Yet over the post-war years there has been at the same time a great upsurge of union activity *in the workplace*. Bargaining between shop stewards and management has developed on a scale previously unknown. This bargaining is not only about money, though that is an important feature. It is equally associated with demands for a greater say in managerial decisions in such matters as discipline and redundancy, control of overtime and fringe benefits. In general, for a variety of reasons, workers are raising their sights; their level of aspirations and expectations is rising. The increase in workplace bargaining has undermined the regulative effect of industry-wide agreements in

many industries, so that much of the old formal system of collective bargaining has become a pretence and is in a state of decay.

This has very important implications for trade unions. In terms of their basic social purpose the upsurge of workplace bargaining represents at once a danger, an opportunity and a responsibility. It is a danger because, although they now rely heavily on the workplace activity of their stewards, this activity in its present form threatens their discipline, cohesion and strength. At the same time it is an opportunity for the trade unions to make the most of a movement already in being. Properly led and directed it could result in a considerable extension of the subjects of collective bargaining and, therefore, a greater fulfilment of their basic purpose of job regulation. Their responsibility is self-evident once the danger and opportunity has been stated.

If the principal recommendations of the Donovan Report on the reform and extension of collective bargaining are acted upon, they should both assist and induce trade unions to close this chapter of comparative stagnation in organization and movement and to advance towards a fuller realization of their social purpose. The formal negotiation of written factory or company agreements, as proposed in the Report, is essential. Only at this level can many of the new issues in collective bargaining be effectively and jointly regulated and the decay of the old system arrested. Similarly there is an urgent need for a body, such as the proposed Commission on Industrial Relations, to promote union recognition much more actively, not least in the white-collar field, so that union membership is increased and union organization strengthened.

There is, however, another contemporary facet of the question, what are trade unions for, that the controversy over incomes policy throws into sharp relief. Many trade unionists sincerely believe that support for an incomes policy is virtually a betrayal of union purpose. They argue that trade unions should always be fighting for higher wages and, therefore, should not be confined and crippled by 'norms' or restrictions of any sort. In their eyes restraint and militancy are incompatible. On the other hand, a large section of the general public

seems to think that union power and militancy are the main stumbling blocks in making an incomes policy work. These it sees as one of the chief causes of inflation in conditions of full employment and the reason why we will continue to have rising costs and prices until the power of the unions is curbed. Both of these positions I believe to be mistaken.

If the basic social purpose of trade unions is job regulation and control, then the pursuit of this purpose does not stop short at the boundaries of an industry. Regulation is now needed on a national scale, because full employment has generated intense competition among trade unions to get more for their members at the expense – let us face it – of members of other unions. Some attempt must be made to tame this industrial jungle war. There is no prospect of bringing more order and justice into our national pay structure, or even to improve the position of low-paid workers, unless we have some national rules or guidelines to regulate the ‘free for all’.

This is what an incomes policy is about. It is not just a device to get us out of our present balance-of-payments difficulties. Even when we are out of pawn to foreign bankers, the need for regulation will remain. We may have a long way to go in producing a viable policy, but it is not an objective which trade unions can spurn and remain true to their own purpose. Only those who hold the Marxist view can brush it aside until – on some glorious but unspecified date in the future – we enter the promised land and the day of a fully socialist planned economy dawns.

The opposite position which sees the country’s salvation in curbing the power of trade unions is just as untenable. One of the problems in making an incomes policy work is the weakness, not the strength, of our trade unions. Many people who assert that unions have too much power go on to blame them, when they fail to prevent unofficial strikes, for not exercising enough control over their members. They cannot have it both ways. These same people are usually advocates of responsible trade unionism, in the sense that I have attacked this view of union purpose. They believe that trade unions should subordinate union claims and policies to the national interest, as they define it. They are crying for the moon. The only restraints

that trade unions will ever voluntarily accept on the use of their bargaining power are *those which they have agreed*. Incomes policy cannot be treated as if it were simply an exercise in economic engineering. It is pre-eminently a social problem, a problem of finding agreement on national rules which are accepted as reasonable and fair, at least for the time being, and preferable to a continuation of the present ‘free for all’.

Here, too, the only hope I see of further enduring advance turns on the relationship between movement and organization. The TUC objects to a government-imposed incomes policy and insists that, so far as wages are concerned, a voluntary policy operated by itself is the right answer. Clearly this would be preferable. The doubt is whether the TUC has the necessary power and organization to make any policy effective. It is more than a doubt. It is certain that the TUC as a central organization is not yet strong enough. This situation is unlikely to be changed until a movement develops within and among the trade unions, as happened in Sweden, for a concerted wage policy on grounds of social justice. Once there is a will to achieve the end the means will be found.

The creation of that will depends on leadership and the present omens are gloomy. I do not know when it will be forthcoming in the clear and unequivocal terms that are needed to challenge outmoded attitudes and vested interests in the trade unions. But when it does come of this I am sure. It will be a higher expression of their basic social purpose.

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2 S. Perlman

Labour's 'Home-Grown' Philosophy

Excerpt from S. Perlman, *A Theory of the Labor Movement*, Macmillan Co., 1928, pp. 272-9.

In the unionism of the printers' organization we have encountered a truly stable and mature type of collective behavior by labor. The printers' union qualifies as stable and mature, because it has been led by men risen from its own ranks, because it has evolved a complete 'law of the job', but in a still deeper sense, because it has mastered the dilemma of serving simultaneously the individual member and the group as a whole. Such unionism is individualistic and collectivistic at the same time. It is individualistic in the sense that it aims to satisfy the individual aspirations of Tom, Dick and Harry for a decent livelihood, for economic security and for freedom from tyranny on the part of the boss. But such unionism is also collectivistic, since it aspires to develop in the individual a willingness to subordinate his own interests to the superior interests of the collectivity. It may be true, as Whiting Williams pointed out in his *Mainsprings of Men*, that the majority of working men are 'on the fence', deliberately weighing the relative advantages from following the employer or the union leader, each one arriving at his own decision only after a cold-blooded calculation. However, such 'Whiting Williams unionists' resemble real unionists no more than a resident of Upper Silesia would have resembled a true national of either country, had he stopped to weigh, on the memorable day of the Plebiscite, the relative material advantage of voting himself either a German or a Pole. Consequently, while it is true that a union can never become strong or stable except by attaching the individual to itself through the tangible benefits accruing to him from its administration of the job opportunities of the group as a whole,

neither can it be a union in the full sense of the word unless it has educated the members to put the integrity of the collective 'job-territory' above the security of their individual job tenure. Unionism is, in this respect, not unlike patriotism which may and does demand of the citizen the supreme sacrifice, when the integrity of the national territory is at stake. Just as a mere pooling of forty million Frenchmen of their individualistic self-interests will not yet produce a patriotic France, so a bare adding together of the individual job interests of five million wage-earners, united in a common organization, will scarcely result in a labor movement. To have a really stable unionism and a really stable labor movement, the individual members must evince a readiness to make sacrifices on behalf of the control by their union of their collective 'job-territory', without stopping to count too closely the costs involved to themselves. And like nationalism, unionism is keenly conscious of a *patria irredenta* in the non-union portion of its trade or industry.

But if unionism means an idealistic readiness on the part of the individual to offer, as the need arises, unstinted sacrifices for the group as a whole, what then of 'business unionism'? May even such a unionism have an 'ideology'? To many, of course, any 'ideology' whatsoever in a unionism which is merely 'business' and which avowedly limits its objective to a mere control of jobs is entirely and definitely precluded. However, upon closer examination, it would seem that if, by naming the predominant type of American unionism 'business unionism', it was meant to bring out that it had no 'ideology', then the name was clearly a misnomer. The difficulty arises from a disposition to class as idealistic solely the professions of idealistic aims - socialism, anarchism and the like - but to overlook the unselfconscious idealism in the daily practice of unionism. In truth, unionism, even 'business unionism', shows idealism both in aim and in method; only it does so in the thoroughly unsophisticated way of 'Tom, Dick and Harry idealism'. All unions sooner or later stress 'shop rights', which, to the working man at the bench, are identical with 'liberty' itself - since, thanks to them, he has no need to kowtow to foreman or boss, as the price of holding his job. And, after all, is not this sort of

liberty the only sort which reaches the workman directly and with certainty¹ and that can never get lost *en route*, like the 'broader' liberty promised by socialism? For, in practice, that other liberty may never succeed in straining through the many layers of the socialistic hierarchy down to the mere private in industry. Secondly, a union which expects its members to sacrifice for the group on a scale almost commensurate with the sacrifices which patriotism evokes, cannot be without its own respectable ideology. Frequently, therefore, the 'materialism' of unionism proves only the one-sidedness of the view of the particular observer.

Yet, granting that even 'business unionism' possesses ideology after a fashion, might it not be that, after all, the conception of unionism advanced here could fit only a narrow craft unionism, not a unionism with a wider conception of labor solidarity? True, the more distinct the trade identity of a given group and therefore the clearer the boundaries of its particular 'job-territory', the stronger are normally the bonds which tie the members together in a spontaneous solidarity. Yet, on the other hand, the specific area of that common job-territory, or of the common opportunity which a group considers its own, is seldom fixed, but is constantly tending to widen, just as the numerical size and the composition of the group itself is constantly tending to grow. When accumulated technological changes have undermined the partitions between the several grades of labor in an industry and have thus produced a virtually undivided 'job-territory' for all employed in it, the function of framing 'rules of occupancy and tenure' for the job opportunities included within the now expanded job-territory will sooner or later be taken over by an *industrial* union or by an *amalgamated* union bordering upon the industrial type. And that union, when it will come to face the common enemy, will display a solidarity no less potent than the solidarity of the original craft unions, although as a job administrator the new and expanded union will endeavor to give recognition, so far as

1. Frequently working men are willing to resign themselves to 'boss control' in their union for the sake of this liberty in the shop. In other words, they are willing to sacrifice their 'political' liberty in the union so long as they may have 'economic' liberty on the job.

it will still remain possible, to the original particularistic job claims.

Nor need a job-conscious unionism, with respect to many portentous issues, arrest the growth of its solidarity, short of the outer boundaries of the wage-earning class as a whole. Many are the influences affecting union job control: the legal status of unionism, the policies of the government, a favorable public opinion, and others. Thus every union soon discovers that the integrity of its 'job-territory', like the integrity of the geographic territory of a nation, is inextricably dependent on numerous wide relationships. And the very consciousness of the scarcity of opportunity, which is basic to labor's thinking, engenders in individual unions, labor's original organic cells, a wish for mutual cohesion, a common class consciousness, and eventually a readiness to subordinate the interests of the individual cell to the aspirations of the whole labor organism. We know from history that the most craft-conscious bodies that ever existed, the medieval guilds, left nothing to be desired so far as solidaristic action against the common overlords was concerned. There is, however, a practical limitation upon labor's solidarity, and this limitation is a very vital one, namely that, in a labor movement which has already gone beyond the emotional stage and acquired a definite *rationale* of its own, an appeal for common class action, be it through a sympathetic strike or through joint political action, will only be likely to evoke the response which is desired if the objective of the proposed common undertaking be kept so close to the core substance of union aspiration that Tom, Dick and Harry could not fail to identify it as such.

Just as we find job-conscious unionism far from devoid of idealism of a kind, so its ultimate industrial vision need not at all be limited to the job itself. In truth, such a unionism might easily acquire a lively interest in problems of management without previously undergoing mutation. It is not at all unnatural that a unionism which is intent upon job opportunities should join with management in a joint campaign to reduce the cost of operation and raise efficiency – all for the 'conservation' of the current job opportunities. However, to grant so much is far from making the claim that labor might be brought to embrace

'efficiency' as its primary concern instead of merely pursuing it secondarily to the primary interest in jobs. Thus it grows out of the preceding that whether one is trying to 'improve' labor's 'ideology', to broaden its solidarity, or to awaken its interest in 'efficiency', one will indeed do well, in order to avoid wasted efforts, to steer close to the fundamental scarcity consciousness of the manual worker, which rules unionism today as it ruled the guilds of the past.

What the true purposes of unionism are (distinguished from mere verbal *pronunciamentos*, in which the preambles to the constitutions of some 'socialistic' unions abound) and what a union does when it applies a scientific rationalism to its problems have best been shown by the Amalgamated Clothing Workers of America. Although it is the outstanding 'socialistic' union in America, it has, in practice, turned its efforts not to fighting capitalism in industry, but to securing a thoroughgoing job control. As an organization of quite recent origin, the clothing workers' union lacked the advantage which the printers' union had derived from the long, evolutionary growth of a union 'common law', which enforced itself almost automatically, as it were, upon the employers, through the sheer weight of trade custom. The clothing workers' union was, therefore, obliged to acquire the same control of the job through a system of *unrestricted* collective bargaining and to secure the upbuilding of a common law, similar to that in the printing trade, through a shrewd use of the machinery for continuous arbitration, functioning under the joint agreements in that industry. The 'rules of occupancy and tenure' of the employment opportunities are in the clothing industry practically identical with the printers' and, for that matter, with the rules of the railwaymen, of the miners and of the other organized trades - showing the same 'union control of opportunity' and the same united bargaining front. But in Chicago, the clothing workers' union has gone a step farther and has taken over the employment work for the whole local industry. It has installed to that end a modern employment office, originally under the management of a former chief of the Canadian system of government employment offices.

In Chicago, too, the clothing workers have led the way in

perfecting a new method of 'job preservation', rejecting both the cruder 'making work' devices of the older unions and the employer's cure-all, a wage reduction. During the depression after 1920, which has not yet ended, the union has come to the employers' aid in a way altogether novel. Without itself going into business, but letting the employer remain the risk taker and the responsible manager, this union has contrived materially to lighten his burden by considering and helping solve the problems of each concern on their merits - up to the point of assuming responsibility for the supervision of the work. In this manner the union, through cooperating with the employer in reducing his costs and enabling him to continue in business, has saved many jobs for its members and has substantially protected the wage scale.

3 R. F. Hoxie

The Economic Programme of Trade Unions

Excerpt from R. F. Hoxie, *Trade Unionism in the United States*, 1917, Appleton-Century-Crofts, 2nd edn 1923, reprinted 1966, pp. 279-95.

The union viewpoint and program is not solely economic. It is perhaps primarily so. But some of the union aims, principles and theories, and many of the union policies, demands, methods and attitudes are legal, political, ethical and broadly social. For this reason a study of the trade union program is difficult. The unions give no systematic statement of their aims, principles, policies, demands and methods. Not only do they not relate these things systematically – they do not even state them truly and clearly. The unionists do not usually independently understand the theory of their own demands or of their constructive program. They *feel*. But as always in working-class movements, the rationale of the demands and the movement has had to be worked out for them by middle-class minds.¹ To a large extent aims, principles and policies must be inferred from demands and methods. What one must do is to study constitutions, working rules, rules for discipline and, above all, agreements with employers which lay down the rules minutely covering incidents of work and pay, in order to discover demands and methods, and then with the help of declarations in constitutions and literature to try to build up policies, principles and aims – putting the whole thing finally into systematic shape.

The trade union program, or rather the trade union programs, for each trade union has a program of its own, is not the handful of unrelated economic demands and methods which it is usually conceived to be, but is a closely integrated social philosophy and plan of action. In the case of most union types, the program centers, indeed, about economic demands and methods, but it rests on the broad foundation of conceptions of

1. See, in confirmation, Webb and Webb (1894, p. 229).

right, of rights and of general theory peculiar to the workers, and it fans out to include or reflect all the economic, ethical, juridical and social hopes and fears, aims, aspirations and attitudes of the group. It expresses the workers' social theory and the rules of the game to which they are committed, not only in industry but in social affairs generally. It is the organized workers' conceptual world.

The union program may be classified conveniently under six heads:

1. There are what may be called general or ultimate aims.
2. There are the union principles and theories. These principles and theories seem to be the natural and probably inevitable outcome of the peculiar conditions under which the laborers live and work, and the peculiar problems which they have to face and solve. They cannot be judged as right or wrong individually or before the most careful study has been made of the conditions and circumstances which give rise to them. And they must be judged relatively to these conditions and circumstances.
3. There are the general policies. Here we have the general means by which the unionists, imbued with the principles and theories mentioned above, seek to control the concrete situation in the interest of their ultimate aims.
4. There are the demands. These represent the specific means by which the unionists try to put into effect their general policies.
5. There are the methods. These represent the specific modes which are employed to enforce the demands.
6. Finally, there are the attitudes. These concern mainly the broader economic and social ideas and ideals of the organized workers.

The program of each union type is an organic whole within which the specific items are closely related and mutually dependent. To understand fully the significance and causes of any one, the program must be comprehended as a whole. For example, suppose that it is a certain method which is in question. This is put in force in direct obedience to certain general union attitudes and to enforce demands. One cannot under-

stand the why of it, cannot interpret it fairly, until one understands the attitudes and demands which bring about its use. But the demands which lie back of the methods are made, not merely for their own sake, but to enforce certain general policies and, therefore, to understand the why of the demands one must grasp the general policies which lie back of them. But we cannot stop there. Back of the general policies are the theories and principles, without a knowledge of which we are almost sure to go astray in any attempt to judge their significance. And, finally, the theories and principles have no sure significance apart from the general aims which they are intended to subserve.

No attempt will be made here to formulate separately the programs of the different types of unionism. Only a general compilation of the aims, principles and theories, general policies, demands, methods and attitudes of unions of all types is submitted [see appendix 2 of *Trade Unionism in the United States*]. It, therefore, contains many contradictory items and it reflects the diverse and contradictory character of the different union types. It exhibits the scope and character of union strivings and furnishes a basis for discussion. As the types have to a large extent different and sometimes contradictory aims, principles, theories, policies, demands, methods and attitudes, the program as a whole is incapable of clear-cut interpretation and causal explanation. What we need now is to try to separate this general mixed program into separate type programs and attempt to get an interpretation and causal explanation of each one. What we need is a study of each type separately to try to find out what it stands for and the peculiar problems, conditions and forces that have determined its program. We need, for example, a special study of guerrilla unionism as it developed in the case of the Bridge and Structural Iron Workers; of hold-up unionism as developed in the Chicago building trades, etc. This will be a starting point for further study of these groups and a guide to the study of other groups and to social action which we may be called upon to take.

But while the trade union program as a whole and as differentiated for each type of unionism is mixed and incomplete, the economic program has for all unions a single, definite,

outstanding viewpoint. The economic viewpoint of unionism is primarily a group viewpoint and its program a group program. The aim of the union is primarily to benefit the group of workers concerned, rather than the workers as a whole or society as a whole; its theories which attempt to explain the determination of wages, hours, conditions of employment, etc., are not general but primarily group theories. They are attempts to explain how the wages, hours and conditions of employment are determined for a group of workers. The principles of action which it lays down are primarily group principles and its economic policies, demands and methods are primarily intended to protect and benefit the group of workers concerned.

It is necessary to emphasize all this because most of the fallacies which the economists claim to find in union theories, principles, policies, demands and methods result from the attempt to interpret these as applying to society as a whole, whereas they are intended to apply only to a particular group of workers. Much of the misunderstanding and controversy between scientific management and unionism, for example, results from the fact that scientific management argues in terms of the welfare of the individual worker or of society as a whole, while the unions argue primarily in terms of group welfare. The economists declare rightly that unions by their methods cannot raise wages – meaning wages as a whole – and assume wrongly that this indicates a fallacy in the union theories and methods. The scientific managers declare rightly that limitation of output must lower wages – meaning wages as a whole – and assume wrongly that this also indicates a fallacy in the union policies and methods. They make both statements because they do not understand that the unions are not primarily concerned with wages as a whole, but with the wages and standards of living of particular groups. To understand and to judge the union aims, theories and program, then, we must always bear in mind that, so far as they are economic, they are not general in their scope but are applied primarily to the situation and welfare of the particular group of workers.

The principal economic aims of the union are to prevent the lowering and, if possible, to raise the wages of *all* the members of the group; to shorten the hours of work of the group; to

increase the security and continuity of employment of the members of the groups and, if possible, *to secure steady and assured work for all in it*; to prevent the deterioration and, if possible, to better the general conditions of employment of all the members of the group – especially to better the conditions of safety and sanitation in the shop and to prevent arbitrary discipline, demotion and discharge of workers, and arbitrary fining and docking of wages.

The fundamental assumptions and theories upon which the unionists base their principles and program of action in support of these aims, we have already considered. In brief, they are these:

1. The interests of the employers and workers of the group are generally opposed; the employer is seeking the greatest possible output at the least possible cost; he is, therefore, constantly seeking to lower the wage rate, to lengthen the hours of work, to speed up the workers, to lower the wages by fining and docking, to weed out the least efficient workers, to maintain the poorest and least costly conditions of safety and sanitation compatible with the efficiency of the workers in the shop from day to day (regardless of the long-time effects upon the workers or their efficiency, since, if they are injured or made ill, there are plenty more outside to take their places); to lay off and discharge workers whenever it is temporarily economical; to degrade highly skilled and high-priced workers or to displace these by less skilled and lower-priced workers, and to lessen the number of workers employed to do a given amount of work wherever possible by the introduction of new machinery and new processes, etc. The union which represents the working group is seeking the continuous employment of all its members at the highest possible wage rates and under the best possible conditions as respects hours, security and continuity of work, safety, comfort and sanitation, etc. All the efforts of the employer just stated, in the interest of greatest possible output at least possible cost, are thus seen to be directly opposed to the interest and welfare of the working group.

2. The wage dividend of the group of workers is determined by bargaining between the employer and the workers over the div-

ision of the group product. The relative bargaining strength of the employer and the workers being determined, the workers stand frequently to lose in wage rates or in the amount of wages through increased effort and output of the group, since the increased output of the group means generally lower prices for the unit of the product, rarely or never an increase of the value of group products proportional to the increased effort and output and may mean simply increased effort and output for the same or even less value of product. Under these circumstances, increased effort and output of the group never mean a proportionate increase of wages for the group, but always a lowering of the wage rate, in the sense of the wages for a given amount of work and output, and they may mean more work for the same or even less pay. Thus the group which increases output generally benefits other groups at its own expense in wage rates or wages. Moreover, this increase of output of the group where the demand for the goods is not extremely elastic, tends to weaken the bargaining strength of the workers and so still further to lower wage rates, since where it is the result of increased effort of the workers it means increased supply of labor without a correspondingly increased demand for it, and where it is the result of new machinery and new processes it means lessened demand for the labor without any lessened supply of it, speaking always in group terms. In the one case it especially exposes the workers to lower wage rates, in the other to unemployment.

3. The group dividend being determined, the wages and conditions of employment of the workers in the group depend upon the relative bargaining strength of the employers and the workers.

4. The bargaining strength of the employer is always greater than that of the individual worker, owing to circumstances which we have already discussed.

5. The full bargaining strength of the employer will always be exerted against the individual worker because of the opposition of interest and other circumstances already discussed.

6. Therefore, individual bargaining between the employer and the worker, that is, competition between the individual workers

in the group for work and wages, will tend to result in lowering wages and conditions of employment and keeping them down to what can be demanded and secured by the weakest bargainers of the labor group.

7. This tendency applies not only to the case of the original bargain but tends to result whenever, after the workers of the group are employed, they allow the employer to pit them one against the other. This occurs whenever in the course of the work they enter into individual bargaining or whenever, as in the case already considered, individual workers of the group are forced or allow themselves to be tempted by bonuses or premiums to speed up, and thus to compete with one another.

The result of these assumptions, which are the workers' interpretation of group experience, is the positive economic program of unionism, the broad outline of which may be put into two propositions: (a) If the wages and conditions of the group are not to sink to what can be commanded by its weakest labor bargainer, they must make the strength of the weakest bargainer equal to the strength of the group. (b) If the wages of the group are to be kept from falling or to be increased and the conditions of employment maintained or bettered, they must constantly attempt to increase the bargaining strength of the group as against the employers of the group and as against other groups.

How, then, can the unions carry this program into effect? First, how can they make the strength of the weakest bargainer of the group equal to the bargaining strength of the group? If we accept the position of the workers as so far tenable, it is evident that this can be done only by removing the possibility of all competition between the individual workers of the group. The general method devised by the unions for accomplishing this is to substitute collective bargaining for individual bargaining between the employers and the workers. This, however, tells us little. In order to understand what it means, we must ask, what are the principles which the unionists seek to establish by collective bargaining and what are the policies, demands and methods which they find it necessary to adopt in order to maintain these principles?

The unionists say that it can be done only by the establishment and maintenance of two principles: (a) the principle of uniformity in regard to all conditions of work and pay where competition between the workers can take place; and (b) the principle of standardization or restriction on changes in the conditions of work and pay over considerable periods of time. That is, wherever the workers are doing the same kinds of work, the conditions governing their work and pay must be uniform for all, and wherever changes in the conditions might threaten conditions of uniformity of work and pay of all such workers, these changes must be made only on such terms as the union shall agree to. To get at the main union policies, then, we have only to ask, where might lack of uniformity in conditions of work and pay, or unrestricted changes in these, result in individual competition between the workers? And to get the rest of their program in this connection we have only to ask, what demands and methods are necessary to prevent competition and the violation of these principles, where all the assumptions of the unions are considered to hold?

It is evident, then, that competition can easily take place between worker and worker in regard to the wage rate. Therefore, in order to uphold the principle of uniformity, *a standard rate of wages* must be established for each subgroup of workers, at least as a minimum. Even with a standard wage rate, competition can take place with respect to the amount of work and output that shall be done. Hence, to uphold the principles in question, *a standard hour's or day's work* must be established for each subgroup – at least as a maximum – and all speeders must be eliminated. Competition can also take place in regard to the number of hours worked per day or week. Hence, if the principle is to be upheld, the necessity of *a standard day or week*. But it is evident that if these standards are established we have practically *a standard wage as a maximum*. It is evident, also, that nothing conduces so much to speeding by individuals and the violations of the standards previously mentioned as secret bonuses and premiums or any form of 'efficiency payments'. This is one reason why the unions look askance at piece work where they are not in a position to control its operation and why they abhor premium and bonus systems of all kinds.

But competition or underbidding is possibly not only in regard to wage rates, hours, and the exertion and output, but also in regard to the safety and sanitation of the shop, the comfort and convenience of working conditions, the men one is willing to work with, the times of beginning and ending work, the convenience of shifts, the time, place, mode and character of payment, the materials and tools used, and all the minor details and conditions of work and pay. Hence, to secure uniformity, the necessity from the union's standpoint of minute specification of standards in regard to all the incidents of work and pay, from which no deviation can be allowed. This explains the multitude of petty and harassing restrictions of which employers complain.

It is evident that these standards cannot persist if they are violated with impunity; yet successful enterprise demands some degree of flexibility. Hence a long list of irregularities and violations which the unions are forced to allow but which they seek to punish so that they may not become habitual and so break down the principle of uniformity. This is accomplished by charging enough extra so as not to allow of underbidding or of extra profit to the employer, such as extra pay (time and a half or rate and a half) for overtime, for doing extraordinary kinds of work, for work in irregular ways, at irregular times (Sundays and holidays) or under irregular circumstances.

It is evident that these standards cannot be maintained effectively so far as *all* the workers are concerned if the employer is allowed to adopt at will changes in methods and processes of work. Such changes make it possible for the employer to create new tasks and jobs for which no standards or uniformities have been established, to lop off parts of the work from the old standardized classes, along with laying off the workman himself, and in both ways to create new classes of workers with new conditions of work and perhaps lower rates of pay. Hence, if the workers are to maintain their old standards of work and pay for *all* the members of the group, to prevent the degradation of skilled workers and the introduction into their midst of subgroups in which competition exists, they must prevent the introduction of such new conditions of work – the creation of new tasks and jobs and new classification of

workers – except under their control and under conditions that will secure on the new jobs conditions of work and pay uniform with the old. Generally this means that they cannot allow these changes except when a new collective bargain is made, unless they can foresee and provide for them. They must restrict the change of conditions of work and pay over considerable periods of time if the principle of standardization or uniformity is to be upheld. This means that *they must carefully delimit the field of work of the group and keep it the same*. Hence, in part, the union tendency to resist new trades, new machinery, new methods and processes, and hence a part of their opposition to time study.

But under all these circumstances, with the constant menace of industrial change, the constant effort of the employer to induce individual workers to compete with their fellows for their own advantage by pressure, or by the holding out of immediate advantages in work and pay, competition cannot be kept out and these principles upheld unless there is a high degree of solidarity of the working group. The union must *control the working personnel* of the group – and all the members in the group must feel that their interests are common rather than individual and must be willing to sacrifice individual advantages to the common good. Hence, to maintain these principles, the union must determine who shall be members of the group and must be able especially to determine who shall come into the shop. *This is the real basis of the demand for the closed shop and the abhorrence of scab or non-union workers.*

Furthermore, they must be able to exercise constant oversight in respect to the conditions of work and the workers in the shop. Hence one reason for the demand of union representatives on the job, stewards and business agents, and for the coming into the situation at any time of other union officials to pass upon conditions, to present complaints, to discipline workers and to settle disputes. They have learned from experience that non-union men in the shop will not ordinarily live up to the rules of the union, and even union men who are dependent upon the employer dare not make full complaints and resist the demands of the employer. They require to be

backed by the official representatives and to complain and negotiate through them.

But, further, the unionists have found that even in a closed shop where all the workers are unionists the solidarity of the group cannot be maintained where the workers are too highly specialized and lack a considerable degree of craft training. Under such circumstances it is easy for the employer to pit worker against worker, arouse jealousies and induce individual competition. Hence, in part, the union *abhorrence of specialization* and their demand for the apprenticeship system.

So much for uniformity and standardization in order to make the strength of the weakest member of the group equal to the bargaining strength of the group as a whole. The methods by which they try to enforce these policies are in general *anything that works*, strikes, boycotts, legislation where necessary, violence, etc. It is to be noticed that these policies, while intended primarily to uphold the principles claimed, do generally result in the *restriction of output and industrial progress*. They are not so intended consciously but they do have these effects. All this also implies the necessity of a large control of all the conditions of industry, work and pay in the shop by the organized workers. This is what they call industrial democracy, displacing the complete authority of the employer in matters of hiring, discharge, discipline, promotion, demotion and so on.

I pointed out that the broad outline of the program may be put into two propositions: (a) If the wages and conditions of the group are not to sink to what can be commanded by its weakest bargainer, the workers must make the strength of the weakest equal to the strength of the group. (b) If the wages of the group are not to fall and are to be increased and the conditions of employment bettered, the workers must constantly endeavor to increase the bargaining strength of the group as against the employers of the group and as against other groups. In general, the principles, policies and methods used to make the bargaining strength of the weakest equal to the bargaining strength of the group also have the effect of strengthening the bargaining power of the group as against the employer. In general, therefore, the program for the first purpose is also employed in the attempt to force the employers to advance wages and to im-

prove conditions of employment, that is, to force a larger share of the output to be devoted to bettering wages and conditions.

These methods, however, so employed, are not so much in the interest of uniformity as in opposition to industrial changes which allow the substitution of less skilled for more skilled workers, of specialized workers for trained craftsmen, of machinery for hand labor and, so, the elimination of workers in the group. It can readily be seen that, if these changes were allowed, wages and conditions of employment could hardly be advanced and unemployment within the group, with greater competition and lower wages, might result even were the group dividend increased and the closed shop maintained, provided the union assumptions be maintained that wages and conditions are determined by bargaining under conditions which make the interests of the employer and the worker opposed. For these changes would constantly create what is virtually an increasing supply of labor in the group and would enable the employer more readily to substitute less skilled and low-priced labor for more skilled and high-priced labor. The open shop would obviously aggravate these adverse conditions. Degradation of skilled workers, increased competition among the workers in the group, and greater uncertainty and discontinuity of employment inevitably results from unregulated changes in industrial conditions. The bargaining strength of the group against the employer cannot be increased or even maintained if they are allowed. In the attempt to increase this bargaining strength, the union recognizes the advantage of a monopolistic control of the labor supply. Hence another reason for apprenticeship demands and the closed shop.

Moreover, the bargaining strength of the group is almost always bound to be weak compared with that of the employer. Inimical changes cannot be prevented, the closed shop cannot be maintained, advantage cannot be taken of favorable opportunities for advances, and losses in wages and conditions cannot be staved off under unfavorable conditions, granting the union assumptions, if the group is not *recognized* as the bargaining entity and if it is not at least as acute a bargainer as the employer. This requires that the bargaining for the unions be car-

ried on by skilled specialists – men who know all the conditions of the trade and the market. But the men in actual employ cannot have this knowledge and skill. Hence the union demand that the employer bargain with the group through *representatives* of the workers not in his employ. Thus we have representative bargaining. But the union still is not so strong a bargaining entity as the employer if it cannot enforce the terms of the bargain on the employer and its own members. Hence the necessity of a strong union with strong disciplinary powers and hence, again, the necessity for group solidarity and the closed shop and apprenticeship.

The other part of the program which aims to strengthen the group against other groups is closely related to the group wage theory which we have discussed. Believing that wages and conditions of employment of the particular group depend on strengthening its economic position or bargaining power in the sale of its products as against other groups, the unionists naturally seek directly to limit the output of the group and directly to limit the labor supply of the group through apprenticeship regulations and the closed shop, on the basis of the same reasoning employed by capitalistic monopolies. From all this it can readily be seen why unionists object so strenuously to working with non-unionists or scabs and to handling any work that has been done by scabs.

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4 A. Lozovsky

The Role of the Trade Unions in the General Class Struggle of the Proletariat

Excerpt from A. Lozovsky, *Marx and the Trade Unions*, Martin Lawrence, 1935, pp. 15–25.

Marx began to think politically in the epoch when trade unions had just come into being. He became a communist at a time when in some countries the trade unions had only begun to crystallize out of various mutual aid societies (France), while in other countries (England) the trade unions waged economic strikes and struggles for the right of suffrage. He found only embryonic forms of organization, extremely primitive, variegated in their ideology and composition, bearing all the birthmarks of their origin. The greatness of Marx consists precisely in the fact that he realized that this represented only the first steps of the infant working class and that it was impossible to judge the historical *role* of the given organization and the path of its development from these primitive forms of the movement.

Marx, first and foremost, considered the trade unions *organizing centres*, centres for collecting the forces of the workers, organizations for giving the workers an elementary class training. What was most important for Marx? The fact that *the scattered workers, competing with one another, were now beginning to close their ranks and come out jointly*. In this he saw a guarantee that the working class would develop into an independent power. Marx and Engels repeatedly refer in their works to the idea that the trade unions are schools of solidarity, schools of socialism. A great deal is said on this question, particularly in their correspondence, where a number of questions which they could not raise in the international social press in view of the low level of the movement were raised more frankly and sharply.

The trade unions are schools of socialism. But Marx does not

confine himself to formulas. He develops his idea, he approaches the problem of trade unions from all angles. Karl Marx was the author of the resolution on the question of the past, present and future of the trade unions, adopted at the Geneva Congress of the First International. What, then, is the past of the trade unions?

Capital is concentrated social power, while the worker has only his individual labour power at his disposal. Therefore the agreement between capital and labour can never be based on just terms, just not even in the sense of a society that places on one side the possession of the material means of life and production, and on the opposite side sets down the live productive forces. The only social force possessed by the workers is their numerical strength. This force, however, is impaired by the absence of unity. The lack of unity among the workers is caused by the inevitable competition among themselves and is maintained by it. *The trade unions developed originally out of the spontaneous attempts of the workers to do away with this competition, or at least to restrict it, for the purpose of obtaining at least such contractual conditions as would raise them above the status of bare slaves.*

The immediate aim of the trade unions, therefore, was limited to waging the day-to-day struggle against capital, as a means of defence against the continuous abuses of the latter, i.e. questions concerning wages and working hours. This activity of the trade unions is not only justified, but also necessary. It is not advisable to dispense with it so long as the present system of production exists. On the contrary, it must become general by means of creating and uniting the trade unions in all countries.

On the other hand, *the trade unions, without being aware of it, became the focal points for the organization of the working class, just as the medieval municipalities and communities became such for the bourgeoisie. If trade unions have become indispensable for the guerrilla fight between capital and labour, they are even more important as organized bodies to promote the abolition of the very system of wage labour.*¹

1. Resolution of the International Workingmen's Association on Trade Unions, Geneva, 1866.

In this resolution a number of questions deserve special attention, particularly those concerning the *origin* and significance of the trade unions. Marx emphasizes that the trade unions,

without being aware of it, became the focal points for the organization of the working class, just as the medieval municipalities and communities became such for the bourgeoisie.

This comparison bears witness to the fact that Marx considered the trade unions not only 'focal points' for the economic organizations; for the municipalities and communities in the Middle Ages were a weapon of the bourgeoisie in their struggle against feudalism, a weapon for the political struggle against the medieval system. Marx did not limit himself to this comparison and already in this part of the resolution he says that the trade unions are '*even more important as organized means to promote the abolition of the very system of wage labour*'. From this we see that Marx attached great political significance to the trade unions, that he regarded them least of all as neutral organizations, as non-political organizations. Every time that the trade unions closed themselves up in a narrow corporative framework, Marx would come out in sharp, lashing criticism of them.

This same Geneva Congress of the First International characterized the trade union movement of that period in the second part of that resolution, entitled *Their Present*:

The trade unions hitherto concentrated their attention too exclusively on the local and direct struggle against capital. *They have not yet completely realized their power to attack the very system of wage slavery and present-day methods of production* This is why they kept aloof from social and political movements. However, lately they are evidently *awakening and beginning to understand their great historical mission*, as can be seen, for example, from their participation in the recent political movement in England, from their higher conception of their functions in the United States and from the following resolution adopted at the enlarged conference of trade union delegates recently held at Sheffield: 'This Conference, fully approving of all the efforts made by the International Workingmen's Association to unite the workers of all countries into one fraternal union, urgently recommends the different societies whose representatives are present at the Con-

ference to join the International, in the conviction that this is necessary for the progress and welfare of the whole working class.'

In this part of the resolution we already see sharp criticism of all the trade unions that divorce themselves from politics and here the significance of the trade unions that begin to understand their great historical mission is sharply emphasized.

If we consider the level of the trade union movement during the 1860s, we shall realize the high plane on which Marx's appreciation of the trade union movement of his time stood. Marx, while understanding the extreme youth of the trade unions, did not consider it possible to make any kind of political concessions to them. He placed not only economic problems before them, but also general class tasks.

But Marx did not limit himself to defining the past and the present of the trade unions. In this resolution he says the following about their *future*:

In addition to their original tasks, the trade unions must now learn how to act consciously as focal points for organizing the working class in the greater interests of its complete emancipation. They must support every social and political movement directed towards this aim. By considering themselves champions and representatives of the whole working class, and acting accordingly, the trade unions must succeed in rallying round themselves all workers still outside their ranks. They must carefully safeguard the interests of the workers in the poorest-paid trades as, for example, the farm labourers, who due to especially unfavourable circumstances have been deprived of their power of resistance. They must convince the whole world that their efforts are far from narrow and egoistic, but on the contrary, are directed towards the emancipation of the down-trodden masses.

Here it is necessary to call attention to the fact that Marx again stresses the significance of the trade unions as *organizing centres of the working class*. It is extremely important to note that the tasks set before the trade unions are: the struggle for the *complete* emancipation of the working class, the support of every social-political movement of the proletariat and the drawing of all workers into their ranks. Already in 1866 Marx emphasized the importance for the trade unions of defending the

interests of the lower-paid workers, for example, the agricultural labourers. He expected the trade unions not to be 'narrow and egoistic', that 'their activities be directed towards emancipating the oppressed millions'. This resolution was written sixty-nine years ago. But can it be said that it has now become antiquated, that these tasks are not the tasks of the trade unions in the capitalist countries today? By no means. Here, the basic tasks of the trade unions in the capitalist countries are mapped out with the clearness and concentration so characteristic of Marx. Nevertheless, Marx does not limit himself to this.

The question of the relationship between economics and politics was continuously before Marx and the First International, led by him, and he had to defend his point of view on this relationship against the Bakuninists, the adherents of Lassalle and the trade unionists, etc. This is why he frequently came back to this question. In this connection his resolution adopted at the 1871 London Conference of the International Workingmen's Association is very characteristic and instructive. Here we read the following:

In the presence of an unbridled reaction which violently crushes every effort at emancipation on the part of the working men and pretends to maintain by brute force the distinction of classes and the political domination of the propertied classes resulting from it;

considering that against this collective power of the propertied classes the working class cannot act, as a class, except by constituting itself into a political party, distinct from and opposed to, all old parties formed by the propertied classes;

that this constitution of the working class into a political party is indispensable in order to ensure the triumph of the social revolution and its ultimate end – the abolition of classes;

that the combination of forces which the working class has already affected by its economical struggles ought at the same time to serve as a lever for its struggles against the political power of landlords and capitalists;

the Conference recalls to the members of the International:

that in the militant state of the working class, its economic movement and its political action are indissolubly united.²

2. *Resolutions of the Conference of Delegates of the International Workingmen's Association, Assembled at London from 17th to 23rd September, 1871.* International Printing Office, London, 1871, p. 3. From the archives of the Marx-Engels-Lenin Institute, Moscow.

This resolution, from the point of view of clarity and forcefulness, is one of the classics in which the literary-political inheritance of Marx abounds. In this resolution the idea is again expressed that the trade unions must serve as a powerful lever in the hands of the working class for the struggle against the system of exploitation. To all the attempts of the Bakuninists to dissociate, to separate economics from politics, to set off one against the other, the First International replies that *in the plan of struggle of the working class the economic movement and political activity are inseparably intertwined*.

Two months after this, in his letter to Bolte, Marx again raises the question of the relationship between politics and economics, and it is here that he defines the role of the economic struggle in the general class struggle of the proletariat. Marx writes:

The 'political movement'³ of the working class naturally has as its final aim the conquest of 'political power' for it [the working class - Lozovsky]; for this a 'previous organization' of the working class, an organization developed to a certain degree, is naturally necessary, which grows out of its economic forces themselves.

But on the other hand every movement in which the working class, as a class, opposes the ruling classes and seeks to compel them by 'pressure from without' is a '*political movement*'. For example, the attempt to obtain forcibly from individual capitalists a shortening of working hours in some individual factory or some individual trade by means of a strike, etc., is a purely economic movement. On the other hand a movement forcibly to obtain an eight-hour law, etc., is a political movement.

And in this way a *political movement* grows everywhere out of the individual economic movement of the workers i.e. a movement of the class to gain its ends in a general form, a form which possesses compelling force in a general social sense. If these movements presuppose a certain previous organization, they in their turn are just as much means of developing the organization.

Marx speaks of a 'previous organization of the working class', links up the purely economic movement with the political and the conditions for one movement developing into another, i.e. he sets forth precisely that which after his death was com-

3. Words in quotation marks are in English in the original German text.

pletely and intentionally forgotten and distorted by international reformism.

It was necessary not only to give an answer to the question of the significance of the economic struggle, but also on the mutual relationship between the economic and political organizations of the working class. The decision of the Hague Congress of the International Workingmen's Association (held 2 to 7 September 1872), is very characteristic in this regard. The Hague Congress, upon the proposal of Marx, adopted a resolution 'on the political activity of the proletariat'. In this resolution we read that in its struggle against the collective power of the possessing classes, the proletariat can take action, as a class, only after having organized its own political party as opposed to all the old parties founded by the possessing classes. Such organization of the proletariat into a political party is necessary to ensure the victory of the social revolution and its ultimate aim - the abolition of classes.

The consolidation of the workers' forces attained in the economic struggle will also have to serve as a lever in the hands of this class for the struggle against the political power of its exploiters. In view of the fact that the owners of the land and of capital always utilized their political privileges to guard and perpetuate their economic monopolies and to enslave labour, the conquest of political power comes to be the great task of the proletariat (Guillaume, 1905-10; Lozovsky's italics).

After the Congress was closed Marx delivered a speech at a meeting, in which he emphasized the essence of the decisions that had been adopted. What then, in Marx's opinion, is most important in the decisions of the Hague Congress, which, as is well known, was the culminating point in the development of the First International?

The Hague Congress carried out some important work. It announced the necessity for the struggle of the working class both on the political and economic basis against the old disintegrating society.

We have to recognize that *in most Continental countries, force will have to be the lever of the revolution. It is to force that in due time the workers will have to appeal if the dominion of labour is at long last to be established* (Stekloff, 1928, p. 241).

Again we see the *role* of the economic struggle in the general class struggle of the proletariat clearly and concisely defined. The trade unions must be 'a lever' in the hands of the working class 'for the struggle against the political power of its exploiters'.

The question of the relationship between the economic and political struggle is the central question in the teachings of Marx. Therefore it is still less excusable for some of the Soviet historians to have taken such a thoughtless and slovenly attitude towards this question. Such a slovenly attitude was manifested by G. M. Stekloff in his book devoted to the First International. Comrade Stekloff writes that Marx in his commentary on the statutes of the International Workingmen's Association gave the following formulation: 'The political struggle, as a means, is subordinated to the economic struggle of the proletariat'. Furthermore, Comrade Stekloff tries to 'justify' the author of this formulation, but he gets confused, for it would have been difficult to 'justify' Marx had he actually written anything like this. Let us take chapter 3 of this book of Comrade Stekloff and here in the preamble set forth in full we read the following:

The economic emancipation of the working classes is, therefore, the great end to which every political movement ought to be subordinate as a means (Stekloff, 1928, p. 49).

This is what Marx wrote. But are the *economic emancipation* of the working class and the *economic struggle* of the working class one and the same thing? If Marx had written what is ascribed to him by Comrade Stekloff, he would have been a vulgar Proudhonist and we should have had to wage a struggle against him, for this would have meant the primacy of the economic struggle over the political. However, Marx, as we see, did not write anything of the kind. He wrote that the political movement must be wholly subordinated to the great aim of the economic emancipation of the proletariat. This formulation of Marx's is irreproachable, for *political activity is not an aim, but a means for the achievement of the aim*. It is necessary determinedly to condemn such a thoughtless and politically harmful attitude towards the great teacher of international communism.

Karl Marx felt the pulse of the masses, he knew how to speak to them at every given moment. It will be very instructive in this connection to compare the *Communist Manifesto* (1848) and the *Inaugural Address* of the First International, written sixteen years later. The *Inaugural Address* of the First International is a document calling for the united front, aimed at rallying those strata and organizations of the working class which were not then ripe for communism. There is not even a word mentioned about communism in the whole of the *Inaugural Address*, but at the same time it is a *document communist to the core*. John Commons, a historian of the labour movement in the United States, wrote that the '*Inaugural Address* was a trade union document, not a Communist Manifesto' (Commons *et al.*, 1918-35, p. 205). Such an appraisal is doubly wrong, because it is not the form but the content that defines the character of the *Inaugural Address*. The *Inaugural Address* really raises as the major problems the economic conditions of the workers, labour legislation, etc., but in this document Marx also emphasizes that '*the winning of political power has come to be the great duty of the working class*' and then approaches the question of the Party, approaching it, however, in a special way. Here is what Marx wrote:

One element of success they possess - numbers: but numbers weigh only in the balance if united by combination and led by knowledge. Past experience has shown how *disregard of that bond of brotherhood which ought to exist between the workmen of different countries and incite them to stand firmly by each other in all their struggles for emancipation, will be chastised by the common discomfiture of their incoherent efforts* (Stekloff, 1928, p. 445; Lozovsky's italics).

This is an unusual formulation for Marx. The working masses organized in the union are understood by Marx in a threefold manner: the masses organized in the trade union, the masses organized in the political party and the masses organized in the International. The formula about the *leading role of knowledge* is also unusual. What knowledge does he refer to? Is it to the *leading role* of university science? Is it to the *leading role* of the professors and academicians? By no means. Here *knowledge is the pseudonym of communism*. Marx intention-

ally used such words and formulations in order to penetrate more deeply into the midst of the masses:

Its [the International Workingmen's Association – Lozovsky] aim, wrote Engels, was to weld together into one huge army all the fighting forces of the working class of Europe and America. . . . The International was bound to have a programme which would not shut the door on the English trade unions, the French, Belgian, Italian and Spanish Proudhonists and the German Lassalleans (Marx and Engels, 1848, preface of Engels, p. 44).

It was very difficult, writes Marx, to present the matter in such a way that our view might appear in a form acceptable to the present position taken by the labour movement. . . . Time must elapse before the re-awakened movement will permit of the former boldness of language (*Marx and Engels: Collected Works*, part 3, vol. 3, p. 199).

Marx refers here to the form of exposing views and not to their *essence*: when reference was made to the principle, to the essence of communist views, he was irreconcilable and unmerciful, but when it was a question of form, he manifested surpassing flexibility and ability to give the same content in various ways. This is what explains the 'trade union language' of the *Inaugural Address*, the most remarkable document after the *Communist Manifesto*. This is how Marx, *with one and the same aim in view – to imbue the labour movement with communist consciousness* – changed forms and methods of approaching the masses, depending upon the level of the movement and the character of the working-class organizations of the given period.

To define correctly the relationship between the economic and political struggle means to define correctly the relationship between the trade unions and the Party. While attaching tremendous significance to the economic struggle of the proletariat and the trade unions, Marx always stressed the primacy of politics over economics, i.e. stressed that which has been taken as a basis in the whole of the work of the Bolshevik Party and the Communist International.

When we speak about the primacy of politics over economics, it does not mean the turning of the trade unions into a political party or the adoption by the trade unions of a purely

party programme, or the abolition of all differences between the trade unions and the party. No, this is not what Marx said. Marx emphasized the significance of the trade unions as organizational centres for the broad working masses and fought against piling the party and the trade unions into one heap. He believed that the political and economic organizations of the proletariat have one and the same aim (the economic emancipation of the proletariat), but each applies its own specific methods in fighting for this aim. He understood primacy over economics in such a way that, in the first instance, he placed the political all-class tasks of the trade unions higher than the private corporative tasks and, secondly, that the political party of the proletariat must define the economic tasks and lead the trade union organization itself.

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Part Two Trade Unions and Industrial Democracy

This Part presents the two opposing views of the role of trade unions in advancing industrial democracy. G. D. H. Cole (Reading 5), in an early work, states the syndicalist case for trade union involvement in the joint management of industry. If union structure is adapted, and capitalist exploitation is ended, unions can enter into a partnership with the State to create real industrial self-government. Hugh Clegg's first essay on this subject (Reading 6) published in 1951, remains the most persuasive answer to Cole and his disciples. Unions are inevitably 'second-grade democracies'. If they were to participate in the management of public or private industry they would be unable to perform their essential role as an independent 'opposition that does not seek to govern'. It follows that unions can best pursue the traditional objectives of the syndicalists by extending the scope of collective bargaining.

5 G. D. H. Cole

Trade Unions as Co-Managers of Industry

Excerpts from G. D. H. Cole, *The World of Labour*, Bell, 1913, pp. 352-69.

The first question usually asked of the syndicalist is whether he proposes that the workers should actually *own* the means of production. The answer given is practically unanimous: ownership, it is agreed, must be vested in the community as a whole. The difficulty arises when any attempt is made to define ownership. Generally, syndicalists mean, in vesting ownership in the community, not to surrender any share in control, but merely to do away with the idea of property altogether. Mr Graham Wallas has pointed out in a paper on syndicalism in the *Sociological Review*, July 1912, the essential ambiguity of the word 'ownership' and has advised that it should be dropped out of the controversy altogether. After all, the question is who is to control industry: if absolute control is placed in the hands of the unions, 'State' or 'common' ownership is merely a name.

The question, therefore, resolves itself purely into one of control. Here we may as well adopt Mr Webb's threefold distinction as a basis for argument.¹ The control of industry involves, first the decision what is to be produced, when and where it is to be produced, and in what quantities it is to be produced. Secondly, someone has to decide what the processes of production shall be, *how* production shall be carried on. Thirdly, the question of conditions, including all the matters now covered by the Factory Acts, at least some matters of 'discipline', pay, hours and the like have to be determined by some authority.

What share can producer and consumer have in deciding all these matters? The syndicalist, where he denounces the State and expresses his determination to sweep it away, has to give

1. Mr Webb in a recent course of lectures on the subject.

the producer control in everything. Even the community which owns is, to his mind, merely an abstraction, a convenient way of shelving the vexatious question of ownership. But even the syndicalist of this type does not propose to hand over absolute control to the particular class of producers engaged in each industry. He suggests that in the adjustment of supply to demand, the Trade Union Congress or its Executive and the local Trades Councils (*Bourses du Travail*) should take the place of the State and tell each section of producers what to produce. But the question what is to be produced is a matter either for the workers who actually produce it or for the community; it is not a matter for all the producers as producers, no matter what they produce. The Trade Union Congress and the Trades Councils, with their enlarged functions, are in fact merely the State and the municipality in disguise. They are (for this purpose) imperfect organizations of consumers and not real producers' organizations at all.

Thus, we find at the outset a part of the control of industry which cannot be handed over to the producer. Obviously, the consumer, the person *for* whom the goods are made, and not the person *by* whom they are made, must decide what is to be produced, when it is to be produced and in what quantities. Whether the consumer must also decide where it is to be produced is another matter and does not seem to be equally evident.² This, however, is of less importance, and the solution will emerge as the discussion proceeds.

This answer, however, simple and self-evident as it may at first sight appear, really begs the question. It presupposes the absolute irresponsibility of the producer to the individual consumer as well as to the State. The capitalist of the present day is theoretically in just such a position as this argument tries to prove absurd: he can produce what he likes, when, where and in what quantities he pleases. Only, the public, on its side, can refuse to buy and the refusal of the public is the capitalist's loss. The consumer controls the capitalist through his pocket. We cannot, therefore, say how far a trade union could safely be given a similar power, until we know what the trade union in

2. If the consumer gets his goods, it does not concern him *where* they are made.

question would be like. If it were a trading body exercising a monopoly, but selling its goods for its own profit, would not the consumer have on it exactly the check he has now on the trusts? And the trusts are not accused of making the wrong articles, but of charging too much for them. There may be other objections to such a body as the trade union would then be, but it would not be in the least likely to make the wrong sort of articles, or the wrong quantity or to manufacture them at the wrong time. Like the trust, it would be out to meet the demand of the market.

If, on the other hand, the trade union is not a trading body, if its members are to be paid at a fixed rate independent of the selling price of their produce, if, that is to say, profiteering is to be eliminated, then clearly the consumer must have some other means of directing their production. They must, in such a case, find out what to make by consultation with a body representing the consumers: they must negotiate with the State and be guided by the organized, instead of by the unorganized, will of the consumer.

There is, of course, a third possibility. The trade union may trade, not directly with the consumer, but with the State. The State may give its order and pay the union as a whole for the produce and this might well be in itself a sufficient measure of control. But enough has been said to make it clear at least that not even in this first sphere of control can an immediate answer be given. It will be necessary, then, to return to the question later on.

The second type of decision, according to Mr Webb's classification, has to do with the processes of production and it is round these that the dispute really centres. Trade unions have, no doubt, shown themselves in the past bad and partial judges of new industrial processes. Confronted with an irresponsible employing class, which thrust upon them exactly such processes as it chose, with regard solely to commercial value and heedless of the effect on the workers, they have come to regard every innovation with mistrust. They resisted the first introduction of machinery and they have been apt to rebel at every extension of its use. They have tried to bolster up the old system of apprenticeship and to perpetuate out-of-date methods of production; and they have done all this, not from any deep sense of

the value of craftsmanship, but merely from a fear that wages would be lowered and men thrown out of employment. All these reproaches are habitually levelled at the unions when it is proposed to invest them with any degree of control over industrial methods.

But it is at any rate relevant to ask how we could expect them to do anything else. Clearly labour-saving devices and innovations of all sorts, which should go to mitigate the hard lot of the worker, have been used, in every case, at least in the first instance, for the purpose of raising profits. It may be that in the end the workers have benefited, that finally they have secured part of the increase through enforced rises in wages; but in nearly every case, the first introduction of the new machine has meant a fall in wages and a displacement of the skilled artisan. The introduction of the linotype hit the skilled compositor by enabling more work to be done in the time and making it possible for a lower class of labourer to do his work; and though the skilled compositor gained in the end, he could hardly have been expected to have so much foresight as to see that the volume of work would be so increased as ultimately to increase his earnings. Moreover, an ultimate increase is poor consolation for a period of unemployment to a worker earning normally just enough to make both ends meet. The opposition of labour to new processes arises from the use to which new processes have been put: where an invention in the hands of a capitalist employer is unwelcome, it will be very welcome when the workers, as a whole, are enabled to use it for the lightening of the daily task. The failure of modern trade unionism to accept new inventions is no reason for supposing that, were the danger of exploitation removed, the hostility would remain unaltered.

The producer, then, is clearly entitled to a very considerable share in the control of this second industrial sphere. Clearly, the trade union of the present, a 'fighting' or a 'friendly' organization devoted to 'collective bargaining' or 'mutual insurance', is not structurally fitted to take over such control. That is not the question at issue and the unfitness of actual trade unions to control processes will be generally admitted. The question is whether, could trade union structure be adapted to the purpose,

it would be desirable to place such power in the hands of the producer.

Processes are, generally speaking, decided by experts. Under capitalism, invention is generally carried on, for profit, by independent investigators, working in the hope of hitting on a success, while the normal work of management, including the application of inventions, is carried on by a salaried manager. But, more and more, great firms are retaining their own inventors and paying them a fixed salary to experiment and give the firm the benefit of the results. The control of industrial processes and inventions may, then, be classed together as functions of 'management' – functions with which trade unions organized on the 'craft' basis of the present can, at the most, interfere only occasionally and, in the main, in a negative fashion. The question at issue is not whether 'management' should be conducted by mob rule, by its transference to the trade union as a whole, but whether the managers, who are also producers, should be responsible to, and elected by, the rest of the producers in the particular industry or by an external authority representing the consumers. Clearly, if the consumers elect, the managerial staff will remain independent of the workers, who will be organized against them as a trade union; if the producers elect, the managerial staff will be absorbed into the union, which will take on, to some extent, a hierarchical form.

The right to elect the rulers is a recognized principle of democratic political theory. Is there any reason why such a principle should not be applied to industry also? Indeed, is 'industrial democracy' possible unless it is so applied? In politics, we do not call democratic a system in which the proletariat has the right to organize and exercise what pressure it can on an irresponsible body of rulers: we call it modified aristocracy; and the same name adequately describes a similar industrial structure. If democracy can be applied to the workshop, the workers must elect and control their managers, in so far as those managers are concerned with the processes and not with the what, when and how much of production.

Nor is there any obvious reason why the consumer should usurp the control of such processes. He must get what he wants; but, provided he gets it, it is immaterial to him how it is made.

He need only reserve the power to step in when he is not getting what he wants or, as we shall see, when he is being made to pay too much for it. Processes, as such, are to him irrelevant.

On the other hand, the producer has an enormous interest in being able to control the processes which are the sum total of his daily labour. Two processes may be, economically, exactly on a level; but it may make all the difference to the producer that one should be preferred to the other. Not only safety, but also comfort and variety in manufacture, are primarily his concern: to him comes home the joy or the pain experienced in labour and, therefore, he should be given the fullest possible measure of control. How far such control can be given to him here and now, and how far his capacity for it must be gradually developed, we shall try to find out in the next chapter [not included here]: here we have only to make clear that it is on all grounds desirable that it should be as extensive as it can possibly be made.

On the other hand, it is evident that the consumer may have an indirect interest in industrial processes. As the process may be more pleasant or safer, and at the same time less economical than another, the price the consumer has to pay will be affected as one or other is adopted. He cannot, therefore, afford to leave the whole control to the producer, unless he can secure that the producer's interest shall be to supply him as cheaply as possible. If the trade union is a trading body, dealing with the consumers collectively or individually, the consumer's interest will be adequately safeguarded by the commercial relation between him and the producer. If the workers are assured of a fixed salary, they may tend to adopt the pleasantest process, whether it suits the consumer or not. A solution becomes possible only if the union, or guild, itself becomes the employer, and enters into partnership with the State.

It is often maintained that the producer's interest in these matters will be looked after well enough by the benevolent State and that, with his organization behind him, he need not fear the adoption of the more economical and less pleasant process unless it is really just, in the interests of the whole community, that it should be adopted. Such a view would not be tenable in the case of a thoroughly democratic State of demo-

cratic men; still less is it true of the State of today or tomorrow. For the ordinary individual, the State is so far and the workshop so near. The strike moves the emotions and Parliament fails to do so just because a man cannot miss the governing class in the workshop, while few even realize its existence in the State. Could the workers elect and remove the governing members of industry, they would begin to exercise a real democratic control.

We may admit, however, that the State must to some extent share in the control of processes. This it can do by preserving an ultimate right to intervene in the control of the management with the producers. Even if the whole personnel of the industry, including foremen and managers of every grade, from the highest to the lowest, be elected, and re-elected at intervals, by the workers, the guild-socialist solution, as we shall see, still provides a safeguard whereby the State can secure the community against exploitation. To this also we shall have to return shortly.

The third sphere of control is that of conditions of labour, including the regulation of hours and wages. By those who envisage the trade union of the future as a purely independent body, engaged in negotiating with the State in a nationalized industry, much as it deals now with the private capitalist or trading concern, this has always seemed the chief sphere for control by the producers. They have, in fact, regarded the producer's part in control as confined, for good and all, to collective bargaining. But as they have, in many cases, combined this view with an urgent demand for the extension of trade boards, dealing with hours as well as wages, over the whole of industry, it would seem that they desire to make the share of the producer in control altogether illusory; for the method of trade boards amounts, essentially, to determination of wages and hours by the consumer, in accordance with a standard of life laid down by consumers' morality. It would seem, then, that such persons give with one hand only to take away with the other and that, while paying lip-service to the ideal of joint control by producer and consumer, they still leave all the power and all the authority on one side and, on the other, only a mere semblance of representation.

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The extension of the system of workshop committees is the sop generally thrown to the producer by self-satisfied collectivism. The workshop committee is, no doubt, a very excellent thing and industry will, in future, adopt it far more generally; but to regard that alone as an adequate delegation of power to the producer is to misconceive the whole force of the syndicalist tendency. In nationalized industry, if not elsewhere, wages statutorily determined as a minimum would certainly tend to become the maximum for which a strike could be declared, though more might in some cases be paid by the State out of its grace and bounty. The power of the trade union, as an external organization, to force up wages would certainly tend to disappear when nationalized industry became the rule; under the State, unless competitive industry remained beside it, wages would be determined by the native goodness of the consumers' hearts, as reflected in their rulers. A strike against a manager on a particular question would still be possible; strikes concerned with wages or hours would be strikes against the moral standard of the community – and, in the community's eyes, the lowness of the standard would in no way condone the offence.

Moreover, it is essential now for the unions to control wages and hours because their members are underpaid and overworked. The demand for the control of industry is something quite different from a demand for higher wages or shorter hours; it is essentially a demand to control industrial conditions and processes. It is in this sphere, if at all, that the demand must be met and it is useless to try to get round it by the promise of workshop committees and strong independent trade unions under collectivism.

In fact, at the close of our examination of the three spheres of industrial control, we have come back to what is, in the end, the crucial question. There are two opposing alternatives to capitalism, which we may call roughly syndicalism and collectivism. Is there a third in which they can be reconciled? [. . .]

The guild socialism of the *New Age* is a proposal for the co-management of industry by the State and the trade unions. Ownership of the means of production is to rest with the community, but the unions are to be definitely recognized by the State as the normal controllers of industry. They are to be statu-

tory bodies exercising a monopoly, but admitting of free entry on reasonable conditions. The amount and character of their production are to be determined for them by demand,³ but the methods and processes are to be left entirely in their hands: they are to elect their own officials and to be self-governing corporations with the widest powers. In fact, they are to resemble in their main characteristics the self-governing professions, the doctors and the lawyers, of the present. As the guilds will include everyone concerned in the industry, from general manager to labourers, they will be in essence 'guilds', i.e. associations not of *dependent*, but of *independent*, producers.

This scheme, which has been brilliantly elaborated by the *New Age* week by week for the last few years; whether or not it is to be accepted as a whole – and the *New Age* would certainly not claim finality for it – it is a very valuable contribution to the theory of socialism. At last, after many maunderings on the subject of the guild system, we are presented with an attempt to explain what it really means and to apply it to modern industry. The *New Age* has realized – what most socialists are too slow to realize – that the theory of national control of industry has got in a bad way and that it is not enough to go on saying 'nationalize', unless you know what you mean by it. The scheme of guild socialism is, to anyone who has read the *New Age* regularly and attentively, at least perfectly lucid and coherent: nor is it merely 'up in the air'. Its authors have taken every pains to find corroboration of their views in the actual working of industry today. Not only have they seized on the cases of the doctors and the lawyers; they have found a more startling instance in the making of the Panama Canal, which has been conducted by the United States indirectly, by an independent, though by no means democratic, system of control. The State, they hold, has no business in industry itself; but as it must, in the last resort, share control, it has to delegate its power and for this purpose it must set up a self-governing authority. Just as the government does not interfere with the internal discipline of army or navy, it must leave the industrial armies to manage their own affairs, while keeping a share in supreme

3. Demand would be made articulate through the consumers' organizations, national and local, i.e. the State and the municipality.

direction and telling them what it wants made, but not how to make it.

The first fault that is usually found with this scheme is that the unions are not fit to take over such a charge. This, as we shall see, is perfectly true; but they have never been asked to fit themselves for it. To say that they are incapable of becoming fit is to go further than the evidence warrants.

We may admit at once that the scheme propounded by the *New Age* is faulty in many of its details and that it is imperfectly linked up with the trade unionism of the present. The *New Age*, as Mr Chesterton has said, is weak on democracy; it is a little too apt to be perfectly satisfied, on the surface at least, with its own ideas and to resent criticism of every sort. But the scheme which it presents deserves from socialists a measure of attention which it has certainly not received. The *New Age* has been snubbed for its pains by most of the leaders and can hardly be blamed for resenting it. The average man must learn to tolerate the eccentricities of genius.

There is no space here to enter fully into the guild socialism of the *New Age*,⁴ which, indeed, is ultimately less important in its details than in the general ideal illumination which it sheds. Accepting the general idea of 'national guild' or trade union control, let us try to see a little more clearly exactly what it implies. Above all, let us ask ourselves whether the guild or trade union ought to be a trading body or to sell at prices fixed jointly with the State. We have seen that it would be dangerous to delegate absolute control of methods to any corporation which had not an interest in satisfying the consumer's needs and satisfying them at a reasonable price. Is there not a danger that the 'guild', if its members have nothing to gain by producing commodities as cheaply as possible, will tend to perpetuate antiquated methods and processes? The doctors are hindered in doing this because they have a high standard of their own and also because they compete one with another; but can the guild be relied on to have a similar public spirit and public motive?

Advocates of control by the producers are more than a little apt to give the producer even more than his due and to make

4. See Orage (1914). See also the publications of the National Guilds League.

the share of the State in control to some extent illusory. The objections to union profiteering are as overwhelming as the objections to profiteering generally and the argument against the trust holds equally when every worker in it is a shareholder. The pay of the members of the guild must, then, not be of the nature of profit. The State must have a share in determining it and preserve some control. This it will preserve partly in the right to withhold supplies; but it will be necessary in addition to have some regular means of friendly cooperation. The State and the unions must not come into contact only as enemies and when they disagree; they must have some common body of general negotiation, in which the heads of the guilds may meet the heads of the State to arrange the production and services to be demanded of the guilds. In addition to the National Executive of each National Guild and to the Guild Congress, which represent the producers alone, there must be a joint board, equally representative of both parties. This body must be linked up, on the side of the consumers, with Parliament and with a government department; but it must not be directly under a government department and a cabinet minister. Normally, the guild must be left to administer its own internal affairs and to produce, by such methods as may seem to it best, the commodities required by this joint board and, ultimately, by the consumer. Producer and consumer together must control ends, while the guild looks after means.

In reaching this conclusion, which in the next chapter [not included here] will be made less remote and Utopian, we have allowed a great deal of what the syndicalists claim. To syndicalism, regarded purely as a theory of the control of industry, we have allowed that, in the normal conduct of manufacture, the producer must be the dominant partner, though the community as a whole must always reserve an ultimate power to override his will. This, however, pledges us to none of the syndicalist theory of the future of society as a whole; nor are we compelled to adopt the anarchistic views of many syndicalists. Broadly speaking, syndicalism, like most theories that have something vital behind them, is right in what it affirms and wrong in what it denies. The syndicalist view of society as a whole is, very clearly, the theorizing of a man about what he

does not understand – the case of the cobbler not sticking to his last over again. Syndicalism is valuable solely as a theory of the control of industry, an assertion of the producer's point of view. Even as such a theory, it is again right in what it affirms and wrong in what it denies. It is impossible, as M. Berth desires, to 'sweep out of the workshop every authority that is external to the world of labour'; the State must always preserve a certain right to intervene. For, after all, the producer's organization is always sectional; even the Guild Congress represents only all the producers. Producers and consumers together form the ultimate authority. Syndicalism is wrong if it denies the community that final right, if it asserts that the right of the producer to control his industry is absolute and admits of no interference or restriction. It is right if it merely proclaims the immense value of allowing the producer the fullest possible say in the conditions of his life and work. It is not to be accepted as by itself a full or satisfactory theory of the control of industry; it is the other side of the great truth which collectivism had imperfectly grasped. The true socialism asserts the ultimate right of the community as a whole; but it lays stress equally on the paramount importance of leaving the control as far as possible in the hands of those who are most directly interested. Socialism cannot afford to neglect either producer or consumer; if, as collectivism, it forgets the one, it becomes a dead theory incapable of inspiring enthusiasm or bringing about a change of heart; if, as syndicalism, it forgets the other, it falls into sectional egoism and loses the element of community and brotherhood in individualism and self-assertion. Consumption and production are both important parts of a man's life and no theory that leaves either out of account can touch the man where he is most alive, in his community with all others and in his daily work.

Collectivism, however, has fought its way and established its position; and socialism is now, unfortunately, almost identified in the minds of most of its opponents, and even of its advocates, with collectivism pure and simple. Naturally, then, as collectivism becomes more a business proposition and less an inspiring ideal, socialism is suffering; it can only recover and become once more a vital doctrine if it is content to adopt the good that is in syndicalism and reconcile it with the good that is

in collectivism. This will involve the attribution, in the minds of socialists, of a wholly new importance to trade unions: they must cease to be regarded as a passing phase due to the abuses of capitalism and be accepted as corporations which are destined not to extinction, but to a continual growth and extension of capacity. In studying the future of trade unionism, we shall be regarding it as the future partner of the State in the control of industry – no longer as a mere fighting organization, existing only because the employer is there to combat, but as a self-governing, independent corporation with functions of its own. the successor of capitalism as well as its destroyer.

Reference

ORAGE, A. R. (ed.) (1914), *National Guilds*, Bell.

6 H. A. Clegg

Trade Unions as an Opposition which can never become a Government

Excerpt from H. A. Clegg, *Industrial Democracy and Nationalization*, Blackwell, 1951, pp. 19-36.

Our trade unions claim to be democratic institutions and, indeed, the claim must be allowed if trade unions are compared with many other institutions which make the same claim. But few of those who know them would be prepared to declare that their democracy is full and complete. Their constitutions present a great variety: some prefer to elect their officers, others choose to have them selected by an elected executive; some elect their executives and general secretaries by national ballot, others prefer to have them chosen by an annual conference; in all of them an annual or biennial conference is the supreme arbiter of policy, but some prefer to leave the executive free to act between conferences, whereas others check their executives by forcing them to have recourse to the ballot before action can be taken on certain matters. Despite this variety, two generalizations may be made, at least about our larger trade unions. The first, that their chief officials and most important executive members are wellnigh irremovable and that their policies, put forward as agreed proposals on a principle of 'executive solidarity', are generally supported by their conferences. Those who effectively govern the union rarely come before their members as a body to secure confirmation of their power and where they do there is no effective alternative body to choose to make the votes of the members fully effective. The most that the disgruntled member can do is to vote for an opposition candidate in an election to an official position or in an electoral division, whether by area or by trade, for one place in the executive. The opposition candidate may well be unknown and so stand little chance, and even if elected, is not in a position to effect, by himself, great changes in policy. The result is that

very many trade union members may grumble about their unions' policy, but do not take the trouble to attempt the very difficult task of changing it.

The second generalization is that when there is something of an effective opposition, it does not show itself to be an asset. The checking devices popular in some of the older unions, when put into use, may do nothing more than make leadership weak and ineffective. Besides this, organized opposition in the British trade unions over the last twenty or thirty years has been largely communist. Before 1920, and particularly in the period 1910-20, 'unofficial reform movements' were common - for instance, amongst miners, railwaymen, engineers and building workers - but the experience of the shop stewards' movement in the First World War and of the communist-inspired 'Minority Movement' in the twenties has inclined union leaders - often rightly - to see communist influence behind any opposition movement and to take disciplinary action. In many unions this has not ousted the communists, but, since power cannot be won by a single open contest at the polls, they have had to work by steps, marshalling block votes and capturing a place on a committee here and an official position there. Where this method begins to achieve success the result is that the leadership of the unions, nominally united in carrying out the agreed policy of the union, is split into bitter factions. When it has achieved complete success, leadership becomes united and effective, but even more solidly entrenched than ever, so that there is even less opportunity for organized opposition, and democracy is more remote than before.

These criticisms must not be exaggerated. A strong and sustained effort on the part of the membership of any union can change policy and leadership. If such efforts are rarely made, it may be assumed that the membership is tolerably contented. To those who argue that the explanation is apathy rather than contentment, the reply may be made that union members can still vote with their feet. This opportunity is limited in establishments where the closed shop or the 100 per cent union rule apply, but the field for its application is still wide and union leaders are sensitive to losses in membership. It is always open to the union leader to ask the man who criticizes the democracy

of his union's institutions whether he could devise better. Trade union democracy is limited, but it is still democracy. If trade unions had no internal democracy there would be, at least where anything approaching a closed shop was in force, trade union despotism.

The main defence of this limited form of democracy, however, is the same as that of the limited democracy of our political parties. The primary task of a union is to protect its members and to protect them against someone – the employer. The trade union is thus industry's opposition – an opposition which can never become a government. This explanation fits well. There is need for an opposition in industry. Not only would industry be autocratic without it, but we must remember that industrial units are not voluntary associations and autocracy, therefore, becomes all the more dangerous. It is true that the involuntary nature of industry cannot be compared with that of the State, but, on the other hand, most men are tied more closely to their job than to their bowls' club, slate club or political party. Full employment has done much to reduce these ties, but the housing shortage has worked the other way. The main activities of the union can well be interpreted as opposition, as opposition to the wages the employer pays, the conditions of the establishment, the way he and his agents treat his men, in the endeavour to obtain improvements. And the union has the incentive to oppose, to discover, if possible, the shortcomings of the employer. For if employers had no shortcomings there would be no need for trade unions – as we know them. The defence of the second-grade democracy of the trade unions is, then, that they must present a united front to the employers; that if their internal democracy were more perfect, industry would be less democratic, since its opposition would be too weak. This interpretation is attractive, but we must remember that there are important differences between politics and industry, and no analogy drawn from political democracy can be applied direct to industry without reference to them.

In the first place, managers and workers are engaged in a common enterprise whose success depends on working together, even if unwillingly. This is true also of a nation, but the bonds uniting the members of a single enterprise or industry, and their

common interest in its success, are much more clearly visible. Many, perhaps most, electors think of their part in politics as passive. The worker must take an active, if grudging, part in the work of the enterprise in which he is employed.

Secondly, there is no industrial equivalent to the electorate. Industrial managements elected by workers alone might well exploit the consumer. Workers are in much the same position in relation to their industry as the civil service is to the State. Civil servants are still only a small minority of the nation and the workers of most industries are greatly outnumbered by the consumers. Yet the consumers of most commodities are far too scattered and difficult to identify to form an electorate. Only the State itself has the organization and power to protect their interests. And if the State does regulate industry in their interest we have, in private industry, three parties – workers, managers and government.

The methods of governments and of the civil service are often thought to be too slow and bureaucratic to provide satisfactory industrial management. Industry is said to require more flexibility and greater speed of action. This is given as one of the main reasons for the adoption of the device of the public corporation in nationalized industry. In so far as it is valid, the forms of parliamentary democracy are unsuitable to industry.

If then, the trade union is industry's opposition, it must pursue its ends by methods different from those of a parliamentary opposition. The aim of a parliamentary opposition is to defeat and replace the government. A trade union can never hope to become the government of industry, unless the syndicalist dream is fulfilled. It can never hope to do so by such constitutional means as present a broad and inviting path to the parliamentary opposition. Just because the trade union cannot attain its ends, revolution excepted, by replacing the industrial government which it faces, the industrial equivalent of legislation – the collective agreement – differs vitally from parliamentary laws. In Parliament, bills are normally proposed by the government and passed because of its majority. The opposition, if it can see any profit thereby, attacks the government's proposals, seeks to show that their effects will be harmful, and

votes against them. It may, indeed, seek to amend some aspects of a bill and claim credit for any amendments which the government accepts; but the final act is the responsibility of the government alone, and the greater its unpopularity, the more obvious its failure, the more is the opposition pleased, for the failure of the government is the victory of the opposition. The collective agreement, however, is a joint affair which commits both parties equally. The trade union may accept certain clauses or even the whole agreement, because the alternative is the posting of terms which its members will have no alternative but to accept, but the signature of its officers is appended to the agreement and they are responsible for seeing that its terms are honoured by their members, until and unless it is revised.

The process of joint consultation, of which so much is heard today, has similar results. Joint consultation may be any exchange of views between workers or their representatives and employers or managers on matters of common interest, but it is usual for discussions which precede collective agreements to be called 'collective bargaining' and for the words 'joint consultation' to be reserved for discussion on other matters. It may go no further than an exchange of views and that in itself may be useful to both parties; but the purpose of joint consultation, in most instances, is to come to some understanding, short of a signed agreement with all that entails in responsibility and as a precedent, which is nevertheless a *joint* understanding; the one party is morally bound to carry it out and the other to give its support. Thus we can see that the essential difference between parliamentary and industrial opposition is this: the parliamentary opposition attacks the government in order to discredit the government and thereby to bring nearer the day when it shall be given the responsibility for doing better; the industrial opposition attacks the employer in order to force him to accept an agreement more favourable to its members, for which it will take, along with the employer, a share of responsibility.

Out of this arises one of the most difficult problems of industrial democracy – the problem of trade union responsibility. The trade union opposes the employer in order to secure from him more favourable treatment for its members, but the wider the scope of its collective agreements and the more inclusive the

coverage of the understandings arising out of joint consultation, the more probable it is that any individual action taken by the employer or his agents, which has an effect upon the workers, is taken within the terms of an agreement or under the shelter of an understanding. If any worker or group of workers feels a grievance arising out of the act, the union cannot give support and is even bound to use its influence to persuade acquiescence. Admittedly, there arise under any collective agreement or understanding a host of debatable issues in which the union may seek to show that the action of the worker is justified and the action of the employer wrong, but however wide the contested frontier, each agreement or understanding makes more ample the territory in which the action of the employer is unchallengeable, unless it breaks the agreement and until the agreement is revised. An employer may pay pensions to his workers. The union may contest every pension paid – without effect, for what right has it to interfere in a scheme drawn up by the employer and financed by his generosity? To achieve its ends, the union may then propose a better scheme, discuss it with the employer, modify its proposals and finally come to an agreement, which is drawn up and signed. Thereafter it can challenge only those cases in which there are reasonable grounds for claiming that the employer has infringed the agreement.

Despite agreements, grievances arise and the function of the union is then violently changed. From being champion of the workers, it must change to acting as policeman for a joint agreement with the employer. This function is admittedly necessary, in the interest of the union and in the interest of the workers themselves; but it is not so popular, nor so satisfactory a role, as that of champion of the oppressed. It is out of this necessity that there arises much of the discontentment that leads to unofficial strikes; and in so far as this is the cause of unofficial strikes, the communists or other malcontents on whom the blame is laid are carrying out the function of opposition. They may misrepresent, they may exaggerate grievances, but is it not the task of an opposition to do so? This is not, of course, the only cause of difference between 'rank-and-filers' and union executives. In any large-scale organization the different viewpoints of those at

the centre and those at the periphery must cause some trouble; and in a trade union, in which the means at the disposal of the executive to discipline its members are not usually of great strength, the trouble is likely to come to the surface; trade unions are not less democratic because of that.

We can see at once that there is an overwhelming case against trade union control of industry. If the trade union became the government of industry it would be transformed from a largely voluntary to a largely involuntary association. All the shortcomings of its internal democracy, which may be justified when its primary function is one of opposition, would become powerful engines of oppression; and there would be no recourse to help against that oppression, for with trade union government of industry, trade union opposition would have ceased. Similar objections can be made to joint control; in so far as the joint control was effective, it would work in the same way as trade union control, and in so far as opposition remained, industrial government would become a weak and unhappy coalition. It is unnecessary to mount a heavy attack against ideas which live on only as the pale ghosts of the enthusiasms of the crude but heroic army of the early syndicalists. The point to be made is that, even whilst it avoids these obvious pitfalls, a trade union, by binding the employer, and therefore itself, over an even wider field of industrial activity, may find itself in an almost equally dangerous position.

It would, however, be of no assistance to the union to advise it to avoid responsibility at all costs. For by avoiding responsibility the trade union condemns itself to the easy but largely ineffective role of permanent opposition. The problem can be neatly illustrated from the experience of the most criticized institution in the field of industrial relations in post-war Britain – the National Dock Labour Board. The two wartime schemes for the decasualization of dock labour – the Ministry of War Transport scheme in the north-west ports and the National Dock Labour Corporation (a joint body of employer and union representatives with an independent chairman) – were due to be wound up at the end of the war, but were maintained until some permanent decasualization scheme could be worked out to take their place. Both sides were agreed that there must be some

permanent scheme, but there were grave differences concerning its form. It was clear that the cost would have to be met, as with the wartime schemes, by a percentage charge on the wages bill. The employers were naturally anxious to keep the charge as low as possible and so proposed a monthly rather than a weekly guaranteed payment, so that weeks of high earnings might be balanced against weeks of low earnings before any guaranteed minimum was paid. They also wished the administration of the scheme to be in the hands of a port manager. The unions wanted to retain the principles of the payment of 'attendance money' to a docker reporting for work if no work was available and of a weekly 'fall-back' wage for all who fulfilled the requirements of the scheme. They were also afraid that port managers might reduce the number of registered dockers to the minimum and deal with fluctuations in demand for labour through the employment or discharge of unregistered workers, since by this means also the cost of the scheme might be reduced. Their proposal, therefore, was to retain the joint administration of the National Dock Labour Corporation. A strong case could be made out for the unions, since the reduction of costs, either by lowering the guaranteed minimum or by using unregistered labour, would reintroduce something like casual labour; and in the end their view was accepted by the various courts of inquiry which considered different aspects of the scheme. Thus the unions undertook to make the scheme as favourable as possible to their members by sharing in its administration and thereby accepting the responsibility for seeing that their members carried out the decisions of the new joint board. The board's function is only to administer the decasualization scheme; other matters of common interest are dealt with through the conciliation machinery of the Joint Industrial Council, similar to that of other industries; the board is, therefore, not a body for the joint control of industry of the kind proposed by the guild socialists. Whether the dockers' unions have accepted too much responsibility under the scheme is a matter for debate. The conclusion which can be firmly drawn is that it is necessary for a union both to oppose and to agree, and that industrial arrangements deserve to be called democratic only when these two functions are within the region of balance.

The approach of the employer or the manager to industrial democracy is radically different. Whatever his purpose, whether it be to make a profit, to make a success of his undertaking, to leave a stable concern to his children or to get through life as easily as possible, his interest is in getting his whole staff to work together as well as possible. To achieve this end he may, and in the past too often did, rely wholly on fear, on threats, on punishment and on the sack – there is no democracy in that. He may have a genuine interest in the welfare of his staff and be convinced that the best work arises from willing cooperation, and yet strive to exclude trade unions as outsiders who have no claim to interfere in its establishment, and set up welfare schemes, internal representative organizations or co-partnership schemes to achieve his purposes and to avoid the need for unions. Opposition is alien to both these methods. The 'good employer', however, rarely uses either of them today. Although we must remember that there are still in Britain undertakings both large and small where trade unions, with every encouragement, can make no headway and in which the workers, with or without internal representative organizations, appear to be satisfied to leave the government of industry entirely to the employer, most British employers now accept trade unionism. The 'progressive' employer welcomes trade unions, encourages his workers to join them, perhaps grants them the security of a closed shop, takes pains to keep on good terms with the union officials, pays a full-time elected secretary of the workers' side of the works council to devote his time to looking after the interests of the workers; and the reason for it is that he feels that willing cooperation can only arise out of independence. The trade union may be allowed to oppose him and to protect the worker, because the employer thinks that union opposition may be led to play its part in achieving genuine cooperation.

Can this be called industrial democracy? It has already been pointed out that trade unions have not yet entirely accepted this interpretation even in the establishments where it is carried out most fully and most sincerely by the employer. The task of opposition becomes very different from that of parliamentary opposition. Parliamentary opposition assumes and seeks to reveal that the government is wrong; but the assumption of this

interpretation is that the management of industry is fundamentally sound and requires independent opposition only to guide it into the right course, which the employer is only too eager to discover. Dare we make this assumption?

In some ways industrial paternalism comes closer to the theories of the syndicalists than does the interpretation which makes opposition the primary function of industrial democracy. To explain this, we must digress into political theory. Political theorists have always differed as to whether the cooperation necessary to any stable and happy society is 'natural' or 'artificial'. The theorist of parliamentary democracy must believe that the device of government, resting ultimately upon the coercive powers of the State, is necessary to produce sufficient cooperation; and yet that, to preserve freedom under such a government, the essentially disintegrating force of opposition must be permitted and even encouraged. A free society must depend on a balance between disintegrating and unifying forces. The anarchist, and with him the syndicalist, believes that a unified society would arise 'naturally' if only the restraints of coercive government and class distinctions were removed. The paternalistic theory, based on the analogy of the family, also accepts a 'natural' unity, but makes it dependent, not on equality and liberty, but on the functioning of society as an organism in which the various members carry out their different duties, whatever they may be. The theory which lies behind the modern progressive employer's approach to industrial democracy is not pure paternalism, for he accepts independent trade unionism. But it contains, and must contain, elements of paternalism. Leadership in the common effort comes from above. The pressure is not from below. Progressive management seeks to draw its employees into an intelligent cooperation in its undertaking. Independent trade unions are accepted in the hope that they may play their part in achieving this end. But since unions must remain outside the undertaking to maintain their independence, since they must remain a permanent opposition, they cannot take the lead in this and they must, for the same reasons, avoid complete assimilation to the management's purpose.

The progressive employer and the syndicalist, then, have this

in common, that they wish to make industry work through genuine cooperation in a common purpose. Moreover, both of them can argue that their primary object is human happiness; and the argument that working together to a common end is productive of happiness may be readily accepted. It is much harder to demonstrate that deliberate opposition leads to happiness. Besides this, the most advanced experiments in industrial democracy which are now being carried out by managers in British industry are taking place in units of something like the size which the syndicalists looked forward to as the proper unit of industrial democracy. For they are mainly in small or middling concerns, and not in anything approaching the size of the modern State or even of a nationalized industry. Paternalism and anarchism may both be made to appear attractive when the units to which they are applied are small enough. And these experiments under managerial leadership have worked out well enough in a number of instances; for managerial leadership has the advantage over anarchism that it does give government. The anarchist community is internally and externally weak. So many self-governing workshops have failed because they lacked drive without strong management, because they preferred to distribute their earnings rather than make provision for the future, because they did not acquire capital at a sufficient rate to stand up to external competition. But the successes of these experiments cannot be taken to show that the parliamentary democrat is wrong in supposing that organized opposition is necessary to the preservation of freedom in a large community.

There have long been two schools of democrats, the one seeking to interpret democracy passively, as a means of ensuring as far as possible that governments act according to the wishes of the people, and the other arguing that democracy must mean more than that, must mean the active participation of the people in the work of government. The first school have replied that 'active participation' slips so easily into the assumption of a common purpose and thence to some mystical 'general will'. Then those whose actions and ideas seem contrary to the 'general will' are regarded as evil and soon suppressed as disrupters

of the common purpose. So that the last state of the democracy of active participation is indistinguishable from totalitarianism. Admittedly, this danger would be avoided if the active participation was in the work of an anarchist society; but few of us today have the courage to be anarchists. Although working in industry involves active participation in industry, we cannot, for these reasons, accept 'active participation', based as it must be, if anarchism is avoided, on managerial leadership, as a full and adequate definition of industrial democracy. We must also include the trade union as an opposition body which, however beneficent the employer, however eager he may be to carry his workers along with him in everything that affects them, can never be absorbed into an organic industrial order; for if it is absorbed, where is the guarantee of democracy? Progressive management, in accepting trade unionism, goes beyond a purely paternalistic 'active participation', but its view of industrial democracy remains necessarily a managerial view. Trade unionism, which, while desirous of intelligent cooperation, sees its primary function as protection of workers against employers and managers, and has an equally valid approach to industrial democracy.

We may well, however, accept progressive management as part of industrial democracy, and as the more important part the smaller the industrial group we are considering. To deserve the name democratic it must be management which accepts and comes to terms with trade unionism, for, although without that it may be a paternalism which cares satisfactorily for the welfare and happiness of its workers, there is no independent barrier against degeneration into autocracy. No internal scheme of representation can deserve to be called independent and there is a firmer foundation for democracy in trade union opposition to the most autocratic employer, than in the undertaking of the most benevolent of paternalists without trade unionism. The more autocratic the employer and the larger the group we consider, the more necessary it is to stress the element of opposition in democracy. For we have learned to believe that in a large, and particularly in an involuntary association, an organic conception of democracy is likely to be a cover for coercion and

oppression in the service of a mystical common purpose and general will.¹

As soon as we reject any simple and unique definition of industrial democracy we can see that a number of combinations of its elements – trade union opposition and willing participation of workers with management in a common enterprise – is possible and that there may be ample room for argument about which combination is the most democratic. This need not disturb us; surely it needs no elaborate argument to show that democracy is a relative matter and that the determination of more or less is in large measure dependent on the frailties of human judgement and on the field in which it is to work. In fact, there exist many combinations of the elements of industrial democracy in different establishments and in different industries, and different combinations may seem to give equally satisfactory or unsatisfactory results.

1. It is worth noting that the currently popular study of 'human relations in industry' has concentrated its attention mainly on inquiry into relations within small industrial groups and has also, perhaps because of this, neglected the importance of power relations within industry. When its exponents talk of industrial democracy they therefore tend to stress the importance of common endeavour to the exclusion of the need for independent checks to power.

Part Three Trade Union Structure

Here are three important contributions to the study of trade union structure. In Reading 7 H. A. Turner advances the view that the complexities of British trade union structure can best be understood and analysed by making use of the notions of 'open' and 'closed' trade unions. In Reading 8 J. D. M. Bell provides a critique of the case for industrial unionism. The part ends with an excerpt from the report of the Donovan Commission. This contains a description of different types of multi-unionism and an analysis of the limitations of the TUC's Bridlington Principles.

7 H. A. Turner

The Morphology of Trade Unionism

Excerpts from H. A. Turner, *Trade Union Growth, Structure and Policy*, Allen & Unwin, 1962, pp. 233-51.

Any student of trade unionism will be familiar with the inadequacy of the classifications commonly used to describe the diverse external forms it may assume. Such categories as 'craft' or 'occupational', 'industrial' and 'general', may sometimes indicate a union's original shape or the recruiting doctrine by which it has at some time been influenced, but as a guide to its present character they are rarely very illuminating. Thus, the cotton unions are often described, by their own members and officers (Thornton, 1953) as well as by outsiders, as 'craft' organizations. The term has a certain prestige value, but in its strict sense, it is obviously inapplicable to them. The classic craft union is distinguished by the apprenticeship system, the restricted entry of boys solely as learners into an occupation to which the union confines itself. Though recruits to one or two skilled cotton occupations are now sometimes called 'apprentices', only one trade – the strippers-and-grinders – has adopted an entry system which might be considered approximate to the historic apprenticeship. And this trade is not organized in a separate union of its own.

The description, 'craft union', however, is often used in a looser way, to describe an association of workers marked off by some superior skill. And this use is superficially suited to those cotton unions which have here been called 'closed' – the Spinners, Overlookers, Tapesizers, Twisters and so on. The difficulty that the Spinners also organize the piecers and mule-assistants, while the Twisters recruit reachers-in, can be overcome by regarding these less-skilled workers as also 'learners', or at least, as on the ladder of promotion to the union's principal occupation – in the same way as the Associated Society of Loco-

motive Engineers and Firemen (which sometimes also describes itself as a 'craft' union) organizes the engine-cleaners from whom footplatemen are recruited. The term is perhaps already stretched a little in the case of the Spinners, whose assistants outnumber themselves and had (until the quite recent past at any rate) only a minority chance of promotion. But what is one to do when one finds that in Yorkshire the Spinners also organize many sorts of cotton operative other than those on the mule-spinning process – or that in several districts the Twisters organize beamers, who are on their promotion ladder and are also less skilled? [. . .]

Finally, the term 'craft' is sometimes used, still more loosely, as an alternative to 'occupational' – to describe a union that, while not necessarily having any control over the entry of new labour, nevertheless restricts itself to a single occupation or at least to so narrow a range of related jobs that it cannot reasonably be classified as some other kind of animal altogether (such as an 'industrial' or 'general' union). And in the sense that the nucleus of each cotton 'operatives' association was usually a membership in one particular occupation, the adjective 'occupational' is certainly more appropriate than 'craft'. But in the Cardroom Amalgamation's membership, the original core of male cardroom workers proper has been numerically quite overwhelmed by other operatives from the spinning trades. And the Amalgamation now covers so many other occupations that it could better be described as an 'industrial' union for the cotton-spinning industry – a role which will become still more apparent as the Spinners' Amalgamation continues its decline before technical change.

The Weavers' Amalgamation, had not several predominantly male groups in cotton manufacturing split off from the modern weaving operatives' associations at an early stage in their history, might well have assumed a similar place in that industry. The difficulty in fitting the Weavers strictly into the 'occupational' classification, however, arises not only because there remain a substantial number of other jobs than weaving proper, the occupants of which may be recruited by the Weavers, but because that Amalgamation has spread somewhat beyond the cotton manufacturing industry itself. The Weavers' entry into

cotton spinning, for instance, is explained by their early inclusion of winders, reelers and warpers (a very numerous group of operatives on machine processes intermediate between spinning and weaving) who were also employed in some spinning mills with weaving departments. From this the Weavers acquired a general interest in these operatives, although in the Bolton district the same workers have been organized by the Cardroom Association. But the Weavers have also organized independent mills in the doubling trade, where not only the Cardroom Amalgamation but the General and Municipal Workers' Union have memberships. So that in one or two places the Weavers' local association now has a minority, not merely of weavers, but of workers in cotton manufacturing proper. Other local weaving unions have organized workers in hosiery, asbestos, and rubber firms. And their Amalgamation's acceptance in 1951 of affiliation by the Amalgamated Society of Textile Workers and Kindred Trades, a silk-workers' union from outside the cotton district, for a while encouraged a suspicion among other unions that the Weaver's had ambitions towards becoming a general union of textile and 'allied' operatives.

Inside the cotton manufacturing industry itself, on the other hand, the coverage of the Weavers' Amalgamation would have been wider had it not encountered competition from other unions which were also expanding their occupational scope – the Warpdressers to include chain-beamers and dry-tapers, the Warehousemen rather more widely. These overlaps have usually been resolved by roughly classifying and allocating the disputed operatives on a 'departmental' basis within the mills. But they have sometimes involved the temporary partition of an occupation (as in the case of the chain-beamers and related operatives under a 1943 agreement between the Weavers and Warpdressers) or the nominal separation of two almost similar occupations – as among certain operatives previously described by collective agreements simply as 'odd hands about the mill' under a 1937 agreement between the Weavers and Warehousemen. And the elasticity of any formal principle of jurisdictional partition between unions is perhaps demonstrated by the Warehousemen's portion under this last arrangement, which

was itself the product of several years' disagreement between the two Amalgamations about their jurisdiction among 'ancillary workers'. At any rate, the Warehousemen's finally agreed share included not merely the various workers in the warehouse and packing departments of mills, but also the tape-sizers' labourers and those in winding rooms, as well as the winding overlookers – although the agreement recognized the Weavers' exclusive claim to the winders themselves.

One difficulty with an 'occupational' principle of demarcation between unions (and, therefore, in classifying them) is that occupations change: in the dispute just referred to, for instance, an earlier agreement (of 1923) between the Weavers and Warehousemen had broken down owing to technical developments which disturbed the classifications involved. But another difficulty with the 'occupational' principle is that unless it is reinforced by some second principle, like a restrictive and specific qualification for entry to the founder occupation, there will always be *other* occupations so close to the latter in content, employment conditions or some other quality that an organization based on it tends to spread, so losing its original form. Thus, when put to the test of a disputed claim to organize particular groups of workers, cotton unions have accepted 'occupational', 'industrial', 'departmental' (or sub-industrial), 'geographical' and other demarcations as expediency suggested. And where no such test has arisen, their boundaries are often vague.

However, a factual reluctance to fit into accepted categories – categories which unions themselves use to indicate their organizing intentions – is not restricted to the cotton unions alone. Indeed, it is perhaps rather less marked in their case than in others. There are, in fact, quite close parallels between the external union structure of the cotton trades and that of other industries. The respective situations of the Spinners' and Card-room Amalgamations in spinning, for instance, are not dissimilar from those of the ASLEF and NUR among the 'conciliation grades' of railwaymen. Moreover, the relation between the Weavers and the other cotton manufacturing unions is rather like that ruling, in the non-cotton textile trades, between the big Dyers, Bleachers and Textile Workers' Union

and the several smaller unions which also belong to the federal 'Association of Unions in the Textile Trade'.

The apparently haphazard quality of British trade union structure has been a matter not merely of common comment but of occasional major controversy for at least half a century. It is significant, for instance, that from 1874 on, the TUC itself has adopted successive resolutions in favour of 'closer unity' in union organization and that its General Council has on two occasions (in the early 1920s and again between 1943 and 1946) undertaken very substantial inquiries into inter-union relations – each time making large proposals for reforming them – and has recently revived its interest in the question.¹ It is still true that no industry of any size, and few substantial occupations, are organized by a single union alone; while few sizeable unions, on the other hand, restrict themselves to a single occupation or industry. The practical disadvantages of this situation are certainly much less than they used to be. The Webbs' remark (1894, introduction to 1902 edn), that '... to competition between overlapping unions is to be attributed nine-tenths of the ineffectiveness of the trade union world', has lost much of its force with the reduction in the number of unions by amalgamation and with the TUC's development both of a procedure for conciliating jurisdictional disputes and of a code of good behaviour between unions (the 'Bridlington Rules'), while a mutual recognition of established 'organizing rights' has grown with the acceptance and consolidation of the newer unions.

These things have, of course, to some extent only transferred the structural problems of trade unions – from their external relations to their internal administration. But despite them, situations still persist in which the form of union organization seems, to either trade unionists or managements, not just incompatible with any rational principle, but inconvenient and wasteful for practical business. For instance, a large general engineering firm may have to deal with thirty or more separate unions, while in many sectors of industry different unions maintain duplicate negotiating staffs and administrations for the same class of workers – a situation, of course, that particularly

1. TUC *Annual Reports*, 1924 and 1946, as well as 1959/60.

affects the two 'general' unions which, under some sixty or seventy national agreements alone, are both concerned with the representation of less-skilled workers. And crises in inter-union relations have been sufficiently frequent in recent years to lead the TUC in 1955 to seek and secure some extension of its powers to intervene in its affiliates' conduct of disputes.²

At one time, it was possible to regard such crises as the product of a fundamental disagreement among trade unionists as to the principle upon which their organizations should be based – a disagreement reflecting a still deeper division of view as to the purpose of trade unionism itself. The 'sound amalgamated principles', that the leaders of the mid-nineteenth century New Models erected into a philosophy to attack the various militant opponents of their cautious and consolidating policy, merged into a conscious and defensive 'craft unionism' in those leaders' successors when in turn attacked by the socialist labour organizers with the (alternate) doctrines of 'industrial' or 'class unionism'. This controversy, of course, was loudest in the years of mass union recruitment immediately before and after the First World War. But the TUC's *Report on Trade Union Structure and Closer Unity* of 1946 still devoted an introductory discussion to the issues of principle involved in it. It retains at least a formal life in certain inter-union relationships – for instance, as between the Chemical and Rubber Workers' Unions, on the one hand, and the two great general unions on the other. One *might* attribute the failure of so many unions to embrace the complete membership indicated by their announced organizational ideal – as of the 'industrial' NUR to become a comprehensive union for railwaymen – to the inspiration of competitors by a rival theory of organization. And inter-union disputes can often be interpreted in the light of a controversy between organizational principles. So that when the London Typographical Society contests the NUR's claim to

2. The 1955 amendment to the TUC's Rule 11, effectively permitting the TUC General Council to intervene in a dispute if negotiations *seemed likely* to break down (instead of, as previously, after that event) was largely suggested by the fact that the three major stoppages in the preceding year – in the docks, newspapers and railways – each involved an inter-union conflict.

the printers of railway timetables,³ or the bricklayers' and masons' union (the AUBTW) disputes the National Union of Funeral and Cemetery Workers' right to organize monumental masons, they can be regarded as illustrating the clash of 'craft' with 'industrial' doctrines.

However, similar situations have occurred when no such clash of principle was involved. So far as the writer is aware, jurisdictional disagreements between the cotton unions have never been expressed in the language of doctrinal debate. And it would be difficult to rationalize at least the more recent disputes of the National Union of Public Employees with such bodies as the General and Municipal Workers' Union or the Confederation of Health Service Employees in the terms of rival organizing theories. Many unions which once announced adherence to a particular structural principle have in any case accepted limits which compromised it – as the general unions have long abandoned 'class unionism' by their agreements with other organizations *and* by their notable failure to merge with each other. Still more to the point, many unions once inspired by such a principle have entered fields apparently incompatible with it. Thus major 'craft' unions like the Woodworkers and Electricians – and most notably, of course, the Amalgamated Engineering Union – have accepted workers of successively less obvious degrees of skill. The AUBTW, having appeared above in a 'craft' role in the case of the monumental masons, was very shortly afterwards judged guilty by the TUC disputes Committee of 'poaching' labourers from the General and Municipal Workers.⁴ The 'industrial' NUR has organized busmen and the steel workers' union (BISAKTA) has recruited certain operatives in engineering establishments even though these were already employed under wage rates fixed by other unions, while the 'general' unions have extended what was once their *de facto* role as organizers of less-skilled labour at large, by recruiting more-skilled workers in several industries – the Transport and General Workers' Union even having a special section for clerical, supervisory and administrative staffs.

Even in the printing trades, where craft unionism would

3. TUC *Annual Reports*, Disputes Committee.

4. TUC *Annual Reports*, Disputes Committee.

probably find its nearest contemporary ideal and where the technical lines of distinction between jobs are probably much clearer than (say) in the metal and wood-working industries, there have been significant lapses from strict organizational purity. Thus the Operative Printers' Society (NATSOPA) – a major union of those printing and paper workers originally excluded from the old craftsmen's unions – argued in the Printing and Kindred Trades Federation's 1956 discussion of wage policy that there was now '... so much overlapping by the printing unions that they could no longer be put into categories of craft and non-craft'. It had certainly itself recruited among several classes of skilled printing workers: while among the printing 'crafts' even the supremely aristocratic London Society of Compositors has recently accepted a body of workers (the printing machine managers) not recruited by its own strait path of apprenticeship and who may also be organized by the 'non-craft' print unions. The LSC, indeed, changed its name to the London Typographical Association mainly to cover that extension. And so on.

Of course, the general unions are still 'general' in the sense that they will in principle recruit any workers except such as they have agreed not to. And other customary classifications of trade unions also have a rather more than historic value in so far as many unions still fit one or other of them closely enough for it to describe their predominant membership's common quality. But other unions – including certain of the biggest – are now virtually unclassifiable. It has been shown that the AEU, for instance, retains important internal features of traditional craft unionism: but in other aspects it is a would-be industrial (or multi-industrial) union for the engineering and allied trades: and in still others it appears as an occupational union of mechanics and metal-workers at large. And how does one classify the Union of Shop, Distributive and Allied Workers? It is not an occupational union of shop and warehouse workers because it recruits laboratory and office staffs, as well as transport workers. It is not an industrial union for the distributive trades because it organizes factory operatives. It is not (as its major predecessor, the old NUDAW, predominantly was) an 'employment' union of cooperative societies' employees,

because it now has a substantial membership in private trade and manufacture. Yet its interests are not yet quite so varied as to make it a third general union.

The difficulty in confining such unions to a category is partly that the categories themselves often fail to yield a sharp jurisdictional definition in practice. Demarcations by industry prove as vague as those by occupation: the superficially clear boundaries between the Cardroom and Weavers' Amalgamations dissolved before the facts of jobs common to both spinning and weaving industries, and of the existence of 'combined mills' and independent intermediate processes. Even demarcations by craft often break down because these can be based alternately on the qualifications of the worker or on the job that he is doing: and the same job may be done by workers of different qualifications, while workers of a particular qualification may do different jobs. Apart from the 'general' union – which is hardly a category at all – only two such union types provide definite boundaries: 'craft' in its narrowest sense, of the common possession of a distinct and formal vocational qualification (such as many 'professional associations' make a condition of membership): and 'employment' in the sense that the union concerned restricts its membership – like several organizations of banking and insurance staffs – to those on the payroll of a particular concern.⁵ And rather few trade unions fit either of these two categories.

However, the inherent vagueness of other jurisdictional definitions would be of only secondary consequence by itself, since, if that were the only problem in determining a union's membership frontiers, it could always be resolved in a quite arbitrary way – as by the United States National Labor Relations Board ruling of 1948 that dual or multiple union representation could only be granted in concerns that were not 'integrated' technically.⁶ Much the bigger problem is the

5. Theoretically, one supposes, an 'employment' union might also be one which accepted only the employees of firms that belonged to a specified employers' association. However, the writer has never heard of a union that based itself on such a demarcation.

6. This is the so-called 'national sub-doctrine', from the case in which it was first conceived. The ruling, however, has now been extended to several other American industries.

apparent reluctance of many unions, when it comes to the point, to sacrifice a potential membership for the sake of a pre-announced structural principle. Organizational theories have, in practice, often served for little more than to justify the immediate recruiting ambitions of particular unions. So such theories have proven proportionately adjustable to subsequent expediency – and opportunity.

Classification is not a mere scholastic exercise. Its point is partly to separate the elements in a situation that would otherwise appear confused and chaotic. But as such, it is also an essential preliminary to the understanding of any order of events and to useful generalizations. Since certain important classifications of union types have their origin in the slogans of dead ideological debate, rather than in objective description, they neither explain the present morphology of trade unionism nor illuminate its likely behaviour. For such purposes, it is perhaps worth considering whether the simple division into 'closed' and 'open' unions, used by cotton operatives to distinguish between their own organizations – and in the preceding chapters to interpret those organizations' development, as well as that of others – is not more realistic.

One clue to the structure of British trade unionism is the concentration of membership in a few very large trade unions. Over half of the TUC's total affiliation currently belongs to six unions only, out of some 180 affiliates in all. Another clue, however, is the apparently comfortable survival, despite this century's general trend to merger and amalgamation among unions, of a number of relatively small organizations, like the Tapesizers in cotton and the Patternmakers outside.

The larger unions are 'open', at least in the sense that they are able to impose no restrictions on entry into many of the occupations that they organize, but are content to recruit all workers in those occupations whom the employers themselves engage. Such unions are almost inevitably expansionist in tendency. Since an open union is usually unable to bring pressure to bear on employers through controlling the supply of labour to a key stage in the production process, it is bound to rely on strength of numbers for its bargaining power instead. An open union,

like the Cardroom Amalgamation (at least in its early days), may be unstable because the workers it recruits are not strongly attached to a particular occupation: the union is, therefore, obliged to attempt to compensate for the resultant low occupational solidarity of its membership by attempting to build up an institutional stability in the union itself. This in fact, and as the Cardroom Amalgamation discovered, means a staff of permanent officials, which its original membership group may be inadequate to support: so the latter must be expanded. Open unions, moreover – like the Weavers' Second Amalgamation – rely partially on their capacity for political pressure – and this involves not merely an ability to mobilize votes, but also to finance political campaigns, candidatures and representatives. The open cotton unions' concern for '100 per cent trade unionism' became notably more marked after their decision, very early in the present century, to support independent labour representation in Parliament. All these things require funds and, in the context of a membership largely recruited from lower-paid workers, the accumulation of funds again involves a large numerical recruitment.

The smaller stable unions, however, will generally be found to be predominantly closed. They are also restrictionist, not merely in the sense that they base themselves on a capacity to control the supply of labour to particular occupations and maintain an exclusive claim to employment within those occupations, but also in the sense that they have little intrinsic interest in increasing their merely numerical strength. Indeed, their interest lies rather in the opposite direction – of limiting the intake of labour to the jobs that they control and thereby restricting also the membership of the union itself. Thus the shape of British trade unionism in general might be described as one in which open, expansionist unions have spread around islands of stable closed unionism – as the open Cardroom Amalgamation spread round the closed Spinners' Amalgamation in the cotton spinning industry. The principle animating the apparently haphazard growth of British unions has therefore been the elementary one that nature abhors a vacuum. Organizational vacuums have generally been filled by the nearest union to hand that was under pressure to expand.

So far, then, the cotton unions' broad dual classification seems quite generally applicable. However, it is obviously possible – and may be useful – to refine it. The Yorkshire Spinners' recruitment of other operatives than mule-minders is not substantial enough to change materially the 'closed' character of the Spinners' Amalgamation. Nor are the strippers-and-grinders sufficiently numerous within the Cardroom Amalgamation for their success in 'closing' their occupation to make one hesitate about that union's classification as 'open'. Nevertheless, one must clearly reckon with the likelihood that closed and open sections of the membership will be so evenly balanced in some non-textile unions that these can only be described as 'mixed'. But the point particularly raised here is that whether a union is to be regarded as closed or open really depends on whether or not it controls entry to its predominant occupation. And in rather few unions is the membership restricted to one occupation alone. An open union, certainly, to increase its size would sooner or later be obliged to multiply the number of occupations amongst which it recruited its membership. So that another aspect of external union structure consists in the *diversity* of occupations each union organizes and the relation of those occupations to each other.

Thus, one natural line for a union's expansion would be to recruit workers who were employed together with the members of its founder occupational groups – as labourers and similar operatives are employed with weavers, for instance, or (outside cotton) storemen and clerks with shop assistants. But another natural line of growth will be for the union to follow the movement of its existing members into new occupations. In some industries – like railways and coal (at least in their palmier days) or steel now – there is relatively little movement of labour in and out of the industry apart from the recruitment of juveniles and retirement of old employees, but workers will normally move from lower-grade jobs in the industry to higher-grade ones. In this case, the union itself may move up with its members, as both the early power-loom weavers' federations and some cardroom associations recruited cotton overlookers. So that, to take another instance, despite the existence of a separate union for locomotive engineers and firemen, about 10

per cent of the workers of these grades on British Railways belong to the NUR, having been promoted from other grades and having retained their original union membership. However, in many other trades, promotion to more skilled and better-paid jobs is barred by the apprenticeship system, and lower-paid workers will rather move horizontally from one industry to another. The labourers whom the ancestral organizations of the present general unions recruited were particularly mobile between industries, so that unions founded on these workers naturally tended to spread from trade to trade.

But a final pressure influencing the direction of a union's expansion is the extent to which – and the direction from which – such standards as it is able to establish for its membership may be threatened by competition from other groups of workers. Thus, the leaders of the Weavers' First Amalgamation were driven to encourage organization outside the specialized districts of the manufacturing trade on which that body was founded, as well as to recruit ancillary operatives whose acceptance of low wage standards might otherwise have threatened the weavers. In just the same way, the unskilled labourers' unions outside cotton found it impossible to confine their attempts at organization and bargaining to one or two industries alone, because it was difficult to maintain high wage rates for one organized group of labourers while those in other trades and industries in the same locality were unorganized and badly paid. On the other hand, an important motive in the expansion of the Amalgamated Engineering Union downwards from skilled engineering mechanics, to recruit lower-skilled engineering operatives, was that the standards of the former were threatened by the lower wages of the latter and by the increasing technical possibility of replacing skilled by less-skilled labour.

The shape of an individual open union will, therefore, largely depend on the employment structure within which it commenced to operate. And it may be convenient to distinguish between 'horizontal' and 'vertical' lines of growth according to the opportunities and pressures indicated by that environment. Which is not to say that these directions are mutually exclusive. Most larger unions will be found to have grown, to some extent at least, in both directions – that is, horizontally to include

occupations of about the same status as its original membership in other trades and industries, or vertically to include workers of higher or lower status within the same industry. And in some major cases, the difficulty of fitting the unions concerned into an orthodox classification seems to arise very largely from the fact that their growth – like that of the Warehousemen in cotton – has been about equal in each direction and thus diffuse. The USDAW has expanded from its original membership of shop assistants, on the one hand, outwards to include warehousemen, transport workers, factory operatives and so on, who happen to be employed by the same concerns, and, on the other hand, upwards to include supervisors, managers, officials and technicians. Similarly, the AEU has spread partly by recruiting new groups of skilled metal workers or mechanics in a variety of trades, which somewhat balances its membership among the growing class of less-skilled operatives in the engineering industry proper. But other large unions *do* exhibit a predominant direction of growth. The so-called 'industrial' unions – like the railwaymen's, the miners' and the steel workers' – generally operate in industries where, to each occupation, labour is recruited vertically from a lower grade in the same industry. The general unions, on the other hand, because they began with workers whose chances of promotion within a particular industry were limited or barred, have in the main expanded horizontally – to include, particularly, the newer industries like chemicals and several forms of mass production, into which their original membership was naturally transferable.

However, it is not merely amongst open unions that one may distinguish alternative vertical or horizontal lines of occupational diversification. Of the cotton operatives' various organizations, for instance, we have noted that only the Overlookers and the Tapesizers are *simple* closed unions in the sense that they are restricted to members of a single occupation. In the closed union's case, one factor in its extension may be just the method by which the union restricts entry to its principal occupation. Unions that control entry through an apprentice system, like the traditional craft unions outside cotton, or through regulating the acceptance of 'learners' like the Over-

lookers and Tapesizers themselves, will usually insist on the prior acceptance of these trainees into membership. And since these then constitute for their training's duration an inferior grade within the union, this itself adds a minor vertical element to the latter's form. But this factor is much more important where the union controls entry by regulating promotion from grades of worker subordinate to its principal membership, like the Spinners in cotton, or the Twisters and Drawers. Such a union often comes to include these workers (unless another union gets there first – indeed, sometimes it will do so to forestall that hazard) if only as a means to strengthen and regularize the 'promotion ladder' on which it depends. Thus, the open NUR, in extending upwards to the footplate grades of railwaymen, met the engine-drivers' own union, the closed ASLEF, coming down; so that the latter has assumed a similarly vertical shape.

A closed union may also extend horizontally. This partly arises because even closed occupations are rarely demarcated by absolute boundaries. The problem of the potential substitutability of different kinds of labour has concerned closed unions as well as open ones: it has particularly affected the metal-working crafts and partly accounts for the formation of the original Amalgamated Society of Engineers. The Spinners, for instance, were obliged to accommodate both the old hand-mule operatives and the new self-actor minders before they could stabilize their own organization, and still accept twiners as of equivalent status to mule-spinners proper. While the ASLEF, again, now joins the motormen of diesel and electric trains to its primary footplate membership. But a closed union may diversify its membership for other reasons than the imprecision of occupational frontiers. Thus the Warpdressers in Yorkshire have recently merged their surviving local associations there into a 'Yorkshire Society of Textile Craftsmen', with the intention of organizing not only other skilled cotton-manufacturing operatives (the union already recruited twisters and drawers in the Yorkshire region), but analogous workers in the wool and worsted trades. In this case, the union's motive is apparently to preserve its subscriptions and administrative strength in face of the decline of its original membership. But

the development of 'industry-wide' collective bargaining, which confronted exclusive unions in other industries both with powerful employers' associations organized on a national basis and with a greater need to finance professional negotiators, has similarly been a certain pressure on closed unions to extend their occupational coverage outwards.

It is important, however, that such extensions of unions' particular memberships have often occurred by way of mergers between separate organizations, rather than through further recruitment by individual unions. Indeed, since the 1920s, amalgamation has in general been more important than new recruitment in determining the shape of individual unions. It is clearly for the major open unions, to which occupational diversification – as in the cardroom associations' case – has been a natural route to power, that the opportunity of acceptable amalgamation has been most significant as a determinant of their present external forms. For an established closed organization, any step which is likely to blur its membership's occupational identity and selectness will usually be taken only with reluctance and as a response to powerful external pressures. Nevertheless, such pressures *have* operated. The development of the old ASE, for instance, took place just by way of amalgamation between separate exclusive unions. [. .]

To present a united defence of the better-paid's relative status is a motive for the horizontal merger of closed unions which, though quite old, has of course been revived by the succession of general wage increases over the past twenty years – with their accompanying pressure on previously established wage differentials. So that it is interesting to see mergers of this type now again advocated, in certain industries, by some still predominantly closed unions which have felt themselves outvoted in the policy decisions of the inter-union confederations which there deal with employers, and outweighed in bargaining by the bigger memberships of open unions. Thus, the Boilermakers' Society deliberately excluded the AEU from the conference of engineering craftsmen's unions that it called, in 1957, to advance proposals for mutual amalgamation; and for a while in 1958–9 it seemed possible that the century-old division between the regional and sectional unions of printing tradesmen might

be overcome precisely by their common fear of the greatly increased strength of the open printing and paper unions. Decisions then taken by the craft printers' unions to attempt amalgamation were a direct consequence, on the one hand, of their sense of failure in maintaining their members' relative status in face of the employers' insistence that skilled and unskilled be treated alike and, on the other hand, of a proposed merger between the two open printing unions themselves, so that, just as in the nineteenth-century cotton unions, conflicts of group interests between workers still play their part in trade unionism's structural development.

At any rate, the importance of mergers between unions as a vehicle of their occupational diversification introduces a final moulding influence on the shape of the individual union: namely, the limits and obstructions to its growth that have been presented by rival unions' previous seizure of particular occupational territories. Even the simpler closed unions have in some cases been prevented from completing their restricted recruiting ambitions because some group within their occupation has succeeded in organizing a stable, and perhaps more privileged, position. It is probably for this reason that the Lancashire Tapesizers have never succeeded in establishing a united federation. While on a larger scale, we have already noted that a major obstacle, for almost a century, to a united organization of compositors has been the ability of the London Society to exclude from employment in the London area not merely workers who were not properly apprenticed to the trade, but even printers who have served a due apprenticeship in the provinces. Similarly, the Amalgamated Society of Woodcutting Machinists has found it impossible to establish itself in one small area of the North where a local union of packing-box makers has long held a traditional wage differential over the rates normally claimed for this class of work. [. .]

The distinction between closed and open unionism, therefore, pretty adequately explains not merely the cotton unions' external structure, but the general pattern of British trade union organization. It also, however – and this is something that the customary typologies of trade union external structure certainly

fail to do – explains some important differences in the normal behaviour and preoccupations of various unions.

One would naturally expect, for instance, that open unions should be rather more preoccupied with wage questions, while closed unions will be concerned with issues affecting their control of labour supply and employment. But the difference is also exhibited in more detailed aspects of wage policy itself. Thus, on the whole it has tended to be the open unions in major industries which have taken the lead in the general wage movements of the past generation: the general pattern of wage demands and increases throughout the cotton trades from 1939 on was largely influenced by the determination of the Weavers' Amalgamation to compensate its membership's inter-war experience of low and unstable earnings. The closed unions have been much more concerned with the relative status of their members in the wage structure, rather than with the level of wages in general. Indeed, the most notable interventions of closed unions in post-war wage movements have taken the form of protests against the relative narrowing of wage differentials occasioned by general wage increases themselves. In the cotton trades the increasing resistance, particularly of the spinning industry's male aristocracy, to that narrowing (from which they were unable to escape, as did the closed groups in cotton manufacturing, by mill and local bargaining) led the unions to revert to demands for common percentage wage increases, which disturbed wage relativities no further. But in other important cases – as in the printing stoppages of 1950 and 1955 and, of course, the engine-drivers' strike of 1955 – this resistance in effect involved an inter-union dispute between the open and closed organizations in the industries concerned. And this is certainly true of the events which led to the withdrawal of the 'open' NATSOPA from the Printing and Kindred Trades Federation in early 1958: the immediate cause of that secession was the closed print unions' support of a proposed new system of wage negotiation which would have involved the separate consideration of wage claims from the craftsmen and from other unions.

The distinction between closed and open unions also means a good deal in terms of detailed inter-union relationships. Thus,

the typical inter-union problem of open trade unionism is the 'jurisdiction' dispute – about which union should have what members. Disputes of this kind were settled by those Weavers' agreements with other manufacturing unions described earlier in this chapter; and they constitute the TUC Disputes Committee's main preoccupation. The typical inter-union conflict of closed trade unionism, however, is the 'demarcation' dispute – about which union's members should have what jobs. Partly for technical reasons, such disputes are rare among the closed cotton unions, if not altogether unknown; but they are endemic in several traditional crafts outside.

Similarly there is a difference in attitude to union membership. The closed union is identified with the 'closed shop' – that is, the insistence on acceptance into the union as a prior condition of employment. The open union is characteristically associated with the form of compulsory union membership best described as the 'union shop' (but sometimes improperly called '100 per cent trade unionism'), involving a requirement that entry into a job which the union organizes shall be followed by joining the union. And it is probably true that there is a considerable difference between the attitudes of closed and open unions to employers. Since the essential technique of closed trade unionism is a system of 'autonomous regulation', it is with unions of this type that trade rules and customs of a kind which are often described by managements as 'restrictive practices' are largely associated. The open union's dependence on collective bargaining, however, involves at least the employers' acquiescence in that, and preferably their cooperation. To this end, the militancy which was at one time identified with the New Unions is only one tactic and one which in their case was as much required by the need for a propagandist recruiting appeal as by the contemporary obduracy of employers.

With the growth of a general willingness on the part of managements to recognize trade unionism as such, and particularly in the presence of a prolonged prosperity which made firms reluctant to see output interrupted by industrial disputes, not a few of the big open unions have found it easier to establish themselves in a new concern by approaching the latter's management than by directly canvassing its workers. In such cases

achievement of a more rational trade union structure, 'industrial unionism' stands alone.

It is with this more limited interpretation that this present paper is concerned. Our subject of study is, in other words, the structure of the trade union movement. Such a study is clearly of the first importance. Most observers would agree that the trade unions, if they are to survive the rapid transition which our society is at present manifesting, must acquire some new functions and must shed some old. Precisely what functions should come within each category is less apparent and a realistic solution of this problem will have to take into account the current facts of structure. Again, change of function will itself necessitate adaption of structure. The strength of the industrial unionist case lies precisely in their contention that their solution alone will satisfy this necessity. [. . .]

It is usual to recognize three main types of trade union, each with a characteristic principle of organization. The craft union unites workers following the same craft, irrespective of the industry in which they happen to be engaged. The industrial union is, by definition, the direct converse of this, organizing, as it does, all workers in a single industry, irrespective of their craft, occupation or grade of skill. The general union is more difficult to define. Its principle of organization is that of the 'one big union'. In other words, it is prepared, in theory at least, to admit any worker. In practice, the general unions fill the gaps in trade union organization left by actual craft and industrial unions working within the confines of their more limiting definitions. Their main strength is among labourers and semi-skilled workers.

In reality, of course, few, if any, unions fit precisely into any one of these three categories. Craft unions tend to become 'occupational', catering for a number of related crafts, like the old Amalgamated Society of Engineers (ASE). Industrial unions are sometimes more strictly 'common employment' unions, organizing like the NUR, the employees of a single employer or recognizable group of employers. Many more unions combine features of two of the main types, perhaps corresponding roughly to one in one industry and to another in a second indus-

try. Nevertheless, the classification is a useful one, especially since we are examining not the structure of any actual existing union so much as an 'ideal' type of trade union organization which does correspond precisely to one of the three main categories.

Historically, the craft union comes first. The type of organization dates from the eighteenth or even, in some cases, from the seventeenth century. Moreover, the modern trade union movement has been built on foundations provided by the 'New Model Unions' of the 1851 variety and these were craft or, at the most, 'occupational' unions. Such a development was inevitable at a time when the skilled workers were the only ones to be effectively organized.

The early predominance of the craft unions had the important consequence that both 'general' and 'industrial' unionism developed, originally, as protests against the older form of organization. This common origin involved a number of similarities between the principles of 'general unionism' and 'industrial unionism', which tend to be obscured by the circumstances of today, when the general unions seem to the enthusiast for 'industrial unionism' to be the greatest obstacles in his way.

The rise of the general unions is usually dated from the Great London Dock Strike of 1889 and the 'New Unionism' of John Burns and Tom Mann. But the 'New Unionism' was only 'new' as against the then obsolescent 'New Model' of 1851. Prior to 1851, the natal day of the modern labour movement, there had been in this country what is nowadays sometimes called, by way of distinction, the 'first labour movement' (M. Cole, 1948). Whereas the post-1851 movement has been moderate, constitutional and empirical in its outlook, this predecessor was Utopian and revolutionary. Its political zenith was attained with the Chartists, its industrial with Robert Owen's Grand National Consolidated Trades Union (GNCTU).

The Owenite Union, like some other unions of the period, was a general union. The 'one big union' of all workers was the ideal in the 1830s, as it was in 1889. At the time, this ideal was usually called the '*trades union*', and was sharply differentiated from the trade clubs, which had existed previously. Francis Place, for example, wrote an essay entitled, 'Trades unions con-

demned, trade clubs justified' in which he described the 'trades unions', or 'associations of several or many trades in one combination', as 'very mischievous associations' (quoted in Webb and Webb, 1894 p. 114). The 'trades union' and the later general union are, in principle, one and the same thing.

It might be objected that these organizations were too much the product of Owen's own driving ideas and too little the 'natural' product of industrial development to be comparable to the 'New Unions' of 1889. But Owen's union was by no means the only one of its type. Prior to the GNCTU, there had been the 'trades unions' associated with the names of John Gast and John Doherty (Webb and Webb, 1894 pp. 114-24), and many years later, in 1845, there was a resuscitation of the same type of organization in the National Association of United Trades for the Protection of Labour. Even the GNCTU reflected, in its organization and aims, a compromise between the ideas of Robert Owen and those of the syndicalists, represented by James Morrison and J. E. Smith (Beer, 1920, pp. 326-47).

This recognition of an earlier period of 'general union history' is important, as enabling us to appreciate more completely some features of the 'general unionist' doctrine. To begin with, both the Owenite and the 1889 unions were born in periods of social revolutionary ferment and were expressions of that ferment. The fact is evident with the unions of the 1830s, but it is true also of 1889. Burns and Mann were both members of the recently founded Social Democratic Federation and their socialism was the impulse which drove them to the organization of the unskilled workers. In 1887, Hyndman had written in *Justice*, the newspaper of the SDF.

We appeal therefore earnestly to the skilled artisans of all trades, unionists and non-unionists alike, to make common cause with their unskilled brethren, and with us Social Democrats, so that the workers may themselves take hold of the means of production and organize a Cooperative Commonwealth (quoted in Webb and Webb, 1894, p. 410).

It was with such appeals in mind that Burns and Mann (both members of the skilled ASE) acted in 1889. In 1885, also in the columns of *Justice*, John Burns himself had subscribed to the

old Owenite ideal that the workers should 'own their own factories and decide by vote who their managers and foremen shall be' (Webb and Webb, 1894, p. 140). The similarity with 1834 is apparent.

Secondly, the leaders in both periods looked to the 'one big union' as the chosen instrument of social emancipation. 'It is intended', Robert Owen told a congress of his disciples in 1833, 'that national arrangements shall be formed to include all the working class in the great organization' (Webb and Webb, 1894, p. 134) and in 1889 the same idea recurs. *Justice* was advocating in 1885 an organization including 'every trade, skilled and unskilled, of every nationality under the sun' (Webb and Webb, 1894, p. 410) and in 1887 was denouncing 'the efforts of isolated trades' as inadequate. 'Nothing', it said, 'is to be gained for the workers as a class without the complete organization of labourers of all grades, skilled and unskilled' (Webb and Webb, 1894, p. 140). In the event, the creators of the 'new Unionism' succeeded only in organizing the less-skilled grades of workers in unions complementary to those of the craftsmen, but the original ideal remained. The Webbs describe the officers of the general unions in 1920 as tending to favour the 'one big union' (Webb and Webb, 1894, p. 584), and the amalgamation policy of the general unions today does not entirely preclude the possibility of such a development.

A third feature, applicable at least to the Owenite period, might be noted as relevant to our purpose. Within the 'one big union', it appears, there were to be separate organizations for each trade. Engels, in his *Condition of the Working Class in England* in 1844, tells how 'the attempt has been made . . . several times to form one universal trade association for the whole United Kingdom, with a separate organization for each trade' (Engels, 1844, p. 216 of 1892 edn). The purpose of this elaborate structure was clear. The separate trade sections were, in the Owenite scheme, to form the nucleus of 'national companies' of producers which were to conduct all the manufactures of the country. The programme was syndicalism, pure and simple.

Some such idea may also, at times, have been present in the minds of the creators of 1889 and it would certainly not have been inconsistent with the general body of ideas ascribed to

them above. The differences between the two periods lay in the nature and the degree of the practical success which Burns and Mann secured, which prevented their theoretical ideas on organization ever attaining maturity. That they had been affected by vaguely syndicalist aspirations is undeniable; that they abandoned them in the very moment of their great triumph is equally true. 'For a moment', the Webbs write,

at the very crisis of the dockers' struggle, the idea of a 'General Strike' flickers up, only to be quickly abandoned as impracticable. When the problems of administration had actually to be faced by the new leaders, the specially Owenite characteristics of the socialist propaganda were quickly dropped. . . . With the defection of the New Unionists, revolutionary socialism ceased to grow; and the rival propaganda of constitutional action became the characteristic of the British socialist movement (Webb and Webb, 1894, p. 412).

The changes which the New Unionism wrought in the movement were immense, but they were not exactly the changes which had been intended. When, many years later, Tom Mann again embraced syndicalism, it was not the great and inconsistent conversion often supposed; it was a reversion to type.

The close resemblance between these theories and those made popular, under the title of 'industrial unionism', in the years before the First World War is unmistakable. The Industrial Workers of the World, in the United States, was meant to be a class union – the 'one big union' of earlier syndicalist organization.¹ The same idea is expressed in Connolly's *Socialism Made Easy*. The aim, he says, is 'as individuals to unite in our craft, as crafts to unite in our industry, as industries in our class' (quoted in Webb and Webb, 1894, p. 656; Bell's italics). There seems, however, to have been some difference of emphasis. With the 'general unionists', the stress has always been laid on the unity of the 'one big union'. The industrial sections are convenient from the standpoint of administration and to safeguard sectional interests, but they are essentially secondary. A contemporary statement of the principle can be quoted from the *Members Handbook* of the Transport and General Workers' Union (TGWU). 'The individual member had to

1. It is so described, significantly, by G. D. H. Cole (1953, p. 18).

feel that while specialized machinery was created for handling the problems of his own particular trade, he was, nevertheless, a part of the union as a whole with his fellows in other trades. It was essential to guard against a "super-federation" complex.' With the 'industrial unionists', on the other hand, the separate industrial unions were primary and the 'super-federation' (for it was much more than a unitary organization) the incidental. It is 'through and by their *industrial organizations*', wrote Tom Mann, that the workers 'will run the industries themselves in the interests of the whole community' (quoted in Webb and Webb, 1894, p. 658; Bell's italics).

At a later stage in the development of 'industrial unionism', indeed, the 'super-federation' tended to disappear altogether. This change took place as the doctrine became 'respectable' and as it invaded the realm of practice. The earlier 'industrial unionists' thought not only in terms of the organization of the new society (which led them to advocate an industrial structure), but also of the revolutionary transfer of power through the General Strike, and here, inevitably, they were forced to the conclusion of 1834 or 1889 in favour of a strong, centralized, united class organization of the workers. The majority of those who adopted ideas of industrial organization during the great labour unrest of 1910-14, thought only vaguely in terms of the new society and scarcely at all in those of the General Strike. Their support was given to 'industrial unionism' as the most effective form of organization for fighting the day-to-day battles of the trade union movement against the increasingly concentrated power of capitalism. In its mildest form, 'industrial unionism' became only one element in a universal wave of 'amalgamationist' sentiment from which the general unions were also to reap considerable profit.

This movement of 'industrial unionism' away from its previous close association with 'one big union' ideas was assisted by the guild socialists. They, indeed, were much more concerned with the structure of the new society than with short-term issues, but on the actual means of the transfer of power they were not at all dogmatic. Different individuals held different opinions at different times. Certainly they did not generally tend to favour the revolutionary General Strike. Accord-

ingly they placed the whole emphasis on organization by industry; the only trace of a 'super-federation' to survive was the 'National Guilds Congress' and that was strictly a *post facto* organization, set up to coordinate the work of the guilds when they were already running their separate industries, and not the general staff of the revolutionary struggle.

What happened, in short, was that an initial Utopian and syndicalist doctrine gave rise, when attempts were made to translate it to the plane of reality, to two different types of practical organization at two different historical periods - in 1889 to the general union and in 1910 onwards to the industrial union. Both, with the inherited dogmatism of their common parent, have claimed, at times, to be the only legitimate form of trade union organization. Today, such a claim by the general unions, if explicitly made, would be lightly dismissed and yet the industrial unionists find a large and friendly audience for their contentions. Is Jacob to be heard and Esau ignored? Or is the birthright itself illusory?

The industrial unionist reply would once, no doubt, have been that the general unions had in fact fulfilled the Scriptures and sold their birthright. For the exclusive right to organize the unskilled workers, they had discarded the ideas of 1889 and were content to supplement the work of the older types of organization, to pursue a policy of simply 'filling the gaps'. That this was largely what the general unions had become in practice by 1918 or so is certainly true. On the other hand, as has been shown, the 'one big Union' had not been entirely abandoned as an ideal. Moreover, from 1918 to the present day, there has been a considerable extension of general unionism beyond the ranks of the unskilled workers. Indeed, as was recognized by G. D. H. Cole (1953), this process had had some beginnings even before 1918. It is interesting to note that today the two general unions,² working closely together, approach more nearly to the conception of the 'one big union' than any of their predecessors in the history of the movement, while, at the same time, the theory is, generally speaking, at a discount.

This line of argument is illustrative of the way in which in-

2. The TGWU and the National Union of General and Municipal Workers (NUGMW).

dustrial unionists, once they had begun to move away from syndicalism and to become, in the main, advocates only of a more efficient type of trade union organization, directed their attack upon general and craft unions alike. In time, indeed, the general unions were to become the main target of criticism.

There was always, admittedly, an acknowledgement of the past services of the general unions in extending the frontiers of the trade union world. They were, however, it was argued, essentially a recruiting vanguard, their function being seen as that of a sort of 'clearing-house' (G. D. H. Cole, 1913, p. 240) pending more permanent forms of organization, i.e. industrial unions. There is, of course, something in this and probably there was a great deal more in 1918. The 'membership turnover' of general unions has always been very great; in periods of heavy recruitment to the trade union movement as a whole, they are the organizations which reap the greatest immediate benefit; in years of rapidly declining membership figures, they are usually the chief sufferers. At the time with which we have been dealing, the National Federation of Women Workers, a special form of general union, provided an example of an organization which explicitly regarded its function as that of a 'clearing-house'.

Even in 1918, however, the general unions must have possessed a nucleus of 'permanent' members. Was it not likely that, as they extended their activities and enrolled semi-skilled and even skilled workers, this nucleus would be more assured? Moreover, the power of the ideal should not be underrated. The 'one big union' made some appeal to sentiments of class solidarity or, at the lowest, flattered the desire to belong to a large and powerful organization. Would not this, also, help to provide a basis of permanence?

In 1918, the battle between the industrial and rival forms of organization had just been joined. Their respective validity could only be decided by the facts of subsequent development, and to that we will now turn.

By 1920 or so 'industrial unionism' was in the field as a definite theory of trade union organization, standing in contradistinction to both craft and general unionism. Although its

original syndicalist basis had been largely discarded, it still had close connections with a more moderate conception of 'workers' control' and was usually supported by the 'left wing' within the trade unions. In practice, it frequently became only one element in vague 'amalgamation' movements. Nevertheless, it was still a distinct element in its emphasis on 'industrial unionism' as the ideal, if not immediately realizable, form of organization.

This ideal was propounded now much less as a new form of society than as the most efficient instrument for the execution of more routine trade union purposes. Its development as a series of interrelated recommendations on trade union structure is illustrated by the terms of the famous 'Hull Resolution', accepted by the TUC in 1924. 'This Congress declares', it read,

- (a) that the time has arrived when the number of trade unions should be reduced to an absolute minimum;
- (b) that the aim should be as far as possible organization by industry, with every worker a member of the appropriate organization;
- (c) that it is essential that a united front be formed for improving the standards of life of the workers;
- (d) and accordingly instructs the General Council to draw up –
 - (1) a scheme for organization by industry and;
 - (2) a scheme which may secure unity of action, without the definite merging of existing unions, by a scientific linking up of same to present a united front.

The terms of this Resolution would lead one to suspect what was actually the case, that it expressed a compromise between a number of viewpoints. Nevertheless, industrial unionist influence is seen to have been preponderant. The industrial unionists, alone, had a self-consistent and clearly expressed approach to the problem of structure as a whole and this has enabled them to hold the field of theory, at least, largely unchallenged down to the present time. Even so, their influence has, in some ways, lessened. In 1943, the TUC, at Southport, accepted another resolution on structure. Its terms provide an interesting comparison with those of the 'Hull Resolution':

Congress having in mind the still wider functions and responsibilities of the trade union movement in the post-war period, calls

upon the General Council to take immediate steps to examine trade union structure and to report subsequently to Congress with special regard to –

- (a) uneconomic overlapping and competition;
- (b) what amalgamations are desirable;
- (c) structural or other changes necessary to ensure maximum trade union efficiency in the future.

It will be seen that organization by industry was not mentioned specifically in the 'Southport Resolution'. Moreover, a similar resolution in 1942, which was rejected, did contain a suggestion of the industrial unionist solution by asking the General Council to inquire, amongst other things, into cases 'where policy is diverse within an industry'.³ At the TUC, clearly, 'industrial unionism' is less popular than it was. Nevertheless, as we have seen, it has strong support within many of the unions and amongst outside critics.

The most recent comprehensive defence of 'industrial unionism' as the solution to the problem of trade union structure is contained in Barou (1947) and this I propose to take as my text for an examination of the contemporary doctrine. In so doing, I imply no wholesale criticism of the book, which performed a most valuable service in providing the first comprehensive post-war account of its subject. The recommendations as to trade union structure are my sole concern and these I conceive to be erroneous.

Dr Barou asserts that 'industrial unionism', as a form of organization, is both desirable and inevitable. 'The combined effect', he writes,

of . . . social, economic and political changes is to make imperative a changeover from craft and general unionism to unions organized on the basis of the industry, alike in separate enterprises and in industries as a whole. Such unions will be able not merely to defend the conditions of labour, but also to play their part in the organization and conduct of industry. The changes in question make it essential that the trade unions become organizations inclusive of all the wage- and salary-earners in each industry, and that they abandon the old exclusiveness of craft unionism or the all-embracing approach of the general unions (Barou, 1947, p. 28).

3. An even stronger resolution was rejected in 1941.

So much for the desirability. The case might be disputed, but it scarcely seems worthwhile, the indicated development being, in any event, inevitable. 'Without any planning', Dr Barou tells us, but yet with irresistible force, readjustments are already taking place throughout the trade union system and these are in the direction of industrial unionism. In this matter the social and economic developments of the twentieth century are facts forcing the hands of the unions, whether they like it or not (Barou, 1947, p. 15).

The criticism, it will be seen, is of the craft and general unions alike. The bias of the attack, indeed, appears to be against the latter. It is particularly 'the gradual, unchallenged, handing over of the membership of the general unions to industrial unions' which will achieve Dr Barou's ideal. The point is developed a little later:

It ought, of course, to be clearly recognized that the development of powerful general unions embracing wage- and salary-earners employed in different industries and trades is at variance with the traditional trend of development of present-day monopolistic capitalism and with attempts made so far to build a planned democratic economy.

It is not surprising, after this, to find a repetition of the old 'clearing-house' conception of the general unions, the pill being sweetened as usual with a coating of appreciation for services rendered. 'These unions', it is stated,

which have played a great part in organizing unskilled and semi-skilled labour, should continue their activities as spearheads of trade unionism, for the enrolment of that great mass of British wage- and salary-earners who still remain outside trade union organization.

The general unions should, however, agree to hand over gradually to those unions, which will be rebuilt as industrial unions those of their members who belong to the specific industry (Barou, 1947, pp. 215-16).

One's first reaction might be, flippantly: 'Tell that to Arthur Deakin' and this, suitably expanded and expressed, must form a large part of any reply. The argument, however, has been repeated so often that it deserves a more serious and considered rejoinder. I propose to tackle first the thesis that an industrial unionist structure is inevitable and that the developments which have already taken place are in that direction.

To begin with, it is important to take into account the theoretical climate within which changes in trade union structure have taken place in the last thirty years. Throughout the period, the industrial unionists have had it all their own way in the realm of theory. What is more important, 'industrial unionism' is the only one of the three theories of organization for which a considerable and persistent propaganda has, in recent times, been maintained. In these circumstances it would not be surprising to find that all the important developments had been in the direction so forcibly and frequently indicated. In fact the contrast with the realm of practice is quite staggering. Only four really strong industrial unions yet exist - the National Union of Mineworkers (NUM), the NUR, the Union of Post Office Workers (UPW) and the National Union of Boot and Shoes Operatives (NUBSO). Of these, only the NUM was not already in existence in 1920, and even here there already existed the powerful Miners' Federation of Great Britain.⁴ The NUR and the UPW, again, are 'common employment' rather than 'industrial' unions, although, admittedly, the distinction is a tenuous one. What is more relevant is that neither has been completely successful within its chosen sphere. The Railway Clerks' Association (RCA) and the Associated Society of Locomotive Engineers and Firemen (ASLEF), on the one hand, and the Post Office Engineering Union, on the other, maintain unshaken their position as sectional organizations. The NUBSO has had a wide measure of success. It is the only one of the four not consciously organized as an industrial union.

Possibly two other unions might be added - the National Union of Tailoring and Garment Workers (NUTGW) and the National Union of Agricultural Workers (NUAW). Both, however, are weak relative to the size of the labour force in the industries with which they are concerned. Moreover, whereas the NUTGW has no considerable rivals as a trade union for clothing workers, the NUAW has to share its field of recruitment with the agricultural workers' trade group of the TGWU.

4. This is not to suggest, of course, that the NUM was unnecessary. It certainly represented an important advance in trade union organization in the mining industry. But there was a good basis on which to build.

As against this limited measure of success, supporters of 'industrial unionism' might set the development of organizations like the Amalgamated Engineering Union (AEU) the Electrical Trades Union (ETU), the Amalgamated Union of Foundry Workers (AUFW) and the National Union of Furniture Trade Operatives (NUFTO) towards their ideal. In none of these cases, however, can the process be said to have gone very far. The AEU's recent attempts to promote further amalgamation have had almost no success; the ETU, in shipbuilding and engineering, still appears as pre-eminently a craft union; the NUFTO can make little progress while the woodworkers maintain their separate, and much more powerful organization; and a number of foundry unions still remain outside the AUFW. Moreover, the general unions still present a seemingly impassable barrier in the way of the ambitions of most of these would-be industrial unions.

A measure of success must be conceded, but the tendencies so far observable are far removed from Dr Barou's 'irresistible force'. For so much theoretical support, the practical achievements are indeed paltry. There is no need to labour the point. 'There is in this country,' Dr Barou confesses (1947, p. 23), 'hardly any union that combines all the characteristic features of an industrial union.' And this is thirty-four years after the formation of the NUR, the 'New Model' of 'industrial unionism'. In 1851 they did things more quickly.

This is not to imply that there have been no developments in trade union structure within the period under review; there has been one, at least, of the utmost significance, but it is not such as will afford comfort to the advocates of the industrial form of organization. I refer to the tremendous growth of the two big general unions. Indeed, if the enthusiast for this type of organization were to emulate his industrial unionist counterpart and claim credit for all the 'semis', there would have to be added the large Union of Shop, Distributive and Allied Workers (USDAW), which has its own special field of recruitment in the distributive trades but, nevertheless, embraces all manner of workers in a number of productive industries. To state the case, however, it will be adequate to concentrate only on the TGWU and the NUGMW. These two mammoth organ-

izations between them comprise something approaching one-quarter of the whole trade union movement. The TGWU founded in 1922 with 300,000 members, has taken part in some forty amalgamations since the one which gave it birth and today, with a membership of over 1,250,000, is much the largest organization in the British trade union movement, and perhaps the largest trade union in the world, outside the USSR.

Such success seems difficult to reconcile with any sort of 'clearing-house' conception. The prophets have, in fact, been hopelessly wrong. G. D. H. Cole (1913, p. 237) asserted that 'it would be absolutely fatal for the transport workers to swallow the general labour unions whole. Such a combined body would be wholly without cohesion'. It was such a combined body which in 1947 celebrated its silver jubilee.

It is difficult to believe that these developments would have taken place on the scale indicated if they had in fact been as totally at variance with the trends within our modern industrial society as Dr Barou appears to suggest. To maintain that the growth of the general unions has been in any sense 'unnatural' would only be possible if there were evidence of deliberate, though misguided, planning in that direction. Such deliberate planning of trade union structure there has most certainly not been and any that has been suggested has been in quite contrary directions. The general unions can have attained their present powerful position and 'industrial unionism' can have been so limited in its practical organizational success *only because these developments correspond to the facts of industry as it is*. Let us examine some of the relevant considerations involved and in this way, perhaps, some light will be thrown also on the problem of the desirability of 'industrial unionism'.

'Industrial unionism' is only feasible as a general principle of organization if tolerably clear lines of demarcation can be drawn between 'industries'. There are some industries where this requirement is fulfilled and it is precisely in these relatively well-defined sectors of the whole vast industrial complex - in mining, railway service, the postal service, the boot and shoe industry, tailoring and clothing, and agriculture - that successful or partially successful industrial unions are found. But over the whole range of the engineering and metal trades, as

well as of the new mass-production industries, where are the lines to be drawn? It is in these ill-defined industries that the general unions find their own special and most lucrative field.

Dr Barou is aware of the problem. 'What constitutes an industry?' he asks. 'Is it the process of production, the use made of the product or its destination?' He gives some examples. 'In what industry should a press-steel plant producing pre-fabricated houses or car bodies fall – building, motor industry or engineering?' 'Is nylon making a chemical or a textile industry?' (Barou, 1947, p. 25) This is very true, but there is little recognition of the fact that it is precisely this state of affairs which has permitted – one might almost say compelled – the rise of the two big general unions.

Moreover, the industries in which the general unions are most at home are, broadly speaking, the expanding industries. Certainly they are the ones whose importance in the trade union world is increasing most rapidly. G. D. H. Cole, whose ideas have never petrified into infertile dogmatism, but reveal instead a process of constant evolution, has expressed the whole argument very well.

There has been a great expansion both of light consumers' industries and of clerical and distributive employment. . . . These expanding trades and industries call for only small complements of highly skilled workers. In the main, their demand is for quickness, general intelligence and a manual dexterity which can be fairly quickly acquired and is fairly easily transferable from one industry or employment to another. . . . [This] calls for a form of trade union organization based neither on craft nor on industry, but wide enough to cover an extensive range of trades. This largely accounts for the rapid growth of such unions as the Transport and General Workers' and the General and Municipal Workers' Union, which cater for this type of labour (Cole, 1942, pp. 156-7).

So far as the mass-production industries at least are concerned – and this is my second point – the effective lines of demarcation run not between industries so much as *across* industries. Technological development in this century has been so rapid and so uneven that individual factories within the same 'industry' find themselves at widely varying levels of technique, so much so, indeed, as to be scarcely comparable in any way.

Again I base my argument on the authority of Professor Cole.

Methods of production, which used to be differentiated mainly by craft or trade, come to be differentiated much more by the type of establishment. There is apt, except for the minority of highly skilled workers, to be much more in common between workers employed in mass-production plants making quite different commodities than between workers making the same commodities in large and small factories. For example, a worker who has been 'on the line' in Ford's or Austin's could transfer much more easily to a firm mass producing, say, wireless sets or refrigerators than to Rolls-Royce (Cole, 1942, p. 156).

The implications for the trade unions can only be favourable to the general, and unfavourable to the industrial type of organization. So far from being 'at variance with the traditional trend of development of present-day monopoly capitalism', general unionism is the very child of mass-production industry.

A third factor which has contributed to the growth of the general unions is a function not so much of industrial developments as of the type of organization. A great advantage which such unions possess is that they are not inhibited in their expansion by any limiting theory of organization. Within very broad limits, for example, they are prepared to amalgamate with anybody. Their very comprehensiveness brings two further sources of strength. Even apart from the appeal that the 'one big union' idea still possibly makes to vaguely felt sentiments of working-class solidarity, the special pride which the active trade unionist so often feels in his own organization is likely to be enhanced when that organization is among the largest and most powerful in the whole trade union movement. Secondly, the big union does bring positive advantages because of its mere size. Whatever its standard of efficiency for trade purposes, it provides non-trade services – legal advice, educational facilities, convalescent homes, and the rest – on a scale with which smaller unions cannot hope to compete. Admittedly the advantages of mere size will accrue also to the big industrial union. The point is that they are not peculiar to the industrial form of organization and also that the defect of bureaucracy, commonly ascribed to big unions, occurs likewise irrespective of type.

We have seen, then, that the developments of the last thirty years have tended to favour the growth of the general type of union. Two further features of these developments might now be noted.

Firstly, there is much evidence to suggest that the general unions are not only bigger than they were, but that they have acquired, in their recent evolution, an element of stability which was previously foreign to them. They are, in short, no longer 'clearing-houses' or, at least, are so in a much less marked degree. This point can be appreciated by an examination of their behaviour in the two World Wars and immediate post-war periods. The figures quoted are those of the percentages of total trade union membership, in various years, which were represented by the membership of the unions included within the group designated 'other transport and general labour', according to the Ministry of Labour's classification.⁵

*% of total TU membership
in the group*

1913	13.7
1919	21.0
1920	20.2
1923	14.3
1939	19.6
1942	24.6
1943	23.7
1945	21.7
1947	24.2*

* Calculated from figures supplied in the *Abstracts of Labour Statistics* and the *Ministry of Labour Gazette*.

It will be seen that in both periods, war-time labour mobilization swelled the membership of the general labour unions to a much greater extent, relatively, than it did that of the whole movement. These unions were, it is clear, the 'recruiting vanguard' in both cases, but how much more markedly in 1913-19 than in 1939-42! Conversely, the decline of total membership in 1920-23, catastrophic as it was for the whole movement, was much more so in its effects upon the general workers' unions. By

5. 'Other transport' here means other than railway and water transport.

1923 their position within the trade union world was relatively little stronger than in 1913. In the decline of 1943-5, by contrast, the general unions suffered little more than the average and, over the whole period, their relative strength had increased markedly. Their development is still more liable to proceed by fits and starts than is that of the skilled workers' unions, but that is not nearly so true as it was in the days when the 'clearing-house' description was first applied. As a recent book has pointed out, 'with the development of new skills and numerous semi-skilled grades, the distinction between these unions and others on the basis of skill is of decreasing importance' (*Political and Economic Planning*, 1948, p. 16). Amongst other things, these changes have given the general unions a hard core of 'permanent' members on a scale previously unknown.

The second feature of the recent evolution of trade unionism which is relevant to our purpose lies in the advance of the non-manual workers' unions. The unions included within the Ministry of Labour's four groups of 'commerce and distribution', 'banking and insurance', 'national and local government' and 'teaching' comprised 12.8 per cent of total trade union membership in 1920, 17.9 per cent in 1930, 20.7 per cent in 1939, 21.5 per cent in 1940 and 19.3 per cent in 1946. Here is an important new element, and one organized on non-industrial lines.

To sum up, the main developments in trade union organization in the last thirty years have not been exclusively, or even primarily, in the direction of 'industrial unionism', nor do there seem to be any strong grounds for supposing that such a development is inevitable in the future. Trade union structure today may appear as extremely untidy, but is not the structure of industry itself untidy? Nevertheless, it is legitimate to complain of such developments; to deny them is merely unrealistic.

So far the argument has dealt entirely with what has, in fact, developed, or is likely to develop in the future. Such arguments can never answer our second question: what is desirable? 'If', the industrial unionist would contend, 'the method of organization which I support is so desirable as to be, indeed, essential to the survival of the trade union movement, then the suggestion that, in the absence of deliberate planning towards that

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end, "Industrial Unionism" is unlikely to be achieved, only strengthens the case for such planning.⁷

The desirability of 'industrial unionism' is urged for two main sets of reasons. The first set deals with the traditional functions of trade unionism and it is argued from them that with industry organized as at present, only the industrial type of trade union can discharge those functions effectively. The second set of reasons looks to the future and incorporates the syndicalist relics in industrial unionist theory. When industries have been brought within the ambit of public ownership the next stage in development will begin, namely, the gradual assertion of the right of the workers within each industry to a large say (perhaps the major or even the sole say), in the policy and conduct of that industry. The workers can only exercise such control through their trade unions, which to be effective for the purpose, will have to be organized on industrial lines. At the very least, nationalization, even if no concept of 'workers' control' or of 'workers' participation in control' is involved, will call for national negotiations on an industry basis, conditions in which, it is argued, the industrial type of trade union organization becomes essential.

The main reasons adduced under the first of these two headings rest partly upon technological developments, partly upon developments in industrial and financial integration. The growth of mass production has rendered craft differentiations out-of-date and has destroyed the effectiveness of craft unions as a type of organization. Common interests now bind together all workers in the same industries and not, as formerly, those following the same crafts. At the same time, uneven technological development has made the workshop or factory an important unit with distinct problems of its own. This calls for a trade union structure based on the workshop rather than on the residential branch. The 'workshop branch', clearly, can only exist within a union which organizes all workers within each particular shop, irrespective of their craft or grade of skill - a further argument for the industrial union. Finally, to quote Dr Barou,

In every branch of economic life, both national and international, new monopolistic tendencies prevail. Following upon concentration

of industries into ever larger units, mighty associations of employers grew up rapidly, and the employers with whom trade unions have to deal are now strongly organized in each industry on a national and often on an international scale (Barou, 1947, p. 26).

This comprehensive organization of the employers in each industry calls for corresponding organization of the workers.

It will be seen that what has been said above in dealing with the 'inevitability' argument is also relevant here. Technological developments have blurred the lines of division, not only between crafts, but also between 'industries'. The irregular and uneven character of these changes has, it is true, made the workshop, in many cases, the natural unit of organization, but the workshop units do not combine naturally into 'industries'. It would be more correct, in the majority of instances, to say that they are units of the great and largely indivisible complex of 'industry'. Finally, capitalist monopolies do not limit their expansion to the boundaries of particular 'industries'. Instead, the more important frequently stretch across a whole range of industries. Employers' associations, admittedly, exist usually on an industrial basis, but the degree of integration involved is usually no greater than that attainable by a Trade Union Federation, or even, sometimes, by the 'workers' side' of a Joint Industrial Council or similar negotiating authority. In short, nothing in this set of arguments disproves the contention that 'industrial unionism' is only applicable to a number of tolerably clearly defined industries and that, in the rest, the general unions find their special place.⁸

One further point seems to require some explanation. I have not disputed the desirability of workshop organization and this does appear to demand that all the workers in each shop should be members of the same union. Surely it is impracticable to suggest that, over the whole field of industry to which 'indus-

6. In fairness, I should point out that Dr Barou bases his case primarily on the second set of reasons which I have ascribed to the advocates of 'industrial unionism'. With many of my arguments in this paragraph he appears, sometimes, to agree (see, e.g., p. 21 of his book). However, the 'industrial unionist' case is often argued in terms of the first set of reasons and Dr Barou himself, in his more generalized statements, appears to give insufficient weight to arguments which he has admitted in the detailed sections of his exposition.

trial unionism' is not suited, all workers should be members of one mammoth general union? Would not such an organization as this be 'wholly without cohesion'? The answer is not a simple one. In the mass-production industries, where there is now a negligible basis for craft unionism, such a development has often already taken place and its completion would seem to provide the only practicable means of attaining the position of 'one workshop, one union'. In many industries, however, strong groups of skilled craftsmen remain amidst an army of semi-skilled workers for whom the general unions provide, for all the reasons adduced above, the most appropriate form of organization. The presence of these craftsmen is reflected by the existence in these industries of important craft unions or even, in some cases, of large 'occupational' and 'quasi-industrial' unions which have been built up from an aboriginal craft basis. That the mammoth general union should absorb such industries entirely would seem both impracticable and undesirable. Fortunately, such a development is not necessary to ensure the creation of an efficient workshop organization. The more elaborate type of federation could satisfy the need as well as could any individual union.⁷ The institution in engineering and ship-building of a system of confederation shop stewards provides a contemporary example of the sort of machinery suggested.

It seems appropriate at this point to say a word or two about the craft unions. Without denying that the basis for craft unionism is, in most industries, a great deal less secure than it was, it can still be claimed that they have not become entirely functionless. In terms of traditional 'capitalist' functions, indeed – and these even now are certainly not irrelevant – the claim is an obvious one. Sectional organization undoubtedly still brings considerable benefits in wages and conditions to such groups of highly skilled workers as, say, the patternmakers. This alone is enough to secure a degree of loyalty from their members which would make any suggestion of the abolition of craft unionism

7. Such federations would, of course, be strengthened and their work facilitated by a reduction, through amalgamation, of the number of unions in each industry. Such a reduction need not, however, be effected along industrial lines and its desirability does not affect the main argument advanced.

inconsistent with the maintenance of the movement on a voluntary and democratic basis. Moreover, some of the *new* actual or suggested functions of trade unions themselves make some form of craft organization desirable. I refer particularly to technical training; in the provision of these facilities, and in their supervision, the craft unions can clearly make a contribution of the first importance. Again, if trade unions are to concern themselves with the production policies of industries, the skilled craftsmen will have a special contribution to make and one which they will make more effectively if they are able to pool their knowledge and experience in their own organizations. Indeed, the existence of their own organizations will enable them also to draw upon the knowledge and experience of followers of the same craft in other industries who will often be confronted with similar production problems. For all these reasons, it seems desirable that the craft unions should remain as something roughly equivalent to 'professional associations'. Where an industrial union exists, or where a general union has embraced the whole of a particular industry, provision should be made for the skilled workers and technicians to hold a dual membership. Their 'professional association' would pay attention to technical training, to the maintenance of standards of craftsmanship and to making its special contribution to the resolving of production problems. The union or federation representing the industry as a whole would be the means for shaping the contribution of the workers to the general policy of the industry and would also exercise negotiating functions on behalf of all the workers. It would be desirable, however, where the wages or conditions of skilled workers and technicians were involved, for the major union or federation to hold advance consultations with the representatives of the 'professional associations'.⁸

The contention that 'industrial unionism' is so desirable that there should be deliberate planning in that direction would not appear to be substantiated, at least on the first set of reasons proffered. Before discussing the second set of reasons, it will be relevant to inquire how far such deliberate planning is, in any event, possible, irrespective of its desirability.

8. This argument, again owes much to Professor Cole (1942, pp. 161–2).

A programme of reconstruction of the structure of British trade unionism which involved the abolition of craft unions and the transference of the larger part of the membership of the powerful general unions in favour of unions to be built on an industrial basis would clearly necessitate the existence of some central coordinating authority with considerable powers of coercion. There is no such authority. The limited nature of the powers which the TUC exercises over its constituent organizations has been clearly recognized in both of the two major inquiries held in recent years into problems of trade union structure. The report of the later investigation makes this comment on the findings of the earlier: 'The overriding consideration which emerged from this inquiry was the impossibility of a body such as the TUC, composed of all types of unions, to reach agreement on any specific form of organization' (TUC, 1946, p. 6). The authors of the more recent report endorse these conclusions, adding, 'It is not always recognized that the Trades Union Congress cannot compel its affiliated unions to make substantial changes in their organization. Each union is autonomous and is at liberty to accept or reject the advice of the General Council as it may feel disposed' (TUC, 1946, p. 12).

The powers of the TUC are in consequence limited to the encouragement of 'such tendencies towards better organization as have revealed themselves' (TUC, 1946, p. 13). It is, indeed, difficult to see how any central organization could do much more without violating the traditions of the movement and the principle of free association. 'The British trade union movement', G. D. H. Cole has written,

is distinguished from the trade union movement in most Continental countries by the fact that it has not been created by some central organization or under the inspiration of some single purpose, but has grown up almost haphazard over a long period to meet special needs or to deal with immediate difficulties (Cole, 1953, p. 9).

Its very strength lies in the empiricism of its approach. Its apparently chaotic structure embodies a flexibility, enabling it to meet the varied demand of an industry, itself constructed on no apparently rational plan, and an adaptability by which it can

take account of the continuous changes in industrial technique and organization. 'The British trade union movement is the growth of generations of industrial experience. It possesses great variety and flexibility. Its roots go deep into the lives of the workers. It could not have survived unless it had met the essential needs of the working class' (TUC, 1946, p. 13).

If the TUC were (which is unlikely) so ill-advised as to attempt the imposition of a 'pattern structure' on the movement, the consequences inevitably would be the secession of unions whose sectional interests were being overridden or the creation from below of new organizations outside the TUC, which could safeguard such interests. In short, it is the democratic nature of the movement which is involved. The TUC could not go further in this matter, as in every other, than the point beyond which individual unions, or even powerful sections of their membership, would prefer secession to compliance.

What the TUC can undertake is the coordination, supervision and encouragement of such desirable structural changes as the unions concerned are willing to countenance. It can advise, suggest and stimulate, but it cannot compel. As the report on *Trade Union Structure and Closer Unity* shows, a great deal of valuable work can be done in the way of making specific proposals for each industry in consultation with the unions involved. The proposals are valuable because they are based in every case on a recognition of the facts of the existing structure and on the further recognition that this structure has not been created by the arbitrary decision of reactionary and power-hungry trade union leaders, but is the result of an organic development which none should ignore.

I have left the discussion of the second set of arguments advanced in favour of 'industrial unionism' to the end, partly because the situation to which they are fully relevant lies in the future (if it lies anywhere) and partly because these arguments are those which the industrial unionists themselves stress. 'Industrial unionism' developed, as we have seen, as a doctrine of social revolution. Today there is a general agreement that the 'transition to socialism' will be effected by parliamentary means. The industrial unionist's contention is that, in the state

of affairs which will then prevail, the trade union movement will only be able to fulfil the tasks required of it if it is organized on industrial lines. The craft and general unions might be allowed to enjoy the present; the future lies with the industrial unions. So runs the argument, and it is the main weapon in the arsenal of 'industrial unionism'.

To begin with, it is contended that some of the factors which nowadays limit the growth of industrial unions will disappear as the sector of public ownership in industry is extended. Dr Barou's realization of the fallacy of precise demarcation between industries has been mentioned above. It does not weaken his advocacy of 'industrial unionism' because the difficulty is one which he expects presently to disappear. 'The position', he writes,

will, however, change very considerably with the introduction of planned economy under a Labour Government with a socialist programme. A system of planned economy cannot be established without clear delimitation between industries and Parliament will have to come to an agreed decision. The industrial trade union movement will have to adjust its organization to such delimitation (Barou, 1947, pp. 25-6).

The first thing to be noted about this argument is that, even were it acceptable *in toto*, the organization of industrial unions in the industries concerned would have, generally, to wait upon nationalization. It would be a waste of effort to organize, in advance, an industrial union for an 'industry' as conceived by that union's creator only to discover, in the event, that Parliament's conception is a very different one. In terms of immediate policy the argument suggests, not an advance towards the creation of industrial unions on what might prove to be a totally inappropriate principle of demarcation, but rather the attainment of a more varied and flexible structure, capable of meeting existing demands and also of being easily adapted to new requirements as revealed by the progress of nationalization.

In any event, it is not certain that the argument is acceptable. So far, it is true, the extension of public ownership under the Labour Government has been effected by the technique of

'lock-stock-and-barrel' nationalization. The boundaries of an 'industry' are defined in the appropriate Nationalization Act and everything within those boundaries is transferred to public ownership. This, however, has been a suitable technique precisely because the industries so far nationalized are capable of fairly exact definition. They are all either natural monopolies, like coal, or public utilities, like electricity supply. Until now, with the introduction of the Iron and Steel Nationalization Bill, Parliament has not been called upon to reach decisions on demarcation within that whole range of manufacturing industry where, it has been suggested above, such decisions present real difficulty. Significantly, it is with iron and steel that we see the first considerable modifications in the accepted technique of nationalization. The boundaries of the industry are not fixed according to any arbitrary conception of where the processes of iron and steel manufacture begin and end, but simply according to the existing 'boundaries' of a number of specified firms who are largely concerned with iron and steel production, but may, and do, have many other interests.

Already, there are indications that, if public ownership is extended to other manufacturing industries, the definition will be as much by 'firms' as by 'processes'. Indeed, it is frequently suggested that individual firms should be acquired, or entirely new State enterprises started, without any attempt at comprehensive nationalization of the 'industries' within which these new or acquired enterprises function. It is certainly not inevitable that Parliament will 'come to an agreed decision' about the delimitation of 'industries'; at the moment it does not appear to be even a likely or a necessary feature of further applications of the principle of public ownership.

The hope that the demarcation difficulty will disappear seems, therefore, doomed to disappointment. Admittedly, it might become a less serious obstacle; the extension of public ownership is, at least, likely to introduce more of a semblance of order into the anarchy of the existing industrial structure. The more important question is whether the recasting of the trade union movement along industrial lines becomes, with the advent of a planned and largely socialist economy, the necessity which it plainly is not today.

The tasks which such a development will impose upon the unions are, in large part, already to the fore. The trade unions, in the words of Dr Barou, have 'not merely to defend the conditions of labour, but also to play their part in the organization and conduct of industry'. The increased importance of such functions cannot be overestimated. But is a full-blooded industrial union necessary to their effective discharge? In industries to which such a form of organization is appropriate, it probably does offer a better solution than any other, although even here it does seem desirable, even in the light of the 'new functions', to retain the possibility of dual membership for skilled workers and technicians. The agreement concluded in 1936 between the NUM and the AEU provided for such dual membership and could serve as a useful model for other industries or other groups of craftsmen.

In other industries, as we have seen, the general unions have approached the point where they become representative of all sections and accordingly the appropriate organizations through which trade union participation in shaping industrial policy can be expressed. Here, there are two necessary qualifications to be made. The first, again, is that the skilled workers and technicians should have dual-membership facilities made available to them. The second is that the two big general unions (and unions like the USDAW, in so far as they are 'general') should develop and, indeed, extend, in the form of industrial sections, the 'trade group' system which is the central feature of the constitution of the TGWU. It would also be desirable for the general unions to continue the development of the facilities for joint working which they at present possess.

There remain industries where the achievement of one union for all workers would involve an impossible and, in any case, undesirable process of amalgamation and transference of members. Fortunately, such a surgical operation is not essential. The close integrated federation is quite capable of securing united expression of the workers' contribution to the 'organization and conduct' of the industry.

Much of the last three paragraphs is repetition or expansion of what has been said above in describing the organizational re-

quirements created by the closer integration of capitalist industry, and this is necessarily so. Whether an industry be in private or in public hands makes little difference to the problem of trade union organization, if one is thinking only in terms of the workers making a 'contribution' to the determination of industrial policy. More heed may be paid to that contribution when the industry is publicly owned, but that is another matter. The difference arises only when public ownership is conceived as preparing the way for full control of the industry by its workers and the trade union is regarded as the intended instrument of that control.

This is the last argument of 'industrial unionism' and it is crucial. It was on the basis of such a conception that the whole doctrinal edifice was originally erected. All other arguments that we have examined are dependent or incidental.

What is involved in 'workers' control'? It means a repudiation of State socialism, the ultimate control of the industry by a guild or union representative of *all* workers within it, managers, administrative staff and technicians not excepted, and the operation of this control at every level down to the shop floor where the workers elect their own foremen. To those inspired by such a conception, nationalization, or mere public ownership in any form, is not socialism, although it is a useful and, perhaps, essential preliminary step. The final stage in the transition to socialism can never be effected by parliamentary action, but only through the strength of the workers' own organizations, the industrial trade unions.

Nowadays, the full programme of 'workers' control' is somewhat discredited. There have been three main objections:

1. A socialized industry presumably exists for the benefit of the whole community and not of any sectional interest, whether it be that of the workers in the industry or of anybody else.
2. Sections of the workers in the industry will insist on being consulted in the determination of their own wages and conditions, and that will result in the re-emergence of trade unions whose job will be primarily the conduct of collective bargaining. So long as any trace of collective bargaining functions remains, it is difficult to see how the unions which exercise them

can at the same time 'sit on the other side of the table' as representing management.

3. Management represents a definite and specialized function within industry, the effective exercise of which demands a measure of authority and power of decision commensurate with the manager's executive responsibility.

These objections seem to me to be unanswerable. Moreover since the early 1930s, at least, they have been accepted by the generality of the trade union movement. Indeed, even many of those who enthusiastically advocate 'industrial unionism', in so far as that doctrine concerns itself only with methods of trade union organization, repudiate the full thesis of 'workers' control'. [...]

Although the syndicalist case is unacceptable, the general body of ideas from which it sprang contained some features of real value. No fundamental change is possible by parliamentary action alone. The best intentions of any socialist government could be frustrated if the industrial organizations of the workers proceeded blindly in the pursuit of sectional interests. The syndicalists erred in making the revolutionary 'one big union' the main, or indeed the sole, agent of the social transformation, but today it is obvious that the period of transition does emphasize the *common* interests of the workers in the industrial field and that the problems which are posed are only soluble on the basis of that united action which the 'one big union' sought to attain.

This is not to argue that all other unions should forthwith amalgamate with the TGWU. Such a contention would be as absurd as the suggestion that the whole trade union movement should be reorganized along industrial unionist lines. The instrument for united action already exists in the TUC, and it is in the strengthening of the central, coordinating powers of that body that the most necessary and desirable reform in trade union structure lies.

The case for this change is being made daily by events. Full employment, in combination with the balance-of-payments exigencies of the country, has already laid bare the limitations of sectional collective bargaining. 'The genuine interest of the

workman is not so much in the amount of his weekly wage as in the number and variety of the goods and services that his wages will buy' (TUC, 1948, para. 31). Sectional collective bargaining can only affect the amount; the value of that amount in real terms depends upon the extent of cost of living subsidies and social services, upon price stabilization and the limitation of profits, upon the general acceptance of a policy of restraint on wages and, above all, upon the volume of production for both home and export needs. Influence can only be brought to bear by the trade union movement upon each and every one of these factors by its acting as a united movement and not as a mere collection of sectional interests. Again, the problem of wage differentials, in its relation to the undermanned and essential industries, can not be tackled effectively unless the unions are prepared to accept the rudiments of a common approach to wage bargaining. Public ownership, also, presents a number of common problems to many of the unions, including most of the more important ones. Finally, a movement which sees no hope of permanent improvement in the conditions of labour without radical social change must conceive it its duty to back, with its united strength, such measures of public planning in the public interest as government may promote.

There is a contingent reason for an increase in the authority of the TUC. I have argued against the imposition of any form of 'pattern structure' on the unions. Nevertheless, one must agree that 'the trade union movement in a changing world cannot retain its pre-war conception of organization if it is to prosper and efficiently fulfil its ideological and practical functions' (TUC, 1946, p. 22). The new conception of organization must be adapted to present needs and tasks, but it must, above all else, be flexible enough to accommodate changes, perhaps as yet unsuspected, which may occur in the future. All this seems to demand the existence of some coordinating authority which can review the structure of the movement from time to time and make appropriate recommendations, and which can use its influence to discourage *laissez-faire* structural changes that are in disharmony with present or expected needs. Such an authority can only be the TUC.

In short, now that the long-awaited social transformation is

upon the trade unions they must effect greater coordination of their activities. The 'one big union' has to come in, but by the back door, not as a single all-inclusive 'general' union, but in the looser and more acceptable form of something approaching a 'British trade union federation'. Perhaps, in British fashion, the change will have been achieved in practice before it secures any formal recognition in the constitution of the TUC. Already it is encouraging to see how the trade unions of this country, motivated by the emergence of a common sense of social responsibility, have accepted, in large measure, the need for such coordination. In this, and not in the preference for one form of sectional organization as against others, lies the future of trade unionism.

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9 Royal Commission on Trade Unions and Employers' Associations

The Reduction of Multi-Unionism

Excerpt from *Report of the Royal Commission on Trade Unions and Employers' Associations, 1965-1968*, Cmnd 3623, HMSO, 1968, pp. 179-86.

Two types of multi-unionism

672. It is useful first to distinguish two particular types of multi-unionism. First, there is the common situation in which each one of the main occupational groups in the factory is organized by a different union - e.g. technicians, supervisors, clerks, operatives and various craft groups. Its essential characteristic is that while there are many different unions each has a monopoly of a given group of workers. The second type of multi-unionism arises when there is more than one union competing for membership within a given group of workers within a factory. Both types of multi-unionism are found together, but the second is less common than the first and mainly affects non-craft workers.

Industrial unionism

673. The most frequently canvassed solution for both types of multi-unionism is industrial unionism, i.e. one union for all employees in the same industry regardless of occupation. In theory industrial unionism would have a number of advantages. Sectional claims on behalf of different occupational groups within a particular factory could be more easily harmonized and it might be easier for the union concerned to conclude effective company and factory agreements. Demarcation problems between craft groups would be more easy to solve and the temptation for unions to seek to out-do each other in militancy or obduracy would be eliminated. There would also be no need for shop stewards from different unions within the same plant or company to form 'unofficial' or 'unconstitutional' joint shop

stewards' committees. All the union's members in a given factory could be organized into one branch, with appropriate sections for different occupations and groups.

674. On the other hand a number of reservations may be made. In practice sectional claims can still arise within so-called industrial unions. Demarcation problems can exist within one union – as is still sometimes demonstrated by the Boilermakers' Society. The absence of competition between unions is no guarantee of responsibility or against informal, unconstitutional, shop floor organization divorced from formal union influence – as can be proved from the example of the docks. In other words, while it is arguable that industrial unionism would help management and unions to tackle these problems, it would not necessarily solve them.

675. There are also a number of ways in which industrial unionism might encourage less desirable developments. Many workers, such as craftsmen, clerks or technicians, have an obvious interest in combining on an occupational rather than an industrial basis, so that they are free to take their transferable skills from job to job while remaining within the same union. Occupational unions, for groups of this kind, may in fact facilitate and encourage labour mobility. It is by no means obvious that industrial unionism is appropriate for such expanding and mobile groups as electricians, draughtsmen or skilled engineers.

676. Special problems arise if industrial unionism is taken to the point where it includes white-collar workers. White-collar workers appear to be more readily organized on an occupational basis. Moreover an industrial union which represents workers in an industry which is contracting must inevitably decline along with the industry. By contrast a more widely based union, which has, in effect, diversified its organizational activities, has more chance to survive and for this reason may be more willing to agree to changes involving reductions in its membership in particular industries. It can also be argued that new technologies are breaking down conventional industrial classifications and many large companies now straddle traditional industry boundaries.

677. These are mainly theoretical difficulties; the really decisive objection to industrial unionism is a practical one. However defined, industrial unionism would involve a drastic upheaval in the structure of almost every major union in the country and virtually all expanding unions. It would, for example, mean the dismemberment of craft unions and of both the giant general unions (the Transport and General Workers' Union and the General and Municipal Workers' Union) and the cutting off of large sections of the membership of the Amalgamated Union of Engineers and Foundry Workers, the Union of Shop, Distributive and Allied Workers and the Electrical Trades Union. It would entail a reversal of what Mr John Hughes (1967) has called the 'natural growth pattern' of British unions. For, as he shows, growth in the last ten years has largely been concentrated among the large and medium-sized 'open unions' which 'characteristically take a broad definition of their sector of operation and the occupational grades they organize'. Many of these unions have recently taken an increasingly wide view of their areas of recruitment and have extended their activities into new industries and processes. This development may well result in still more multi-unionism and it is unlikely to produce a move towards one union for the industry. As Hughes concludes: 'There is no sign of any general evolution towards industrial unionism.'

678. It is certain, therefore, that the trade unions will not voluntarily adopt the attainment of industrial unionism as it exists in the Federal Republic of Germany, for example, as their objective; and indeed the Trades Union Congress recently rejected it. Nobody has seriously suggested to us that this reform can be imposed compulsorily by means of legislation, which would mean an end of free trade unions. It is necessary to seek the benefits which are claimed for industrial unionism in other ways.

More mergers between unions

679. As we show in chapter 2 [not included here], although there are 574 trade unions, over four-fifths of all trade unionists belong to the thirty-eight largest unions; and three members out

of ten are in membership of the three largest unions, the Transport and General Workers' Union, the Amalgamated Union of Engineers and Foundry Workers and the General and Municipal Workers' Union. The total number of unions is declining and there is some indication that membership is being concentrated in the larger organizations, but it is obvious that a very real contribution could be made to the problem of multi-unionism if some of the more important and wide-ranging organizations could be induced to combine with each other.

680. In fact there has been a movement towards more amalgamations and transfers of engagement in the last few years. Altogether fifty-three trade unions have been involved in mergers of one kind or another since 1964. In some cases the mechanics of mergers have been assisted by the Trade Union (Amalgamations, etc.) Act 1964.

681. To take an example in the craft field, the boilermakers, shipwrights and blacksmiths have amalgamated into one single union, the Amalgamated Society of Boilermakers, Shipwrights and Blacksmiths. There have been important mergers among trade unions in the printing industry. These include the formation in 1965 of the Society of Graphical and Allied Trades (as a result of a merger between the National Union of Printing, Bookbinding and Paper Workers and the National Society of Operative Printers and Assistants) and the amalgamation between the Electrotypers and the National Graphical Association. The Foundry Workers' Union has amalgamated with the Amalgamated Engineering Union to form a union with over 1,200,000 members. The Heating and Domestic Engineers have merged with the Sheet Metal Workers and Coppersmiths to establish a National Union of Sheet Metal Workers. In the white-collar field the Association of Scientific Workers has joined with the Association of Supervisory Staffs, Executives and Technicians to form the Association of Scientific, Technical and Managerial Staff. Other amalgamation movements and 'transfers of engagements' have taken place in building, entertainment and the civil service. Taken together these developments represent a readiness to reconsider existing structural arrangements which is without precedent in recent years

and entirely to be welcomed. Can this movement be accelerated and in what direction are advances most needed?

682. We consider that there is scope for many more mergers between unions. In particular, it seems to us that problems caused by a multiplicity of unions organizing in individual factories would be considerably eased in a number of important industries if certain groups of craft unions could be induced to amalgamate. This is particularly true of engineering and of construction. In both there have been important amalgamations in recent years but a number of small but relatively powerful organizations have chosen to stay aloof. It seems to us that it would be practicable as well as useful to work towards the goal of one or at most two craft unions for the great bulk of craftsmen in both industries. In printing, both the National Board for Prices and Incomes (1965, para. 65) and a court of inquiry under the chairmanship of Lord Cameron (1967, paras. 250-51) have urged the need for the amalgamation of all the unions in the industry, both craft and non-craft, into a single union and we agree that this is highly desirable.

The elimination of competition

683. Apart from mergers, the most practical way to reduce multi-unionism is by agreements between unions on recruiting rights and negotiating rights. Where, for example, unions compete for membership among workers of the same grade in a single factory, as is not uncommon among non-craft workers in the engineering industry, it would be possible for the unions mainly concerned, the Amalgamated Union of Engineering and Foundry Workers, the Transport and General Workers' Union and the General and Municipal Workers' Union, to agree that in each factory only one of them would have the right to recruit among these grades in future. Subsequently existing members of the other unions might be persuaded to transfer to the union which has the recruitment rights and these other unions would be able to give up their rights of representation. The success of the agreement would, of course, depend on matching losses and gains for each union. The principle is also capable of application on a wider basis. In instances where separate craft unions

are not involved it could lead to a single union for manual workers in each factory. It could also be extended to transfers of rights within companies, to produce a single union for each grade of worker, or for all manual workers, throughout a multi-plant company. There are even cases, especially where the two great general unions are concerned, in which transfers of rights between industries might be achieved.

684. Similar arrangements are possible in the white-collar field, but here the opportunity for rationalization is most readily presented when recognition is being sought. Suppose it were accepted by the three major unions aiming to recruit clerks over a wide range of private manufacturing industry – the Clerical and Administrative Workers' Union, the Transport and General Workers' Union and the General and Municipal Workers' Union – that they would seek to implement the principle of one union for one grade of work when seeking recognition. It would mean that each union would respect the right of the other to sign an 'exclusive jurisdiction' agreement in cases where it was the first to recruit a group of clerks in a particular concern. In instances where two or more unions had members, a form of third party arbitration might be agreed to decide who had the right to demand exclusive jurisdiction rights; the obvious body to perform this function would be the TUC. To avoid the need for arbitration as far as possible the unions concerned would try to allocate future recruitment areas between them in advance.

685. The major responsibility for reducing multi-unionism falls to the unions themselves, although they will need the cooperation of employers where questions of recognition are involved. Where progress is meeting obstacles the Industrial Relations Commission will be able to play a most important part. The Commission's recommendations can bring persuasion to bear on the trade unions involved and can also greatly influence employers' recognition policies, which as we show in chapter 5 [not included here] are of great importance especially for the development of white-collar unionism. We now turn to the part which the TUC can play.

The TUC and the reduction of multi-unionism

686. The Bridlington Principles for the avoidance of disputes between unions were embodied in a resolution passed by the 1939 TUC. They are primarily designed to avoid competition between unions and that has been one of their effects. Thus clause 1 provides that unions which come in frequent contact with each other should consider the possibility of joint working arrangements, the definition of spheres of influence and conditions for transferring members. Other clauses are designed to prevent unions from poaching members from each other, for example, members who are under discipline or in arrears of contributions. It is also provided, in clause 5, that: 'No union shall commence organizing activities at any establishment or undertaking in respect of any grade or grades of workers in which another union has the majority of workers employed and negotiates wages and conditions, unless by arrangement with that union.' This clause contributes to the elimination of competition by helping to prevent the entry of new unions to areas where there are already recognized organizations with members. In general the limitations on poaching set out in the Bridlington Principles are observed and partly as a result of it a number of joint working agreements have been concluded between unions.

687. Under rule 12 of the TUC's constitution, the General Council has a duty to use its influence to promote a settlement of disputes between unions. A Disputes Committee of the General Council considers disputes 'upon application from an affiliated organization'. In its evidence to us the TUC stated that over the previous four years unions had reported an average of twenty-five cases to it annually: an analysis of 100 cases set out in the TUC's evidence indicates that, while nearly half of the cases referred to it are withdrawn or disposed of without a formal meeting under TUC auspices, a very high proportion of the remainder are settled by the TUC's machinery. Rule 13 of the TUC's constitution gives the General Council power to direct its members to desist from activities detrimental to the trade union movement or contrary to the TUC's declared principles and, failing obedience, to suspend them from mem-

bership until the next Congress. The ultimate sanction, which is very rarely used, is expulsion by Congress.

688. When, therefore, the Bridlington Principles have failed to prevent unions from competing with each other and coming into dispute, the matter may be referred to the TUC's disputes machinery by either union involved. The Disputes Committee is free to consider the case on its merits but is bound to be influenced if the conduct of either union appears to have been at variance with the Bridlington Principles.

689. Yet although the Bridlington Principles have done a great deal to prevent inter-union disputes over conflicting membership rights they have not eliminated all forms of competition, nor were they designed to do so. They are a code of conduct which unions are advised to follow in order to avoid what experience has shown to be the more common causes of inter-union conflicts about membership – not an instrument for achieving trade union reform. The question arises whether the TUC needs to take further measures to help to solve some of the problems which remain. For example, if no union can claim a majority of membership and a recognition agreement, the Bridlington Principles will not indicate which of two contesting unions should have priority. The Organization Committee of the General Council might be able to assist with the difficulty, but Congress has laid down no clear policy to guide it. Nor has it laid down any principle which would prevent a union which can show that it has obtained recruitment and recognition rights in the past from asserting a right to remain even in a situation where its rival may have recruited the great majority of workers.

690. The TUC has for many years given explicit encouragement to joint working arrangements for the elimination of competition. We fully appreciate that in the end the power to make and enforce such agreements rests with individual unions and that in this respect a special responsibility lies with the three largest unions in the country. Through the activities of their recently established closer working committee they could make a contribution to the rationalization of trade union structure

second to none. Nevertheless, we think that the TUC should intensify its efforts to encourage the unions concerned to adopt joint working arrangements in particular instances.

691. Secondly, we think that the TUC should consider adopting the principle of 'one union for one grade of work within one factory' as a guide for the future development of union structure. If it did so, there are two practical steps the TUC might then take. First, it could bring together suitable groups of unions involved in problems of overlapping and competition in particular industries and companies. The TUC's job would be to act as an honest broker, safeguarding each union's overall interests while seeking to move in the direction of one union for one grade of work in one factory by the creation of closer working agreements. Secondly, the TUC might seek to further the aim of one union for one grade of work within one factory in circumstances where it thought that its intervention might prove acceptable to the parties. Thus, a union competing with another for recognition rights could ask the TUC to pronounce upon its claim and say whether it ought to be granted an exclusive jurisdiction agreement. Similarly, a union with a majority of membership in a particular grade could ask the TUC to consider whether it ought to be accorded exclusive recruitment rights for the future.

Multi-union cooperation

692. However rapid the progress made in reducing multi-unionism, it will continue for the foreseeable future to exist in many factories and companies. It is, therefore, necessary to consider whether there are ways of alleviating its effects, especially in so far as they affect work groups and shop stewards and the role which we envisage for the latter in a reconstructed system of industrial relations.

693. In practice multi-unionism evokes inter-union cooperation on the workshop floor. Some idea of the extent of this cooperation can be derived from our workshop surveys. Two-thirds of the joint management/shop steward committees which existed in the firms interviewed were multi-union in character; 39 per cent of stewards said that they had attended workplace meet-

ings with stewards of other unions and 12 per cent said that they had been to meetings attended by stewards of different unions from different places of work. The need for multi-union steward meetings was clearly demonstrated in the answers given to questions concerning the frequency of multi-union grievances and claims. When stewards employed in multi-union situations were asked how often multi-union issues arose, only 21 per cent said 'never'; 22 per cent said 'very often' and 19 per cent said 'fairly often'.

694. Yet, as our first Research Paper demonstrated, most of these multi-union meetings take place outside the formal framework of union rules and in some cases it is arguable that in attending them, and abiding by decisions reached, stewards and their members are acting unconstitutionally. The problem of multi-union cooperation outside the framework of union rules is most obvious in the large multi-plant 'combine committee', formed where stewards from many different unions come to feel the need for some form of contact with others of their kind in other plants. As our first Research Paper put it:

It is increasingly argued by shop stewards employed in multi-plant firms that the demands of workshop democracy and the need to develop a common response to employer initiatives require the development of regular contacts between work groups in each plant, organized on a multi-union basis. Since unions are not at the moment able to provide such facilities officially a growing number of stewards in multi-plant firms attempt to bridge the gap by forming unofficial 'combine committee' (McCarthy, 1966, p. 52, para. 84).

695. We think that unions organizing in such situations should themselves provide official and constitutionally recognized committees to perform many of the functions now carried out by these unofficial gatherings. Full-time trade union officials concerned should attend their meetings and discuss with leading stewards the formulation of shop floor policy and the way to handle multi-union grievances and claims within the plant or company. Because of the constitutional problems involved, the best plan would probably be for the executives of the unions concerned to begin by authorizing the establishment of *ad hoc*

consultative committees at national level to cover the more important multi-plant companies – especially those where the stewards themselves have already found it necessary to develop their own unofficial contacts through informal 'combine committees'. Consultative committees of this kind would have an important part to play in the negotiation and administration of satisfactory company and factory agreements on the lines we recommend in chapter 4 [not included here].

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Part Four Trade Union Government

The Readings in this Part are concerned with the factors that determine the extent to which union leadership remains sensitive to membership aspirations. Lipset, Trow and Coleman, in the excerpt from their classic study of the International Typographical Union of America, take the view that the maintenance of union democracy largely depends on the existence of an organized opposition which is ready to take over the government of the union from the existing leadership. John Hughes, who reviews the record of the British Communist Party in union elections in Britain in Reading 11, argues against this view. He suggests that union democracy may depend more on the existence of separate industrial and occupational groups, or traditions of regional autonomy. Finally, Roderick Martin (Reading 12) sets out to devise an explanatory framework which can be used to classify the constraints that inhibit the use and abuse of leadership power in trade unions. As a result he draws attention to the importance of a wide variety of external and internal factors.

10 S. M. Lipset, M. A. Trow and J. S. Coleman

Democracy and Oligarchy in Trade Unions

Excerpt from S. M. Lipset, M. A. Trow and J. S. Coleman, *Union Democracy*, Free Press, 1956, pp. 3-16.

In recent years political democracy has proved so vulnerable to changes in social structure that the better understanding of these processes has become one of the major tasks of social science. Few still believe (as the American negotiators in Paris of 1919 seemed to believe) that formal guarantees and written constitutions can insure democracy. The most carefully worded guarantees have been swept aside and the most intelligent of constitutions ignored, until now men seem liable to the opposite error of considering guarantees and constitutions worthless.

In few areas of political life is the discrepancy between the formal juridical guarantees of democratic procedure and the actual practice of oligarchic rule so marked as in private or voluntary organizations such as trade unions, professional and business associations, veterans' groups and cooperatives. In fact, as many observers have noted, almost all such organizations are characterized internally by the rule of a one-party oligarchy; that is, one group, which controls the administration, usually retains power indefinitely, rarely faces organized opposition, and when faced with such opposition often resorts to undemocratic procedures to eliminate it. This is especially true for national organizations.

There is, however, one trade union – the International Typographical Union (ITU), the organization of the men who set type in the print shops of North America – which does not fit this pattern. It is the only American trade union in which organized parties regularly oppose each other for election to the chief union posts and in which a two-party system has been institutionalized. Since the beginning of this century, the officers of the international union and of most of the larger locals have

been chosen in biennial elections, in which two or more political parties have offered a complete slate of candidates for all offices. The two major parties of the union operate much as do the Democratic and Republican Parties in American politics, though they have no connection with any group or party outside the union. The parties have been of roughly equal strength in the international since 1920, so that turnover in office occurs at least as frequently as in national politics. In the thirty-five years since 1920, five incumbent presidents of the international have been defeated for re-election. In the New York local of the union, the largest local of the ITU, containing 10 per cent of the membership, seven out of the last fourteen elections have resulted in defeat for the incumbent president. Probably nothing like this has happened in any other trade union or other of the private governments (as we may call voluntary organizations) anywhere in the world.

The theory of oligarchy

The pattern which characterizes almost all voluntary organizations was generalized over forty years ago by the German sociologist, Roberto Michels, when he laid down his famous 'iron law of oligarchy' in the following terms: 'It is organization which gives birth to the dominion of the elected over the electors, of the mandataries over the mandators, of the delegates over the delegators. Who says organization says oligarchy' (Michels, 1911, p. 401 of 1949 edn).

The experience of most people as well as the studies of social scientists concerned with the problem of organization would tend to confirm Michels's generalization. In their trade unions, professional societies, business associations and cooperatives — in the myriad nominally democratic voluntary organizations — men have learned, and learn again every day, that the clauses in the constitutions which set forth the machinery for translating membership interests and sentiments into organizational purpose and action bear little relationship to the actual political processes which determine what their organizations do. At the head of most private organizations stands a small group of men most of whom have held high office in the organization's government for a long time and whose tenure and control is

rarely threatened by a serious organized internal opposition. In such organizations, regardless of whether the membership has a nominal right to control through regular elections or conventions, the real and often permanent power rests with the men who hold the highest positions.

Since Michels first wrote, many books and articles have been written about oligarchy in voluntary organizations, but almost invariably they have documented the operation of his iron law in another set of circumstances. They have shown how control of the organizational machinery, combined with membership passivity, operates to perpetuate oligarchic control. From these studies it is clear that unions and other voluntary organizations more closely resemble one-party states in their internal organization than they do democratic societies with organized legitimate opposition and turnover in office. Indeed, the pattern of one-party oligarchy is so common in the labor movement that one defender of the Soviet Union has pointed to it as a justification of the one-party regime in that country:

What is totalitarianism? A country that has a totalitarian government operates like our union operates. There are no political parties. People are elected to govern the country based upon their records. . . . That is totalitarianism. If we started to divide up and run a Republican set of officers, a Democratic set, a Communist set and something else we would have one hell of a time (Bridges, 1947, p. 178).

Oligarchy becomes a problem only in organizations which assume as part of their public value system the absence of oligarchy, that is, democracy. In societies or organizations in which the self-perpetuation of the governing elite is the norm, few people will raise questions regarding the determinants or consequences of oligarchy. In such organizations oligarchy is a thing given, not a phenomenon to be explained. However, when one finds an organization ostensibly devoted to the extension of democracy which is nevertheless itself undemocratically governed, some explanation seems demanded. Thus in his *Political Parties* Michels, himself a socialist at the time he was writing, raised the question of why the German Social Democratic Party and the German labor movement, though ideologically committed to a completely democratic society and

actively engaged in fighting for democratic rights within Germany, were themselves oligarchic in their internal structures. To Michels, oligarchy within the democratic socialist movement was significant because it was an 'unintended consequence' of organization. For him, the fact that the conservative German political parties or other organizations were also oligarchic was not a problem, since they did not believe in democracy to the same degree as the socialists and in fact often upheld the principle of oligarchy for the larger society. In the same way and at about the same time the oligarchic structure of American political parties attracted the interest of some observers such as Moise Ostrogorski (1902), who were struck by the apparent contradiction between American democratic ideals and the reality of the boss and the machine.¹

The problem had been recognized earlier, of course, but until Michels, European socialists took a generally optimistic view of the problem of machine domination of workers' organizations. Marx and Engels themselves viewed oligarchy as part of the early stage of the political emergence of the working class. They believed that the workers could come to control their institutions as soon as large numbers of them acquired class consciousness and political sophistication. Clique domination of socialist groups could not survive when workers really understood the facts of political life.²

American political scientists, with their generally liberal and optimistic outlook, took a similar point of view. They saw the boss and the machine as social problems which would gradually be solved as democracy advanced, the immigrant was assimilated and education was extended. They viewed the American political party as progressively moving out of close control of a small group of leaders, first to the caucus, then to open con-

1. Bryce, examining the oligarchy endemic to political organizations, considers boss control normal. Cf. Bryce (1921, ch. 75).

2. 'The fact that here too (in the British Independent Labour Party) people like Keir Hardy, Shaw Maxwell and others are pursuing all sorts of secondary aims of personal ambition is, of course, obvious. But the danger arising from this becomes less as the Party itself becomes stronger and gets more of a mass character' (Engels to Sorge, in *Karl Marx and Friedrich Engels: Selected Correspondence*, International Publishers, 1942, p. 507). Cf. also Bukharin (1925, ch. 8).

ventions and finally to the ultimate stage of the preferential primary. During the first period of this century, this point of view found expression in a movement to extend formal popular control through the direct primary, initiative, referendum and recall.

In Europe where the idea of a popular democracy did not actually come to fulfillment in terms of universal adult or male suffrage without class restrictions until after the First World War, few efforts were made to formally democratize the structure of political parties. But the Left and labor groups, which were concerned with achieving a more complete democracy, invariably set up formal blueprints which provided for a high degree of popular control over the selection of leaders and formation of policy by way of regular conventions, discussion periods, and elections.

Despite the optimistic hopes of early socialist bodies and the institution of formal democratic control, the problem remained. As the trade union and the socialist movement grew in size and power, members who came to disagree with the policies of incumbent leaders found, with rare exceptions, that it was impossible to dislodge those leaders from office. They discovered that offices whose authority originally and formally derived from the consent of the members gave officials power over the members. In most cases, however, the opponents of an existing oligarchy did not generalize from their own experience, nor did they raise the question, is there something in the nature of large-scale organizations which engenders oligarchic control?³ Rather, like Karl Marx they tended to view the problem in terms of evil or weak men who were corrupted by power and to place the democratic solution in a change of personnel.

By itself the existence of oligarchy in voluntary organizations rarely leads to great concern even in democratic societies and organizations. In most cases where men have forcefully and articulately opposed oligarchy, their concern has usually arisen from disagreement with the policies of a specific oligarchy. Thus the critics of the American party machine were not basically incensed by boss control *per se*, but rather by the fact that

3. Bukharin (1925, pp. 306-7) explicitly notes this fact that critics of oligarchy are concerned only with policy, not with oligarchy.

the machine was linked to corruption and inefficient government or refused to support the various social and economic reforms favored by the critics. In the pre-First World War socialist movement, Lenin, for example, attacked the leadership of the German Social Democratic Party, not primarily for being oligarchic, but for having betrayed 'Marxism'. The Congress of Industrial Organizations critics of American Federation of Labor leadership in the mid 1930s in the United States were obviously not concerned with the lack of democracy within the AFL, but with the fact that the AFL was not organizing the mass-production industries. Two American books which first brought Michels's analysis to the attention of the American labor movement were written by supporters of left-wing labor groups and they objected more to the fact that many union leaders were restraining the post-First World War strike wave than to the fact that they were dictatorial (Kopald, 1924, Foster, 1927).

Occasionally the criticism of oligarchic control within the labor movement led to successful attempts to further democratize the constitutional structure of unions so as to reduce the power of the officials. A favored remedy introduced in some unions before the First World War was to replace convention election of officers by a direct vote of the membership and to require referenda for constitutional changes, as well as to make it possible for members to directly initiate referenda. The Industrial Workers of the World tried to insure turnover in office by limiting the number of years that a man might hold office and requiring that he return to the shop after his term as an official.

With very few significant exceptions all the efforts to reduce oligarchic control by formal mechanisms have failed. In those cases where an entrenched oligarchy was finally dislodged, the new leaders soon reverted to the same tactics as they had denounced in the old in order to guarantee their own permanent tenure in office and reduce or eliminate opposition. Even anarchist political and labor groups, whom we might expect to be highly sensitive to the dangers of oligarchy on the basis of their ideology, have succumbed to the blight. In pre-Franco Spain and in other countries where the anarchists had large organ-

izations, a small semipermanent group of leaders maintained itself in power and selected its own replacements through a process of cooptation (selection by the leaders themselves). There is no more persuasive illustration of the unanticipated consequences of men's purposeful social actions than the recurrent transformations of nominally democratic private organizations into oligarchies more concerned with preserving and enhancing their own power and status than in satisfying the demands and interests of the members.⁴

What are the factors that account for the lack of democracy in labor unions? Why do opposition groups find it so difficult to survive? Michels and others who have dealt with the problem have summed it up in broad generalizations: the nature of large-scale organizations is such as to give the incumbent officials overwhelming power as compared with that of the opposition; the situation of the leaders of most unions is such that they wish to stay in office and will adopt dictatorial tactics to do so; and the relationship of the members of their union results in a low level of participation by the members. These factors have been discussed in considerable detail in another publication by the senior author (Lipset, 1954; see also Selznick, 1943). Some of these generalizations are deserving of treatment here.

*Large-scale organizations give union officials
a near monopoly of power*

1. Unions, like all other large-scale organizations, tend to develop a bureaucratic structure, that is, a system of rational (predictable) organization which is hierarchically organized. Bureaucracy is inherent in the sheer problem of administration, in the requirement that unions be 'responsible' in their dealings

4. It is, of course, true that the leaders' objectives of personal power and permanent tenure need not conflict with the needs of the members. Most voluntary organizations do, in fact, represent their members' interests in conflicts with other groups. But there may arise a situation in which the needs and goals of the leaders or simply their desire for peace and quiet as they remain in office lead them to oppose or not fight for membership objectives. In an organization in which the members cannot vote on alternative procedures or courses of action, it is impossible to know whether a leadership decision is, in fact, something that the members desire.

with management (and responsible for their subordinate units) (Shister, 1946), in the need to parallel the structures of business and government, in the desire of workers to eliminate management arbitrariness and caprice, and in the desire of the leaders of unions to reduce the hazards to their permanent tenure of office.

The price of increased union bureaucracy is increased power at the top, decreased power among the ordinary members. With the increase in the power of the top officials over local units and members, the sources of organized opposition are controlled or reduced. Most unions have given their executive boards the right to suspend local officials for violating policies of the central bodies. Whether they follow a conciliatory tone (as when they call for intra-union discipline and responsibility) or a militant one (as when they call for union solidarity in a dispute with management) union leaders strengthen their own hands and justify their monopolization of internal power in the course of articulating organizational needs and purposes.

2. Control over the formal means of communication within the organization is almost exclusively in the hands of the officials. The individual member's right of free speech is not an effective check on administrative power if the union leaders control all public statements made by members of the administrative or field staff and the union newspaper. Since the only viewpoints about union matters that are widely available to the members are those of the administration, even widespread discontent which might result in organized opposition cannot be effectively expressed (Lazarsfeld and Merton, 1948).

3. In most unions, one of the chief factors perpetuating the power of the incumbents is the administration's almost complete monopoly of political skills and the absence of those skills among the rank and file (Weber, 1919). Within a trade union the principal source of leadership training is the union administrative and political structure itself. The union official, to maintain his position, must become adept in political skills. The average worker, on the other hand, has little opportunity or need to acquire them. Rarely if ever is he called upon to make a speech before a large group, put his thoughts down in writing or organ-

ize a group's activities.⁵ To the extent that union officers possess a monopoly of political skills, they inhibit the rise of an effective opposition.

The leaders want to stay in office

There is a basic strain between the values inherent in society's stratification system and the democratic values of the trade union movement. With few significant exceptions, every trade union official has moved up in the status hierarchy by becoming an official. The leader of a large local or national union has the income and prestige of a member of the upper-middle class (North and Hatt, 1949), and often wields more power than the average upper-middle-class person. Most high-status positions carry with them some security of tenure. Democracy, on the other hand, implies permanent insecurity for those in governing positions: the more truly democratic the governing system, the greater the insecurity. Thus every incumbent of a high-status position of power within a democratic system must of necessity anticipate a loss of position.

It is hard for the persons in such positions to accept this insecurity with equanimity. Once high status is secured, there is usually a pressing need to at least retain and protect it.⁶ This is particularly true if the discrepancy between the status and the position to which one must return on losing the status is very great. In other words, if the social distance between the trade union leader's position as an official and his position as a regular worker is great, his need to retain the former will be correspondingly great.⁷

The strenuous efforts on the part of many trade union leaders

5. The history of the British labor movements testifies to the value of such training. Many of its early leaders were men who first served as officers or Sunday-school teachers in the Methodist or other nonconformist churches. See Belden (1930, pp. 247ff.).

6. Furthermore, as Shepard points out, 'The demands on leadership are heavy and their positions precarious. . . . To survive, leaders must be extraordinarily able, and able leaders are capable of consolidating their positions.' See Shepard (1949).

7. Public officials in a democratic society are also faced with this problem. Most of them, however, come from occupational positions or social strata which permit them to return to private life without a sharp decline in income.

to eliminate democracy (the possibility of their defeat) from their unions are, for them, necessary adaptive mechanisms. The insecurity of leadership status endemic in democracy, the pressures on leaders to retain their achieved high status and the fact that by their control over the organizational structure and the use of their special skills they can often maintain their office, all help in the creation of dictatorial oligarchies.

The members do not participate in union politics

Although high participation is not necessarily a sign of democracy (dictatorships also find participation useful), the maintenance of effective opposition to incumbent leaders requires membership participation and interest. Ordinarily, however, few members show much interest in the day-to-day political process within the union, apathy of the members is the normal state of affairs. There are good reasons for this. Most union members, like other people, just spend most of their time at work or with their families. Their remaining free time is generally taken up by their friends, commercial entertainment and other personally rewarding recreational activities (Barber, 1950).

Most trade unions, in addition, are concerned with technical administrative matters, which cannot be of deep interest to the average member. The typical union appears to its members as an administrative agency doing a specific technical job for them. Union leaders will often attempt to sustain this image to prevent 'interference' with their conduct of their job. Consequently only a small minority finds the rewards for participation in union affairs great enough to sustain a high level of interest and activity.

The leaders of the trade unions and other formally democratic organizations must in some way explain and justify the suppression, and to do so they make two points: that trade unions are organized for political or industrial conflicts: and that their membership is more homogeneous in background and interests than the citizens of a nation or some other civic political unit. Officials of trade unions have argued that since the group is engaged in perpetual conflict with management, internal opponents only serve the objective interests of the ex-

ternal enemy. They argue further that there is no basis for factionalism in their organization (other than the illegitimate selfish desire for office of ambitious individuals, or the outside interference of communists) since all the members are workers and have common interests and objectives. According to this thesis, organized political conflict should take place only among classes, not within them. These same two arguments are, of course, used by the communists to justify the contradiction between the one-party State and democratic values in the Soviet Union. They explain that since the Soviet Union is surrounded by the capitalist enemy, any domestic opposition is in effect treason; and that in any case in a one-class workers' State there is no legitimate basis for disagreement.

Strengthening the force of these arguments is the fact that the political decisions of trade unions and of other groups which are totally or in part political pressure groups, such as the American Legion or the American Medical Association, often fall into the realm of 'foreign policy': that is, they involve the tactics and relations that these groups should adopt towards outside groups or the State. And just as in national politics there are many pressures toward a unified bipartisan foreign policy, so in trade unions and other voluntary groups we find similar pressures. Potential oppositionists are consequently faced with the likelihood that if they exercise their constitutional democratic rights, they will be denounced for harming the organization and helping the enemy.

The fact remains, however, that the democratic political system of the International Typographical Union does exist. It is obviously no temporary exception, for the party system of the union has lasted for half a century and regular political conflict in North American printing unions can be dated back to 1815. As we shall note in later sections of this book, there are also a few other unions which deviate from the iron law of oligarchy. Up to now almost all analysts of the political systems of private governments have devoted their energies to documenting further examples of oligarchy. Rather than do this we have undertaken an analysis of the major deviant cases. From the point of view of the further development of social research in the area of organizational structure and, indeed, the general

expansion of our understanding of society, these deviant cases – cases which operate in ways not anticipated by theory – supply the most fruitful subjects for study. Kendall and Wolf (1949, p. 153) have noted that the analysis of deviant cases

can be improved by refining the theoretical structure of empirical studies, increase the predictive value of their findings. In other words, deviant case analysis can and should play a *positive* role in empirical research, rather than being merely the 'tidying up' process through which exceptions to the empirical rule are given some plausibility and thus disposed of.

In the course of our analysis of the ITU we have systematically looked for the various *oligarchic mechanisms* – the elements and processes which Michels and others found operative in the organizations which they studied. Many of these mechanisms – for example, the monopolies of power, status, funds and communications channels which the officials of most unions ordinarily possess – are not found in the ITU, or if present their effects are greatly mitigated by other elements in the system. A large part of our analysis is directed at specifying those elements in the structure of the ITU and the printing industry which work against oligarchic mechanisms and at spelling out the processes by which they contribute to the maintenance of the union democracy. And as we look for those attributes and patterns in the ITU which work to nullify the oligarchic tendencies present in large organizations, we are implicitly or explicitly setting forth the conditions necessary for the maintenance of democratic politics within private organizations. In this our purpose is not, of course, to 'refute' Michels or other previous workers in this area, but rather to refine and build on their insights and findings, paying them the respect of using them more often than we quote them.

A theory of democracy

The problem of democratic or oligarchic political institutions may be approached from two vantage points. We may ask, as we have asked in the previous section, what are the conditions which are responsible for the development and institutionalization of oligarchy or, alternatively, we may ask under what conditions democracy arises and becomes institutionalized. All the litera-

ture that deals with political institutions in private governments deals with the determinants of oligarchy. We have found only one article that raises the question of under what conditions democracy, the institutionalization of opposition, can exist in voluntary organizations (Selznick, 1950). There is, of course, a voluminous literature discussing democracy as a system of civil government, but we must ask ourselves whether a variable which seems related to the existence of democracy in States is relevant to the existence of democracy in organizations.

Aristotle (*Politics*, iv, 11) for example, suggested that democracy can exist only in a society which is predominantly middle class. In essence he and later theorists argued that only in a wealthy society with a roughly equal distribution of income could one get a situation in which the mass of the population would intelligently participate in politics and develop the self-restraint necessary to avoid succumbing to the appeals of irresponsible demagogues. A society divided between a large impoverished mass and a small favored elite would result either in a dictatorship of the elite or a dictatorship of demagogues who would appeal to the masses against the elite. This proposition still appears to be valid. Political democracy has had a stable existence only in the wealthier countries, which have large middle classes and comparatively well-paid and well-educated working classes. Applying this proposition to trade union government, we would expect to find democracy in organizations whose members have a relatively high income and more than average security, and in which the gap between the organizational elite and the membership is not great.

A second proposition which has been advanced about democracy is that it works best in relatively small units, in which a large proportion of the citizenry can directly observe the operation of their governments:⁸ for example, the small Greek city-States, the New England town meetings and the Swiss

8. Thomas Jefferson advocated 'general political organization on the basis of small units, small enough so that all members could have direct communication with one another and take care of all community affairs' (see Dewey, 1939, p. 159). See also Dewey (1927, ch. 5), Myrdal (1944, pp. 716–19), and 'The federalist no. 10' in *The Federalist*, Modern Library Inc., New York, 1937.

cantons. While historical research has indicated that much of the popular mythology about the democratic character of these societies is untrue, it is probably true that the smaller a political unit, the greater the possibility of democratic control. Increased size necessarily involves the delegation of political power to professional rulers and the growth of bureaucratic institutions. The translation of this proposition of the level of private government is clear: the smaller the association or unit, the greater membership control. There can be little doubt that this is true in the trade union movement.⁹

Both of these approaches to democracy, that in terms of internal stratification and that in terms of size, however, are somewhat unsatisfactory as solutions to the problem of democracy in complex societies or large private organizations. Clearly democratic political institutions do exist in large, complex and bureaucratically run societies and in societies which have wide variations in the distribution of income, status and power. There is a third proposition about the conditions that favor democracy that seems to be of greater value for our understanding of democracy in large private organizations. We know it under two names: the theory of political pluralism and the theory of the mass society. Writers in English-speaking countries, trying to explain why democracy exists in these countries, have developed the theory of political pluralism. European writers, trying to explain why democracy seems so weak in Germany and other countries, have developed the theory of the mass society. Both theories say in essence the same thing. They argue that in a large complex society the body of the citizenry is unable to affect the policies of the State. If citizens do not belong to politically relevant *groups*, if they are 'atomized', the controllers of the central power apparatus will completely dominate the society. Translated to the realm of the internal politics of private organizations, this theory suggests that

9. It has been pointed out as well that in small homogenous societies a political democracy often succumbs to the danger of extreme democracy: intolerance of the minority by the majority. The authors of the *Federalist Papers* were well aware of this and pointed out the dangers of a small 'pure' democracy (see *The Federalist*, Modern Library Inc., New York, 1937, pp. 57-9).

democracy is most likely to become institutionalized in organizations whose members form organized or structured subgroups which while maintaining a basic loyalty to the larger organization constitute relatively independent and autonomous centers of power within the organization. Or to put it in another way, democracy is strengthened when members are not only related to the larger organization but are also affiliated with or loyal to subgroups within the organization.¹⁰ Since it is this approach which we have found most useful in understanding the internal political system of the ITU, we will briefly characterize it here.

Democratic rights have developed in societies largely through the struggles of various groups – class, religious, sectional, economic, professional, and so on – against one another and against the group which controls the State. Each interest group may desire to carry out its own will, but if no group is strong enough to gain complete power, the result is the development of tolerance. In large measure the development of the concept of tolerance, of recognition of the rights of groups with whom one disagrees to compete for adherents or power, arose out of conflicts among strong and indestructible groups in different societies. There were a number of processes through which tolerance became legitimate. In some situations groups such as the Catholic and the Protestant churches attempted to destroy the opposing faction, but finally recognized that the complete victory of one group was impossible or could occur only at the risk of destroying the very fabric of society. In these conflicts minority or opposition groups developed a democratic ideology, an insistence on specific minority rights, as a means of legitimating their own right to exist. These groups might then force the dominant power group to grant these rights in order to prevent a revolutionary upsurge or achieve power themselves. For them to reject their own program may then mean a considerable loss of support from adherents who have come to hold the democratic values.

Once democracy is established in a society, private organ-

10. 'The stability of any democracy depends not on imposing a single unitary loyalty and viewpoint but on maintaining conflicting loyalties and viewpoints in a state of tension' (Crossman, 1954, p. 66).

izations continue to play a positive role. These organizations serve as channels of communication among different groups in the population, crystallizing and organizing conflicting interests and opinions. Their existence makes more difficult the triumph of such movements as communism and fascism, for a variety of groups lay claim to the allegiance of the population, reinforcing diversity of belief and helping mobilize such diversity in the political arena.¹¹

11. Calhoun (1947) thought these factors so important he wanted to institutionalize faction by means of the concept *concurrent majority*.

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11 John Hughes

Should Party Systems be Encouraged in Trade Unions? The Case of the British Communist Party

Excerpt from John Hughes, *Trade Union Structure and Government*, Research Paper no. 5, part 2, Royal Commission on Trade Unions and Employers' Associations, HMSO, 1967, pp. 65-74.

156. The examination in an earlier section of union election practice indicated that general prescriptions for the suitability of particular voting systems or election arrangements were not easily formulated. For instance the suitability of the branch as the locale for voting varies with the type of branch structure encountered (e.g. its connection or lack of connection with the place of work). Branch block voting systems, though they may not seem suitable if membership participation is to be stimulated, in the main are encountered in unions which are particularly affected by problems of membership turnover and membership scatter. It could reasonably be argued that some union election systems are unduly restrictive in the scope they give to candidates for such things as election statements and what might be broadly subsumed as electioneering; but no adequate study of this aspect of union elections has been made.

157. There is, however, one school of thought that has argued in broader terms than these about the connection between trade union democracy, the encouragement of membership participation and the conduct of elections. It has been argued that the development of a 'party system' in union affairs, that is of an organized challenge of rival policies and candidates backed by some continuing form of 'party' organization, would be a valuable stimulus to union democracy. Indeed, those who argue in this way often seem to assume that a union government devoid of such a party system is missing some of the essential features of democracy. On the other hand, contrary views have been expressed – essentially these involve anxiety as to the 'disruptive' or 'factional' challenge presented to union government

by the existence of institutionally organized rival groups of members. One outstanding example to which public attention has been drawn is that of the activity of Communist Party members in trade union organizations.

158. These questions appear significant enough to justify some further exploration. The approach, however, can hardly be more than tentative, since neither point of view has been rigorously argued in terms of principle, and analysis of actual experience has either been very restricted or somewhat tendentious.

159. The former position, of advocacy of the introduction of 'party systems', has been particularly found in the USA, particularly through the writing of Lipset. The advocacy does not proceed from any general *justification* of the identification of democratic processes in unions primarily with the existence of organized opposition(s). It is clear that the existence of such an organized struggle becomes used as if it were an index of the extent of democracy. But the identification is merely *asserted* rather than argued. Thus early in their book, *Union Democracy*, Lipset, Trow and Coleman (1956, p. 13) write of 'the question of under what conditions democracy, the institutionalization of opposition, can exist in voluntary organizations'. The closing of the argument merely through persuasive definition is apparent.

160. Lipset, Trow and Coleman (1956, p. 15) go on to suggest that:

democracy is most likely to become institutionalized in organizations whose members form organized or structured subgroups which while maintaining a basic loyalty to the larger organization constitute relatively independent and autonomous centers of power within the organization. Or to put it another way, democracy is strengthened when members are not only related to the larger organization but are also affiliated with or loyal to subgroups within the organization.

But it is by no means clear why such subgroups, in the case of union government, should take the form of 'party' opposition and institutionalized conflict. It is often the case, in British unions, that such subgroups represent the needs and aspirations

of particular industrial or occupational groups within the union (where these do secure representation), or that there may be also considerable autonomy in area or district organization. There is not any general tendency, where this is the case, for the outcome to be a continuing 'opposition' as the expression of such group identity. At least, even if it is true that some part of this subgroup identification represents an 'opposition', it may not be channelled to the government processes of its own union. At least as likely is its external channelling, as an oppositional voice within its sector of employment or possibly in opposition to another union.¹

161. Thus it is by no means clear that one should test the reality of democratic life within the trade unions, by relating such democracy primarily to the existence of organized opposition within the union. The same may be said for the somewhat weaker form which seeks to measure the extent to which the 'iron law of oligarchy'² is modified in a democratic direction by measuring the closeness of election contests.³ The choices

1. Lipset, Trow and Coleman (1956) in fact appear to be both limited and pessimistic in their approach. Thus we are told, 'one of the necessary conditions for a sustained democratic political system in an occupational group is that it be so homogenous that only ideology and not the more potent spur of self-interest divides its members'. This then leaves unresolved the conditions for resolving, within a democratic framework, matters at issue between such homogenous occupational groups - whether within a multi-occupational union or as between different unions within the trade union movement. Yet the developments internally in British unions have in many cases been directed to providing enough internal representation and autonomy to handle even divisions spurred by self-interest, while seeking to maintain some coherence and scope for agreed initiative in the wider quasi-federal union or even in wider federations. The actual practice of British unionism is, then, both more complex - and bolder - than the situation the American research workers were examining.

2. The term is, of course, taken from Roberto Michels's *Political Parties* (1911). It should be remembered that Michels's study is concerned with leadership and power in organizations with a democratic constitution; it is therefore concerned with social democratic parties and trade unions. Although its analysis is primarily centred on the experience of social democratic parties and the examination of trade union government is more intermittent, this brilliant and penetrating book ought to be required reading for any student of the trade unions.

3. Dr J. D. Edelstein, of the University of Northern Illinois, is currently engaged in research into British trade union elections with this theme.

involved in union government do not necessarily require or invite a polarization of views or permanent groupings associated with distinctive policies. It is not difficult to see why an active concern with the 'common interest' may be felt by members of a union and stimulate their participation in the union's government, without the matters of policy and action by the union hinging on the internal challenge of a 'democratic opposition'. The union and its members are likely to be far more conscious of challenge from without. The nature of these external challenges will vary with the type of union; in some cases the basic struggle for recognition and an effective degree of unionization, in others inter-union conflict as well as the continuing argument with employers about wages and conditions. One might add, in this context, that the influence of organized 'parties' within some unions is intimately connected with their 'militant' stance in past industrial struggles, that it is built out of a membership concern with the reality of external challenge to the union and to membership interests. Philip Taft (1954, p. 239) has argued, apropos of his detailed study of the government of many United States unions: 'Mutually warring factions are a luxury most unions cannot afford, and the result is a gradual elimination of open differences and the growth of compromises between influential groups.'⁴

162. A continuing polarization within a union may, however, occur. It is likely to be encouraged by the existence of organized minority groups (which may stimulate counter 'factions') and by a low proportion of participating membership (enabling organized groups to make a disproportionate impact). Typically, a Left-Right polarization is found in these cases. One might add that a further pre-condition for such a pattern is that the constitution of the union should offer elective channels of influence and power that can be the object of continuing con-

4. Among the conclusions of his study are: 'One should not assume that political factionalism in a union is in itself desirable or that its failure to survive on a large scale shows an intrinsic weakness. . . . The attempt to determine the level or intensity of democracy by measuring the frequency of opposition in elections to the chief officers is unsatisfactory. The prestige, acquaintance with the membership and ability of the heads of the union may be that a challenge is not likely to succeed.' See also Taft (1954, p. 64).

test; there is considerable diversity in this respect. The Amalgamated Engineering Union might be taken as an example of a major union that fulfils all these conditions.

163. There seems no obvious way of testing whether such a pattern of internal opposition and challenge on balance helps or hinders the development of the union, the quality of its leadership, the constructiveness of membership participation within it. The existence of an effective alternative *may* act as a stimulant both to membership participation and to the quality of leadership offered. The issues contested *may* involve a challenge to established attitudes and organizational inertia within the union, which may enable it to respond to economic and social changes in its environment or to seize opportunities for organizational growth. In the absence of such an internal challenge the responsiveness of union leadership to new needs and opportunities *may* be inadequate. Thus, it has been argued of the inter-war years, in the case of the General and Municipal Workers 'an old and cautious leadership' ... 'missed several opportunities' which could if taken have made them 'far and away the greatest union in the country', but instead reorganization 'came only after they had disappeared'.⁵ But, on the other hand, it cannot be assumed that internal opposition will seize upon the issues that are directly relevant to the development of the union or that the existence of different organized groups will encourage institutional change.

164. One might, in examining 'party' opposition in unions in practice, distinguish between union structures that are federal in character or involve a number of channels of participation in union government, as compared with those that are more obviously centralized. In the latter case, the organized group that wins the major elective offices may then concentrate on consolidating its grasp on power; the effectiveness of the 'oppo-

5. Clegg (1954, p. 208). The author goes on to say that 'this is in the past' and 'can have no effect on the verdict which is passed on the union and its policies today'. But is he then arguing that the inter-war experience was *unrelated* to the General and Municipal's system of government? For as the structure and constitution are largely unchanged from that operating in the inter-war years (and with it, the dominant role played by its full-time officers in union government) might 'the past' not recur?

sition' may decline, particularly if there are long intervals between periodic elections for major office. In the former case, there may be a different balance of forces in different parts of the union structure. One has the impression that in the AEU where this applies, this means that the leading elected officers become dominated by concern at the internal power struggle.⁶ In the case of the National Union of Mineworkers there have been marked differences on industrial and wider policy issues as between the areas (particularly linked with communist control in Scotland and Wales). This may well have inhibited the development of the national union, e.g. of the functions and services provided by the national headquarters. Both Left and Right leadership at area level may have been reluctant to see the enhancement of the role of national headquarters when it was uncertain in which direction such influence might in the future be pushed; at the same time 'party' polarization of views has been present as between the national officers. This may well have reinforced the long established forces of area autonomy in restricting the emergence of a national union.⁷ It can hardly be said that experience offers clear guide lines as to the desirability of a measure of institutionalized opposition within British unions. Sharply differing outlooks on industrial matters and wider policy questions at issue within the trade unions is, however, one factor among others hindering union amalgamations and inter-union agreements. It might be argued that 'party' organization in various unions accentuates this problem. Moreover, a 'party' that has a substantial influence in a particular union might not wish to see it diluted by a process of amalgamation.

165. It should not be thought that the contest of organized 'parties' within the trade unions provides the only, or even the main, pattern of internal challenge and choice. So far as local

6. Note for instance the tone of the report and comments in the *AEU Journal*, July 1966, on a conference sponsored by a Left journal, *Engineering Voice*.

7. Thus the NUM as a national union has for many years failed to develop a journal, despite conference resolutions, though the more Left areas succeed in running their own journals. Individual areas devote more resources to education and to safety than does the national union.

union government is concerned, there is a good deal of turnover of local officers both through movement or resignation and through contested elections. As Taft (1954, p. 241) says of American unions:

In terms of opposition to officers in elections, unions carry on a very active life on the local level. The problem is not to suppress opinion but rather to make the members sufficiently and steadily interested in the affairs of the union.

Even here, though, we should not seek to deny the representativeness of local officers where their position is not contested; they may be none the less representative for having 'emerged' as 'natural' leaders of a local work group.

166. What may also be of considerable importance in influencing the closeness of electoral contests, or the choice of representative that emerges, is the existence of district alignments and alliances. So far as elections to part-time office are concerned, voting alliances of branches – especially large branches – within an electoral area are familiar. For instance, voting alliances of activists in different divisions of the British Iron, Steel and Kindred Trades Alliance – through informal contacts between different joint committees of branches – have been concerned to secure the representation of the divisions concerned, rather than representing policy platforms. There may also be an effective choice in elections for national full-time officers, even in the absence of organized 'parties', especially where the functional division of labour within the full-time staff has produced influential 'national industrial' officers as well as powerful 'regional' (or district) officers.

The Communist Party and the trade unions

167. The work of the Communist Party in the trade unions has perhaps roused the sharpest comment on the place of 'party' systems in union government. Here what is involved is not only the coordinated activity of like-minded members within a trade union, but the linkage that is involved with a party that is organizationally distinct from the trade unions. The TUC, in its evidence to the Royal Commission, without referring to the Communist Party, as such, puts the point in this general form:

Influence from outside the trade union movement cannot readily be controlled. . . . The problem really causes concern only when there is concerted influence by outside bodies which join with a group within a union, whose primary loyalty is to the outside body.

168. This is a subject on which there is little likelihood of establishing an area of agreement, even as to the vocabulary to be used in describing the situation, let alone as to the facts or principles involved. B. C. Roberts (1956, pp. 257–8) quotes but does not share

the belief held by many trade unionists that the Communists fulfil the role of a 'ginger group' and by their ubiquitous activities . . . check any tendency, to which the unions may be prone, to lapse into a complacent, rigid bureaucracy.

Instead, he argues that the prevention of communists holding office by rule

may be claimed to be a necessary method of protecting union democracy from organized exploitation. . . . Communists are not a genuine opposition in the sense that this term is used to define a constituent element of the democratic process, for they do not accept the tenets of democracy at all, but rather seek power . . . to abolish democracy both in the State and the unions.

Similarly Mr Eric Wigham in his *What's Wrong with the Unions?* (1961) presents an embattled⁸ account of what he calls a 'bitter and unceasing' struggle for power in the trade unions in the post-war years. 'They are constantly spreading and prolonging strikes, and advocating unreasonable wage demands'.⁹ The Communist Party, for its part, in its recent policy statements on trade unionism is studiously moderate and constructive in tone.¹⁰ It advocates strengthening the union finances and rationalization of structure through amalgamations, but pro-

8. 'The communist offensive has been halted and they have been forced back on important sections of the front' (Wigham, 1961, p. 129).

9. And, 'Their primary concern is to forward the interests not of the members, except possibly in a vague long-term sort of way, but of the Soviet Union.'

10. The *Memorandum of the Communist Party to the Royal Commission on Trade Unions and Employers' Associations* and the *Resolution: The Future of Trade Unionism* adopted by the 1963 Party Congress. The quotations that follow in the text are from the Report of the latter.

viding 'adequate expression for all trade interests within the union'. It supports periodic election of officials, annual or biennial conferences as the supreme authority of the union¹¹ and 'adequate safeguards against malpractices' in the electoral machinery.¹² Understandably, the Communist Party believes 'there should be no bans of a political or religious character on members standing for office. As to the work of the Communist Party in the trade unions, they have this to say:

The socialist parties in Britain have always worked in the unions . . . bringing most of the union members to an understanding that it was necessary to come into politics to defend the interests of the working class. Trade union members who are communists seek to win the union membership to support a progressive economic, political and social policy, and to secure its adoption by the unions. The communists repudiate the slander that they seek to win posts under false pretences and to manipulate union committees. The Communist Party declared that the ballot rigging activities in the ETU were a complete violation of the principles on which communists have worked in the unions for over forty years.

169. Historically, the main basis of communist influence in the trade unions has been the connection of industrial militancy with some version of socialist ideology. It is not unique in this respect, nor should one overstress (at least in recent years) the revolutionary character of the perspective of social and economic change it foresees.¹³ This does not mean, however, that

11. It is interesting to note that during the period in which communists controlled the Electrical Trades Union no attempt was made to strengthen the constitutional position of the union's conference whose policy determination constituted no more than a 'recommendation' to the Executive Council (ETU 1958 Rules, rule 19).

12. Of course, the Communist Party was seeking to dissociate itself from the ballot rigging by communist leaders in the ETU. Rather surprisingly, the CP goes on to attack branch block voting as 'a widespread abuse' that should be abandoned; communists in the Union of Shop, Distributive and Allied Workers please note.

13. The programme, *The British Road to Socialism*, shows more accommodation to British realities than earlier ones and is almost to be subsumed under the 'gradualist' strand in British socialism. There are many sectarian groups in Britain that are more revolutionary in phraseology; they are nearer to anarcho-syndicalism (a recurring strand in British labour history) than to the somewhat dogmatic and tired Marxism of the CP.

there are not special features attaching to its mode of operation.

170. The influence that communists have achieved can be analysed under three main heads.¹⁴ They have achieved a measure of power in British unions 'where they were able to identify themselves with historical - and often local - militancies specific to particular industries. This has been so in the mines'. South Wales, Glasgow, the North-East and factory trades in North London spring to mind as relevant areas of local militancy. As Turner says, the period of communist control of the ETU was 'the one case in which communists were able to exploit an association with the engineering industries' tradition of shop steward militancy to the critical point of capturing the key union offices'. Secondly, in open unions with low participation of members, an organized fraction can provide:

a ready-made leadership for the occasional demonstration of rank-and-file-protest . . . Once both publicity and a platform have thus been secured, the low participation of members in union elections only facilitates the capture of union office by fraction methods.

Thus in the early post-war years, the Transport and General Workers' Union had a sizeable communist group on its own EC and several communists had been appointed to full-time posts. The General Council of the TUC in 1948-9 opened a sharp campaign against communist methods and objectives in the trade unions: in 1949 the TGWU adopted a rule making Communist Party members ineligible to hold any office within the union.¹⁵

171. Thirdly, Turner suggests, the limited scope provided by some union structures for internal opposition of a radical kind, and increased control by central union executives, turned opponents of official policy outwards 'to the accessible inter-union bodies':

The trades council, like the joint shop-stewards' committees in several industries, thus provided a natural platform for radical and

14. I am here following the analysis by Turner (1962); subsequent quotations in the text come from pp. 316-19 of that book.

15. TGWU Rules, schedule 1, clause 2. The ETU after its experience also excludes Communist Party members from holding office: ETU Rules, rule 9, clause 3 (f).

'militant' criticism of official union policy and one from which would-be rivals to established leaders could advertise themselves. . . . For organized oppositionist fractions the joint shop-stewards' committees at the work-place and the trades councils in the locality could be seen as offering the basis of an alternative system of labour organization to that of the national unions, cutting across the latter's structure and particularly adapted to mobilize class, rather than sectional, labour sentiment.

Over the years, the TUC – to whom trades councils are local 'agents' of the TUC – has intervened to limit communist activities in the trades councils. Recognition has been withdrawn from councils under communist influence (as with London and Glasgow) and the councils reorganized. So far as joint organizations of stewards are concerned, one has to recognize that the structural disarray of trade unionism in many firms and industries has created a need for coordination of the workers involved that has not necessarily been fully met by 'official' union and federal structures. Some distinction between types of joint shop-steward organization is required.

172. Both the TUC's inquiry into workshop representation 1960 (*Annual Report*, 1960, esp. pp. 128–30) and its evidence to the Royal Commission on the subject (paras. 411–16) which is virtually identical, attempt classification into three types of joint organizations of stewards. Firstly, the joint committee of stewards from several unions in one place of work; as the TUC says this is 'the most longstanding and the most numerous . . . almost as widespread as workshop representation itself'. The problems occurring here are those involved in fitting the need for coordination at plant level into union and negotiation structures. Secondly the TUC identifies 'organizations linking a number of joint committees either from several factories under the same ownership . . . or throughout an industry'. In 1960 the TUC said of these arrangements: 'Whatever the motive of those primarily responsible for the second type the effect is often a challenge to established union arrangements.' For some reason, which it has not identified, the wording has been changed in the TUC's evidence to the Royal Commission to 'they always present a challenge'. But it would be difficult to sustain the latter position. 'Combine committees' meet a need felt by many shop

stewards in multi-union multi-plant firms. The more the industrial structure shifts towards large multi-plant firms, the more likely it is that these committees will develop. McCarthy (1966, esp. paras. 84–8) has dealt at some length with these committees. It may be true that such committees 'serve as targets for extremist groups', but it may also be true that in so far as communists in the trade unions have been among those taking the initiative in developing such committees they are bridging a real gap in union structure. The challenge is really to 'official' union and inter-union arrangements to meet the need that such combine committees point to and to service the stewards of a combine with relevant and accurate information.¹⁶

173. On the other hand, the industry-wide joint organization of stewards directly challenges the policy-making functions of unions. They are more nearly analogous to the third type of joint organization described by the TUC as 'attempts to form a national centre or to call national conferences of stewards irrespective of the industry in which they work' and which 'aim to usurp the policy-making functions of unions or federations'.¹⁷ The Communist Party is not alone in its interests in such initiatives, which perhaps explains the general phrasing of the TUC's comment, 'for some years it has been a policy of disruptive political bodies to try and form national organizations of stewards'.¹⁸ Here again, one has to ask whether the facilities available through union channels and federations provide adequate coordination of information and other services on an industry-wide basis to shop stewards. If the needs are real

16. McCarthy (1966, para. 86) points out that combine meetings may become 'repositories of rumour . . . disastrous decisions have been taken on the basis of such misinformation'. Some of the shop-steward joint committees get a measure of servicing through affiliation to the Labour Research Department. At end 1965 there were 216 shop-stewards' committees affiliated to LRD, whose report does not however specify how many were combine committees; nearly half the inquiries dealt with by LRD were about companies, directors and company profits.

17. The TUC considered 'participation' in them 'contrary to the obligations of union membership' (*Annual Report*, 1960, p. 1).

18. McCarthy (1966, p. 54, no. 2): 'It would be true to say that in the great majority of cases these national committees were front organizations, for the most part organized by members of the Communist Party.'

and readily identifiable, if 'cases of muddle ... and even conflict have arisen through these bodies acting as though they were independent of union obligations' and if the TUC is concerned at the initiative of 'disruptive political bodies' within them, then there is not much doubt as to the nature of the positive response called for from the 'official' trade unions and federations.

174. Some account has been given of the areas of trade union activity where communist influence has been felt. Aims and methods would also seem relevant. The question of aims is partly a matter of a relatively orthodox (in terms of the British socialist tradition) demand for public ownership and socialist solutions, partly a stress on 'defence' of working-class conditions in ways that will help to strengthen 'solidarity' and a sense of class identity and interest. This has, on the whole, meant that the Communist Party has been interested in developments and policy questions at industry level, and has been interested in trade union organization and its relation to industry. This has involved them in analyses and policy 'platforms' on industrial matters, often rudimentary, sometimes more distinguished.¹⁹ It has also influenced their organizational approach to work within the trade unions, through 'industrial committees' of the Communist Party. There is some reason, then, to suggest that the Communist Party has played a part in opposing narrowly sectional views of the work of the trade unions. It can hardly be said, however, that this positive interest in the wider responsibilities of the trade unions extends in practice to the national coordination of trade union policy and initiative through the TUC; the attitude to a wider participation of the trade unions in the planning and other representative agencies of the 'managed' economy has been largely negative.²⁰

19. As an example of a total departure from reality, a mid-1965 CP publication, *A Future for Miners*, called for the government to guarantee an expansion of coal output to 250 million tons by 1970. This might be contrasted with the principled persistence of the Communist Party in supporting day wage systems in that industry against piece-rate systems, an objective that has been largely achieved.

20. In their 1963 Resolution they opposed TUC participation in the National Economic Development Council. Their evidence to the Royal

175. The other specific feature of communist activity that calls for comment is the degree of disciplined and combined initiative by communists in the trade unions that maximizes the impact of their 'fraction' methods inside union organizations. One must dismiss the crude approach that would talk of communist 'infiltration'; a trade union is something that people join not infiltrate, but in any case it is more likely to be active 'militant' trade unionists that join the Communist Party (especially in the factory trades), rather than communist non-unionists who join trade unions. The distinguished service to the trade unions of many individual communists is not in doubt either. The problem of principle involved in organized communist activity in the unions might be put this way. The CP in its own internal functioning works within a system of 'democratic centralism'. *Inter alia*, it completely denies any role to internal opposition groups:

A faction is a grouping of Party members outside the recognized organization of the Party for the purpose of carrying on inner Party struggle. We completely reject such a proposal [i.e. that such factions should be permitted].²¹

Yet this is an exact enough definition of their own attempts at organized group pressure within the trade unions.²² If the Communist Party want to argue in terms of 'principle' their unrestricted right to operate in this way in the trade unions, they have to justify their simultaneous denial of such a right to communists within the Communist Party. This would require them to argue the non-applicability of any of the 'democratic centralist' arguments involved to any trade union at any time.

176. The conclusion of this survey of the issues involved in the activities of one organized (generally minority) group within the trade unions can only be tentative and somewhat negative. The impact of the Communist Party (and its forerunners) over

Commission neglects the TUC and the coordinated action of the trade unions, but includes a critique of the incomes policy.

21. Communist Party (1957, p. 32). A critical 'minority report' is also printed in this document, which is in that respect unique in the literature of the British Communist Party.

22. Not least in putting forward or backing a single candidate in union elections.

more than two generations on the history and development of British trade unions is not to be assessed in black and white terms. Communist Party 'servicing' of its members, in the sense of provision of information, education and training, has often been relatively efficient where much union servicing in the past has been deficient. This, and the continuing ability of the Communist Party to lose members, has had an influence on trade union activity rather wider than its membership might indicate.

177. Several unions have chosen to build their own defences against its organized activities; the TUC has exerted itself over trades councils. There appears no case for intervention from outside and no sure ground of principle on which it could proceed. Some union rule books discriminate against Communist Party members so far as office holding is concerned; but if membership opinion changes on this question, then revision of rules can occur. It hardly appears appropriate for an outside agency to impose rules on this matter – in either direction. Can complete political non-discrimination be imposed on, say, the ETU after its particular experience of communist office holders? Or how could one argue for the extension of anti-communist discrimination to other unions which have shown no desire to use it, or actively oppose such discrimination.²³

178. It must so far be taken as unproven, therefore, that there exists any clear case for arguing the virtues of a deliberate extension of 'party systems' and institutionalized conflict within trade unions, as an aid to efficient government and a necessary stimulus to membership participation. The prominent part played by the Communist Party in many of the 'party' systems that do exist within unions must certainly discourage many would-be 'institutionalized conflict' democrats from pursuing this approach.

23. In the United States the American Federation of Labor/Congress of Industrial Organizations has elevated such discrimination to an 'ethical principle' (to be found in Code 3 of the *AFL-CIO Codes of Ethical Practices*). In Britain, currently, most unions are so far from this attitude that the TUC in its evidence to the Royal Commission on relevant aspects of this subject couched its remarks in such general terms as to avoid any explicit reference to the Communist Party at all.

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12 Roderick Martin

Union Democracy: An Explanatory Framework¹

Excerpt from Roderick Martin, 'Union democracy: an explanatory framework', *Sociology*, vol. 2, 1968, pp. 205-20.

Introduction

Concern with the impact of bureaucratization upon the prospects for internal democracy in representative institutions, particularly trade unions, has been a prominent strain in sociological analysis since Roberto Michels's *Political Parties* (1911) first appeared in English in 1915.² His aphorism 'who says organization says oligarchy' has become a sociological commonplace. Yet, despite Michels and his pessimistic followers, democratic ideology and even democratic practice survive. The present paper provides an explanatory framework for the varying degrees to which British trade unions conform to Michels's pattern of bureaucratized oligarchy.

The framework comprises a classification of constraints inhibiting union executives from destroying internal opposition, together with tentative hypotheses to explain their operation. The hypotheses developed are derived mainly from a detailed comparative study of the Amalgamated Engineering Union (AEU) and the National Union of Railwaymen (NUR), and represent a first skirmish with the complexities of the problem, not its final conquest. Further empirical investigations will modify, and may refute, some of them. Despite this the 'constraint' approach is presented as the most appropriate approach to the study of union politics and the most likely to lead eventually to an adequate theory of union democracy.

1. I am grateful to Mr S. M. Lukes, Mr A. H. Halsey, Professor J. D. Edelstein and especially Mr A. Fox for their comments on an earlier draft of this paper.

2. Early works based upon his approach include Burnham (1943) and Kopalid (1924).

In his comparative study of British trade union government V. L. Allen (1954) uses a 'weak' definition of union democracy, in terms of presumed leadership responsiveness to rank-and-file opinion. Unions are instrumental collectivities, established to protect and improve the living standards of their members; the only criterion of leadership effectiveness relevant for their members, (and by implication for the investigator), is the extent to which they achieve this end.³ Autocratic union leaders are democratic in so far as they represent the economic interests of their members *vis-à-vis* the employers. Lack of democracy consists in failure to represent these interests and is reflected in declining membership, not electoral defeat. Union elections are unimportant because incumbent office-holders can always secure their re-election 'given rank-and-file indifference' (Allen, 1954, p. 63).

This definition and the subsequent analysis have serious inadequacies. It is impossible to assess the responsiveness of union leaders to their constituents except through the electoral process, for elections provide the only means of discovering majority opinion. Few British trade unions continue to use the referendum and, where they do, executive control of question formulation makes it into a tool for legitimating executive policy (Allen, 1954, pp. 103-8). The assumption that union membership fluctuates with the level of membership satisfaction with leadership performance is manifestly false. Union membership is not a purely voluntary action, like membership of a sports club; the closed shop and the apprenticeship system seriously inhibit the union member's freedom to resign, whilst the 'Bridlington Principles' seriously restrict transfers.⁴ Furthermore, union membership declines gradually rather than catastrophically and it is unjustifiable to assume that the de-

3. '... trade union organization is not based on theoretical concepts prior to it, that is on some concept of democracy, but on the end it serves. In other words, the end of trade union activity is to protect and improve the general living standards of its members and not to provide workers with an exercise in self-government' (Allen, 1954, p. 15).

4. As Allen himself recognizes; but instead of analysing the consequences of this fact he resorts to a normative plea for legal restrictions on compulsory union membership (Allen, 1954, p. 64). For the Bridlington Agreement and the limitation on transfers, see Lerner (1961).

fection of a minority at any one time indicates majority dissatisfaction. Changes in the level of union membership are due to a complex of factors, including the general level of prosperity, the responsiveness of the leadership to *minority* interests, the growth or contraction of the industry covered, union and group sanctions, etc.⁵ Finally, there have been occasions when union membership has actually increased despite membership dissatisfaction expressed through successful anti-executive conference resolutions.⁶

The merits of alternative definitions of union democracy are not discussed in Lipset, Trow and Coleman's classic study of the International Typographical Union, *Union Democracy* (1956); definitions are only mentioned in parentheses.⁷ Thus, union democracy is defined as 'the institutionalization of opposition' (p. 13) and as 'the possibility that an official can be defeated for re-election' (p. 404) – although the two factors are not necessarily related, opposition can be institutionalized without ever achieving office, whilst office holders can be defeated without the institutionalization of opposition. However, the definition implicit throughout the study is the institutionalization of opposition, preferably with a minimum turnover in union officials. The study relates the institutionalization of opposition to the nature of the occupation, the structure of the union, etc.

Although their substantive analysis cannot be faulted, their initial definition of union democracy is unsatisfactory. A definition which involves the classification of trade unions into the International Typographical Union and the rest is of limited usefulness. Moreover, the assumption that union politics can be analysed in terms of the two-party system of twentieth-century parliamentary democracy fails to do justice to the complexity

5. See the table of textile union membership in Turner (1962, p. 125; also p. 300).

6. For example, during the period of wage restraint 1948–50. The Annual Conference of the Union of Shop, Distributive and Allied Workers early in 1950 repudiated its Executive's support for wage restraint, presumably indicating membership dissatisfaction. Despite this, USDAW's membership increased between 1949 and 1950 (Corina, 1961; TUC *Annual Reports*, 1949, 1950).

7. The section on the theory of democracy (Lipset, Trow and Coleman, 1956, pp. 13–16) does not include a definition.

of reality; as Mark Perlman (1962, p. 100) noted in his study of the International Association of Machinists, it is 'too mechanical, too insensitive to environmental problems'. Parliamentary terms require substantial modification before being applied to union politics. Instead of government and opposition, the opposition forming an alternative government, a permanent executive is usually faced by a very small, uninstitutionalized opposition, seeking to mobilize a large enough segment of the indifferent majority to influence the leadership in a certain direction or to infiltrate into it. The government disregards, conciliates or attempts to divide the opposition by taking its ablest members into the government. There is no union equivalent to the parliamentary electoral pendulum.

To avoid the difficulties posed by either definition, the present paper returns to an older, less precise conceptualization. 'The status of the opposition' is the distinguishing characteristic of democracy; democracy exists where organized opposition is tolerated, totalitarianism where it is not. Similarly with trade unions. Union democracy exists when union executives are unable to prevent opposition factions distributing propaganda and mobilizing electoral support.⁸ It does not require that opposition should be institutionalized, nor that it should be democratic (in practice opposition groups usually vie with the executive in manipulating the indifferent majority) – merely that it should survive as a recognized form of political activity. The survival of faction limits executive ability to disregard rank-and-file opinion by providing the *potential* means for its overthrow (although the potential is rarely realized). Faction is

8. Howe and Widick quoted in Berger, Abel and Page (1954, p. 122): 'There is one decisive proof of democracy in a union (or any institution): oppositionists have the right to organize freely into 'parties', to set up factional machines, to circulate publicity and to propagandize among the members. . . . The presence of an opposition . . . is the best way of insuring that a union's democratic structure will be preserved. . . . To defend the right of factions to exist is not at all to applaud this or that faction. But this is the overhead . . . of democracy. . . . The alternative is dictatorship.'

The term 'faction' is used to designate comparatively unstructured conflict groups, whose membership fluctuates according to the issues in dispute. This usage accords with the characterization of faction in Nicholas (1965, esp. pp. 44–6). It differs from Pocock's (1957, p. 296) usage in emphasizing the positive role of faction in the functioning of the whole.

an indispensable sanction against leadership failure to respond to membership opinion. Occasionally opposition factions will influence union leaders in a particular direction, occasionally they will defeat official candidates (and sometimes see their candidates assume official attitudes). But democracy can survive even if neither condition is met.

This view does not deny that faction can be dysfunctional; the disclosure of internal divisions may harm a union's bargaining position. But the view that public disagreement is necessarily damaging accepts the leadership perspective too readily. Faction is the life blood of democracy, not simply 'a luxury most unions cannot afford' (Taft, 1954, pp. 239-40). Behind the scenes compromises between influential groups on policy and personnel questions provide a better foundation for oligarchy than democracy.

What determines the status of union opposition? A step towards understanding the determinants of effective opposition has been taken in Edelstein (1967, esp. pp. 22-3). His elaborate theory specifies the characteristics of the formal structure of union government likely to create conditions of equality between incumbent and opposition candidates in union elections; the effectiveness of opposition, and thus the degree of union democracy, is measured by the frequency with which incumbent candidates are defeated and the closeness of the voting. Democracy is most likely when the formal political structure facilitates the emergence of a small number of powerful candidates instead of a large number of weak ones.

Although the model may be appropriate, the measure is inadequate. Overwhelming leadership victories may be due to effectiveness in carrying out the wishes of the majority of union members, not to the lack of union democracy. Close election results and a high turnover in union officials are as likely to indicate incompetence as internal democracy. Indeed, a high turnover in union officials may indicate lack of leadership responsiveness to majority opinion, since removal from office is the ultimate sanction on executive disregard for membership opinion. Electoral rejection signifies the inadequacy of less drastic sanctions. Moreover, although Edelstein is right to em-

phasize formal organization and particularly the distribution of power between national district and local bodies, an organizational theory of union democracy is sociologically inadequate. It may provide a basis for prediction, but not for explanation. Formal organization is a dependent, not an independent variable, reflecting, *inter alia*, the union's history, membership spread (past, present and future), collective bargaining position and functional needs. An adequate theory of union democracy requires the integration of organizational variables into a wider conceptual framework.

The framework presented here focuses on the constraints upon union leaders to tolerate faction. It assumes that union leaders will not tolerate faction unless constrained to do so, since the existence of any opposition limits the range of alternative choices open. Although this is a logical not an empirical assumption, it is a justifiable one; most union leaders regard opposition as an aid to the economic enemy. The construction of a theory of union democracy, therefore, involves the classification of these constraints, and if possible their integration into a comprehensive theory.

Although the range of constraints upon union leaders is extremely wide and their relative importance varies from union to union, and possibly even from official to official, a preliminary attempt at classification is possible. Constraints can be classified into twelve categories: political culture; government attitudes and behaviour; pattern of membership distribution, past, present and future; industrial setting, including the degree of ownership concentration, and the collective bargaining system; economic environment; technology and rate of technological change; source of union bargaining power; membership characteristics; membership beliefs; opposition expertise and resources; leadership beliefs; and union structure. Each factor affects the chances for union democracy by increasing or reducing the executive's ability to destroy opposition.

Political culture (Beer and Ulam, 1962, pp. 32-42)

The political culture – the complex of values, beliefs and emotional attitudes surrounding political institutions – acts as a constraint upon union leaders directly, and indirectly through

its influence upon membership beliefs about the legitimacy of particular political practices. A political culture emphasizing democratic values, including responsiveness to majority opinion, toleration of opposition and individual freedom, will obviously exert pressure upon union leaders to act accordingly both directly and indirectly by moulding membership expectations of the role behaviour of leaders. The British political culture, with its negative evaluation of expulsion and ballot rigging as political tactics, will influence union leaders to refrain from using them even when they may seem to provide the most effective means of defeating opposition. The furore created by the electoral malpractices in the Electrical Trades Union between 1955 and 1960 indicates the reality of this constraint.⁹ Similarly, an authoritarian political culture, emphasizing obedience, the subordination of the individual to the group and the duty of private organizations to the State, will exercise a different constraint.

Government attitudes and behaviour

Government attitudes and behaviour have a dual impact upon the democratic potential of trade unions. On the one hand, government pressure for restraint during periods of war or economic crisis can create a division between the leadership and the rank-and-file, leading to the emergence of 'irresponsible' opposition groups, as in the Engineers and the Miners' Federation during the First World War. In this situation factional conflict, and thus democracy, is likely. On the other hand, the increasing scope of government influence, particularly its concern to limit wage inflation and maintain satisfactory working conditions, increases pressure for centralization and bureaucratization, and hence the power of the executive. Union executives need authority and expert advice in negotiations with central government; both involve an increase in executive power.

Membership distribution

The distribution of union membership (past, present and future) conditions the likely pattern of economic interest group conflict between members and thus the likely form of anti-

9. For an account of the ETU trial, see Rolph (1962).

leadership groupings, and largely determines union structure. In general, 'the more homogenous the interests of the members of the union, the greater chances for democracy', because economic conflict between union members reduces the likelihood of anti-leadership alliances, and thus reduces the threat opposition poses for the leadership (Lipset, Trow and Coleman, p. 414). However, the general statement requires elaboration. The basis of cleavage and the pressures making for bureaucratization, and consequently the democratic potential, vary between different types of unions.

In craft unions, like the AEU before the Second World War, occupational homogeneity and industrial heterogeneity provide a basis for both consensus and cleavage. Occupational solidarity, compounded of occupational interests, tradition and consciousness of difference from industrial workmates, provides a basis for consensus, whilst industrial differences provide a basis for cleavage. The destructive potential of cleavage is limited by the fact that wage conflict, reflecting knowledge of earnings differentials and wage reference groups, is more likely to be intra-industry than intra-union.¹⁰ Industrial unions, with industrial homogeneity and occupational heterogeneity are less likely to be democratic, for wage rivalry is likely to be intra-union, inhibiting anti-leadership alliances and allowing the executive to play interest groups off against each other.

The impact of membership spread upon bureaucratization similarly varies between different types of unions. Bureaucratization is most highly developed in general unions with a diverse semi-skilled and unskilled membership, like the National Union of General and Municipal Workers. In unions like the NUGMW the lack of common interest between different groups of members and the unsuitability of settling particular industrial problems at annual representative conferences increases the power of the full-time officials as the only unifying element. The significance of this factor is reduced in craft and industrial unions (Clegg, 1954, p. 342).

10. For 'compulsive comparison' in the motor industry, see Turner, Clack and Roberts (1967, esp. pp. 142-3). For a general statement of the utility of reference group theory to the analysis of wage comparisons, see Lipset and Trow (1957, esp. pp. 396-7).

Industrial environment

The degree of ownership concentration, the level of cooperation between employers, the range of products and product markets, and the collective bargaining system all exert pressure for centralization and bureaucratization, and thus oligarchy. Concentrated ownership, cooperation between employers and a limited range of products and product markets all exert pressure for centralized collective bargaining and national regulation, strengthening the position of the executive and reducing democratic potential. All are features of the railways industry. Similarly, dispersed ownership, rivalry between employers and a wide range of products and product markets, all characteristics of the engineering industry, minimize the pressures for national regulation and increase democratic potential.¹¹ The final relevant factor in the industrial environment is the attitude of the employers; employer hostility places a premium upon internal solidarity, lowering the constraints upon executive repression of opposition. (Indeed, external hostility as well as historical inevitability contributed to the development of oligarchic tendencies within the German Social Democratic Party analysed in Michels's classic account.)

Economic environment

The economic situation in the industry or industries covered by the union exercises a dual constraint, on the readiness of the executive to tolerate opposition and on the likelihood of the indifferent majority's listening to the proposals of opposition factions. The constraints work in opposite directions. Other things being equal, during prosperity or in a prosperous industry, the executive will be able to afford to tolerate opposition, but the impetus to oppose will be weak because discontent will be limited. Factional fights may be frequent, but manageable. During depression, executive ability to insist upon solidarity will increase, but the appeal of opposition will be greater.

11. For a fuller general discussion of the relation between factors in the industrial environment and union democracy, see Lipset (1954, pp. 83-7); for the influence of external pressures on the government of the United Automobile Workers, see Steiber (1962). For a detailed discussion of the factors influencing the development of one unofficial movement in the railway and engineering industries in Britain, see Martin (1964).

Technology

Both the content of the industrial technology and the rate of technological change affect the potential for union democracy. Directly, the level of technology conditions the work setting and the work flow, the level of interaction possible between union members on the job and consequently the opportunities for the evaluation of union personalities and policies.¹² A 'craft' technology (as in printing), with a discontinuous work flow and ample opportunity for face-to-face contact between union members, provides opportunities for the creation of unofficial solidarity and for political discussion which a 'machine' technology does not.¹³ The rate of technological change, independent of its content, increases or diminishes the chances that the executive will fall out of step with the rank-and-file. The faster the rate of technological change, the greater the likelihood of conflict between the executive and the membership (or within either group) and the greater the potential for democracy. Under pressure from the employers or the government the executive may prove too sympathetic to change; or under the domination of old-established power groups the executive may respond too slowly. Either increases the potential for faction.

Source of bargaining power

The source of union bargaining power, mass or workshop, affects the potential for opposition directly, by determining the distribution of power between the executive and substructural groups, and indirectly through the likelihood of unofficial stoppages and the emergence of anti-leadership groups based on unofficial direct action. Mass bargaining power, as in general unions like the NUGMW, is likely to produce a strong executive, workshop bargaining power, as in the AEU, a weak executive.¹⁴ In the AEU the constraint exerted by workshop bargaining is increased by the institutional separation between

12. For the significance of the level of interaction between union members, see Raphael (1965).

13. For 'craft' and 'machine' technology, see Blauner (1964).

14. In the International Association of Machinists the bargaining rights and powers of the local lodge underpin the diffusion of power between the executive and the rank-and-file (Perlman, 1962, p. 102).

the union structure and the workshop, and the consequent creation of an independent power base for the shop stewards. Moreover, workshop power increases the likelihood of unofficial stoppages, as in the car industry, by rendering executive support superfluous (Turner, Clack and Roberts, 1967, ch. 7). The importance of this constraint varies with the level of unemployment; high unemployment reduces workshop power, the feasibility of unofficial action and thus opposition.¹⁵

Membership characteristics

Membership characteristics affect the potential for union democracy directly in so far as they include specific political skills, and indirectly through their impact upon the level of membership participation (Lipset, Trow and Coleman, 1956, pp. 415-16). Directly the educational level of the membership determines the level of literacy, the probability of members possessing verbal skills and thus the differential ability of officials and rank-and-file to utilize the union political system. The more educated the membership, the lower the differential and the greater the constraint on the executive. Indirectly, membership characteristics influence democratic potential through their effect upon the level of membership participation; although a low level of membership participation does not necessarily indicate the absence of democracy,¹⁶ a high level is likely to provide a firmer basis for opposition than a low level. Membership participation is related to the following membership characteristics: the degree of informal association on or off the job; the degree of isolation from non-members (by work schedule, physical isolation or status marginality); the number of role relationships between members; the degree of identification with the occupation and the union; and the number of functions performed by the union.

15. As one opposition faction member said in 1921: 'A powerful shop-steward movement can and only does exist in given objective conditions. . . . How can you build factory organizations in empty and depleted workshops, while you have a great reservoir of unemployed workers?' (quoted in Martin, 1964, p. 49).

16. Hence the irrelevance of Goldstein's (1952) documentation of membership apathy.

Membership beliefs

Membership beliefs constrain the executive directly, where they concern the legitimacy of particular political practices, and indirectly, by limited executive interference in particular areas. Membership beliefs about the legitimate degree of executive interference with branch autonomy reduce executive ability to root out opposition. In the AEU for example, executive attempts to prevent the use of the Branch Local Purposes for affiliation fees to unofficial movements were successfully resisted in 1926 as an infringement of branch prerogatives. Similarly, membership beliefs regarding craft 'custom and practice' circumscribe executive freedom of action and provide a 'Sacred Books' basis for resistance to executive initiatives, as in the National Society of Operative Printers and Assistants at the present time.

Opposition expertise and resources

The level of opposition political expertise is determined by five factors: the number of former union leaders still active within the union; the number of politically experienced lay members; their level of education; their material resources; and their ideological commitment.

Lipset, Trow and Coleman relate the likelihood of former union leaders returning to the rank-and-file to the status of the occupation and to the chances of maintaining the status of union leader. However, the extremely low turnover in union leaders reduces the importance of this factor. When full-time union officials do leave office they either retire completely, enter another branch of the labour movement or go over to the other side. Moreover, few unionized occupations are likely to attract former union leaders on status or financial grounds; union leaders would return out of solidarity, habit or not at all. A more important determinant of the level of opposition political expertise is the number of politically experienced rank-and-file members, training either within the Labour or Communist Parties or within the union itself. The limited transferability of political skills, and the reluctance of Labour or Communist Parties to allow able activists to drop out (sometimes counter-balanced by the communist desire to infiltrate), increases the

importance of intra-union training. Hence, the number of responsible posts open to rank-and-file members is of primary importance. In the AEU, for example, the shop-stewards system provides a training ground for opposition members as well as an independent power base, whilst the Lay District Committees provide a means for lay members to acquire wide experience and to spread their name.

The advantages of a high level of education for union opposition has been discussed above, whilst the advantages of material resources to pay for meetings, propaganda and travelling is obvious. More complex is the nature of the relation between ideology and opposition. According to Lipset, Trow and Coleman, ideological cleavages are more likely to sustain democratic opposition than interest group cleavages. This view requires modification. Within British trade unions ideological cleavages make for permanent, but not for effective, opposition. Ideological, primarily communist elements form an important part of union opposition, but the majority of union members do not recognize this extra-union ideological commitment as legitimate.¹⁷ Hence, although communist groups form an ideological nucleus around which fluctuating economic or policy groups cluster, the price of organizational expertise is compromised legitimacy. Opposition groups which are based upon policy or interest group differences, and which preserve their ideological virginity (or conceal its loss), are more likely to be effective than ideological opposition groups.

Leadership attitudes

Leadership attitudes can be conceptualized as an independent constraint, determined by individual political beliefs, membership beliefs, rationalization of the functional requirements of leadership roles and sensitivity to the surrounding political culture. Attitudes emphasizing internal democracy, moderation

17. The following incident at the NUR Annual General Meeting in 1926 illustrates the strength of union feeling against outside interference. Circulars from the Communist Party to union members fell into the hands of J. H. Thomas, the Political General Secretary, who read them aloud to the delegates. The disclosure of this attempt by an outside body to influence union policy effectively forestalled left-wing attempts to criticize Thomas's conduct during the General Strike.

and craft custom are more likely to restrict the repression of opposition than attitudes based upon the need to 'trust the leadership'. Commitment to communism, or extreme anti-communism, is likely to reduce executive toleration of opposition by giving a lower priority to democratic procedure than to the need to keep the communists in (or out).

Union structure¹⁸

As the mechanism through which all other pressures operate, union structure is crucially important. The main determinants of the extent to which the formal structure facilitates or hinders the articulation of disagreement are the degree of substructural autonomy and conversely of centralization, the position of full-time *vis-à-vis* lay officials and the electoral system itself. Union democracy is most likely where substructural autonomy, particularly at regional level, is greatest and centralization least, where full-time officials are subject to effective lay supervision and where the electoral system exerts pressure for a small number of powerful rather than a large number of weak candidates. A high degree of national integration and centralization, only formal provision for lay supervision, and a completely 'open' electoral system reduce the chances for union democracy.

Each constraint discussed circumscribes executive freedom of action by restricting interference with opposition factions or by increasing the strength of the opposition. The relation between different constraints, and especially the mediation of external constraints through union structure, becomes clearer after systematic comparison between the AEU and the NUR.

To illustrate the potential utility of the constraint approach Table 1 analyses the AEU¹⁹ and the NUR²⁰ in terms of

18. For a fuller discussion of the structural determinants of union democracy, see Edelstein (1967).

19. There is no sociological study of the Amalgamated Engineering Union, although a more than adequate history is in preparation. The most useful study is Marsh (1965); see also Jeffreys (1945).

20. Even less attention has been paid to railway unionism than to engineering unionism, however, Bagwell (1963) contains much information.

the constraints outlined. + indicates a relative not an absolute value, i.e. in comparison with the other union. The relevant category has been omitted where data is not available.

External and internal constraints inhibit the AEU Executive's ability to destroy opposition. Power within the union is still largely in the hands of skilled groups, whilst membership is spread over a wide range of industries; a sound basis thus exists for both consensus and cleavage. Ownership within particular industries is dispersed, the degree of cooperation between employers is comparatively low and national agreements are supplemented by district and, more importantly, workshop agreements. The diversity of products and shop conditions severely limits the importance of external regulation. The varied and often rapid rate of technological change provides ample opportunity for the leadership and rank-and-file to fall out of step. External pressure for centralization within the union is comparatively low, whilst the workshop power of the union members is comparatively high. Internal constraints, reflecting external pressures, membership traditions and the functional needs of the organization, act in a similar fashion. Membership commitment to craft 'custom and practice' is combined with 'an almost fanatical attachment to local autonomy' (Clegg, Fox and Thompson, 1964, pp. 4-5; Webb and Webb, 1894, p. 97). The shop-steward system, the plethora of branch offices and the District Committee system provide a training ground for lay members and a chance to build up independent power bases, whilst the absence of any appointed officials further limits Executive initiative.²¹ These constraints are mediated through an almost excessively democratic political structure. A high degree of branch and district autonomy is accompanied by effective provision for lay oversight over full-time officials, the National Committee 'instructing' the Executive, whilst the system of indirect election of delegates to the annual conference reduces the advantages the Executive gains from its control of the union publicity machine.²²

It is thus not surprising that the history of the AEU has been characterized by an unusual degree of factional conflict,

21. For shop stewards, see Marsh and Coker (1963).

22. For 'instructing', see Turner (1962, p. 228).

Table 1

	<i>AEU</i>	<i>NUR</i>
Membership spread		
industrial	heterogeneous	homogeneous
occupational	restricted	heterogeneous
Industrial structure		
ownership concentration	low	high
employer unity	low	high
product range	wide	narrow
collective bargaining	national/workshop	national
Economic environment	prosperous	declining
Technology		
work situation	unclassifiable	low-level interaction
rate change	rapid	slow
Membership characteristics		
leisure time	+	
income	+	
association on job	+	
isolation from non-members		+
Membership beliefs		
custom	+	
local autonomy	+	
Bargaining power	workshop	mass
Opposition expertise		
former TU leaders		
lay officials	+	
resources	+	
Union structure		
substructural autonomy	+	
lay authority	+	
centralization		+
electoral system	+	

reflected in well-publicized battles between the right and left wings.

Far fewer constraints inhibit the NUR Executive's power. Its membership is restricted to one industry, but covers a wide range of occupations; intergrade rivalry thus limits the possible construction of anti-leadership majorities. The extreme degree of ownership concentration, the narrow product range and union dependence upon mass bargaining power increase the pressure for centralization within the union. The work situation provides comparatively few chances for informal interaction between union members, and the consequent formation of unofficial solidarity, whilst the comparatively low level of wages and long working hours provide few chances for spare time political activity. Reflecting these pressures, the union's formal organization is highly centralized. There is a low degree of substructural autonomy; branches are subject to dissolution by the Executive whenever they are considered 'unnecessary or undesirable or prejudicial to the interests of the union or its members', whilst they can only combine to form District Councils with the consent of the Executive. The District Councils themselves are weak; 'the powers of the District Councils shall be consultative and propagandist and such other work as may be delegated to them by the Annual or Special General Meetings or the Executive Committee ... (they) shall have no governing or controlling power over any member, branch or official.' Lay oversight over full-time officials is not very effectively provided for; there is no provision for the exclusion of full-time officials from the supreme governing body, the AGM. Finally, the electoral system places a premium upon the re-election of incumbent office holders by providing for their direct election (NUR Constitution and Rules, *passim*).

The NUR Executive thus has greater freedom to act against opposition groups than the AEU Executive. Economic, social and constitutional factors combine to create a highly centralized organization, with a powerful full-time Executive. It is thus not surprising that the history of the NUR has been characterized by a dominant Executive and a comparatively quiescent rank-and-file, despite the long run-down of the industry.

Systematic comparison between the AEU and the NUR Executives in terms of the constraints inhibiting the destruction of opposition provides a framework for understanding the contrasting political histories of the two unions. The external environment, membership traditions and attitudes, and union structure have combined to make it likely that the AEU Executive would be unable to destroy opposition; the vicissitudes of history, particularly the strength of communist nuclei, transformed probability into certainty. Similarly, the external environment, membership characteristics and union structure have combined to reduce the chances of faction in the NUR.

In conclusion, constraint analysis suggests that union democracy, defined as the survival of faction, is associated with:

1. Democratic political culture.
2. Government indifference.
3. Occupational homogeneity, industrial heterogeneity.
4. A low level of ownership concentration, disagreement between predominantly friendly employers.
5. Decentralized collective bargaining.
6. Craft technology.
7. Rapid technological change.
8. Workshop bargaining power.
9. A highly educated membership, with a high degree of identification with the craft and the union.
10. A high level of membership participation.
11. Membership commitment to local autonomy and the preservation of customary rights.
12. An experienced, non-ideological opposition.
13. Executive commitment to democratic procedures.
14. A decentralized union structure, with substructural autonomy, extensive constitutional power in the hands of lay members and an indirect electoral system.

This set of propositions, based upon limited empirical investigation, constitutes only the first step towards the formulation of an adequate theory of union democracy. Detailed analysis of the internal politics of more unions is obviously necessary to

test, modify and refute these hypotheses. Particular attention needs to be given to assessing the varying importance of different constraints. Are some factors, for example, membership spread, level of technological development and union structure, more 'basic' than others? If so, under what conditions? Such questions cannot be answered in this initial, tentative formulation. Despite this, 'constraint' analysis is likely to provide greater insight than the formalism of organizational theory and may eventually provide the basis for a general theory of union democracy.

Concluding remarks

Union politics bear more resemblance to the politics of the Namierite House of Commons of 1760 than to the two-party politics of the 1960s. Instead of government and opposition, the opposition forming an alternative government, there is a permanent 'court' party opposed by a smaller, equally permanent, 'country' party; in between are the majority of union members, usually prepared to support the 'court' party through indifference or the hope of patronage, but willing on occasion to flirt with the 'country' party when the 'court' party fails to deliver the goods. The 'country' party is in turn partly composed of an illegitimate ideological nucleus very roughly analogous to the Tory Jacobites, partly of legitimate but traditional opponents of the administration (analogous to the backwoods Tory gentry, hostile to all taints of 'court corruption') and partly of careerists who see nuisance value as the best guarantee of promotion into the higher ranks of the 'court' party.²³

23. Even the rhetoric has an eighteenth-century ring. One member of the 'court' party declared: 'A true, genuine, highflying tantivy Tory is pretty akin to a Jacobite, and Jacobites and papists are first cousins' (quoted in Robson, 1949, p. 37). For Tory read socialist, for Jacobite read communist and for papist read Russian spy.

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Part Five Factors Affecting Union Growth

There is no generally accepted theory of union growth and the Readings that follow focus on three alternative views. H. B. Davis (Reading 13) an economist concerned with explaining changes in the level of membership of American unions in the period up to 1941, concentrates on the way in which increases in membership appear to be linked with the upswing of the trade cycle, in a loose and delayed way. David Lockwood (Reading 14), a sociologist trying to explain variations in the degree of unionization among British white-collar workers in the late 1950s, posits a close relationship between membership and 'bureaucratization', i.e. the extent to which workers are affected by formal work rules that replace informal personal relationships and establish hierarchies of authority. George Bain (Reading 15) writing in the late sixties, stresses the significance of an influence that has usually been overlooked by both economists and sociologists: the attitude of employers and their institutions.

13 H. B. Davis

The Theory of Union Growth¹

H. B. Davis, 'The theory of union growth', *Quarterly Journal of Economics*, vol. 55, 1941, pp. 611-33.

Conditions favorable for union growth

A union movement requires statesmanship and attention to the lessons of the past if it is to reach the greatest possible development. Many an organization campaign has been launched with high hopes only to peter out ingloriously within a few months, because the conditions were not favorable; many a discontented working force has remained unorganized, because the leaders of the appropriate union or unions neglected to approach it for organization at the propitious time; and many a union movement has been completely superseded or smashed, because the leaders paid too little attention to underlying economic trends and were content to continue a policy which had shown results in the past. The present article aims to make a preliminary answer to the vital question: what are the conditions, economic and other, which are favorable for the expansion of unionism?

Most unions seem to have come into being originally as defensive organizations, to preserve a standard already enjoyed. The boss announces a wage cut, or a lengthening of the working day, or an increase in the working load and after quitting time little knots of men gather to vent their anger. Then somebody suggests organization and a local union is born. It takes some major grievance to stir the average wage earner to action that may jeopardize his job. 'Fear of a fall in the standard of living has always been the strength of labour agitation. The cautious man who will take no risk to add to his wages will fight the hardest to maintain them' (Welbourne, 1923, p. 61). And with-

1. Research assistance by Edith R. Levine.

out the support and active cooperation of the 'cautious man' no union can hope to get established on a solid basis.

Many examples can be given of union movements that originated for purposes of defense. The embryonic French unions were known as *résistances* – an appropriate name for organizations which grew with economic crises.² In the United States, organization among the woodworkers was caused in the decade of the 1830s by 'the attempt to prevent a reduction of wages and thereby to maintain a standard of living' (Deibler, 1912, p. 44). The reductions of wages resulting from the panic of 1857 brought into being the original union of iron workers (Robinson, 1920, p. 11). The first dramatic event in the labor history of South Africa was the strike of the miners of Kimberley in 1884. Their grievance was the indignity of being searched for stolen diamonds (Gitsam and Trembath, 1926, p. 15). In countries, colonies and districts, moreover, where the union movement is only now becoming established, the essentially defensive nature of primitive unionism continues to come out clearly. Thus in the South of the United States, it was the worsening of the conditions of the sharecroppers that led to the formation of the first Sharecroppers' Union in Alabama, in 1931 (DuPre Lumpkin, 1940, p. 127); the first wave of union organization to spread over the British West Indies – in 1937–8 – was set off by riots due to unemployment, in the Barbados.

Removal of the grievance frequently causes the collapse of an incipient union. Thus the first union of steamboat engineers on the Great Lakes, formed to resist a reduction of wages in 1854, was permitted to lapse some three years later, after wages had been satisfactorily adjusted (Hoagland, 1917, p. 32). The early molders' unions had their rise in special grievances and for the first twenty years of organization they were stormy-weather affairs which disappeared with the sunshine of prosperous years (Stockton, 1921, p. 16). In England, the same experience was often repeated. The miners of Northumberland and Durham organized originally in a depression. After 1844 times got better; but 'though high wages and steady work helped to silence the complaints of the men, the feeble remnants of the

2. Louis (1920, p. 87). The *résistances* flourished during the period 1830–48, after which the modern trade union or *syndicat* began to take shape.

union survived the prosperity' (Welbourne, 1923, p. 107). Even after this union grew strong enough to have an annual agreement, or 'bond', the membership used regularly to decline after the signing of the bond in April.³

A period of declining business brings attacks on labor's standards and may thus cause the formation of a certain number of unions. The services which an established union may render to its members in time of depression are by no means unimportant. These include maintenance of wage and working standards, furnishing information about job openings⁴ and in some countries (but not in the United States to any extent) the payment of out-of-work benefit. Even unemployed members try hard to maintain good standing in a union having such services. In other unions, however, continued membership during these periods depends on loyalty to the union movement as such and the unskilled especially are likely to drop away in large numbers (Wight Bakke, 1933, p. 72). Thus the general rule is that union membership declines in a period of declining business.⁵

Union movements that begin during a period of revival⁶

3. Welbourne (1923, p. 147). The character of unionism is often misunderstood. Professor Commons omits the defensive function of the labor movement altogether from the definition with which he opens his article on that subject in the *Encyclopaedia of the Social Sciences*. Sometimes such oversight is deliberate. Employers like to paint the picture of an 'outside agitator' (the union organizer) who injects himself into the happy family and disrupts it. They leave out, of course, their own aggressions which predisposed the employees to listen to a union organizer. Union leaders have stressed in their propaganda the gains which the unions have been able to make for their members, because this appeal is more dramatic than a recital of the injustices which unionism has prevented.

Marx, on the other hand, was fully aware that trade unions originate as defensive organizations. He wrote (1898, p. 331): 'In all the cases I have considered, and they account for ninety-nine out of one hundred, you have seen that a struggle for a rise of wages follows only in the track of previous changes and is the necessary offspring of previous changes . . . ; in one word, as reactions of labor against the previous action of capital.' Cf. also Marx (1847, p. 145; 1848, p. 215).

4. The chief resource of the British unionist in his search for jobs is his trade union, says Wight Bakke (1933, p. 137).

5. There are some exceptions to this rule which will be noted presently.

6. Such movements may also be regarded as defensive, in the sense that prices tend to rise faster than money wage rates during these periods.

have a better chance of success than movements that begin when business is entering a depression. Payment of union initiation fees and dues is not so serious a problem.⁷ When labor is fully employed and businessmen have plenty of orders ahead, workers have less fear of being discriminated against for joining unions, since a man who loses his job is likely to find another one. These circumstances, of course, are important for established unions as well as for those which are just starting, and a period of improving business is usually a period of increasing union membership.

Thus it has been rather hastily assumed by many students that union growth is positively correlated with prosperity, rising when business is good and falling when business is bad. There is inadequate statistical basis for such an idea. We have been able to compare the movement of union membership with a condition of 'prosperity' in sixty-one cases, covering four major countries (England, France, Germany and the United States) in the period since 1890 (Table 1). We find that in approximately two-thirds of the cases (68 per cent) in which the year was classified as one of prosperity there were marked rises (more than 3 per cent)⁸ in union membership, but in nearly 25 per cent of such cases union membership declined. Business recession and depression were accompanied by falling union membership in twenty-five cases, but there were also no less than fourteen years of 'poor' business which saw sharp increases in union membership.

Our statistical findings are subject to certain reservations. The source which we have used for business conditions is Thorp and Mitchell's *Business Annals*, which has the advantage of

7. When unions are powerful and control many jobs, new applicants for membership may join even before they have a job; they have something to gain thereby when they can establish job contacts through other union men or the rare but not unknown pro-union employer. This type of new applicant is very seldom met with when the economic power of the union is weak. Cf. Wight Bakke (1940a, p. 213). On the psychological obstacles which unemployment offers to the continued payment of union dues, etc., see Wight Bakke (1940a, ch. 14; 1940b, *passim*).

8. A rise in membership of less than 3 per cent is not considered significant, because the secular trend of union membership was upward in all four countries during the period covered.

having followed a uniform method for the four countries in question. But any source which undertakes to define the con-

Table 1 Trade Union Membership and Business Conditions in England, France, Germany and the United States since 1890*

No. of years of—	Total	Number of years in which		
		Membership rose sharply (more than 3%)	Membership rose slightly (less than 3%)	Membership fell
Total	130	72	16	42
Business recession and depression	49	14	10	25
Business revival	20	16	2	2
Business prosperity	61	42	4	15

* England, 1891–1925; France, 1890–1914, 1917–19 and 1921–5; Germany, 1890–1925; United States, 1897–1936.

ditions existing in any year as a whole must overlook a certain number of minor fluctuations within the year. This difficulty applies also to the figure for union membership, which sometimes fluctuates markedly within quite short periods of time.⁹ In the case of the unions the difficulty is perhaps not too serious, since most of the figures on union membership are collected each year at the same time – in the United States, when the American Federation of Labor holds its annual convention, usually in the summer or fall.

9. Wolman (1936, p. 6) reports that he wrote several letters to the office of the United Textile Workers of America within a few years requesting figures on union membership. Thus he obtained three different figures for the year 1933. One was 150,000, the second 55,000 and the third approximately 250,000! Part of this variation was caused by the fact that the membership of the union actually did fluctuate very greatly within the year.

Our figures on union membership, including all the unions except company unions, are not fully reliable in an absolute sense. Some unions pad their membership figures in order to obtain greater prestige and influence, a tendency which is only partly checked by the payment of *per capita* dues to a central union federation such as the AFL.¹⁰ Moreover, the definition of a union member varies from union to union, and from time to time within the same union. Is a member who has been excused from payment of dues because of unemployment to be considered a paid-up member? In the early years of the German Mineworkers' Federation many miners subscribed to the union journal and acted with the union in time of crisis, but refrained from joining the organization, presumably because they felt sure they would be victimized. The Federation listed these non-member subscribers along with the members in some compilations (Huë, 1913, pp. 488, 736).

Dr Leo Wolman, a firm believer in the 'prosperity' theory of union growth, is driven to a series of specious and unconvincing arguments to explain why the period of 'Coolidge prosperity' (1923-9) did not draw workers to the AFL, and why the total reported union membership in the United States was actually lower at the end of this period than at the beginning (Wolman, 1936; p. 16; see also Foster, 1937, p. 193). In textiles, we are told, and in the clothing and mining industries, union membership failed to increase because these industries were depressed in spite of the general prosperity; while 'in most classes of industry, the very prosperity of the period and the generally high standards of wages and employment acted, apparently, to retard rather than to accelerate the pace of union growth' (Wolman, 1936, p. 162). Thus, according to Wolman, union membership failed to increase in the depressed industries because they were depressed and in the prosperous industries because of their prosperity! In similar perplexity Mr G. D. H. Cole bemoans the fact that the British workers did not join the unions in the business boom of 1937-9, when, according to him, they should have done so. There has been, he says, 'a collapse of organization among the less skilled workers, over a

10. Estimates of the membership of the Congress of Industrial Organizations in 1939-40 ranged from one million to four millions.

period when the conditions for recruitment ought to have been favourable' (Cole, 1939, pp. 520-21).

The 'prosperity' theory in its naïve form disregards not only the defensive character of many union organization movements and the importance of the market demand for labor, but also the highly important factor of prices.¹¹ We have been able to compare the movement of union membership with the movement of prices 146 times (Table 2). Of the fifty-three cases in

Table 2 Trade Union Membership and Prices in England, France, Germany and the United States since 1890*

No. of years in which -	Total	Number of years in which -		
		Membership rose sharply (more than 3%)	Membership rose slightly (less than 3%)	Member- ship fell
Total	146	78	16	52
Prices rose	53	41	4	8
Prices changed slightly (not over 3%)	63	30	7	26
Prices fell	30	7	5	18

* England, 1892-1934; France, 1890-1914 and 1917-25; Germany, 1891-1920 and 1924-30; United States, 1897-1934.

which prices rose markedly (more than 3 per cent) within the preceding year, union membership increased markedly in forty-one, or 77 per cent, and fell in only eight. Sharply falling prices

11. Price movements are strongly emphasized by Commons *et al.* (1918, vol. 1, pp. 347, 350, 396, 488, 582; vol. 2, pp. 5, 15, 17-18) as the major cause of waves of trade union organization. They do not sufficiently distinguish between rises in price and improvement in business. Hoxie (1924, pp. 81-7), emphasizes the importance of price changes. Professor Catlin (1926, pp. 365-6 of 1935 edn), after considering both the price theory and the 'prosperity' theory, leans to the former. Webb and Webb (1894, *passim*), on the other hand, emphasize business conditions.

were accompanied by a drop in union membership two and a half times as often as by an appreciable rise in membership. The evidence seems to indicate that changes in union membership correlate more closely with sharp changes in prices than with 'prosperity'.¹²

There are several reasons why we would expect a marked rise to stimulate union growth. In the first place, increases in wage rates tend to lag behind price rises, so that fully employed workers must organize if they are to avoid a drop in their standard of living. To that extent, as we have already noted, unionization moves in times of rising prices are defensive movements. In the second place, a period of rapidly rising prices is nearly (but not quite) always a period of increasing production and decreasing unemployment, so that the favorable factors of prosperity all apply. But when the rise in prices is accompanied with a falling off of production and employment, as was the case during the last stages of the inflation after the First World War in Germany and France, it may be accompanied also by a decline in union membership, and this in fact is what occurred in both these instances. Finally, a period of rising prices is a favorable time for employers to pass along increases in cost to the customer in the form of higher prices and to that extent the antagonism between capital and labor decreases in intensity. In the sectors of industry where excessive competition is a bar to unionization, as for example in the building of small homes and in small-scale industry generally, excessive competition then tends to give way and moderate competition, a condition more favorable to unionization, takes its place (cf. Blum, 1926, p. 380).

Rising prices correlate more closely with union growth than does the prosperity phase of the business cycle partly because prices affect all workers, while the cycle is much more violent in some industries than in others.¹³ The printing unions, the rail-

12. A notable exception was the great swing to unionism in the United States during the years 1884-6, which took place during a period of slowly falling prices.

13. Professor Cassel (1932, p. 559) goes so far as to say that the business (trade) cycle is a cycle of production in the heavy industries: 'The movements of the trade cycle are merely expressions of the fluctuations in the production of fixed capital. . . .'

road service brotherhoods and unions in service trades, such as those of teachers and actors, or in industries producing directly for consumption, such as the apparel and food industries, are comparatively little affected by the cyclical ups-and-downs of business, and while they are considerably influenced by progress or recession in the rest of the labor movement, they show a capacity to grow throughout a minor depression which at times surprises their own leaders.¹⁴ A recent illustration is that of the American Federation of Teachers, which had grown only to 15,000 members by the summer of 1938, then doubled its membership in one year, though business as a whole was by no means booming.¹⁵ Union developments in any country must be interpreted in the light of the composition of that country's working force.¹⁶

In our discussions thus far we have confined ourselves to major price changes. Gradual changes, however, if cumulative, may have a cumulative effect. Thus it seems probable that the gradual rise in prices in England and the United States during the period 1903-10, though it did not produce any marked growth in unionism at the time, was a factor in the very noticeable 'labor unrest' of the period and in the subsequent tremendous expansion of unionism during the First World War.

'The 'prosperity' theory and the price theory of union growth are both too simple.¹⁷ Our theory of union growth in its preliminary form is as follows: *under conditions of 'liberal capital-*

14. On the Typographical Union in 1858 (depression year), see Tracy (1913, p. 170); on 1908, another depression year, see Tracy (1913, p. 913). The Order of Railway Conductors increased its membership in each of the four years 1893-97, a period of major depression (Robbins, 1914, p. 23). The Actors' Equity Association showed a steady increase in paid-up membership during the summer of 1921, a depression year (Gemmill, 1926, p.16).

15. Of course the influence on the teachers of the preceding boom in the labor movement as a whole cannot be disregarded.

16. Hence it is only in countries as large as the four chosen for our analysis that such a study is possible at all. In several small countries, the statistics are more complete, but the economic life of those countries is dominated by the fortunes of one or a few industries.

17. If prosperity were always a period of rising prices, as some descriptions of the business cycle imply, these two theories would, of course, come to the same thing. But prosperity and rising prices do not always go together.

ism', when labor has major new grievances and an improving position in the labor market, unions tend to grow. When labor has no major new grievances or when its position in the labor market is not improving, conditions for organization are not especially favorable; and when labor is economically weak or losing ground in the labor market, though grievances exist and give rise to organization movements, these movements are not likely to result in a general increase in union membership, which tends to decline.

The best index of labor's economic power is no doubt employment. Unfortunately employment indexes are still so limited in scope that a conclusive test of our theory is not possible. A partial test, however, is available. The period of the business cycle when labor is most apt to have grievances and to be gaining in economic power is the period of revival from depression. Revival is likely to be accompanied by rising prices and increasing employment, while labor has major grievances that have accumulated during the depression. We have examined twenty cases of revival from depression and in sixteen of them, or 80 per cent, union membership increased markedly, while in only two of them did it decline (see Table 1).

The fact that revival is a more favorable time for union growth than 'prosperity' illustrates an important point in the theory of union growth. *The direction of the movement of the indexes is more important than their absolute level.* Thus in the summer of 1933 prices and employment in the United States were 'low', but increasing, and labor had an unprecedented accumulation of major grievances. A great wave of unionism swept the country.¹⁸

Booms in union growth

Our theory is still incomplete unless it can offer some explanation of those occasional booms which sweep into the unions hundreds of thousands of previously unorganized workers.¹⁹ The significance of such periods is hardly lessened

18. For a different explanation of the organization wave of 1933 and after, see Wolman (1936, pp. 43-4).

19. The traditional 'theory' of booms and declines in unionism makes them coincide with changes in the business cycle and is thus essentially the

by the fact that many of the newly organized drop away soon after, perhaps without even paying any dues at all.²⁰ A wave of unionism may sweep into the movement workers in trades where the conditions are at the time unfavorable for unionization and yet the union so formed may strike firm roots (cf. Taylor, 1923, p. 46). Furthermore, the effect on the public, including that part of it which has no sympathy, actual or potential, for the union movement, has to be remembered. Just as the workers in a militantly led strike sometimes keep on fighting when their cause appears hopelessly lost and thus demonstrate to the world that the working class has unsuspected reserves of endurance and solidarity, so a wave of organization reminds the employers that they have to do with a whole class and not with a few agitators or with an aristocracy of labor alone.

In the early stages of the union movement, when an unfavorable economic conjuncture leads to the complete breakup of many unions, the wave movement is apt to be violent. An established union movement continues to show waves but they are less violent. Since 1890 the membership in the long established union movements of the United Kingdom and the United States has fluctuated less violently than that in the comparatively new unions of Germany and France.

In the United States, peaks of union organization booms may

same as the 'prosperity' theory of union growth, which we have already criticized. The Gompers 'law of the growth of labor' was formulated in 1904 as follows: 'From the formation of the first bona fide trade union movement in modern times, it has grown with each era of industrial activity and receded to some degree with each industrial depression, but with each recurring revival in industry the degree of growth has been greater, and with each recurring period of depression it has receded to a lesser degree than its immediate predecessors' (American Federation of Labor, 1904, p. 15). The idea that there are wave movements in unionism was common currency before 1886. Cf. also Zwing's (1927, p.7) slightly more dialectic statement: 'The social process proceeds not in a straight line, but in wave movements, in crests and troughs, but still with the tendency to permanent upward development.' Neither Gompers nor Zwing contemplated a condition where the secular trend of factory employment and population in general would cease to be upward.

20. Nobody knows exactly how many workers joined the Knights of Labor in 1886, partly because before they could become stabilized many members dropped away again. Commons *et al.* (1918, vol. 2, p. 370).

be noted in 1837, 1854 or 1857, 1872 (in New York City), 1886, 1903, 1920 and 1937.²¹ The seventeen-year interval since 1886 is rather striking,²² but it is probably a coincidence. There does not seem to have been any regularity in the recurrent spurts and lags of the German and French union movements in the modern period. In England there have been four great periods of growth in the union movement: 1833-4, 1871-4, 1888-92 and 1916-20 (Webb and Webb, 1894, *passim*). Geoffrey Drage (1905, p. 5) thought he could discern a wave of growth culminating in 1854 and concluded: 'Trade unionism has shown its greatest vigor at intervals of twenty years.' But according to the Webbs (1894, p. 224 of 1920 edn), the period from 1852 to 1858 is almost a blank in union history. Growth in union membership took place, but there was nothing that could be described as a boom. Thus Drage's generalization for the early period must be rejected.

The effect of war on unionism may be anything from abolition of the unions to a major boom. In the period of 'liberal' capitalism, a short war unaccompanied by general mobilization has frequently been a stimulus to business and to the union movement. The great advance of the AFL at the end of the 1890s was, according to Lorwin (1933, p. 58), stimulated by the Spanish-American War. When the outbreak of war is accompanied by general mobilization and the adoption of drastic decrees for the regimentation of labor, the immediate effect on

21. The Lynds, writing on the 'Middletown' of 1924, compared the tepid sentiment which they found there for the AFL with newspaper descriptions of Gompers's visit to the same town in 1897, when he apparently was accorded an enthusiastic reception. Thus they thought that they had discovered a secular trend toward decline in sympathy for unionism (Lynd and Lynd, 1929, pp. 78-9). Their conclusion would, of course, have been different if they had been able to compare Gompers's visit of 1897 with (say) a mass meeting addressed by John L. Lewis in 1936. The coming of the CIO to 'Middletown' is partially foreshadowed in *Middletown in Transition*, by the same authors (1937).

22. The author, after studying the chart of AFL membership, was impressed, as many students must have been before, by the regularly recurring seventeen-year peaks. He wrote an article in 1929 predicting that 1937 would see a new high in union organization and sent the article to a labor paper. The editor returned it with the remark that eight years was 'too long for the boys to wait'.

unionism is catastrophic. The Franco-German War of 1870-71, which lasted a very short time, had a disastrous effect on the young German unions (Nestripke, 1920-21, p. 80), and was scarcely less serious for the French unions of the time. Similarly the outbreak of the war in 1914 was followed by a big decline in the membership of the German unions, which was not recouped until two years later.

In England and the United States, where the call to the colors was more gradual, there was no marked falling off in membership at any time during the First World War. The later stages of that war brought a steep rise in prices everywhere and the greatest boom in unionism that the world has yet seen.²³ The later effect of the war, however, was in a number of countries just the reverse of the immediate effect. The social regime had been so weakened that it sought desperate means to stabilize itself and hit on abolition of the unions as one means.

The other great booms in unionism have followed, at least in England and the United States, after a more or less protracted depression.²⁴ We have already noted that revival from depression seems, on the record, to be the most favorable time in the business cycle of growth in union membership. The intensity of the boom in unionism is presumably related to the sufferings of labor in the preceding depression.²⁵ When all working standards have gone by the board and men have picked up jobs where and how they could, for whatever money they could get, and when this condition has continued for years, the average cautious wage earner is willing to take the risk for the sake of re-establishing his standard of living. The women of the wage-earning class have learned the lesson too; sometimes they drive the men into the unions. Who does not remember how Gottlieb in Hauptmann's *The Weavers*, and Jim in Odets's

23. Cf. International Labour Office (1921, p.2). Concerning the effect of the First World War on American labor see further below.

24. In the United States, the 'roaring forties' were followed by the union boom of 1849-57; the depression of the 1870s was followed by the boom which culminated in 1886; the depression of the middle nineties was followed by the union boom that culminated in 1903; and the depression of 1929-32 was followed by the union boom of 1933-7.

25. But we would not imply that the intensity of the union boom is necessarily proportional to the severity of the preceding depression.

Waiting for Lefty were shamed into action by their women-folk? As a matter of fact, the risk, as pointed out above, is not so great; the employer, too, has had his lean years and is willing to make concessions to the unions rather than risk a strike.

Both in war-time and in peace-time, changes in the direction of union growth are featured by considerable inertia. It takes a major grievance to get labor on the move and a major setback to stop it. A period of growth, once well under way, tends to continue with accelerating speed as long as conditions remain even moderately favorable; there have been numerous cases where the unions continued to grow throughout a minor depression, as for example in the United States during 1883-4. The peak of a union boom tends to occur after the peak of a business boom, even allowing for the fact that there is a certain lag in reporting union membership figures.²⁶ When the idea once gets around that the union is winning concessions and that joining is safe, the stage is set for a big rush to the banner of unionism. This idea seems to have penetrated the ranks of the semiskilled and unskilled in the United States during 1886 and in England during 1889-90.

Typically, the reaction of employers to a boom in unionism has been one of belligerency. In England, when the employers had had time to get their breath after the first great sweep to unionism in 1834, they counter-attacked and presented in a concerted way the 'document' (yellow-dog contract). The same story was repeated after 1852, with the result in each case that labor was intimidated and many unions were broken up. In the United States, employers who had been ready to put their trust in arbitration in 1900 were swung into the 'open-shop' drive in 1903. A similar 'open-shop' movement of employers developed in 1921 (Zimand, 1921). Each time, the effort of the employers was to push home an advantage which the turn of the business cycle had given them. The great growth in labor's power and influence in 1918-20, coming on the heels of the union boom during the First World War, gave rise to a violent reaction on the part of British employers. It became a common saying among them that there was going to be 'a finish fight with

26. The business recession of 1903 in the United States did not reflect itself in a decline of union membership until 1905.

labor'. The fight did not materialize at the time, but in 1926 the organized employers saw their chance and drove labor into its ill-fated General Strike (Crook, 1931, chs. 9-11).

Employer support of fascism in Italy and national socialism in Germany may be considered another example of organized resistance to the growing power of labor, resistance whose intensity was definitely related to the extent of labor's power during the preceding union boom. In these instances the employers' purpose of smashing the union movement was realized. Some have concluded that labor should have refrained from pressing its demands during the period of its relative economic power, for fear that such insistence would stimulate a later reaction. This reasoning seems to us fallacious. The Social Democratic Party leaders and the unions under their influence in Germany did much in the Weimar period (1919-31) to avoid antagonizing the employers, but their organizations, and also the 'Christian' unions which had been on the whole much less militant, were abolished just the same by Hitler. The causes of fascism are deep-seated and appeals to the good sportsmanship of the fascists plainly do not meet the case. Labor can never afford to trust the good sportsmanship of employers as a class.

The 'welfare' approach, which had been adopted by individual employers already before the First World War, principally in Germany but also in other countries, was much advertised in the United States from 1923 to 1929. The purpose was partly to keep labor contented and cut down labor turnover, which had been a serious problem in the period 1916-20; and partly to head off unionism. The number of firms practicing 'welfare' was never large and the extent to which labor benefited from such practices has been much exaggerated. Nevertheless, as we have seen, the union movement was checked for the time being.²⁷

27. Slichter (1929) notes that the membership of the AFL unions in manufacturing was cut nearly in half between 1920 and 1923, and decreased further by 18 per cent between 1923 and 1926. However, he attributes this result not primarily to 'welfare' but rather to the 11 per cent increase in the real earnings (per hour?) of factory workers between 1920 and 1926. Further, he very justly refuses to be much impressed by the lack of growth under the circumstances.

The importance of leadership

The periods which were really favorable for the growth of unionism have occurred seldom and have lasted a relatively very short time. Thus the question, what type of leadership was in command of the union movement, has in practice been of decisive importance. Reactionary leadership has thwarted organized labor's progress and progressive leadership has carried it to unanticipated victories. Similarly in periods of defense and decline, a courageous and determined leadership can halt a backward movement and even initiate an advance, while defeatist leadership can toss away gains and even lead to the collapse of a whole union movement.

A striking example of differences in leadership is furnished by the last two union booms in the United States. The first took place during the First World War. Perhaps never before or since have the opportunities for trade union organization been so good. The membership of the unions did rise to new heights and some industries were penetrated for the first time; but these gains were made in spite of, rather than because of, the top leadership of the AFL.²⁸ Foster has described how the organization campaigns in packing and steel in 1917-19 were initiated by himself as rank-and-file member and minor official of the AFL, whose Executive Council actually sabotaged both campaigns (Foster, 1920; 1937, chs. 8 and 9). In Foster's opinion (personal communication), 'had there been a progressive trade union leadership in control at the time . . . every important basic industry in the country could have been organized'. Actually the great steel strike of 1919 was lost, the union in the packing industry was broken up (largely through the folly and shortsightedness of the AFL craft union leaders) and the union boom spent itself without having realized more than a fraction of its potentialities.

The organization of the basic industries which has been carried out in recent years by the CIO depended primarily on the factor of leadership. The policies of the AFL were the same as in 1916-20 and the results could easily have been the same. The

28. 'Reactionary policies . . . cost the AFL . . . 5,000,000 to 10,000,000 possible members during the war time' (Foster, 1937, p. 112; cf. Lorwin, 1933, p. 161).

promising union movement in rubber, for example, did actually reach a peak and start a decline under AFL leadership, a decline from which it was rescued just in time by the militant leadership of the CIO. The Lewis group raised huge amounts of money and sent organizers from outside to aid the struggling workers who by themselves could hardly have matched the concentrated power of the large employers. Even with the aid of this powerful leadership the workers in the more important basic industries did not become fully organized. The achievements of the CIO leadership appear all the more remarkable because America has furnished so many examples of corruption and stagnation in union leadership (Foster, 1927; Hoxie, 1924, ch. 7; Seidman, 1938). However, the experience of the First World War with its lost opportunities may have had something to do with the aggressive and successful policies of the CIO. People do sometimes learn the lessons of history.

Great Britain also has furnished examples of a trade union leadership which failed to rise to the occasion of a union boom.²⁹ The wave of unionism in 1888-92 swept many of the old leaders out of office. Similarly, in 1916-20, a number of the old leaders resigned or were removed,³⁰ but the change was by no means complete. Subsequently the greatest defensive battle in the history of British unionism - the General Strike of 1926 - was called off without gains and the British labor movement settled down to a long period of stagnation and retrogression.³¹ From 1937 to 1941 we find a new wave of criticism against the inactivity of British trade union officials.³²

29. Cf. letter of Engels to Bebel, 28 October 1885, in which Engels says that the old unions 'cling to their traditional superstition, which does them nothing but harm themselves, instead of getting quit of the rubbish and thus doubling their members and their power . . .' (*Marxist Library*, 1935, p. 442).

30. On the building trades, see Postgate (1923, pp. 434-5).

31. On the timidity of the union leadership in the 1926 General Strike see Pepper (1926) and especially articles by J. H. Thomas in *Answers*, January to March 1927.

32. Harold J. Laski wrote in 1937: 'Trade union leaders refuse to take advantage of the present boom. . . . In almost every big union militant members are penalized, unofficial strikes vigorously suppressed and too zealous strikers, like some in the Transport Workers' Union and the Elec-

The examples already cited indicate pretty plainly that a mere analysis of economic conditions does not suffice for an adequate understanding of the ups-and-downs of unionism. It cannot be assumed that when the existing leadership fails a new leadership will arise and do the job that the incumbents are leaving undone. Indeed Foster, who has done more than any other one man to lay bare the shortcomings of the AFL bureaucracy, is almost equally critical of the Socialist Party's failure to enter the field of union organizing during the First World War. Had it done so, he believes, it could have signed up one or two million workers under its own banner, outside the AFL. Instead, it confined itself to verbal propaganda of a somewhat sectarian nature (*Daily Worker*, 27 February 1940).³³

Class-conscious leaders make the best organizers. They are harder to bluff, harder to bribe and harder to fool. Similarly class-conscious workers join unions more readily and stick to them better than workers who are only 'wage conscious', to use Hoxie's phrase.³⁴ The newly organized worker is apt to be politically conservative, but he will stick obstinately to the leadership which has won him economic concessions, even though this leadership presents demands which are politically rather advanced. For example, leaders of the 'outlaw' union movement in Germany during the First World War were able to advance in conjunction with the economic demands (largely

trical Trades Union, are actually expelled. The leaders, in fact, have assured the government and the employers that they need not expect difficulties from the trade unions in completing the armament program' (*The Nation*, New York, 2 October 1937, p. 343).

33. The old leaders do not give way to a new leadership without a struggle, either in England (see footnote 32) or in the United States. It has been charged that the AFL leaders did not wish to see the unions expand into new industries during the First World War, because the new element might have voted the old leaders out of office (see Foster, 1924, p. 6; 1937, pp. 129-30).

34. The German Metalworkers' Federation had greater success in penetrating the heavy industry in the period before the World War than the corresponding American union. The author has set forth elsewhere his reasons for believing that this result flowed largely from the greater attention paid by the German union to political education on a class-conscious basis. See Davis (1933).

defensive, to meet the rising cost of living) certain highly important political demands (no forcible annexations, no punitive indemnities). The Russian workers, accustomed before 1914 to the militant leadership of the Bolsheviks in the economic as well as the political field, sought the guidance of the Bolsheviks during the war in the struggle to maintain real-wage rates and shorten hours, and eventually helped them to establish a new government. One is reminded of Saul, who went out to seek an ass and found a kingdom. The leaders of the German union movement, overwhelmingly Social Democratic in their politics, saw the political future less clearly and failed to make sweeping advances on the political field. National Socialism eventually came to Germany. Who will question that the difference in the political orientation of the union leadership had everything to do with the different developments in the two countries?

The influence of industrialization

The direct influence of industrialization on union growth is only partly favorable. Indeed, factory workers have organized somewhat later than the workers in the hand trades. In the United States, 'few of the workers in trade unions prior to 1827 had been affected by the Industrial Revolution. . . . The carpenters, shipwrights, shoemakers and tailors, among whom the early trade union activities had most commonly been carried on, were engaged in pursuits which were not affected by the machine and the factory system' (Stein, Davis *et al.*, 1940, p. 145). In part, no doubt, this circumstance is due to the fact that the economic power of the factory operative whose skill the machine has taken over tends to be less than that of the pre-machine craftsman.³⁵

Moderate competition between employers, a favorable condition for the growth of unions, is characteristic of the early phases of industrialization, when the scale of production is still not very large.³⁶ Moderate competition is better for the unions

35. On the small proportion of factory workers organized even today see Wolman (1936, pp. 122-3).

36. Cf. Blum (1926, p. 380). Marx, in a work which antedates the Communist Manifesto, had pointed out in a characteristic paradox that 'the more modern industry and competition develop, the more there are elements which call forth and strengthen combination' (Marx, 1847, p. 143).

than cut-throat competition, because employers bear down on labor when their own economic position is very difficult.³⁷ The 'lumpers' in the building trades (small subcontractors who purchase no materials), the 'buck-eye' shoe manufacturers and the small industrialists generally, who today suffer from the competition of larger, more favorably situated establishments, beat down labor standards by a variety of stratagems; they are a perennial headache to the unionists.

The growth of large-scale production poses a new set of problems to a labor movement which developed institutions suited to production on a small or moderate scale. Economic power is concentrated in the hands of a few large employers, who can use it with telling effect against labor, especially when labor's organizations are small and divided. Collaboration between employers has become routinized through the practice of price control. The influence of large employers and finance capital on the government is now dominant; the industrialists and bankers have replaced the landed interest as the major economic power, with the commercial interest still important; but the commercial interest is now itself a major employer of labor. The practice of concerted employer restriction of output, even in times of prosperity, and the development of chronic over-capacity mean that strikes are less apt to be immediately successful, except under specially favorable conditions.

Pressure from labor brings about the passage of an increasing number of measures setting minimum standards for labor and introducing partial security in the face of increasing basic instability. The unions have had little directly to do with the passage of certain of these laws, but they have become increasingly interested both in the new protective laws and in the improvement and enforcement of the old. Laws are even adopted for the protection of the unions and of collective bargaining. It becomes inevitable that labor should have some kind of organization which shall be at least nominally its own.³⁸ Under

37. The term 'cut-throat competition' was formerly used to describe the price wars between large competing units, especially the railroads. It is used here in the modern sense of excessive competition between quite small units.

38. Outright suppression of unionism takes the form today more usually of the establishment of some kind of State-controlled unions, comparable

these circumstances the political activities of the unions become of increasing importance. In a sense, union activity is basically political anyway, since the alternative to unionism (as AFL leaders have always insisted) is slavery; and slavery, whether economic or other, represents a political status.

Governmental encouragement may become a major factor in promoting union growth. The classic example is the Soviet Union, but the unions of Soviet Russia are excluded from the present discussion because their status is unique and their functions quite different from those of unions in capitalist countries. In capitalist countries, the influence of government as such in promoting unionism has often been overestimated. In England it was thought for many years that the repeal of the Combination Laws in 1825 was what set off the wave of union organization which followed immediately, but it is now believed that the real cause was the sudden revival of business and the resulting favorable economic conditions, which stimulated successful organization. It might seem that the assumption of power by a Labor government would be a peculiarly favorable time for the growth of unions and in France during 1935 the establishment of the Popular Front government was indeed a factor in the tremendous upswing in union membership which took place. Yet there does not seem to have been any great influx of members into the British unions after the first Labour government took office there in 1923.³⁹ In Australia, also, it is hard to trace any chronological correlation between the rise and fall of the several Labor governments and the rise and fall of unionism. In the United States, some students have attempted to account for the growth of unionism between 1933 and 1937 on the basis of 'government legislation on behalf of labor, especially the National Industrial Recovery Act and the National Labor

with company unions. This type of State-controlled union has been widely copied since Mussolini introduced the first in Italy in 1925. Neither the 'corporations' of Portugal nor the *sindicatos* of contemporary Brazil can be considered bona fide unions within our definitions.

39. To be sure, this was a minority government. But defenders of the 'ministerialist' point of view generally argue that any government including labor representatives will stimulate union growth. Jaurès, for example, made this argument in 1904 (Bernstein, 1940, p. 145).

Relations Act';⁴⁰ but the growth of the unions continued after the NIRA was declared unconstitutional and slowed down soon after the National Labor Relations Act was held constitutional. It has been said that the pro-labor attitude of the second Wilson administration (1917-21) was largely responsible for the growth of unionism in 1917-20. This view, however, not only disregards the fact that neither Wilson administration was basically pro-labor; it fails to explain why the growth was so slow during the first Wilson administration and fails to mention that the Wilson administration fought labor after the war, e.g. in the 1919 coal strike.

In countries such as the United States it is sometimes hard to tell whether unions grow because the government is 'pro-labor' or whether the government is 'pro-labor' because unionism is on the march. Without at all underestimating the influence of a comparatively sympathetic government administration (thousands of workers in northern New Jersey, for example, joined the unions in 1937-8 after receiving leaflets headed 'The President wants you to organize'), we may feel that the 'pro-labor' government is a result rather than a cause of the upswing in unionism.⁴¹ Or both may be the result of a third factor. The 'accumulation of grievances' during the crisis of 1929-33 was mentioned as helping to explain the dimensions of the subsequent union boom. The same accumulation of grievances undoubtedly caused the labor sweep for Roosevelt in 1932.

Conclusion

In view of the considerations developed in the three preceding sections, the preliminary theory presented at the end of the first section may now be expanded as follows:

1. Union growth proceeds by waves which are not closely

40. Speech by Dr Leo Wolman to a meeting of Trade Association Executives in New York City, 21 October, 1937; see *New York Times*, 22 October 1937, p. 42.

41. The Franklin D. Roosevelt administration in its most progressive phase should be rated 'pro-labor' only by courtesy or by comparison with previous administrations. At the height of the union boom the President declined to condemn the lawbreaking Republic Steel Corporation and tried to have John L. Lewis call off the General Motors sit-down strike.

synchronized with those of the business cycle. These waves indicate that there is considerable inertia in the movement of union membership. A major wave of growth, if not brought on by a war, will nearly always be found to have been preceded by an accumulation of wage earners' grievances, as during a major depression, while the accumulation of employer resistances during a wave of growth is a factor in the ensuing period of absolute or relative decline.

2. Leadership can account for the success or failure of a strike, for the growth or decline of a union and even for the success or failure of a whole union movement. The quality of the leadership in a particular critical situation may have a determining influence on the subsequent development of unionism.

3. The early growth of industrialization is featured by a comparatively small but growing scale of production, moderate competition and in practice a 'hands-off' attitude on the part of the government. This condition, with capitalism in its expanding phase, is favorable for the growth of unionism.

4. The later development of industrialism is featured by rapid technical displacement of labor and transference of skill to the machine, increasingly close relations between industry and government, and crises which are deeper and more prolonged. This condition, with capitalism in its phase of decline, is a condition of crisis for unionism. It is a period when the government is not able to disregard unionism and when the unions must willy-nilly assume a positive attitude towards government. The leaders who seek to make labor class-conscious will be violently attacked during this period of crisis. Yet a failure of labor to assert itself when conditions for organization are favorable may leave labor in a desperate position when conditions change. To maintain and improve labor's position economically is the traditional task of the unions. Today, not only the growth but even the existence of the unions has become in large measure a political problem.

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14 David Lockwood

Factors affecting the Degree of Unionization amongst Black-Coated Workers

Excerpts from David Lockwood, *The Blackcoated Worker*, Allen & Unwin, 1958, pp. 138-55.

The degree of black-coated unionization

Nowadays, about one out of every four clerks, belongs to some kind of trade union. In 1951 the five largest clerical trade unions had a combined membership in the neighbourhood of 450,000. As can be seen from the accompanying diagram, some 34 per cent of the total was to be found in the Civil Service Clerical Association, 29 per cent in the National and Local Government Officers' Association, 20 per cent in the Transport Salaried Staffs' Association, 9 per cent in the Clerical and Administrative Workers' Union and 8 per cent in the National Union of Bank Employees.¹ More interesting than the overall degree of unionization is the variation in different fields of black-coated employment. While 80 per cent and upwards of local government, civil service and railway clerks were organized, the National Union of Bank Employees contained only 35 per cent of bank clerks, and the Clerical and Administrative Workers' Union less than 5 per cent of industrial and commercial clerks. It is with this variation in the degree of black-coated unionization that the following discussion is primarily concerned.

Factors affecting the degree of unionization

Clerical unionization shows great variations, and it cannot be assumed that these variations are purely random. What then is their explanation? Why are clerks in one industry unionized

1. These exact percentages are only crude approximations because of the difficulty of estimating the clerical membership of NALGO which includes other grades of non-manual workers. A further considerable proportion of industrial clerks, some 30,000, was organized in the Transport and General Workers' Union.

almost to saturation point while in another only 10 per cent of the total potential membership is organized? There is, of course, no simple answer. The actual degree of unionization in any group at a particular point of time is the result of a variety

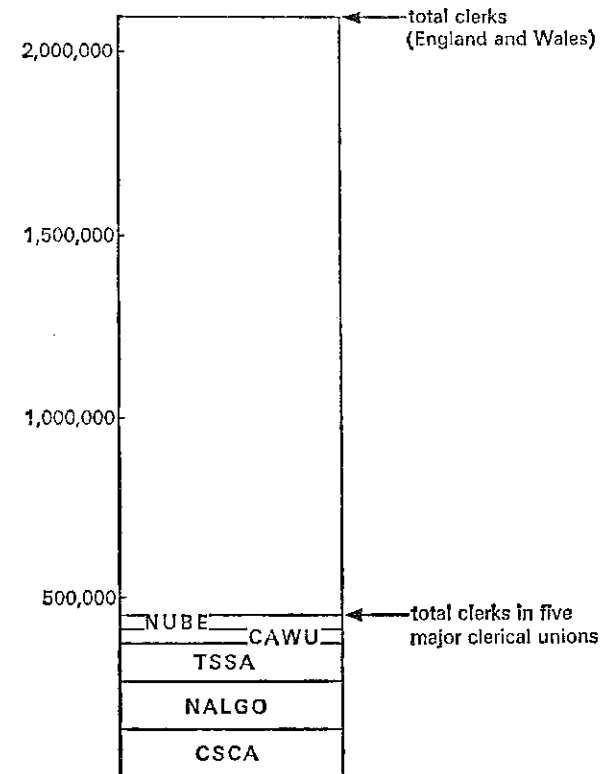


Figure 1 State of clerical unionization in 1951

of factors, many of them peculiar to the group in question. For example, the growth curve of the Railway Clerks' Association during the inter-war period was affected by the reduction in the numbers of railway salaried staffs, and the upswing of local government officer recruitment in the early twenties was affected by the passage of the Superannuation Act of 1922. These facts are of interest in describing and accounting for the growth of individual unions. In this sense, each union is *sui generis*. But since the present task is a comparative one, only the

general conditions influencing union growth will be discussed. In so far as the preceding discussion of the changing 'class position' of the black-coated worker has been well founded, these general conditions have been isolated. It remains to ask how they are related to the observable variations in the degree of clerical unionism.

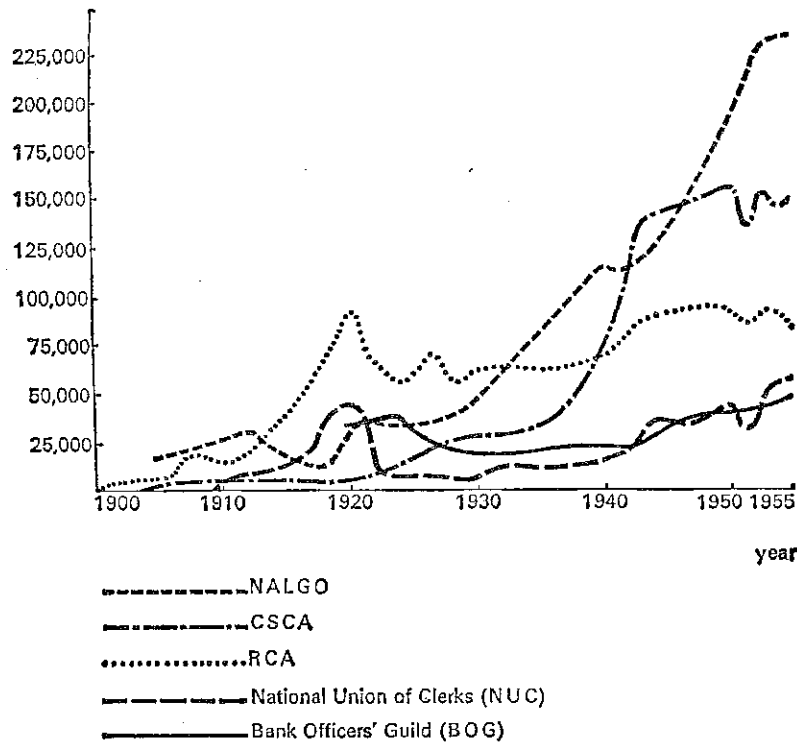


Figure 2 Membership of the five main clerical unions, 1900-1955

Is there any set of conditions generally associated with a high degree of black-coated unionization and does the absence of these conditions likewise explain a low degree of unionization? If such factors exist it is fairly obvious that they must be those which promote a sense of common identity among the members of a group. For concerted action ultimately depends on the awareness of the individuals concerned that they have interests

in common and, therefore, that they belong together. Short of this, collective action is ephemeral, sporadic, lacking in solidarity, founded on immediate and specific interests.

It would not be straining the facts excessively to argue that the unionization of black-coated workers has been very closely associated with what may be called 'bureaucratization'. By the latter is simply meant the process by which bureaucratic rules come to predominate in administrative organization. The chief characteristics of bureaucratic organizations have already been detailed in connection with the work situation of clerks. The relevance of those characteristics to unionization is best to be understood by contrasting bureaucratic with paternalistic office administration. Paternalistic administration is usually associated with small office size, though certain of its characteristics can be produced in large-scale organizations. Basically, we may speak of paternalism in a field of clerical employment in so far as working conditions - functions, qualifications, remuneration, promotion, pensions - are determined by the personal relations of employers and clerks. One major consequence of this situation is the lack of uniformity in working conditions throughout the field of employment: that is, administrative particularism. The extreme case of paternalism is that of the counting house, where the clerks in an industry are scattered among a multitude of small, private firms. At the other pole, bureaucratic organization exists in so far as working conditions are regulated by impersonal rules which strictly exclude all forms of personal consideration between employer and clerk. To the degree that a field of employment is subject to such bureaucratic rules, administrative particularism will be replaced by the standardization of working conditions. Bureaucratization is naturally greatest where an industry is brought under the central and unitary control of one employer. But between this extreme case, on the one hand, and complete paternalism, on the other, there may be a whole range of mixed, intermediate stages, in which elements of both types of organization are to be found.

One further aspect of bureaucratic organization that is of consequence for unionization is the degree to which there is a blockage of upward mobility for clerical staffs. The rigid

classification of functions usually leads to a clear division between 'clerical' and 'managerial' posts, and the establishment of explicit criteria for promotion from one to the other. By contrast with paternalistic administration, the process of 'fitting the job to the man' and the arbitrary distinctions which this entails, are reduced to a minimum, if not in theory dispensed with altogether. While the blockage of upward mobility for clerical staffs is not necessarily associated with these conditions, such blockage may occur for the following reasons. In the first place, there may be direct recruitment to managerial positions from outside and a consequent curtailment of internal recruitment from below. Secondly, the economies of administrative rationalization may lead to a reduction in the ratio of managerial to clerical functions. This might be expected to occur, for example, as the result of an amalgamation of several small, private concerns into a few, large-scale organizations. In varying degrees, therefore, bureaucratization is conducive to the blockage of clerical promotion and to the isolation of a separate clerical class.

Thus defined, bureaucratization represents a set of conditions extremely favorable to the growth of collective action among clerical workers. It is not too much to argue that in fostering black-coated solidarity, bureaucratization has played a role analogous to that of the factory and labour market in the case of manual workers. The relationship has not been entirely one-sided. Just as bureaucratization provides fertile ground for unionization, so unionization, once established, leads to further bureaucratization by its demands for uniformity of working conditions. Bureaucratization and unionization have, to borrow a phrase from Myrdal (1944, pp. 3), been 'mutually cumulative' in their effects.

The civil service, on the one hand, and private industry and commerce, on the other, provide the two limiting cases by which the above principles can be illustrated.² In the civil ser-

2. Nationalization has provided some examples of the basic changes involved in the transition from private industrial to 'civil service' administration, one of which - road haulage - has been described by Smith (1956, pp. 64-5): 'The absence of any hierarchical system of administrative and clerical grades, with a corresponding salary scale, did not long persist in the new bureaucracy. Within two years of nationalization an elaborate grading

vice, especially after the reorganization of 1920, there has been a close approximation to the pure bureaucratic model of administration. A clear-cut classification of functions, qualifications, remuneration and criteria of advancement permitted a high degree of standardization of conditions throughout government departments. In particular, the resulting isolation of a clerical class, common to the service and made up of individuals whose chances of promotion were relatively small, provided the basis for the Civil Service Clerical Association, which assimilated into itself the hitherto splintered clerical associations (Humphreys, 1954). By striking contrast with this administrative centralization and *Gleichschaltung*, industrial and commercial clerks have been scattered among a great number of private firms among which administrative particularism has been the rule. In the majority of these firms the degree of office rationalization has been low and many of the paternalistic relationships of the counting house have persisted. In particular, the lack of a rigid division between 'clerical' and 'managerial' grades has not resulted in the explicit blockage of mobility for the clerical group which has been typical of the civil service.³ Between the private firms there has, in addition, been little or no standardization of clerical functions or qualifications. Nor has this standardization been effected by the growth of a labour market for clerical labour. Under such conditions a sense of common identity among clerks is attenuated and the progress of unionization is inevitably retarded.

system had been established, in which status was determined by the nature of the work and the position in the management hierarchy. Districts required more high-grade positions than groups, and so on. Personal considerations were firmly excluded. "It must be stressed", said the Executive in a statement of policy, "that *posts* are being classified and that the quality as distinct from the quantity of work arising from the duties of the post will be the determining factor . . . fitness for promotion in the absence of a suitable vacancy will not warrant regrading." Such practices were in marked contrast to most experiences of private ownership, when a clerk's salary depended wholly on his personal relations with the owner.'

3. From the point of view of unionization, the fact that upward mobility is institutionally regulated for the clerical class as a whole, as it is in the civil service, is probably just as important as the actual amount of mobility that takes place. The point is that for the commercial clerk there is no such explicit limitation of his 'chances'.

In this context it is useful to compare the unionization of industrial and commercial clerks with that of local government clerks. At first sight the difficulties of organization appear to have been equally great. Not only were local government officers dispersed among some two thousand local authorities, but their conditions of work had little uniformity, the 'cockpit of local politics' strongly fostering local particularism. Yet in the course of the present century the National and Local Government Officers' Association has emerged as the largest, and one of the most influential, unions of black-coated workers. Side by side with the growth of NALGO, and in the main due to its efforts, there has been gradually established a bureaucratic framework for local government administration. This process culminated in the National Charter of 1946 which laid down the basic clerical and administrative grades common to local government authorities throughout the country. In the light of these facts it may seem that the hypothesis that bureaucratization provides the basis for black-coated unionization is falsified and that NALGO advanced in spite of, rather than because of, the conditions of local government work.

There can be little doubt that the sense of common identity among local government employees was much less developed than that of civil service clerks. Yet, despite local particularism, they formed a much more coherent group than industrial and commercial clerks. Despite their varying conditions of service they were all members of local government administration and this sense of community of interest was especially strong among the senior officials and professionals who played a leading role in the formation of the association.⁴ Objectively, the possibilities of uniformity were there, in the sense that local government functions were broadly comparable from one locality to another, although autonomous councils had produced a bewildering variety of actual working conditions. If there was local particularism it was much more tractable than the particularism to be found in private industrial and commercial

4. NALGO has never been a strictly clerical union. The role played by senior local government officials gave it a 'respectable' tone from the beginning. This was different in other clerical unions where senior officials and management have usually been outside and often hostile.

firms. The achievement of superannuation in 1922 proved that for some purposes at least local government service could be treated as a whole. During the first flush of Whitleyism the establishment of national salary scales for local government officers was actually considered. And even after the collapse of the National Whitley Council for Local Government in 1921, work continued on making local scales comparable. In 1924 it was claimed that 'a few years ago there was not the slightest semblance of uniformity in the basic rates of remuneration of the staffs of local authorities. The position today is vastly different. A considerable number of local authorities have adopted the Association's scale of salaries, or a modified form which does not disturb the principle' (*Local Government Service*, 1924, p. 1). Moreover, the provincial Whitley Councils survived in certain areas, notably in Lancashire, the West Riding and North Wales. Where Whitleyism prevailed and some kind of uniformity was present, NALGO membership was high.⁵ The view that standardization of working conditions was necessary and practical was voiced in an official report of 1934.

We should like to see broadly similar staff grades in force throughout the local government service. This would knit together the service in a way calculated to increase its attractiveness to recruits and to facilitate the movement of officers between local authorities. We recognize that there must be local variations due to the different size and functions of local authorities, but apart from this difficulty we see no reason why the grades of different authorities should not be, at any rate, comparable. This has already been achieved to some extent, especially in the areas of the three provincial Whitley Councils (Departmental Committee on Qualifications, Recruitment, Training and Promotion, 1934, p. 35).

Ten more years were to elapse, however, before this ultimate aim of uniformity would be realized.

When the national standard finally came after the Second World War, it was the end-product of a slow and steady evolution that had been in progress since the end of the first. It was

5. In 1935, the Lancashire and Cheshire Whitley Council scales had been applied to 24,000 officers, or 90 per cent of the total in the area. In 1936, this particular council, together with North Wales, represented over 20 per cent of the total membership of NALGO (NALGO, 1935, 1936).

during this same span of time that the membership of NALGO rapidly increased. The total membership in 1939 was four times greater than it had been fourteen years previously. More significantly, the absolute growth reflected in large measure a rapid increase in unionization of the total membership potential. By 1951 some 90 per cent of all local government clerks belong to the union, whereas thirty years earlier the figure had been only 34 per cent (NALGO, 1951, para. 58). The growth of NALGO, therefore, has gone hand in hand with the subordination of local particularism in working conditions to a set of national standards common to the service.

The experience of NALGO gains significance if it is set against that of the Clerical and Administrative Workers' Union, the major clerical union in industry and commerce. Of a total membership potential which cannot be less than a million the union has organized not more than about 5 per cent. The condition of clerical labour in this field has presented an immensely more difficult problem to unionization than that of local government service. The CAWU has not only had to contend with the fact that clerical conditions varied firm by firm within the same industry, but also with the additional obstacle of industrial variation in working conditions. Given these circumstances, the union was faced with a huge potential membership which had next to nothing in common, except that all of them were 'clerks', and even that was a highly ambiguous common denominator. The possibility of making a general appeal to clerks as a body that would cut across this kind of particularism was extremely limited.

The actual composition of CAWU membership and the policy pursued by the union clearly reflect the abnormal difficulty of organization among a membership with little sense of corporate identity.⁶ Recruitment was necessarily adven-

6. The high rate of lapsing members is one indication of this. During the four years ending December 1947 the membership of the union increased by 1625. But this increase involved the recruitment of 58,098 new members, because during this period the total number of lapses was no less than 56,473. Granted that this took place during the last two years of war and the first two post-war years, it still represents an incredibly high rate of turnover. One of the main reasons for lapsing is the 'penny-in-the-slot' attitude to unionism. This in turn reflects the personal and individualistic

titious and opportunistic. Particular groups of clerks whose employers were favourable to unionization formed the core of the membership. Headway was also made in fields where powerful manual workers' unions were operating. But the policy of promoting standard working conditions for clerks throughout the field, the very policy adopted by NALGO, met with little success for obvious reasons. The opportunity afforded by Whitleyism was not exploited, partly because the union had insufficient membership, but also partly because the attitude of the union towards Whitleyism was, to say the least, lukewarm (*The Clerk*, 1919, p. 76). The mass of the membership was, for a long time, formed by clerks working in the cocoa trades, where there was a progressive Quaker management which encouraged union activity, and in the offices of trade unions, friendly and cooperative societies.⁷ In addition,

interests of the members. A sense of corporate solidarity among the membership of an association demands something more, namely, impersonal and collective interests, which again only emerge if there is a sufficient degree of uniformity in the working conditions of the group (*The Clerk*, 1949, p. 1).

7. In 1922, the Food, Drink, Tobacco and Allied Guild and the Industrial, Political and Friendly Societies' Guild formed 43 per cent of the total membership of the union. A large proportion of these Guild members were drawn from the chocolate trades - Frys, Rowntrees and Cadburys - which were highly organized, or from cooperative society and trade union staffs (*The Clerk*, 1923, p. 104). During the collapse of the membership between 1922 and 1931 these members, in contradistinction to the rest, remained extremely stable, as the table shows:

Guild	1922	1925	1928	1931
Food, drink, tobacco and allied trades	3550	3536	3295	3421
Industrial, political and friendly societies' staffs	1022	1254	1113	1078
Printing and kindred trades	499	205	849	746
Building and furnishing	181	105	60	
Engineering, shipbuilding and metal trades	2328	779	537	2237
Mining and quarrying	430	132	48	
Public services	1206	556	425	
General guild	1484	1043	1077	
	10700	7610	7404	7532

Source: *Annual Reports* of the NUC for the years specified.

colliery clerks were recruited to some extent by the union, especially in those areas where the mineworkers' union was pressing for overall coverage of workers.⁸ A certain number of clerks in the engineering industry, particularly those who work in contact with manual workers, have been organized, but taken as a whole engineering still forms an undeveloped area so far as clerical unionism is concerned (*The Clerk*, 1949, p. 8). Since the Second World War the hold of the union has been strengthened in the mining, electricity and transport industries as a consequence of nationalization.

While the working conditions in commerce and industry have been just as unfavourable to clerical unionization as those in the civil service provided an ideal setting, the position of the bank clerk provides an interesting example of an intermediate stage. The general depersonalization of relations that followed the large-scale amalgamations in banking was a potent factor in the initial success of the Bank Officers' Guild after the First World War.⁹ This point was emphasized quite clearly in the early issues of the union's journal. 'The elimination of that element of personal intercourse between bank servant and his employer, which has such fine possibilities and which was justly esteemed by both', was seen as a direct result of the reorganization typical of bureaucratization. 'In a word, the system is dehumanized' (*The Bank Officer*, August 1919, p. 3). The change in the nature of the working relationship was held to be as much responsible for unionization as the question of salaries.

Bankmen have grievances. Salaries are a burning question with them in these times of high prices, from which there is little hope of reduction at present; but unhesitatingly we affirm, from a close and extensive knowledge of the bankman and his point of view, that it is the grim factor of cold, impersonal treatment that hurts him most of

8. In South Wales in 1943 the union was 'fast approaching the 100 per cent target. Our members were conscious of the fact that each of the four (largest) companies were operating an agreement between the Monmouthshire and South Wales Coal Owners' Association and the South Wales Miners' Federation for 100 per cent trade union membership amongst all grades of workers covered by the Federation' (*The Clerk*, 1943, p. 7).

9. Founded in 1918, the Bank Officers' Guild had one out of every two bank clerks in its ranks three years later. This is still roughly the proportion unionized today.

all. It cuts across his manhood and he feels that he is being ground down to a contemptible part in a soulless mechanism. It used to be the proud boast of a general manager in the old days that he knew every man in his service down to the junior clerk and to many he was guide, philosopher and friend. This cannot be today, and we do not yearn for the impossible, for we recognize much merit in the economy of the big corporation; but we deplore the soullessness of much of the relations between the higher official and the rank-and-file (*The Bank Officer*, October 1919, p. 4).

The passing of the paternalistic work situation of the counting house and its replacement by the more highly standardized relationships of bureaucratic organization did not mean, however, that paternalism and particularism in banking were completely swept away. In the first place, there was no blockage of upward mobility for the bank clerk comparable with that institutionalized in the civil service, and this factor undoubtedly retarded unionization.¹⁰ Secondly, between the major banking houses themselves differences in working conditions persisted. Salary scales were not identical, clerks could not move freely from one bank to another, the banks did not act in concert *vis-à-vis* their employees and they encouraged particular loyalties, especially in the form of 'internal' staff associations. The resulting lack of uniformity in conditions went a long way to vitiate the efforts of the Bank Officers' Guild as a union for all bank employees. The lack of full community of interest

10. 'There is an impediment to the close organization of the permanent male clerks. Up to about his fifteenth year of service a clerk is "on the scale"; provided he behaves with reasonable courtesy and shows average efficiency his salary will go forward by predictable annual increments. After this point, however, the male staff tends to become divided into those who will "get on" and those who will not, and here we have a real (though rarely admitted) disparity of interest. The man who thinks he is going forward by stages to a good managership looks at the world with eyes very different from those used by his former comrade who has come to realize that he stands little chance of progressing beyond a till. In the civil service this division is in effect made when the clerks enter the service; it is explicit, everybody knows it and organizes accordingly; in banking it creeps on a man so that at no point in his career can he be certain that he is destined for a particular fate and this makes any organization along lines of economic category virtually impossible in the vital thirties and early forties of a clerk's life' ('The Bank Officers' Guild and the future of staff organization', *The Bankers' Magazine*, June 1943).

between bank clerks may be traced directly to the endurance of this particularism in the industry. 'If, for example', one interested observer argued,

the Big Five or the Big Six decided that on the 1st of June there should be an all-round cut of 10 per cent then I imagine that bank officers would become conscious of community of interest as between one bank and another. That is why you have civil servants organized. The governmental action affected them all equally. The bank officer has not been aroused; he has not opened his eyes to the fact that there is a subtlety about the treatment meted out to him. One bank acts now, another next year, so as to keep you blind to the universality of your fate (*The Bank Officer*, July 1934, p. 9).

These particular differences have continued as a characteristic of banking and have likewise continued to confound the universal appeal of the union. After pointing out that 'the foundation of any union is a common economic and social bond', one recent reviewer of the activity of the Bank Officers' Guild goes on to say that the banking industry lacks the 'necessary homogeneity' for unified action.

A male clerk in one of the big clearing banks works in an institution which receives him in youth and keeps him all his life. He cannot transfer to one of the other clearing banks and thus he comes to develop a group loyalty limited to the concern which employs him. Thus there does not exist that strong common interest which is required to bind him to those employed outside his own bank; at most, he will be bound to them only for such a time as the economic sun is shining (*The Bankers' Magazine*, June 1943, p. 9).

The pertinent comparison here is with the railway clerk. During the early days of the Railway Clerks' Association, the railway industry was similarly divided among a small number of large-scale bureaucratic organizations. The main difference was that the various railway companies acted in a much more concerted fashion than the banking companies with regard to working conditions of employees. Railway clerks were, as a consequence, faced with a much more unified opposition to their interests, in the form of the Railway Companies' Association and later the Railway Executive Committee. In addition, railway amalgamation had resulted in diminution of promotion opportunities for clerks. All these factors were extremely

favourable to collective action.¹¹ In 1904 the RCA contained slightly less than 7 per cent of railway clerks. By 1918 it had a clear majority of 61 per cent.

Variations in the degree of black-coated unionization can, therefore, be primarily attributed to variations in the work situations of different clerical groups. This is not to say that 'economic' factors are entirely unimportant. Bureaucratization is frequently associated with a decline in the chances of upward mobility for clerks, and occupational mobility forms one aspect of their market situation. Nevertheless, 'blocked mobility' in itself would appear to be an insufficient cause of unionization; the individuals whose chances of promotion are curtailed must, in addition, be aware of their common identity as an occupational group and this awareness is first and foremost a product of standard working conditions. Moreover, even when mobility is not blocked, as in banking for example, a considerable degree of unionization is apparently possible simply on the basis of large-scale bureaucratic organization.

There is little demonstrable connection between unionization and 'economic' position in the narrow sense of level of income, and degree of job security. Those clerks with the least income and security of tenure are not those with the greatest degree of organization. On the contrary, it is among the more highly paid and secure clerical population that the degree of unionization is highest.

The same is true of social status. It is not generally true to say that the black-coats with lowest prestige are the most highly organized. Conversely, it does not hold that the clerks with fairly high social standing, such as bank and civil service clerks, are those with the lowest degree of unionization. There is in fact no general correlation between social status and trade unionism in the clerical field. This does not contradict the earlier generalization that the status ambiguity of black-coated work is one of the major factors preventing the mutual class identification of clerk and manual worker. Trade unionism and class consciousness cannot be so easily equated, as will be seen later. The point is simply that status differences seem to have played no

11. The facts are set out in Walkden (1928; see also Walkden, 1911, 1913).

stimulated in their organization by the support coming from the powerful manual workers' unions.¹² In the case of railway, mining, dockside and printing clerks, there has been direct recruitment by the manual workers concerned. Even within other black-coat unions, this factor has been of some importance. Lancashire and Yorkshire have been the birthplaces of many of them, and the industrial areas have generally shown up well in the membership.

An examination of our membership shows that very often we are strong in places where the bankman comes in direct contact with industry and weak in places where our great industrial concerns are little more than names to him. In London, for example, he may work in an office where are kept the accounts of great engineering firms, cotton companies, or chemical combines. He may even do nothing else than post their ledgers or deal in other ways with their affairs, but what do these firms mean to him? In most cases, they are the names of shares to watch on the Stock Exchange; they are the people who occupy great blocks of offices in the City and elsewhere, or they are the people who expend huge sums in very well got-up advertisements in the Press and on the hoardings of the underground. It may be that some bank clerks better informed than the majority say, 'Ah, but I know men who work at Lever Bros., or the ICI, and I know a great deal about the conditions in these places.' Yes, no doubt he does know these men – men who live in the same suburbs as himself and travel up to town every day by the 8.45 or the 9.15 wearing clean collars, neat suits and perhaps spats. They are very decent fellows and when they reach their offices do almost the same work as the bank clerk does and use the same tools, i.e. a pen and a piece of blotting paper. This, however, is not 'industry' as the word here is used. It is administration, distribution, commerce, if you will, and very important work, but it is not productive industry. Turn now to the bank clerk who lives in an industrial area and ask him what he knows about the great firms. What do these names mean to him? Why, blast furnaces, at certain times belching forth flame and smoke to heaven and at other times emitting a stream of glowing, molten metal. Does he know the men who work there? Aye, of course he does, and the women too –

12. See, for example, TGWU Administrative, Clerical and Supervisory Group (1923); also *Quayside and Office* (October 1920 to January 1922), the organ of the National Union of Docks, Wharves and Shipping Staffs (ceased publication on amalgamation with the TGWU).

indeed, these people form the major part of his acquaintance. They go to work some time before eight in the morning, either walking or on the tram. Their clothes, when not covered by overalls, are stained and shiny and they certainly do not wear a clean collar every day. At 12.30 a buzzer sounds and they all troop to dinner – not lunch – and an hour later they are back again until 5.30 or thereabouts when they go home to tea and recreation till bedtime. A very different picture surely from the one conjured up in the mind of the bank clerk in a non-industrial area (*The Bank Officer*, December 1928, p. 20).

Degree of contact with manual workers and their unions,¹³ then, is one of those factors which affect the distribution of membership within clerical unions, but are not generally decisive in determining the differences in the degree of concerted action between one union and another. Civil servants, for example, are not a group of black-coats who frequently come into contact with manual workers in their day-to-day routine, yet they are highly organized. On the other hand, there are approximately 300,000 clerks employed in the metal, engineering, shipbuilding, vehicle, metal goods and precision instruments trades, which is about five times greater than the *total* membership of the Clerical and Administrative Workers' Union – the union responsible for their organization.

13. Another factor working in the same direction here is that the clerical workers in these areas are likely to contain a higher proportion from working-class backgrounds than is the case in non-industrial areas. This has been especially true of a group such as railway clerks. 'Many Railway Clerks' Association members sympathize with the claim of the National Union of Railwaymen', said the general secretary in 1939, 'because they were born in the homes of railwaymen in the lowest paid grades and, therefore, they had first-hand and unforgettable experience of the inevitable hardships and handicaps' (*Transport Salaried Staff Journal*, May 1954, p. 174).

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15 George Sayers Bain

The Employers' Role in the Growth of White-Collar Unionism

Excerpt from George Sayers Bain, *The Growth of White-Collar Unionism*, Oxford University Press, 1970, pp. 122-35.

The employers' role in union growth has generally been neglected. Even when its importance has been noted, it has not received much systematic or detailed attention. This neglect is not justified. For even the most superficial reflection should indicate that employer policies and practices may profoundly affect the growth and development of trade unionism. Where employers disapprove of trade unions and pursue policies designed to discourage their employees from joining them, trade union growth is likely to be retarded. Conversely, where employers recognize and negotiate with trade unions and encourage their employees, to belong to them, trade union growth is likely to be stimulated.

In order to obtain some information on employer attitudes and behaviour with regard to white-collar unionism, a survey of individual employers and employers' associations in private industry was carried out during May to July 1966.¹ The author interviewed twenty-five major firms and fourteen employers' associations and, in addition, a questionnaire was sent to 142 employers' associations and fifteen firms. All of the organizations approached agreed to be interviewed; the response rate to the questionnaire was 86 per cent. The employers' associations were chosen, with the help of the Confederation of British Industry, as being the most important ones in the industry concerned. The firms were chosen partly because of their size and partly because they were known to have refused or to have granted recognition to white-collar unions.² This survey

1. This survey was undertaken on behalf of and under the direction of the Royal Commission on Trade Unions and Employers' Associations, and the findings were published in Bain (1967).

2. The various firms and employers' associations agreed to cooperate with

of employers was supplemented by information obtained from interviews during 1965-6 with sixty full-time officials of the major unions catering for white-collar employees in private industry and from documentary sources.

Trade union growth and recognition

There are several reasons why the growth of unions is likely to be greater the more willing employers are to recognize them and the greater the degree of recognition³ which they are prepared to confer upon them. Firstly, workers, especially white-collar workers, tend to identify with management and they are, therefore, less likely to join trade unions the more strongly management disapproves of them. A National Association of Clerical and Supervisory Staffs (NACSS) official claimed that before it is possible to recruit many white-collar employees 'you have to be able to show them that their employer is not really opposed, that they won't be disloyal by joining, and that all in all, there is not going to be much of a battle'.

Secondly, the more strongly management disapproves of trade unions, the less likely workers are to join them in case they jeopardize their career prospects. This point is brought out most clearly by the following letter to a union organizer from a technician in a drug-manufacturing company:

As I explained . . . all the members of the technical staff are fearful to have anything to do with our association or any other similar

the Royal Commission and the author on the understanding that their replies would not be attributed to them as organizations. Consequently, material obtained from interviews and questionnaires has been cited in such a manner that the organizations concerned cannot be identified.

3. The assumption is often made that a union either possesses recognition or it does not. But, in reality, union recognition is a matter of degree. On the one extreme, the employer may oppose the union by force or by 'peaceful competition' and there is little or no recognition. On the other extreme, the employer may bargain with the union on any matter it may wish to raise; meet any representatives that the union may appoint; accord the union the necessary facilities to collect subscriptions, hold meetings and publicize its activities; encourage his employees to join the union; and provide it with essential information for collective bargaining. Between these two extremes, there are many intermediate positions. The variety of employer policies with regard to union recognition should become clearer after reading this chapter.

organization. Apparently the — Company will have nothing to do with trade unions and most of my colleagues appear to be surprised that I got a job at — in spite of being a union member. To be quite honest I wasn't asked at the interview if I was a trade union member and to my knowledge they are still unaware of my affiliation.

The evidence which will be presented later in this chapter indicates that the fears of many white-collar workers in this regard are well founded.

Finally and most important, unions are usually accepted on instrumental rather than ideological grounds, 'as something to be used rather than as something in which to believe' (Wright Mills, 1956, p. 308). Many employees want to see 'the proof of the pudding' before they join a union but 'the proof of the pudding comes once the union has been recognized' (Flanders, 1966, p. 10,005). The less recognition an employer is prepared to give a union the more difficult it is for the union to participate in the process of job regulation and thereby demonstrate to employees that it can provide a service for them. In such circumstances not only are a large number of employees not likely to join the union, but many of those who have already done so are likely to let their membership lapse because the return they are getting on it is insufficient.

There is a considerable body of evidence which supports the argument that recognition is important in fostering union growth. A scholar who studied managerial unionism in the coal industry concluded that it is the 'fact of recognition that explains the success of BACM [the British Association of Colliery Management]' and the failure of rival organizations (McCormick, 1960, p. 367).

A sociologist who studied unionization among bank clerks found that about one-fifth of the clerks in his sample who were not in National Union of Bank Employees (NUBE) said they were not members because it was not recognized. 'For one this was an ideological statement, but for the others it was a practical reason, expressing the belief that NUBE is powerless, or at least less effective than the staff association, because it is not recognized' (Blackburn, 1967, p. 250). He also found that 'the more hostility a bank has shown to the union, the lower has been the union's completeness [membership density]' (p. 249).

This and other evidence he analysed led him to conclude that:

It does seem quite clear that the banks' attitudes, and their relationships with the two organizations, have played an important part in determining the completeness of NUBE and the staff associations, with recognition or non-recognition being a major factor in the situation. It is hard to doubt that if NUBE were generally recognized its completeness would be appreciably higher, or that if recognition were withdrawn from the staff associations their completeness would decline (p. 251).

The best illustration of the importance of employer policies and practices as a factor in union growth is provided in Great Britain by contrasting the public and private sectors of the economy. The density of white-collar unionism in the civil service, local government and the nationalized industries is extremely high, even among managerial and executive grades [see table 3.2 of *The Growth of White-Collar Unionism*]. Lockwood (1958, pp. 141-9) has suggested that this is explained by the large-scale bureaucratic administration characteristic of public employment [see also pp. 74-5 of *The Growth of White-Collar Unionism*]. But while 'bureaucratization' has obviously been very important in encouraging public employees to join trade unions, it has not been the only factor.

An equally and perhaps even more important reason for the high degree of unionism among white-collar employees in the public sector is that their employers have agreed to recognize and negotiate with their unions. In fact, most public employers have gone much further than this and have actively encouraged their employees to join trade unions. Each new entrant to the civil service is informed by the Treasury that he is

not only allowed but encouraged to belong to a staff association. Besides being a good thing for the individual civil servant to belong to an association, which can support him in his reasonable claims and put his point of view before the authorities on all kinds of questions affecting his conditions of service, it is also a good thing for Departments and for the civil service as a whole that civil servants should be strongly organized in representative bodies. It is only common sense to meet the wishes of the civil servant about his conditions of service as far as possible, for a contented staff will work much more efficiently than a staff which feels that its interests

are being completely ignored by the 'management'. But it is hopeless to try to find out the wishes of a scattered unorganized body of individual civil servants each of whom may express a different view. When they get together in representative associations, their collective wish can be democratically determined and passed on to the 'management' with real force and agreement behind it; the 'management' know where they stand and can act accordingly (cited by Hayward, 1963, p. 2).

Most local authorities and nationalized industries have made similar pronouncements.

By contrast with the public sector, the density of unionization among white-collar employees in private industry is very low [see table 3.5 of *The Growth of White-Collar Unionism*]. Lockwood (1958, pp. 141-9) has suggested that this is accounted for by the large number of small firms and the resulting low degree of 'bureaucratization' characteristic of private employment [see also pp. 74-5 of *The Growth of White-Collar Unionism*]. The present study has already shown that there is a great deal of truth in Lockwood's contention [see pp. 72-81 of *The Growth of White-Collar Unionism*]. But again, it is by no means the whole story. Employer policies and practices are also important.

Most private employers, unlike those in the public sector, refuse to recognize and negotiate with white-collar unions, and many of them even pursue policies designed to discourage their white-collar employees from joining unions.⁴ A survey undertaken by the British Employers' Confederation (one of the organizations which merged to form the present Confederation of British Industry) in 1963-4 revealed that:

Of twenty-three member organizations which replied to the questionnaire only one was able to state, without reservations, that trade union representation of staff workers is recognized, that this recognition is on a formal basis and that agreements covering the rates of pay, etc. of staff workers are made at national or company level. A few other member organizations indicated that staff unions are recognized to a limited extent (e.g. they are recognized only at certain firms or only in respect of certain types of staff workers) but

4. These policies are described in *The Growth of White-Collar Unionism*, pp. 131-5.

generally such recognition is limited to procedure and does not cover the making of agreements (British Employers' Confederation, 1964, p. 1).

While this survey is somewhat limited in scope, its general conclusion is supported by an unpublished Ministry of Labour estimate that some 85 per cent of white-collar employees in manufacturing industries are not covered by collective agreements. In other words, probably not more than 15 per cent of staff workers in manufacturing industries have had their right to union representation recognized by employers (see also Bain, 1967, esp. pp. 68-72 and table 18).

There can be little doubt that a major reason for the difference in the density of white-collar unionism between the public and private sectors of the economy is the difference in employer policies and practices with regard to union recognition. Variations in such policies and practices also help to account for variations in the density of white-collar unionism within the private sector itself. Chapter 3 demonstrated [see pp. 133-7 and table 3.8 of *The Growth of White-Collar Unionism*] that union density among most white-collar workers in engineering and electrical goods, shipbuilding and marine engineering, vehicles, iron and steel, and newspaper publishing, as well as among foremen and overlookers in textiles⁵ is relatively quite high. These are also the areas in which at least some form of white-collar union recognition has generally existed for several years.

The Engineering Employers' Federation⁶ conceded recognition to the Clerical and Administrative Workers' Union (CAWU), the NACSS and the National Union of General and Municipal Workers (NUGMW) for clerical workers in 1920, 1940 and 1953 respectively, to the Draughtsmen's and Allied Technicians' Association (DATA) for draughtsmen and

5. The density of unionization among foremen in textiles is relatively high partly, but not entirely, because weaving overlookers who are really manual workers had to be included in this category for reasons of comparability. See p. 32, n. 3, of *The Growth of White-Collar Unionism*.

6. This Federation covers the majority of firms in engineering and electrical goods, vehicles, certain sections of metal manufacture, and marine engineering (but not shipbuilding).

certain allied technical grades in 1924, and the Association of Scientific Workers (AScW) for certain scientific and technical grades in 1944.⁷ It also agreed to recognize the Association of Supervisory Staffs, Executives and Technicians (ASSET) in 1944, but only where the union had majority membership in a particular grade in a particular establishment of a member-firm. The Shipbuilding Employers' Federation recognized DATA in 1941.⁸ In 1943 the Iron and Steel Trades Employers' Association adopted a policy of encouraging, but not compelling, member-firms to recognize the British Iron, Steel and Kindred Trades Alliance (BISAKTA) for clerical workers, laboratory staffs and departmental foremen and, to a lesser extent, DATA for drawing-office staffs and the various craft unions for craft foremen.⁹ The major proprietorial associations in the newspaper industry recognized the National Union of Journalists (NUJ) during and immediately after the First World War. The Newspaper Proprietors' Association recognized the National Union of Printing, Bookbinding and Paper Workers (NUPBPW) and the National Society of Operative Printers and Assistants (NATSOPA) for clerical and certain other administrative workers in 1919 and 1920 respectively, while the Newspaper Society recognized NATSOPA for clerical workers in 1938. Both the Newspaper Proprietors' Association and the Newspaper Society recognized the Institute of Journalists in 1943. In the cotton-spinning industry, the British Spinners' and Doublers' Association granted a limited form of recognition to the Textile Officials' Association for supervisory grades in 1950.

Clearly, those areas of private industry in which some form of white-collar union recognition has generally existed for several years are also those in which the density of white-collar unionism is highest. Unfortunately, the relationship between

7. The concessions of recognition which are mentioned in this chapter are described in much greater detail in chapter 9 [not included here].

8. Since 1964 there have been further concessions of recognition to white-collar unions in the shipbuilding industry. See p. 176, n. 3, of *The Growth of White-Collar Unionism*.

9. Since 1964 the white-collar union recognition situation in the iron and steel industry has been considerably changed by the nationalization of the industry. See p. 166, n. 1, of *The Growth of White-Collar Unionism*.

union membership and recognition cannot be expressed more precisely. Recognition, unlike membership, does not lend itself very well to quantification. There are considerable differences in the degree or quality of the recognition which has been conceded to the various white-collar unions. The Engineering Employers' Federation compelled its member-firms to recognize ASSET only where it had majority membership; this condition still applies for its successor, division I of the Association of Scientific, Technical and Managerial Staffs (ASTMS). But all the other staff unions in engineering are recognized regardless of the extent of their membership. The British Spinners' and Doublers' Association has recognized the Textile Officials' Association but has refused to enter into formal joint agreement with it. Employers in the public sector have not only recognized the various staff unions, they have also encouraged their employees to join them. It is difficult, if not impossible, to know what weight should be assigned to these and numerous other qualitative differences in the form which white-collar union recognition has taken.

Although recognition cannot be quantified and subjected to statistical analysis, sufficient evidence has been presented here to establish that recognition is very closely associated with membership. But this does not prove that recognition produces membership. It may be that membership is the major factor influencing the employers' decision regarding recognition. Employers may withhold recognition from unions where they do not have sufficient membership to justify its concession and concede it where they do.

'Representativeness' is certainly the criterion which most employers claim to use in deciding whether or not to recognize a union for white-collar employees. Before the Treasury will recognize any staff union, it 'must show that it is representative of the category of staff concerned' (Treasury, 1965, para. 12). The Engineering Employers' Federation insisted on majority membership as the criterion for recognizing ASSET, and still does for recognizing its successor, division I of the ASTMS. Similarly, Unilever (1966, p. 1972) has claimed that its companies will recognize a union's right to represent employees and negotiate on their behalf wherever it has established membership amongst a ma-

majority of the group which a company is prepared to accept as a 'negotiating group'. At the same time, our companies regard the building up of union membership to the level required for negotiating rights as primarily the responsibility of the unions themselves. Where a union fails to satisfy a company that it has a genuine majority amongst the 'negotiating group', it cannot be said to have earned the right to represent the group.

Lloyds Bank (1967, p. 1) claimed in its evidence to the Donovan Commission that it refused recognition to the NUBE because the bank's 'Staff Association . . . has (by a considerable margin) the greater membership'. Another firm 'could only accept trade union representation in the knowledge that at least 80 per cent of our staff are members of the union'. Many of the other employers who were surveyed indicated that they had refused to recognize a staff union because it had not represented a 'substantial proportion' of the employees concerned.

But it is very doubtful if lack of representativeness is the major reason why most private employers refuse to recognize white-collar unions. In applying the criterion of representativeness it is necessary to define three concepts - 'representativeness', 'area of representation' and 'recognition'.¹⁰ In Britain these concepts are usually defined by the employer and in such a way that either it is extremely difficult for the union to 'earn' recognition or the form of recognition 'earned' is hardly worth having. When this is the case the criterion of representativeness merely becomes a 'respectable' device by which an employer can deny a union recognition.

There is no general agreement as to what 'representativeness' means. Some employers are prepared, and in engineering are obliged, to recognize a union if only one of their staff employees is a member. Other employers will not grant recognition unless a union has recruited 33 per cent of the employees concerned; others expect 51 per cent; and still others interpret 'substantial proportion' as substantial majority and expect unions to have 75 per cent or better. For a few employers the expected percentage tends to be a variable which moves upward as the union's actual membership in the firm increases. Employers

10. This is treated in greater detail in Bain (1967, paras. 202-4, 211-12).

who demand an extremely high degree of 'representativeness' would seem to be motivated not so much by their concern that the union should actually be representative of their employees as by their concern that it should not represent them at all.

Employers who claim that they will recognize a representative union, often choose the area over which it will be most difficult for the union to demonstrate its representativeness. Sometimes the firm may have an organizational reason for the choice of this area. But generally it is designed merely to keep the union out. One large company employing approximately 7000 foremen in forty different establishments claimed it would only recognize ASSET if it could organize a majority of all the foremen and refused to recognize it on an establishment-by-establishment basis. In an interview the company admitted that there was no 'positive' reason for choosing this national area of representation and that its primary purpose was to put 'a major hurdle in the way of the union'.

Another large company employing roughly 40,000 white-collar employees in seventy-five establishments has agreed to recognize a union for any particular occupational grade, but only if it has a majority membership among this grade across the company as a whole. The company's justification for this policy was that it had a national salary structure. But it could advance no logical reason in support of such a salary structure or show that the efficiency of the company's operations would be impaired if local salary structures were adopted. In fact, the national salary structure was only introduced fairly recently, about the same time as various unions began recruiting the firm's staff. Moreover, as the company itself pointed out, this salary structure often resulted in overpaying in areas of labour surplus and underpaying in areas of labour shortage. The company's claim that it is not opposed to staff unionism is, therefore, not altogether convincing.

Some employers will recognize a union for staff employees only if it is representative across the whole industry concerned. Until 1967 [see p. 176, n. 3 of *The Growth of White-Collar Unionism*] the Shipbuilding Employers' Federation argued that the recognition of staff unions was a matter of interest to all

employers in the industry, for what one firm did in this regard might set a precedent which other firms would be forced to follow. The Federation, therefore, advised all member-firms to agree only to informal discussions with a staff union over the grievances of an individual member and to refer all claims for recognition on behalf of staff grades to the Federation. For its part, the Federation would only recognize those unions which were representative of a 'substantial proportion' of a particular staff grade throughout the industry as a whole. As a result of this policy the CAWU was refused recognition both nationally and domestically, for while it claimed to have 'a high degree of organization at certain establishments' it did not represent a 'substantial proportion' of the clerical workers employed in the industry as a whole.

When employers say they are prepared to recognize any union which is representative of a particular area of staff employment, this does not necessarily mean that they are prepared to grant 'full' recognition. Many of them will not negotiate with the union; they are only prepared to enter into informal discussions regarding the grievances of individual members.

A leading employers' association covering a key area for future white-collar union growth gives the following advice to member-firms when they find that a substantial proportion of their white-collar employees are organized and 'contact with a staff union seems unavoidable':

It is desirable to confine recognition of a staff union to representations on behalf of members and to exclude *negotiations* on staff salary scales, etc. The difference between representation and negotiation is important. The first do not compel managements to act in the manner desired, while the latter may result in a binding agreement.

Similarly, the Wages and Conditions Committee of the British Employers' Confederation (one of the organizations which merged to form the Confederation of British Industry) took the view in June 1964 that:

Even where membership of staff unions is increasing employers are under no obligation to recognize union representation. . . . Even if 'recognition' were granted to a staff union, this need not include the

negotiation of wages and conditions of employment, but might be limited to informal discussions or to the laying down of procedure for dealing with requests and complaints.¹¹

But the Committee also took the view that:

There is a danger . . . that once a staff union has been recognized for any purpose at all, as representing the interests of staff workers, it will be encouraged to press for the full rights of negotiation. Those members who have already granted full 'recognition' . . . confirmed that official representation of staff workers could be a source of much difficulty to employers. In the circumstances the Committee agreed that when discussions were held with staff unions it would be best if possible to avoid the use of the word 'recognition' (British Employers' Confederation, 1964, p. 2).

The possibility that partial recognition might lead to demands for full recognition has not worried some employers' associations, however, for when such demands have arisen, they have been refused and even the partial recognition has been revoked. One employers' association had a procedure agreement with DATA, but the union 'eventually chose to attempt to use the agreement to further a claim for wages which was not the purpose of the procedure agreement. In the circumstances, and in accordance with the final paragraph of the agreement, the — terminated the agreement.'

These examples indicate that even after a union has demonstrated its 'representativeness', many employers are only prepared to recognize it for purposes of discussion not negotiation. In fact, discussion rights are often granted in the hope that they will lessen the demands for negotiating rights. While it is useful for a union to be able to discuss with management the grievances of individual members, it is by no means wholly satisfactory. As the Ministry of Labour's definition of a trade union emphasizes, a major union function is the negotiation of wages

11. British Employers' Confederation (1964, p. 2). This document evidently recorded the views of the Wages and Conditions Committee only. In giving oral evidence to the Royal Commission, representatives of the CBI pointed out that it had not been considered by the BEC Council nor approved by its President or Director. The CBI's present policy was described as 'waiting and seeing', and neither to stimulate nor to prevent the development of white-collar unions. See Confederation of British Industry (1966, p. 822).

and working conditions. Employers who refuse to allow a union to negotiate on these matters are thereby preventing it from exercising one of its major functions. Such employers can hardly claim to be speaking in good faith when they say they will 'recognize' any union which can demonstrate its representativeness.

Even if employers apply the criterion of representativeness in the fairest possible manner, there are still grounds for doubting that lack of representativeness is their major reason for refusing recognition. If an employer has no principled objection to white-collar unionism and his only desire is to ensure that a substantial proportion of his staff wish to be represented by a union before he recognizes it, then he should be prepared to give his staff every opportunity to join the union and the union every opportunity to recruit them. If an employer who advances the criterion of representativeness is not prepared to do this, then his claim that he will recognize any representative union is rather hollow, for he is denying the union the means of obtaining recognition.

But few employers are prepared to allow an unrecognized union freedom of access to its potential members by giving it facilities to hold meetings during the lunch break or outside office hours, distribute literature or display notices, collect subscriptions or process grievances on behalf of individual members. Few employers are even prepared to play a neutral role in the recruiting process, but pursue policies designed to discourage their staff from joining unions.

Employer policies for discouraging white-collar employees from joining trade unions

If union organizers are to be believed:

The employers will stop at nothing. Every case has to be fought through. They utilize staff associations, give general salary increases while a recruitment campaign is underway, and intimidate and victimize leading members. They also conduct a campaign of demoralization through the supervisors — 'You'll never get recognition', 'You won't be able to do anything, etc.'

Broadly speaking, there are two basic strategies which managers use to discourage their staff employees from joining trade

unions – peaceful competition and forcible opposition.¹² These are not mutually exclusive strategies and often both of them are pursued simultaneously. But it is useful to treat them separately for purposes of analysis.

The strategy of peaceful competition

The strategy of peaceful competition includes a variety of tactics: paying salaries equal to or better than those in unionized firms; granting salary increases during a union recruitment campaign; establishing welfare, profit sharing and other benefit schemes; offering various types of rewards to 'loyal' employees; giving speeches and interviews designed to convince employees that their interests can be better cared for by management than by a union; granting monthly staff status; and establishing 'company unions'.

It is difficult to document adequately the use of these tactics. Salary increases during recruitment campaigns can be 'explained' by reference to the cost of living or increasing productivity; rewards to 'loyal' employees can be 'justified' on grounds of merit; and the thoughts expressed in speeches and interviews are rarely written down. Moreover, opposition to staff unionism may not be the only reason for following many of the tactics of peaceful competition. While they may be inspired primarily by a strong desire to keep the unions out, they may also be motivated by an employer's sincere wish to treat his staff employees properly and as a 'part of management'. Nevertheless, there are some examples of these tactics being deliberately used to discourage the growth of staff unionism.

An employers' association which 'has refused requests from staff unions for a national procedure agreement or negotiations on several occasions' offers the following service to member-firms in 1964:

... as a condition of avoiding negotiations with a staff union it is essential that member-firms should be offering salaries and conditions which are not open to criticism and the Association is prepared to collect information, national and local, and give advice on such matters. This has been done on a limited and voluntary basis

12. These terms are used by Reynolds (1956, pp. 169-77).

for a number of years and it is intended to extend and improve this service on behalf of members.

An executive in the motor industry frankly admitted that: 'ASSET had a fairly substantial membership among our chargehands and as a result we decided to grant some of them staff status and reduce the remainder to operative status.'

Other employers were less specific, and simply stated that: 'Every possible step is taken to ensure that staff do not reach the frame of mind which will make them think that membership of a union is appropriate.'

Although many employers sponsor staff associations or committees to slow down 'the current somewhat sinister trend towards subversive influence from outside' (Ruddock, 1954, p. 90) it is not possible to estimate how many of these exist in private industry. But several observations can be made regarding the nature of those which came to light as a result of the survey of employers. Only one was a staff association in the sense that all employees of the company were not automatically members but had to be recruited. The rest were staff committees in the sense that a group of employees was simply elected to represent the views of the staff to management. All were established on the initiative of the employer, in many cases after an approach from a staff union for recognition. Most had only 'consultative and advisory powers' and did not negotiate over salaries and other conditions of employment. Of those companies which allowed their staff committees to negotiate, only one permitted disputes to be submitted to independent arbitration. In all other cases the top executive officer of the company was the final court of appeal.

The best-known device for discouraging staff unionism in private industry is the Foremen and Staff Mutual Benefit Society, a friendly society established in 1899 to provide pensions, life assurance and sickness benefits to foremen and similar grades of staff in the engineering and shipbuilding industries.¹³ The Society has two kinds of members: contributory members or employers; and ordinary members, the eligible employees of contributory members. Contributory members pay at least half

13. For a more complete account of this organization see ASSET (1966a; 1966b, pp. 2248-51) and FSMBS (1967).

of the total contribution in respect of each ordinary member. The FSMBS has over 2600 contributory members and over 61,000 ordinary members, of whom 8700 are in receipt of a pension.

Under the Society's rules an ordinary member may not belong to a trade union. In other words, to become a member of the Society an employee must resign any trade union membership which he may hold or, if he wishes to join a trade union after he has become a Society member, he must resign from the Society. This means he must forfeit his claim to the contributions which the employer has made on his behalf and that he receives only the surrender value (about 90 per cent) of his own contributions. In short, he must sacrifice 55 per cent of all moneys paid to the FSMBS on his behalf. For many staff employees, especially older ones, this is an obvious deterrent to becoming or remaining a union member.

The Engineering Employers' Federation and the Shipbuilding Employers' Federation advise member-firms to join the FSMBS and to encourage their eligible staff employees to do likewise. Although both Federations are opposed to firms coercing employees into the Society, a few of the employers who were interviewed admitted making an employee's promotion to foreman conditional upon his becoming a member of the Society. No doubt most contributory members do not adopt such measures, but it is clear from the interviews that most of them encourage foremen to join the FSMBS and give it facilities for recruiting and retaining members which are denied to staff unions.

The strategy of forcible opposition

The second strategy which employers use to oppose staff unionism is forcible opposition. This strategy is implemented by such tactics as: overlooking union members for promotion and pay rises, transferring active unionists from department to department, threatening to discontinue any 'extras' presently being paid above the union rate, sending management officials to union recruitment meetings to note the names of those employees attending and dismissing leading union members. It is also difficult to document the use of these tactics, for threats are

generally communicated verbally and victimization of leading members can often be 'justified' on grounds such as inefficiency or insubordination. Only cases which trade unionists claim to be examples of forcible opposition can be cited here; the reader may judge for himself whether the facts substantiate these claims.

After recruiting approximately 40 per cent of the weekly paid clerical staff of a private bus company, the CAWU approached the firm for recognition late in 1965. But the company refused to recognize the union, even for discussion purposes, until it had recruited at least 75 per cent of the staff involved. Moreover, the company's general manager sent the following memorandum to each of his staff employees:

On my return to the office today I was very surprised to read a letter from the above Union seeking formal recognition of this Union as a negotiating body for my weekly paid staff.

Up to this time I have always assumed that the existing direct methods of negotiation between members of my staff and the management have been perfectly adequate and that the general relationship between management and staff has been a very happy one within this Company.

For the moment, the letter has been formally acknowledged as I feel it is only right that I should know the general opinion of all my staff in this matter, because any step which I would take must have far reaching consequences. I am asking you, therefore, to complete the enclosed form so that I shall know the numbers of my staff involved. This particular matter has been brought up at a rather unfortunate time, because recent discussions I have had with the Company Chairman have proved to be quite fruitful and there was to be a general review within the next two weeks and considerably wider in application than ever previously, embracing as it would have done the junior staff under twenty-one years of age. For the moment this will have to be suspended until I am aware of your views with regard to this Union.

Your replies will be handed to myself personally and will be treated in strict confidence.

The union claimed that this was an attempt to intimidate the staff. The company denied the charge and said it was entitled to know which members of the staff were union members. In spite of a boycott of the firm by the local Trades and Labour Coun-

cil, a publicity campaign waged by the union in the local press and attempts by the Ministry of Labour to obtain a settlement of the dispute, the company still refused to recognize the union.

During 1963 ASSET organized all of the thirty foremen employed at a Scottish factory of an optical manufacturing company. The firm refused to recognize the union and the foremen consequently staged a half-day protest stoppage. The company retaliated by dismissing all the foremen. Three months later, and after the intervention of the Scottish TUC, the firm rehired all but four of the foremen. The four men who were not rehired consisted of the union's local group secretary, treasurer and chairman, plus the person who had first requested ASSET to recruit the company's foremen. Three of the men had sixteen years' service and the other had thirteen years'. ASSET claimed this was a case of victimization. The company denied this charge. It claimed that a reorganization had resulted in fewer employees being required and that it had the right to rehire 'the best people to serve the company'.¹⁴

It is not possible of course, to give even a rough estimate of the extent to which the methods of peaceful competition and forcible opposition are used. But it is obvious from the above examples and many more which could be given that such methods are used by a considerable number of employers to discourage their white-collar employees from joining trade unions.

14. ASSET also claimed that the company, as a government contractor, was in breach of clauses 4 and 5 of the Fair Wages Resolution, and it referred the firm, through the Minister of Labour, to the Industrial Court. The Industrial Court found that the firm was in breach of clause 5 (which concerns the posting up of copies of the Fair Wages Resolution) but not of clause 4 (which obligates contractors to recognize the freedom of their work people to be members of trade unions).

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Part Six

The Economic Effects of Trade Unionism

The first two Readings below are chosen to illustrate the two main ways in which students of the subject have sought to estimate the economic impact of trade unions. Rees (Reading 16) represents the neo-classical approach. Union influence on the labour market can be analysed by adapting the existing terminology of the theory of the firm, for example, marginal analysis, monopolistic competition and assumptions of income maximization. Ross (Reading 17) expresses the essence of the revisionist position. The concepts of conventional economic theory, when applied to the union behaviour, confuse rather than illuminate. This is largely because unions are political institutions that happen to operate in an economic environment. As a result the considerations that largely determine their economic aims and strategies in particular labour markets are themselves political; the maintenance of the leadership in office and the organizational survival of the union are their central bargaining objectives.

In Reading 18 Phelps-Brown considers how far the evidence indicates that unions have had a significant influence on wage levels and income distribution. He concludes that their ability to raise money wages has not usually entailed a similar influence over real wages. Yet the growth of unionization and collective bargaining has been associated with an improvement in the relative pay of the unionized and a narrowing of pay disparities for similar work.

16 A. Rees

Union Wages Policy

Excerpt from A. Rees, *The Economics of Trade Unions*, Oxford University Press Inc., 1962, pp. 48-64.

Within the union, the determination of wage policy is largely a leadership function, though the leaders are sensitive to the temper of the members and often have the difficult job of formulating acceptable compromises among the demands of diverse groups within the membership. The members of committees representing them sometimes assist in formulating initial demands, but the union negotiators must decide whether and when to retreat from these. In some unions wage agreements must be ratified by the members, but rejection of an agreement approved by the union negotiators is rather rare.

As mentioned in chapter 1 [not included here], wage policy is formed at different levels in different unions. In industries with national product markets like coal and steel, it is formed by the national union; in local market industries it is usually formed by local unions. Mixed and intermediate cases can also be found.

Wage goals

The classic statement of union wage objectives is that unions always want more. Under very adverse circumstances when employers seek wage cuts, the union can be reduced to holding the line, but even this can be considered as wanting more – more than the employer wants to pay and more than non-union workers are getting.

For the economist, this statement of the union's goal is not very satisfying. How much more? The theory of the business firm suggests precise answers to the analogous question about the prices of products. The firm raises prices until net profit (the difference between total receipts and total costs) is at a maxi-

num and then it stops. If the initial price should happen to be above the price that would maximize profits, the firm will reduce prices, not raise them. Some economists have argued that the union, too, must be attempting to maximize something.¹ We shall see, however, that attempts to define what the union maximizes have so far been rather unsatisfactory.

Even for the firm, the concept of maximizing runs into some difficulties. Industries with monopoly power sometimes set prices below those at which they could sell their full-capacity output, as the steel and automobile industries did for several years after the Second World War. In such cases firms are not maximizing net profits in the short run. They can be viewed as maximizing some long-run net profit by conserving the customer's good will or avoiding government regulation, but here the concept of maximizing grows imprecise. At the limit, the hypothesis that the firm is maximizing long-run profit becomes a tautology. Sometimes the only evidence that the policy pursued will maximize profits in the long run is that the firm has chosen to pursue it and this assumes the conclusion. To avoid such circularity, maximizing behavior must have observable consequences so that, at least in principle, departures from maximizing behavior can be detected and the hypothesis is not logically irrefutable.

Despite these reservations, the concept of profit-maximization has proved its worth for the competitive firm and provides at least a useful point of departure for the monopoly. The controversy has narrowed to two basic positions – that monopolistic firms maximize net profit and that they do not. In the union case, we have, on the one hand, the view that unions do not maximize anything and, on the other, several different proposed maximands.

The demand for union labor

To discuss maximizing models of union wage policy, we must assume the existence of a downward-sloping demand curve for union labor. This curve can be shown on a graph representing the demand for labor in an industry or craft on which the

1. 'As economic theory of a trade union requires that the organization be assumed to maximize (or minimize) something' (Dunlop, 1944, p. 4).

hourly wage rate is plotted against the vertical axis and the number of union members employed is plotted against the horizontal axis (Figure 1). Wages in other industries or crafts are assumed to remain unchanged. The demand curve runs from the upper left-hand corner of the graph down toward the lower right. It is to be interpreted as showing the number of union

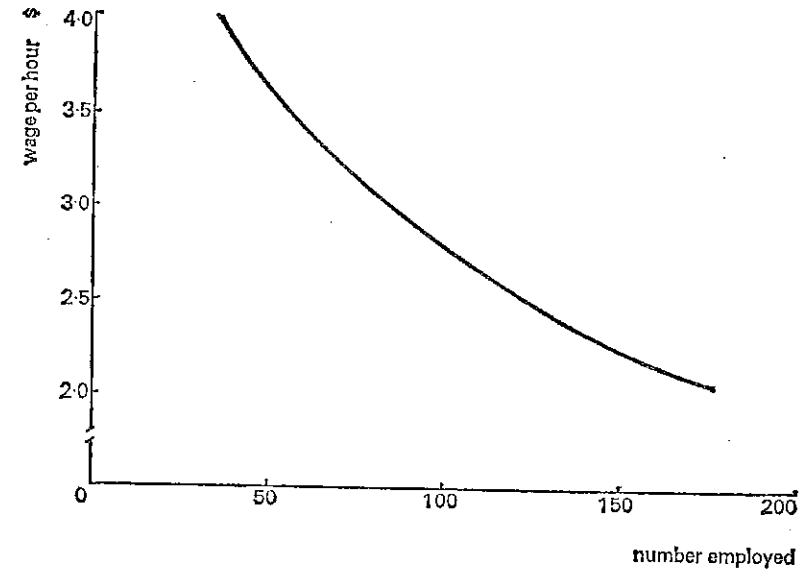


Figure 1 A hypothetical demand curve for union labor

members employers will choose to employ at each wage with unchanged demand for their product. (For convenience, it is assumed that at all wages, each man works the same number of hours per week.) If the number of men employed were not dependent on the wage rate, the curve would be a vertical line. However, as the union raises wages, it will in fact set in motion forces tending to reduce the number of members at work. If the industry is not completely organized, non-union firms will expand at the expense of union firms. In any case, the employers using the least labor to produce a given output will tend to expand at the expense of others. Moreover, each employer will have an incentive to use more or better equipment or more supervision or perhaps better materials to cut down his use of

the labor whose price has risen. Finally, as the price of the product rises, the consumer will tend to use less of it and will turn instead to substitute products.

The forces listed above can be weak or strong. Where they are strong, a small percentage increase in the wage will cause a large percentage fall in employment and the demand is then said to be elastic. If the forces reducing employment are weak, a small percentage increase in the wage will cause a smaller percentage decrease in employment. The demand is then said to be inelastic.

Models of union wage policy

We can now return to maximizing models of union wage policy, the first of which to be considered is the maximization of wages per member.² The union to be considered accepts into membership all the workers hired by unionized employers. Let us assume first that as union members become unemployed they drift out of the union and cease to have any weight in forming union policy. The union seeks to maximize the income per member of the remaining employed members; a large membership is not assumed to be an independent goal of union policy. If we accept the demand function of the last section, maximum income per remaining member involves raising wages so high that the bulk of the membership is forced out of the union, leaving a few very highly paid survivors. Indeed, if we interpret 'maximum' literally, the goal is not reached until there is only one surviving member in the trade! The process is slowed down if we reformulate the objective as maximizing the average income of the original members. Employment will now be contracted only at the rate at which members die, retire or resign, but the eventual outcome will be the same.

There is only one important actual case that lends support to this model – that of the United Mine Workers. Even in this case the loss of employment cannot be wholly ascribed to the union's wage policy, although the mine workers have pursued a high-wage policy in the face of shrinking employment with announced unconcern. In general, however, loss of employment

2. This model has been put forward in Lindblom (1949, esp. ch. 6) and Simons (1948, esp. pp. 131-2).

and membership does act as a check on wage demands. This is reasonable even if the union's objective is viewed simply as some average of the objectives of the members considered individually. The employed members have ties of friendship and sympathy with those who become unemployed. They may want their sons or nephews to succeed them in the trade. It is not the height of rationality to say '*après moi le déluge*'.

If we consider the union as an institution with leaders and goals of its own, the model just presented becomes still less tenable. It is almost a universal characteristic of organizations that they seek to survive even when they have fulfilled their original purposes. A leader seeks to expand his organization because this increases his prestige, power and self-esteem, and not infrequently his salary as well. The members may also derive satisfaction from belonging to a large and growing organization.

When the extent of union organization was low, losses of members in one area could be regained by organizing another area. As unions have grown, this has become increasingly difficult. A policy of very high wages may thus lose more membership from the area already organized than it can gain through helping to extend the union's jurisdiction. The policy will then conflict with the organizational goals of the union and the personal goals of its leaders.

If we recognize both high wages and large membership as union goals, it is tempting to combine them in a single quantity to be maximized. This is done in models that suggest that the union seeks to maximize the wage bill – the aggregate wages received by the entire membership (see Dunlop, 1944, ch. 3). But this goal is obviously unrealistic where the demand for union labor is elastic and the union has already raised wages. In such situations, a wage reduction would increase the wage bill because the percentage increase in membership would be larger than the percentage reduction in wages per member and this would continue to be true until the wage was back to the non-union level. Although the demand for union labor will in fact be elastic where there is strong competition from non-union labor, we do not observe unions in such situations asking for wage cuts. The goal of maximizing wages per member is

deficient because it implies that unions have no concern for members who become unemployed and no interest in remaining in existence as organizations. The goal of maximizing the wage bill has the opposite difficulty – it implies that unions can be interested in increasing membership to the point of leaving the original members no better off than they would have been without a union.

Perhaps the most realistic assumption we can make is that unions are interested both in raising wages and in having a large membership, but that the precise weights to be attached to these two objectives will differ from union to union and from time to time. A special significance must be attached to the initial position in formulating future strategy. The union will generally be more willing to fight to prevent cuts in present wages than to win increases and it will be more concerned about preserving the employment of present members than about enlarging the membership. This formulation falls short of achieving a single maximand corresponding to profits for the firm. At the same time, it suggests that many union wage policies can be viewed within a reasonably simple framework of rational behavior.

In pursuing their goals, unions must also take account of the costs of alternative wage policies. More work needs to be done in specifying the kinds of costs that need to be considered here, though the costs of strikes are one obvious factor, as are the costs of encouraging the growth of non-union competition.

Pressures on wage decisions

The discussion of the first and third sections is intended to explain to those familiar with other branches of economics why we cannot use precisely the kind of tools to which they are accustomed. This does not mean that economists can say nothing about union wage policy, but only that they must work within a somewhat loose framework.

The rest of this chapter will consider union wage policy as formed by two sets of forces. The first is the pressure for higher wages generated by the wants and aspirations of the members and the ambitions of their leaders. This desire for high wages can be mobilized by political, occupational or geo-

graphical groups within the union so that it reaches the top leadership in the form of political pressures. The desire of union members and of groups within the union for higher wages is not felt or expressed continuously; a wage increase will often satisfy it for a while. However, as the level of income rises elsewhere and as members get accustomed to their new standard of living, their reach once more comes to exceed their grasp, and pressures for 'more' reassert themselves. Union leaders often anticipate this process, so that the members may not be aware of any dissatisfaction until the leaders formulate new goals and defend them as just or reasonable expectations. Both for members and leaders, these expectations are usually formed by comparison with other wage rates – they take the form of believing that 'we' are entitled to as much as 'they' have gotten.

The pressures for higher wages are contained by economic constraints in the union's environment and by employer resistance. Sometimes these constraints will have the effect of convincing the union that it could not win a strike or could win only a Pyrrhic victory. At other times the union will become convinced that a wage increase would cause undesirable reductions in hours or employment. If employment or hours are already falling, the preservation of employment will become the union's chief concern and it may not attempt to change existing wages for long periods.

The interaction of these political and economic forces is quite different when employment is rising and when it is falling. The two cases will be considered separately.

Wage policy when employment is rising

Periods of rising employment, especially if accompanied by rising prices, offer unions the greatest freedom from economic constraints. Even in such periods, however, wage increases will usually have an effect on employment. But the effect will take the form not of an absolute reduction in employment, but of a reduction in its rate of growth, and such an effect is less likely than an absolute reduction to be perceived by the union. (It is, indeed, often overlooked by economists.) If it is perceived, it will, nevertheless, not usually be an effective check on wage demands. As I have argued above, the union is concerned about

preserving employment for present members and it usually wants to grow. But it is not likely to make large sacrifices to maintain a rapid rate of growth – to win benefits for people whom it cannot yet identify.³

In periods of rising employment and prices, employers will be more willing to grant wage increases for at least two reasons. First, their losses from strikes will usually be greater at such times. Second, a wage increase can be useful to employers in tight labor markets in recruiting and holding adequate numbers of qualified workers. Nevertheless, employers often resist wage demands even when the labor market is tight. They may fear that the tight labor market will only be temporary and that they will be unable to reduce the high union wage scale when it is no longer useful. They may also fear that they are contributing to inflation, or are thought to do so by the public, when they raise wages. Large corporations may be quite sensitive to criticism on this score from the press, the government or other parts of the business community. In periods when economic constraints and employer resistance are weak the political forces working towards uniform wage increases have freest play. Thus from 1945 to 1948, the high level of demand for products and labor, and the high level of profits of most employers eliminated union fears of reductions in employment and permitted employers to pass on wage increases in the form of higher prices. A rising cost of living, affecting all unions similarly, heightened the pressure for wage increases. Under these conditions, the first major wage agreement in any period of contract renewal tended to set a pattern that was widely followed in other bargains. The result was three 'rounds' of wage increases that were virtually uniform in timing and amount for large firms in several industries, including basic steel, automobiles, agricultural implements, electrical machinery, rubber and metal mining.

There was undoubtedly an important political factor in this uniformity of wage increases. In a period of intense rivalry between unions and bitter factionalism within them, a leader who settled with a prosperous firm for less than the pattern

3. This view would have to be modified if the union starts from a position where some of the members are unemployed and are guaranteed preference in hiring.

would have provided potent ammunition to his opponents. As one observer has put it, the political pressures created 'orbits of coercive comparison' (Ross, 1948, ch. 3).

Although the concept of coercive comparisons is an apt one in the context that gave rise to it, it should not be pushed too far. Where comparisons collide with strong economic constraints, the constraints are still more coercive. Even in periods of prosperity and rising prices, two reservations must be noted. First, wage settlements usually include some changes in wage supplements or 'fringe benefits' whose exact value is difficult to determine. The announced cost of these fringes is sometimes manipulated to create a misleading impression of uniformity in the total 'package' from one settlement to another. Second, it is only the exact uniformity of the wage settlements that needs to be explained in political terms. Their general similarity can be explained by broad economic forces, such as the rising cost of living and the strong demand for labor in all industries. In such circumstances, money wage increases in non-union industries may be quite similar to and may often precede the principal union wage settlements.

In some periods of rising employment we can observe union wages that seem to be below the rates that would prevail in a non-union market in the short run. There are two kinds of evidence of such a condition – the payment of rates above the union scale and labor shortages that cause union employers to go to considerable expense and trouble to recruit workers. Conditions of this sort have been common in Scandinavia, where they have given rise to the term 'wage drift' – the excess of the rise in average earnings over the rise in union rates. There is little evidence of wage drift in the United States, with the principal exception of the building trades, where workers are not uncommonly paid more than the union scale. Some part of this excess is payment for exceptional ability. Labor shortages in unionized industries are less uncommon; in 1946–7 they seem to have been rather widespread.

The existence of 'wage drift' and labor shortages in unionized employment may result from the imperfect foresight of the union. For example, an agreement setting wages for a fixed period may have been concluded just before the demand for

labor increased. At other times unions may choose not to exert their full power. But if the employer is concerned about the future results of a wage agreement, even the strong use of union power may not persuade him to agree to long-term rates high enough to eliminate labor shortages that he believes are temporary.

Wage policy when employment is falling

When employment is falling, economic constraints press closely on the union and there is little room for political maneuvering in the formation of wage policy. In times of adversity, rival factions in a union or rival unions in an industry may in effect agree to forgo wage increases and not to use the lack of gains as a political issue.

Employment of union members can fall for a variety of reasons. Perhaps the most frequent is a contraction in general business activity, which ordinarily causes sharp drops in employment in mining, railroads and the manufacture of durable goods. Early in the history of American unionism, a frequent employer response to a depression was to refuse to deal with unions and to seek to return to non-union conditions. As we have seen, many unions went out of existence at such times, others lost control of much of their jurisdiction. As unions became stronger and better accepted, the employer more often continued to recognize the union during a depression, but sought to negotiate wage cuts. Sometimes the union accepted these cuts, often after drawing out negotiations to preserve the old rate for as long as possible. There were sometimes strikes to avert a wage cut or reduce its amount, though strikes of this sort were fought under conditions that seldom favored the union.

Since the Second World War the relative mildness of recessions, the upward drift of prices and the growing acceptance of unions have created a climate in which cyclical contractions have caused almost no cuts in wage rates. Instead, they produce either agreements to retain the old rates or wage increases of smaller than average size. Unions reluctant to strike during a recession have attempted to extend agreements until a more favorable time for seeking gains. In the summer of 1958, members of the United Automobile Workers worked for sev-

eral months after the expiration of an agreement without any extension. A new agreement was negotiated only after the beginning of a model year and an improvement of business conditions had increased the union's bargaining power.

Wage cuts are still possible in exceptional circumstances, especially if the union views a worsening of conditions as permanent. Such permanent changes can include the introduction of processes and equipment that displace union members, the expansion of the non-union sector of a partially organized industry or the decline of a whole industry because of changes in consumer tastes. Even under highly adverse conditions, it is hard for a union to accept the necessity for a wage cut. It takes an exceptionally close and trusting relationship between management and the union over a period of years to permit union leaders to convince the members that a wage cut is necessary.⁴ Some wage cuts have resulted from the binding arbitration of wage disputes, particularly in the New England cotton textile industry, which has been under strong pressure from non-union competition from the South. Arbitrated wage cuts permit the union leadership to blame the wage cut on the arbitrator, even though the leaders might privately concede the wisdom of his decision.

The downward inflexibility of union wage rates in recessions does not mean that wage costs per unit are also inflexible downward. Tighter administration of piece-rate systems and incentive wage systems under such conditions often produces lower unit costs without any formal change in the rates. Under time rates, the same effect could be produced by greater employee effort. The impact of a recession on worker effort will depend on the balance between forces leading the workers to try to stretch out the work to make it last and forces leading them to try to reduce costs in order to get more business for the firm. The latter might be expected to predominate in competitive industries.

Wage policy toward individual firms

The preceding discussion has been largely concerned with union wage policy for industries or jurisdictions as a whole. Unions

4. For an interesting study of this point, see Herrstadt (1954).

are faced with somewhat different problems when a particular employer is in economic difficulties.

Unions in highly competitive industries, especially those for which wages are a large part of the cost of production, will almost always pursue a standard wage policy within a given product market. They set uniform time rates or piece rates for all firms so as 'to take labor out of competition'. The building trades and printing trades set standard time rates within each local product market. Unions in the clothing industry have attempted to equalize unit labor costs over wide areas. In such industries, unions cannot make special wage concessions to one employer without threatening their whole wage structure, for other employers would insist on similar concessions. Instead, the union may seek to help improve the efficiency of a firm in economic difficulties.

The situation is quite different for unions that bargain with diverse employers selling in different product markets. Thus the United Steelworkers pursues a standard wage policy in bargaining with the big companies in the basic steel industry but is much more flexible in dealing with the many kinds of steel fabricators with whom it bargains. Similarly, the United Auto Workers tries to preserve uniformity of wage increases among the three major automobile producers, but permits diversity of wages in the firms making parts and components (see Levinson, 1960; Seltzer, 1951, 1961). In both cases, the diversity in wage levels and wage changes is greatest for the firms that lie furthest, geographically or industrially, from the heart of the union's jurisdiction, and is greater during recessions than in more prosperous years.

Unions with this kind of wage policy can permit deviations from their wage pattern if these do not create a competitive threat to employment in other firms organized by the union, and this is likely to be true if products are highly specialized. Local unions may favor such concessions to firms in financial trouble, either because the members fear reductions in hours and employment, or because loss of income from previous layoffs has made them reluctant to strike.

Although there is ample evidence that such unions as the auto workers and the steelworkers permit wage diversity within their

jurisdictions, a more difficult question remains unanswered. We do not know whether this diversity is similar to that which would exist in a non-union situation, or whether, despite remaining differentials, the union has compressed the structure of wage rates among firms.

Wage structure

The wage differentials among firms just discussed are one aspect of wage structure about which unions may have a policy. Several other aspects are also important, including geographical and occupational differentials.

Much of union policy in the area of geographical, sex and race differentials can be summed up in the slogan 'equal pay for equal work', which has an important place in union ideology. It will be discussed here in reference to geographical differentials. The elimination of these differentials is supported by two forces in addition to equalitarian social philosophy – political pressures from the low-paid groups and the fear of loss of employment by the high-paid groups. Unions in national product markets often eliminate geographical differentials through centralized bargaining at the firm level (with multiplant firms) or at the industry level. In industries with local product markets, local unions in low-wage areas pursue the goal of equality as best they can. Here the pressure toward equality from the high-paid areas is absent, since these areas are not threatened by the competition of low-wage areas. The remaining pressures toward wage equalization are generally rather weak.

The concept of equal pay for equal work also has a central place in the economic theory of the labor market but a somewhat different one than in union tradition. Economic theory views equality of compensation (wages and other net benefits of employment) as a result of the most efficient allocation of labor – the allocation in which no worker could increase his productivity by moving. If one area has a relatively plentiful supply of labor it will tend to have low wages for workers of given efficiency and these low wages will be an inducement for workers to leave the area and for employers to enter (under conditions of reasonably full employment in the high-wage areas). Such movements of capital and labor on a large enough

scale would eliminate the wage differentials and increase the total output of the economy. If a union eliminates the wage differential by use of bargaining power while these resource movements are still going on, it eliminates the incentive for further movement. Indeed, this is a major part of the appeal of the policy of equality to the union member in the high-wage area. He specially does not want employers in his area to transfer operations to areas where wages are lower.

Unions may sometimes equalize wage rates where the original differentials are based on the lower efficiency of the low-paid workers. In these cases, the equal wages create an incentive for the shift of employment toward the former high-paid areas. On the whole, however, the available evidence suggests that this kind of effect of union policy is probably not very important. Geographical wage differentials in the United States are based largely on differences in the abundance of labor supply rather than on differences in the efficiency of manual workers.⁵ A more abundant labor supply leads to low wages and leads employers to use more labor relative to capital. The contribution of labor to production at the margin will then be lower than in the high-wage areas even with no difference in worker capacities.

The difference between the traditions of economic theorists and trade unionists on geographical wage differentials can be summarized in this way: the economist puts primary emphasis on efficiency and views 'equal pay for equal work' as a pleasant by-product of achieving efficient allocation. The unionist, for a combination of idealistic and selfish reasons, puts primary emphasis on geographical equality. He is either unaware of the loss of efficiency from achieving equality too soon (as the economist views it), or considers this a reasonable price to pay for achieving his primary goal.

Union policy on occupational wage differentials is different in craft and in industrial unions. In industries where each craft union represents a different occupation, there can be no policy on occupational differentials as such. They will be whatever

5. See Johnson (1953) and Weintraub (1955). For an account of a case in which union compression of wage differentials failed to effect the attraction of higher productivity in the low-wage areas see Sobel (1954).

results from the operation of the economic environment and the bargaining power and strategies of the various unions. In face of a strong long-run trend toward the narrowing of relative differentials among occupations in the economy as a whole, some unions of highly paid craftsmen seem to have been successful in limiting the narrowing of differentials in their industry. Where several crafts are represented in one craft union, the highest paid crafts often dominate the internal politics of the union, which again suggests the likelihood of a policy of resisting the narrowing of differentials.

In industrial unions, on the other hand, the highly paid crafts are usually in a minority. Such unions often adopt a policy of reducing relative differentials among occupations, principally by bargaining for 'across-the-board' wage increases of a stated number of cents per hour at all wage levels. However, when the levelling policies of industrial unions outrun the underlying economic forces making for greater equality, important counterpressures are soon felt. The United Automobile Workers has had to negotiate special wage increases for skilled workers on more than one occasion. Some of its skilled members have at times threatened to petition the National Labor Relations Board to create separate bargaining units for them as a way of putting pressure on their union. In a dramatic case of protest against wage levelling, the motormen in the New York City subway system temporarily broke away from their industrial union, formed a separate craft union and conducted an effective strike for the widening of occupational differentials.

In the area of occupational differentials, industrial unions face strong political pressures based on concepts of equity. But these concepts of equity are not static - they are themselves slowly but surely influenced by the economic climate. Thus they respond to such forces as changes in the level of education of the labor force, which is one of the major underlying determinants of occupational wage structure. The unionization of an industry does not lead to the replacement of economic by political forces in the setting of wages; rather, the economic forces are filtered through political groupings which can delay or redirect them but not reverse their flow.

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17 Arthur M. Ross

Trade Unions and the Theory of Wages

Excerpts from Arthur M. Ross, *Trade Union Wage Policy*, University of California Press, 1948, pp. 1-16.

If it is good procedure to move from the known to the unknown, the best point of departure for the present study is a familiar and well-accepted fact: we no longer have a satisfactory theory of wages.

Two generations ago, economists were assured that they had, in the marginal productivity theory, not only an explanation of the way in which wages are determined, but also a description of a natural and harmonious system of distributive justice (Clark, 1899). Wages were the price of labor, fixed through the interaction of supply and demand in the labor market. Labor was apportioned among various lines of employment in such a manner as to maximize total output and was compensated in accordance with its marginal contribution.

Even then there were skeptics - socialists, institutionalists and proponents of the 'bargain theory of wages' - yet the doctrine was not seriously challenged in academic halls. Early modifications were made handily and appeared to be in the nature of refinements and improvements. It was readily conceded that the long-run labor supply, in Western societies at least, is governed by social customs regarding the size of the family and the employment of women and children. To account for the conspicuous absence of a single price, various compartments were described, within which mobility was regarded as great, and between which, as little. Thus, occupational differentials were explained by the existence of noncompeting groups. Geographical differentials were explained by the immobility of labor between nations, regions and labor market areas.

By now, however, so many attacks have been encountered and

so many retreats have been made that we can hardly claim to have a theory at all. One line of retreat has been to reformulate the marginal productivity doctrine in such a manner as to claim less than formerly had been claimed. If Mr Robertson's (1931) statement that wages are not determined, but only measured, by marginal productivity was a milestone along this path, then Mr Machlup's (1946) latest version has surely brought us to the last mile. For the system is now merely a structure of definitions which cannot be disproved and which, in turn, cannot prove anything. Would it not have been preferable to take the position that the marginal productivity theory explains why wages are higher in the United States than in Italy, and higher in 1947 than in 1847, but cannot offer any significant insight whether or not the manager of the ABC Manufacturing Company will lay off workers as a result of a 10 per cent wage increase? A second line of retreat has taken the form of identifying a multitude of rigidities, imperfections, deviations and discontinuities in labor supply and demand in order to account for some of the obtrusive facts of industrial life. Most of the interesting phenomena are now to be found among these aberrations. Should we not face the question whether or not all the significant forces affecting wages under collective bargaining can be compressed into a supply-and-demand explanation?

Anyone who teaches labor economics has a great deal to say about wages. But when he approaches the central problem how wage rates are established, he cannot help recognizing the extent to which it is necessary to talk around the problem and resort to such devices as wages in theory versus wages in practice, upper and lower limits with an uncharted no man's land between, a catalogue of imperfections in the labor market, and so forth. Clearly the time has come to begin the task of theoretical reconstruction.

Among the obtrusive facts of industrial life, the trade union has been perhaps the most difficult to absorb into the theory of wages. In order to fit the union into a supply-and-demand theory, we have had to regard it as a seller in the market dispensing labor supply. The wage objectives of the union as a seller of labor have been variously dealt with. Marshall (1890,

p. 627 of 8th edn) regarded the upper limit of the wage bargain as established by the necessity of retaining a sufficient supply of 'capital and business power' in the industry. Some authors describe union strategy as essentially defensive, designed to redress the unequal bargaining power of the individual worker and to restore the wage rate more nearly to the level which would have prevailed in a competitive market. Others, following the Webbs, conceive a union policy as the establishment of a 'standard rate' as a bulwark against the 'higgling of the market'. In Hicks's *Theory of Wages* (1932, p. 154), the union strives to obtain the highest wage rate possible, in view of the relative withholding power of workers and employers, without substantial concern over the danger of unemployment. More elaborate systems have been constructed by such authors as Edgeworth, Pigou, Hicks and Tintner, who deal with union and employer wage policy as an exercise in bilateral monopoly (see Edgeworth, 1881, part 2, pp. 15-56; Hicks, 1935; Pigou, 1905, pp. 210-27; Tintner, 1939). The union is concerned with quantity sold as well as with price and pursues the objective of maximum total wage income.¹ Upper and lower limits of the wage bargain are represented; the final wage rate lies indeterminately within these limits and rests upon the balance of bargaining power. Perhaps the most complete of the purely economic formulations has been made by Dunlop (1944), who surveys a number of possible objects of maximization, considers a variety of competitive situations in addition to bilateral monopoly and analyses the determinants of bargaining power. Inasmuch as Dunlop's formulation is the most complete and one of the most recent, it is examined at some length in chapter 2 of this monograph [not included here].

Thus, the treatment of union wage policy in economic literature presents a congeries of hazily related themes, operating under different assumptions and influenced by different social and economic preconceptions. We are reminded of the complaint by Hamilton and May (1923, p. 103) that 'there are just as many theories of wages, reputable and disreputable, as there are books and articles on the subject'. Nevertheless, we find in each

1. Professor William Fellner (1947) has a formulation in which the union strives for the highest rate rather than the highest wage income.

instance a rudimentary concept of a labor monopoly seeking to achieve some single, quantitative objective.

Each of the listed objectives is open to serious doubt. It is clear from the situation in the coal and railroad industries that unions do not regard it as their obligation under all circumstances to protect the supply of 'capital and business power'; one often hears that 'a living wage is the first claim upon the proceeds of an industry'. To describe the objective as reducing inequalities and restoring a competitive wage rate offers no clue to union behavior in the usual situation in which there is no competitive rate. Similarly, emphasis upon the standard rate as a bulwark against wage cutting is more in the nature of espousal than explanation. Many unions do not have a standard rate, but prefer to charge what the market will bear by classifying employers according to their ability to pay; and almost all unions are more interested in the process of achieving uniformity than in uniformity itself. In any case, the doctrine of the standard rate does not explain the particular level which is chosen as a standard.

To state that the union seeks the highest possible wage is true in a formal sense, but does not define the limited objectives established in particular cases nor explain the practical decisions made in the bargaining process. It does not permit us to analyse the behavior of many unions which are virtually in a position to set wage rates unilaterally. As already mentioned, the bilateral monopoly approach will be criticized in detail in a later chapter. It will suffice at this point to say that the union is not a seller of labor and is not mechanically concerned with the quantity sold and that the upper and lower limits of bilateral monopoly theory have no more than a superficial correspondence with the union's initial demand and the employer's initial offer in collective bargaining. As a matter of fact, many of the most interesting questions concerning union behavior cannot be answered by any strictly economic analysis – why the most compelling wage comparisons often have so little to do with labor market competition, why unions strike over small differences, why some wage differentials are ignored although others are attacked, why it is important to unions that they achieve higher real wages through higher money wages, and so on.

Are questions of this kind significant? Marshall thought not. He said that

trade combinations and . . . alliances and counter-alliances among employers and employed . . . present a succession of picturesque incidents and romantic transformations, which arrest public attention and seem to indicate a coming change of our social arrangements now in one direction and now in another; and their importance is certainly great and grows rapidly. But it is apt to be exaggerated; for indeed many of them are little more than eddies, such as have always fluttered over the surface of progress. And though they are on a larger and more imposing scale in this modern age than before, yet now, as ever, the main body of movement depends on the deep silent strong stream of the tendencies of normal distribution and exchange . . . (Marshall, 1890, p. 628 of 8th edn).

Surely the same judgement would not be made today. It hardly requires demonstration that collective bargaining decisions are no longer eddies fluttering over the surface of progress.

It is commonplace that wage rates are now determined by conscious human decision rather than by impersonal market forces. In a formal sense, this has always been true; even the most impersonal forces can operate only through human agencies. A more significant question is whether the human agencies are the servants or the masters of the market forces. In an unorganized economic society, they are likely to be the servants. But there is a persistent tendency toward rational organization in sufficient strength to achieve a degree of mastery. Prominent in many spheres of economic life, rational organization operates not only through private associations, but also through the coercive authority of the State.

Mastery of market forces requires the power of consolidated decision. A little decision is merely the choice to be swept along in a stream; a big decision can redirect the stream itself. Hence the large business unit, which endeavors to control supply, creates demand and shapes the institutional environment in which it does business. Hence also the labor union and the other evidences of consolidated decision-making power over the 'terms and conditions of employment'.

There is real decision-making power in collective bargaining today. Negotiated wages vitally affect the allocation of labor and other productive resources, the level of prices and the size of national income. It is not necessary to look back to Marshall's day to appreciate the change which has taken place. Until recently, the specter of non-union competition hovered over the bargaining table and severely limited the extent to which union wages could rise without disastrous consequences; this was a major theme of Slichter's *Union Policies and Industrial Management*, which was published in 1941 and was based primarily on the experience of the 1920s and 1930s. By 1946 more than 80 per cent of the wage earners were covered by union agreement in each of the following industries (among others): agricultural equipment, aircraft, aluminum, cement, men's clothing, women's clothing, glass and glassware, leather tanning, meat packing, newspapers, nonferrous metals, rubber, shipbuilding, basic steel, local transit, coal mining, construction, long-shoring, maritime, metal mining, motion picture production, railroads and trucking. The unionization of one industry does not eliminate the competition of substitute products or services; however, the substitute products themselves may well be produced in an organized industry. The steel, aluminum and nonferrous metals industries are all more than 80 per cent organized; the same is true of the railroad, maritime, trucking and airline industries (*Monthly Labour Review*, vol. 64, 1947, pp. 765-70). Slichter stated (1947, p. v) that

the rise of unions constitutes an epoch-making change in the economy - quite comparable to such institutional changes as the rise of the modern credit system or of the corporation. Unions are no longer simply organizations which put workers in a moderately better bargaining position in dealing with employers. They are seats of great power.

Whether this power can be exercised responsibly under present-day circumstances is open to doubt; but in any case, the power is there.

Union wage policy and the negotiated settlement acquire further significance by virtue of the trend toward fewer and more comprehensive wage decisions. Although we have nothing

approaching a national wage policy or the machinery for establishing one, we are moving beyond the stage of atomistic bargains into an era of consolidated settlements. Recent years have seen a considerable development of area-wide, region-wide and nation-wide agreements between trade unions and employers' associations; and the tripartite Labor Committee of the Twentieth Century Fund recommends the extension of market-wide bargaining (Williamson and Harris, 1945, p. 232). Even in the absence of integrated bargaining structure, comprehensive settlements result from industry-wide strikes and union-wide wage programs. But the most powerful influence linking together separate wage bargains into an interdependent system is the force of equitable comparison. This force does not spread evenly over the entire system, but runs in limited circuits, the most prominent of which are described in chapter 3 [not included here]. Even if big unions were broken up into little ones, as some advocate, equitable comparison would still have a pervasive effect.

Finally, it is desirable to reckon with the possibility of some form of full-employment guarantee on the part of the federal government. Such a commitment would obviously attach additional importance to the results of collective bargaining. There has been considerable speculation whether a trade union could or could not be expected to exercise 'restraint' under a full-employment guarantee and whether prices and wages would or would not be pushed up at the expense of the general economy through tacit collusion between management and labor. Some analysts have suggested that compulsory arbitration of wage disputes or an authoritative national wage policy would be required to protect the government in the observance of its commitment. Others are hopeful that private collective bargaining would remain feasible.² It is highly appropriate to analyse this problem, but additional random speculation will not be fruitful. What is most needed is an informed prediction of union behavior in the economic and political circumstances of a full-employment policy, based upon an ade-

2. For discussions of wage problems under a full-employment program, see Beveridge (1945), Braunthal (1946), Forcey (1946), Hansen (1946), Pigou (1945) and Worswich (1944).

quate understanding of the major controlling influences.

The major influences controlling union wage policy are largely the same as the major influences controlling union behavior in general. To understand them, we must understand the union itself – what kind of organism it is, how it functions and what is the role of leadership. Where should we turn for such an understanding?

Among all the participants in economic life, the trade union is probably least suited to purely economic analysis. It may be that the particular form of rationality assumed in traditional economic theory can properly be assigned to the individual entrepreneur and even to the corporation, which after all is a legal individual. In any case it is not necessary to argue that point here. But a trade union is pre-eminently a group, a collectivity. Psychologists have been insisting for more than half a century that group behavior is fundamentally different from individual behavior. The trade union is not only a group, but an institution as well; it leads a life of its own, separate and distinct from the lives of its members. Its problems are not merely those of the particular individuals it happens to represent at one point of time.

If we still wish to make a theoretical analysis of union behavior, we must operate within a broader frame of reference. Even the most primitive clichés of politics, sociology and psychology throw a good deal of light on the problem. This is not to suggest, however, that economic analysis be supplanted by political, sociological or psychological analysis. What is needed is to break down the walls between the separate disciplines of social science which have hitherto dealt with separate aspects of social behaviour. When society was more loosely constituted and social forces were organized on a small scale, these various aspects of behavior could operate more or less independently in their own spheres. It was possible to talk about such fictions as the economic man and the political man. But today it must seriously be doubted whether there is any such thing as purely economic activity, purely political activity or even purely religious activity. No group can maintain significant economic power in present-day society without political influence. To ac-

quire political influence, psychological techniques are indispensable. Effective psychological techniques are directed toward manipulating sociological relations and tensions. And so on. If different aspects of social behavior have now become integrated, does it not follow that the separate disciplines of social study must be brought together correspondingly? Otherwise, we have partial sciences, compared by Ruskin with a science of gymnastics which assumed that men had no skeletons (quoted in Beard, 1945, p. 6).

However, it does not require any profound theoretical analysis to understand union wage policy, or employer wage policy, for that matter. Walter Savage Landor has said that 'the seeds of great events lie near to the surface'. Intelligent union and management representatives understand well enough why their decisions are what they are. They could not succeed without a fairly good notion why the opposing party behaves as he does. This understanding is accessible to the student of industrial relations, if only he is willing to accept it on its own terms and refrain from imposing an alien logic upon what he finds. The greatest danger is that the union and employer representatives will attempt to supply an answer in the economist's terms rather than to identify and describe the controlling pressures as really experienced. This is not deception but self-delusion. Both parties are anxious to appear farsighted and responsible; it is all too easy to look back upon a previous wage decision and ascribe it in one's own mind to the competitive situation in the industry or to the elasticity of demand for labor. The union leader, not yet fully accepted as a useful citizen, is peculiarly addicted to reverence toward the canons of conventional business morality. This is why mailed questionnaires, hypothetical questions and other devices of large-scale investigation have been avoided in this study. Research of this kind cannot feasibly be conducted wholesale.

Where is the wage policy of unions to be found? We have already suggested that it is not to be found in the mechanical application of any maximization principle. It might be best to dispose of some additional false leads which are inviting at first blush but not rich in explanatory value.

1. Wage policy is not explained by the hortatory slogans of the labor movement – a fair day's pay for a fair day's work, a living wage, a health and decency wage, a productivity wage, and so forth. These are the slogans under which the 'men of labor' are mobilized in disciplined ranks and led into battle and by means of which their general aspirations are explained to the outside world; they are no guide, however, to the strategy and tactics which are adopted in pursuing these aspirations, or to the limited objectives which are staked out at particular times and places. Samuel Gompers's remark that labor is seeking 'more and more and more' has often been quoted as the epitome of union wage policy. The remark is undoubtedly correct, but again it is no clue to the eminently pragmatic decisions which are made in the day-to-day conduct of union affairs. Nor is any clue to be found in various public pronouncements made in a 'responsible' vein: e.g., that the real objective is a fair distribution of income; or that the only true source of higher wages is greater production. These are equivalent to defining 'service' as the objective of business enterprise. An occasional result should not be confused with an underlying purpose.

2. An attractive expedient is to approach the problem through the formal arguments and documents of wage determination. Preliminary briefs, supplementary briefs, concluding briefs, rebuttals and surrebuttals, transcripts of hearings and negotiations, supporting statistical studies, fact-finding reports and arbitration awards are available in great quantity. They are constructed with much care and elaboration, are pitched on a high ethical level, and ostensibly are designed to focus the soundest principles of economic policy upon the problem at hand. Generally the arguments are cast in terms of a standard group of 'wage-determining factors', including changes in the cost of living, budgetary requirements of a living wage, the 'going rate' in comparable establishments, trends in productivity and the employer's ability to pay. These criteria have changed very little since before the First World War.³ They have been incor-

3. See Dickinson (1941), Feis (1921), Soule (1928) and Storkelt (1918). In recent years aggregative analysis has been employed to demonstrate the requirements of a national wage policy compatible with full employment at stable prices.

porated in legislative and administrative regulations governing the adjustment of wages, such as the Railway Labor Act of 1920 and the wage stabilization standards of the National War Labor Board.

One is tempted to conceive of trade union wage policy as the application of these customary criteria of wage determination. If this formulation were adopted, the union's primary objectives would be listed as maintaining the real wage, securing a fair living wage, insisting on the going rate, sharing in the benefits of increased efficiency, and so on.

However, there are several difficulties with a formulation of this kind. The 'wage-determining factors' are often mutually contradictory; for example, the budgetary requirements of a living wage may be incompatible with the employer's ability to pay. A given criterion, such as the cost of living, will be emphasized by the union at one stage in the business cycle and by the employer at the opposite stage. In specific cases, all the conventional standards are generally invoked; but some have a real weight in the resulting determination, whereas others have no weight at all. The most elaborate logical and statistical demonstrations are presented in support of arguments which are wholly devoid of effect; but often the crucial factor has no place in the oral arguments and written documents of the proceeding – including the arbitrator's award. In fact, there is probably no field of social inquiry in which the written word is more misleading than the negotiation and adjudication of wage rates. The limited relevance of formal exposition in wage determination is well recognized by union and employer representatives, as well as by many impartial arbitrators.

It is not contended that the customary criteria have no significance in the wage setting process. They serve as vehicles for the transmission of pressures, channels for the communication of facts, and symbols of allegiance to high ethical standards and sound economic principles. But it would be naïve to suppose that they can be taken as the starting point for examining wage policy.

3. Union wage policy in the United States is not substantially affected by anticapitalist ideologies. Ideological differences exist among unions, of course, and particularly among union leaders

and the minority of articulate members; there are right and left wings, Democrats and Republicans, communists and anti-communists. These differences give rise to a certain amount of factional conflict and occasionally provide a motive for employers to favor one union over another. They affect wage determination in the same manner as union leadership rivalries of any kind affect it. However, it does not follow, and is not generally true, that variations in ideology are associated with differences in wage policy. As a matter of fact, the Amalgamated Clothing Workers, with a strong socialist tradition, have shown more concern for the healthy survival of private enterprise in the clothing industry than the United Mine Workers, with arch-Republican leadership, have shown in the coal industry. The 'left-wing' leadership of the United Electrical Workers embarrassed the 'right-wing' leadership of the United Automobile Workers in 1946 by settling with the General Motors Corporation for a wage increase of 18½ cents when the Auto Workers were holding out for 19½ cents. During the same year, the 'left-wing' National Maritime Union agreed to a wage increase of \$17.50 per month, but the 'right-wing' Sailors' Union of the Pacific went on strike in order to force approval of larger increases by the National Wage Stabilization Board. The fact is that all important American trade unions should be classified as 'business unions' (see Hoxie, 1917, pp. 45-6) in the sense that their practical wage decisions are predicated upon indefinite prolongation of capitalistic economic organization. If capitalism is supplanted in the United States, it will not be over the wage issue.

There is also a political contest between unions and management, turning on the possession of certain disputed areas of sovereignty in the control of the employment relationship. This controversy over 'managerial prerogatives' and 'union rights', undoubtedly affects the wage bargain, because wages are often manipulated in order to attach the loyalty of the rank-and-file workers and the approval of the general public. Here again, however, the contest is carried on within the framework of a private enterprise system. What is more, those unions which have most successfully invaded the disputed areas of sovereignty (through acquiring the closed shop, control over tech-

nological change, and so forth) have also become the most prominent centers of political conservatism in the labor movement. This fact sheds a great deal of doubt over the assertion that the capitalistic order is threatened by the controversy over 'prerogatives'.⁴

American trade unions are business unions and their chief business is collective bargaining. The union at work is the union negotiating a contract. If this be true, then union wage policy can best be understood by examining the operating decisions which are reached in the course of the bargaining process. These decisions are the proof of the pudding. They are made 'when the chips are down' and reflect, more than anything else, the real determinants of policy.

Operating decisions are required at various points in the bargaining process. Should the wage provision of the agreement be reopened? What should be the union's initial demand? Should the employer's initial offer be accepted? What should be the union's compromise demand and should the employer's compromise offer be accepted? Should the union consent to arbitrate? Should a strike be called? Should the strike be terminated on the basis of a mediated settlement, or should it be carried on until the employer capitulates or the union disintegrates? Union wage policy is found in bargaining decisions; determinants of policy are the influences bearing upon these decisions.

To be sure, this is not a lofty definition of policy. Collective bargaining, we are frequently told, is essentially a 'pressure game'; and so it is. Let us accept it as a pressure game, recognizing that it is not very different from numerous other phenomena in economic and political life. If our definition is not exalted, at least it is realistic; in the present state of affairs, it is difficult to see how any more pretentious definition of policy could have much meaning.

4. 'If unions are permitted to participate in management without responsibility for sharing losses, demands will know no limit. This will lead to profitless business operations and the closing of plants. In order to secure the needed production, the next step would naturally be "socialization" with government operating the business. In fact, some of the demands for labor sharing in management are undoubtedly made for the purpose of preventing the functioning of the present economic system' (National Association of Manufacturers, 1946, p. 21).

The American trade union, being essentially pragmatic and having no well-defined role in society as yet, is peculiarly subject to pressures. The task of the union leader is to reconcile these pressures in such a manner as to serve the paramount objective of 'building the union'. The following chapters [not included here] attempt to identify the major controlling influences and describe the union leader at work in the fascinating process of collective bargaining.

It is hoped that this approach will not seem unfair to the union leader. Of course, he has other ambitions for himself aside from political advancement and other hopes for the union aside from institutional survival. He believes in unionism as an organ of democracy and as an instrument of social justice. He hopes that the process of collective bargaining will secure for the workers a larger proportion of the national product and facilitate high levels of employment and real income. But these things are not within his control. His job is to make an agreement with a particular employer, or group of employers, covering a particular group of workers for a certain short period of time. When the time comes to negotiate and sign the agreement, the total national product and the total volume of employment are pretty remote, but the surrounding political pressures are urgent and immediate. The case might be different if we had a master wage bargain covering the whole economy; but even the largest and most influential bargains are applicable over only a minor segment of the economy. If union wage policy is parochial and particularistic, it is not because of any lack of enlightenment on the part of leaders, nor can it be cured by any amount of homiletic preachment.

The central proposition, then, is that a trade union is a political agency operating in an economic environment. In the following five chapters [not included here] I have tried to establish this proposition and to investigate some of its implications. These chapters are essentially a group of essays rather than a balanced theory of wage determination. It seemed advisable at this stage to concentrate on some of the factors which have received too little attention in our thinking about industrial relations, exploring them in this preliminary fashion and reserving until later

the task of constructing a 'model' which would give proper and proportionate weight to all the factors. If the impression is given that labor supply and demand in a quantitative sense are regarded as having no bearing upon collective wage determination, this is the reason. It goes without saying that a purely political formulation would be just as unsatisfactory as a purely economic formulation and that just as many unanswered questions would have to be explained away as the result of irrational behavior and other imperfections.

In other words, the union as a political agency has been emphasized at the expense of the economic environment in which it operates, not because economic influences are considered unimportant – for they are highly important – but because they have been dealt with more extensively by other writers.⁵ [...]

It might be advisable, however, to indicate briefly at this point the connection which I conceive to exist between the underlying economic influences present in every case and the political pressures focused upon the union leaders in the bargaining process. A number of influences are described in the literature: labor cost as a percentage of total cost; competitive conditions in markets for the product and for complementary and competitive factors of production; the extent of non-union competition; the profit position of employers; shifts in consumer demand; technological changes; and cyclical fluctuations in prices, output and employment. These are frequently listed as determinants of the union's economic bargaining strength.

That they do affect the union's bargaining strength, in the sense of its ability to win concessions from employers, is clear enough. Any full-blown theory of collective wage determination would have to give major emphasis to an analysis of bargaining power as defined in this sense. But the term is often used in another sense, as being principally affected by the elas-

5. See Barkin (1940), Bronfenbrenner (1939), Coleman (1943), Dickinson (1941), Dunlop (1944), Dunlop and Higgins (1942), Haber (1930), Hill (1942), Lahne (1944), Lester (1942), Lester and Robie (1946), McPherson (1940), Millis (1942), Palmer (1932), Schmidt (1937), Shister (1943, 1944, 1946), Slichter (1941), Taylor (1931) and many other works on collective bargaining in particular industries.

ticity of demand for labor. For example, Shister (1943, p. 530) states that "bargaining power" may be divided into three elements: (a) the elasticity of demand for the union labor, (b) the quality of union representatives, (c) the ability to strike successfully'. He discusses importance of labor cost, elasticity of substitution of capital for labor, and price rigidity in the product market as affecting elasticity of demand for labor.

'Elasticity of demand' expresses a price-quantity relationship. When the term is used as a blanket designation for a multitude of economic influences, it carries the inference that these influences are important to the union because they determine the amount of labor it can sell at various rates of pay. This implies, in turn, that the wage-employment relationship is the crucial criterion of union bargaining decisions and that the wage bargain is essentially a wage-employment bargain. It will be argued later, however, that the union is not automatically or continuously concerned with the quantity of labor sold; and further that the typical wage bargain (with certain significant exceptions) is necessarily made without consideration of its employment effect.

The real significance of the economic influences, I am convinced, is to be found elsewhere than in a continuous functional relationship between wage rate and employment level in the bargaining unit. (It is not necessary to decide here whether or not such a relationship does exist.) The economic environment is important to the unions at the second remove: because it generates political pressures which have to be reckoned with by the union leader. The effect of any given change depends upon how it fits into the general constellation of pressures. Such economic changes as a shift in consumer demand and a contraction of economic activity are particularly influential upon the relationship with the employer because they condition his attitude: how strongly he will oppose a wage increase, how vigorously he will insist on a wage cut, under what circumstances he will accede to a strike with its attendant losses, or make an attempt to break the union, or move into another area, or leave the industry altogether.

The much-debated question of union wage policy during a depression will serve as an example. Whether a cut in wages will

raise the level of employment or mitigate the decline in employment need not be decided here, because ordinarily the question is not considered in these terms by the union leader. It may be virtually taken for granted that the employed members will oppose a cut and will have greater weight in the union than the unemployed.⁶ What becomes important is the extent to which the employer insists on it. As Dunlop has shown, the employer is likely to be most insistent in that sector of the economy where employment has declined the least. Summarizing his analysis of wage reductions in the 1929-33 depression, Dunlop (1944, pp. 145, 146 and 148) states:

The net result is that in the sector of the economy in which wage reductions typically take place first, two separate pressures must be identified. Not only are labor costs relatively more important, but price declines in the product market (attributed largely to the character of competitive conditions) tend to force wage decreases. The decline in product prices is the more important influence. . . . The central theme is that declines in product prices and not unemployment constitute the effective downward pressure on wage structures. . . . Wages fell last (and probably least) . . . in the sector of the economy in which unemployment was clearly relatively greatest. . . .

Thus, it is the employer rather than the unemployed or potentially unemployed worker who forces the decision in the normal case. From the standpoint of the union, the purpose of agreeing to the cut is to maintain the bargaining relationship on as satisfactory a basis as possible. What appears as a danger is not that employment will fall off but that the employer will become hostile. It is the loss of friendly relationships, bargaining units and collective agreements, rather than the loss of jobs, which is most to be avoided. Noting that many unions accepted wage cuts in the 1921-2 depression, Wyckoff (1924, p. 99) remarks: 'The question however arises as to whether the wage reductions were not more the result of a policy of buying union security with wage cuts, rather than a calculating concern for the general economic situation in the industry.'

It is submitted that these considerations can be compressed into 'elasticity of demand' only if the term is stripped of its

6. However, in some industries it is common for union members to work below the scale by secret agreement with the employer.

essential quantitative content. As seen by the union leader, the problem of depression wage policy is qualitative rather than quantitative.

Much the same can be said for other aspects of the economic environment which affect union wage policy at the second remove. For example, a union's economic bargaining power may vary considerably between one group of employers and another, because of differences in the strategic position of union workers, the profit rates of employers and the importance of wages as an element in costs. Should corresponding variations in wage rates be introduced? In casual industries, such as longshoring and construction, the union is likely to insist upon a standard wage. Workers move frequently from one employer to another and would object to continual changes in their hourly rates of pay. The problem of assigning workers through the union's hiring hall would be greatly complicated. Where the employment relationship is more stable, however, the union is likely to classify employers on the basis of differences in ability to pay. Thus, printing tradesmen in the San Francisco Bay area (as elsewhere) receive higher rates of pay in newspaper plants than in job shops. Milk-wagon drivers receive more than ice-wagon drivers. Theater janitors are better paid than hotel and restaurant janitors. If the different groups of employers are included in the coverage of a single master agreement (as in the coal industry or in the West Coast pulp and paper industry), the pressure for uniformity is likely to be strong.

The policy of union-management cooperation is often represented as an indication of concern for labor demand, but Ware (1937, p. 13) states that when 'confronted by new challenges (the welfare offensive, etc.) the labor unions turned to trade union-employer cooperation in order to encourage employers to deal with them'. Different unions have reacted in very different ways to non-union competition and to shifts in consumer demand, depending on what seems to be the most workable expedient for maintaining the union as a going concern. The problem of technological change, although somewhat removed from wages, offers a close parallel. Slichter has shown that the union may adopt a policy of obstruction, a policy of competition or a policy of control. The policies adopted by

particular unions do not represent different degrees of enlightenment, but different ranges of choice, and cannot be understood until we recognize the primary importance of organizational survival as the central aim of the leadership.

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18 E. H. Phelps-Brown

The Influence of Trade Unions and Collective Bargaining on Pay Levels and Pay Structure

Excerpt from E. H. Phelps-Brown, 'Minutes of evidence 38', Royal Commission on Trade Unions and Employers' Associations, HMSO, 1966, pp. 1605-16.

The influence of collective bargaining on the movements of the general level of pay

1. To assess the consequences of collective bargaining with certainty we should have to be able to compare what happens in its presence with what happens when some other method of regulating pay is used in societies otherwise the same. The actual course of events gives us little chance to do this. There are differences in plenty, it is true, between the ways in which pay has been regulated in different countries, periods or industries, but much else has been different at the same time. Nor can we very well make the needed comparison by way of what the physicist calls an 'ideal experiment', and ask what we can see happening, in the mind's eye, when a given society changes its ways of regulating pay. The trouble is that these ways are an organic part of the society. Their working depends on attitudes and traditions which they in turn help to mould: even in imagination we cannot lift them out and install others in their place as we might change the carburettor in a car.

2. None the less, if we are to reach any verdict on proposals for improving them we are bound to base it on some judgement of the effect they take, of what would come about differently if they were different. Ultimately this judgement must be intuitive, but it can also be informed. Comparisons are possible which, though far from controlled experiments, do throw light on the probability of different judgements. In a number of Western economies, for instance, we can compare the movements of rates of pay before and after the extension of collective bargaining. Where collective bargaining is established,

we can compare the movements of rates of pay in different phases of the economy. Within any one country, again, we can sometimes compare different industries, or different regions of the same industry, some of which bargain collectively while others as yet do not; or we can compare the course of events in one industry before and after it adopts collective bargaining. None of these comparisons is rigorous: other things always vary at the same time. But we can often judge how far it is to these other things that any differences in the movements of pay are likely to have been due; and then we are left with an estimate of the consequences specific to collective bargaining. We can also ask whether such estimates agree with the expectations created by an analysis of bargaining power.

3. It is the purpose of this note to give an account of these materials and the conclusions to which they lead. For the sake of brevity the account will be summary and the conclusions will be stated baldly. In a fuller account there would be more qualifications, but also more marshalling of evidence.

4. The United Kingdom is one of a number of Western countries in which we can follow the movements of pay and other incomes over the last hundred years. Figure 1 shows the course of the average earnings in money of manual workers, mainly in industry, in France, Germany, Sweden, the UK and the USA, since 1860. Only in the UK was collective bargaining of much account in the earlier years of this period and even here it was less extensive than trade unionism and was effective only for a small minority of the country's wage-earners. Between 1890 and the First World War, however, there was a remarkable growth of trade unionism in all five countries and this brought with it a substantial though intermittent development of collective bargaining. The number of trade union members over 10,000 of the occupied population in industry rose as in Table 1, p. 315. We thus have an opportunity to see how money wages behaved in some Western economies in the comparative absence of collective bargaining, and also to ask whether the early development of collective bargaining seems to have made a difference.

5. The salient feature of the general level of money wages in all

five countries, before ever collective bargaining could have taken much effect, is that it rose cumulatively. Earlier records show that, even excluding years of war, this tendency had been present from the early years of industrialism. How did it arise? Except in France, most of the rise – indeed, more than all the net rise – came about within only about half the total number of years. A cycle ran through the business activity of all these countries, with a period on the average of about eight years. It was in the four years or so in which activity was rising or near its crest that money wages rose. The other four years in which

Table 1

	France	Germany	Sweden	UK	USA
About 1890	220	440	210	810	510
About 1913	1440	2520	3300*	2690	1830

* This was in 1907, a high point reached after membership had more than doubled since 1904; through 1910–12 membership averaged nearly 20 per cent less.

activity was falling or near its trough brought no change in money wages or some cuts. These cuts, however, were smaller than the immediately preceding rises, so that on balance each cycle raised money wages. So far it looks as though the source of the cumulative rise of money wages lay in the cycle. If, moreover, the size of the rise in each prosperous phase depended on its intensity, the differences between the rates at which money wages rose in various periods and countries might be due simply to the different intensities of their cycles. But though some systematic dependence of this kind appears in Germany, the UK and the USA, there is too much variation about it for us to take it as a sufficient explanation of the rate at which money wages rose from time to time. From the mid-90s onwards, for instance, money wages rose a good deal faster in Germany, Sweden and the USA than they had done through the twenty years before, but there was no corresponding intensification of the cycles in those countries. What explanation, then, can we offer? One account which is not incompatible with the evidence runs as follows.

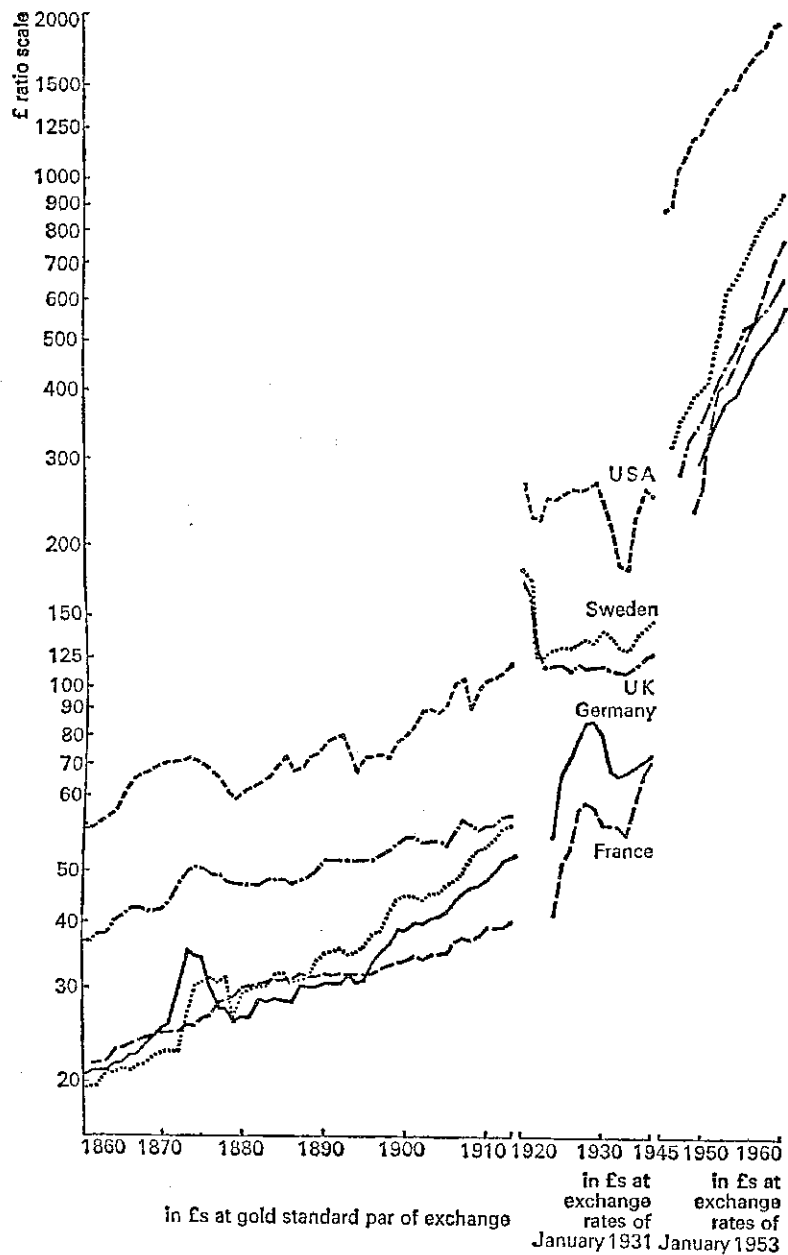


Figure 1 Average annual wage earnings (mainly industrial) in five countries, 1860-1960

6. We think of the labour market as a gravitational field, in which the force of gravity has been a pressure exerted from the side of labour towards wage rises and against wage cuts. This force has been present at all times, though in varying strength. Its action has not depended on labour being unionized, though union militancy intensified it.

7. The balance of supply and demand in the labour market operated in some times and places to reinforce what we have called the force of gravity, in others to counteract it. In the successive phases of the trade cycle the demand for labour rose now faster and now slower than the supply. This supply itself rose at a rate which, especially through the changing number of migrants, varied significantly from time to time. When it was the demand for labour that was extending the more rapidly, in some occupations and places an absolute excess of vacancies over applicants would appear, and if competition between employers for labour did not actively bid wages up, at least the pressure to raise them from the side of labour would now be reinforced by the scarcity. When the demand for labour lagged behind the supply, the competition of workers for jobs might only exceptionally be allowed to underbid the going rate, but the pressure from the side of labour to keep that rate up would now be counteracted by redundancy.

8. Thus two factors bore on rates of pay within the labour market itself – a persistent pressure from the side of labour and the varying balance of supply and demand. Within the employer's business their joint influence came into contact with that of two other factors, the methods of production and the state of the market for the product.

9. The methods of production bore on rates of pay most directly according as they determined productivity, that is, output per man. The unit wage cost (wage cost per physical unit of output) is given by the wage per man divided by the output per man. To the extent that this output rose, the wage per man could rise without any rise in unit wage costs and, with unchanged selling price, any change in the profit margin; and any tendency arising in the labour market to raise the wage per man would

meet with correspondingly less resistance. When productivity failed to rise, the wage per man could be raised only to the extent that the selling price of the product was raised or the profit margin reduced. That productivity did in fact rise at different rates in different periods and countries is shown by Figure 2 which presents estimates of the course of the real product per occupied person within the industrial sectors of the five economies whose wage movements we have already surveyed. We find also, by comparison with Figure 1, that where productivity rose more, the general level of money wages usually rose faster. This implies that the course of unit wage costs varied less than that of wages. Figure 3 illustrates this. The case of the UK between the 1890s and 1914 is particularly striking. Money wages rose through this period more slowly in the UK than in Germany, Sweden and the USA; industrial productivity also rose less at this time in the UK than in those other countries – indeed, in the UK it hardly rose at all, while in the others it rose rapidly: so that unit wage costs by no means rose less in British industry than among its competitors. We may suppose that international competition would have prevented any trading country from letting its unit wage costs rise much more than its competitors', or from failing to reduce its own costs if they were reducing theirs.

10. On the other hand, all countries could let their unit wage costs rise and cover them by higher prices, if all moved together. Here appears the second influence we noted on business decisions – the state of the market for the product. For any one firm at any one time, the possibility of raising its selling price would depend upon what its competitors at home and abroad were tending to do. What each did depended on what it expected the others to do: a common course will have been shaped by a consensus of expectations. When the common course of product prices was downwards, any one seller who raised his price ran an evident risk of isolating himself and damaging his business: a rise in his unit wage cost would, therefore, mean a lower profit margin for him and he would be correspondingly concerned to resist it. He might indeed be incited to lower the wage per man as a means of reducing his

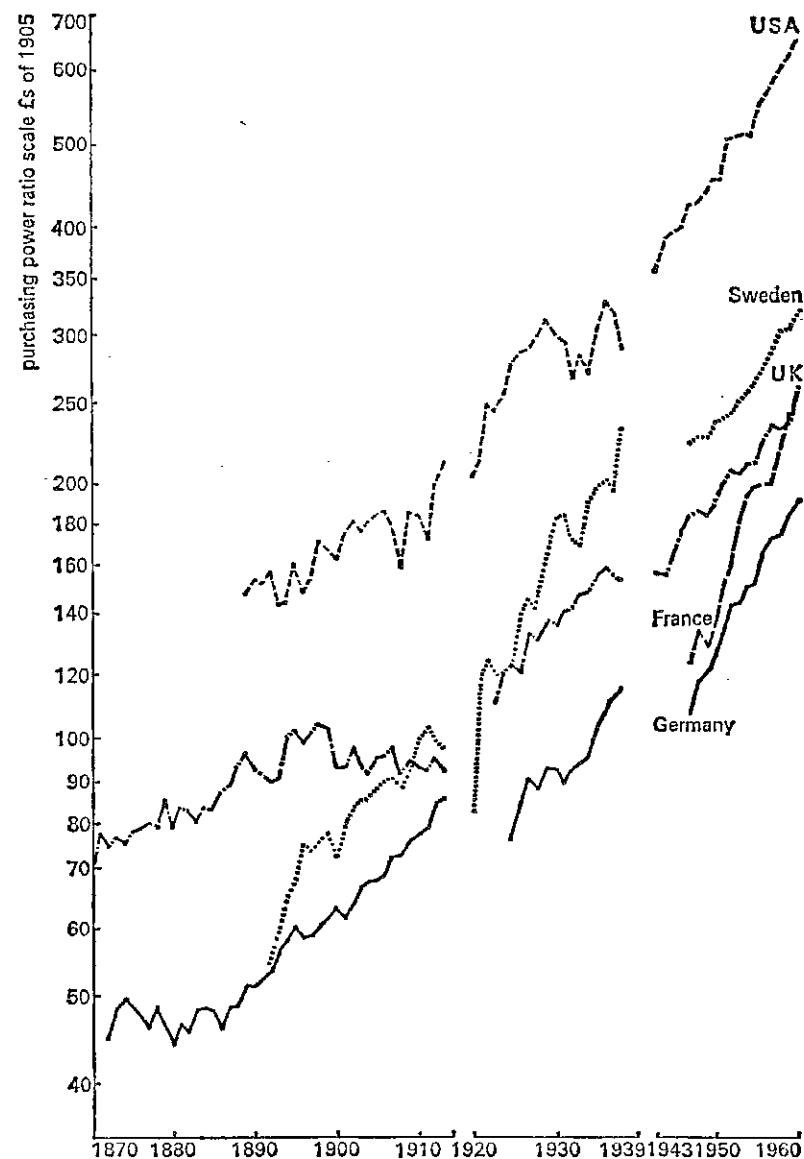


Figure 2 Productivity (physical output per occupied person expressed in £s of 1905 purchasing power) in the industrial sector of five countries, 1870–1960

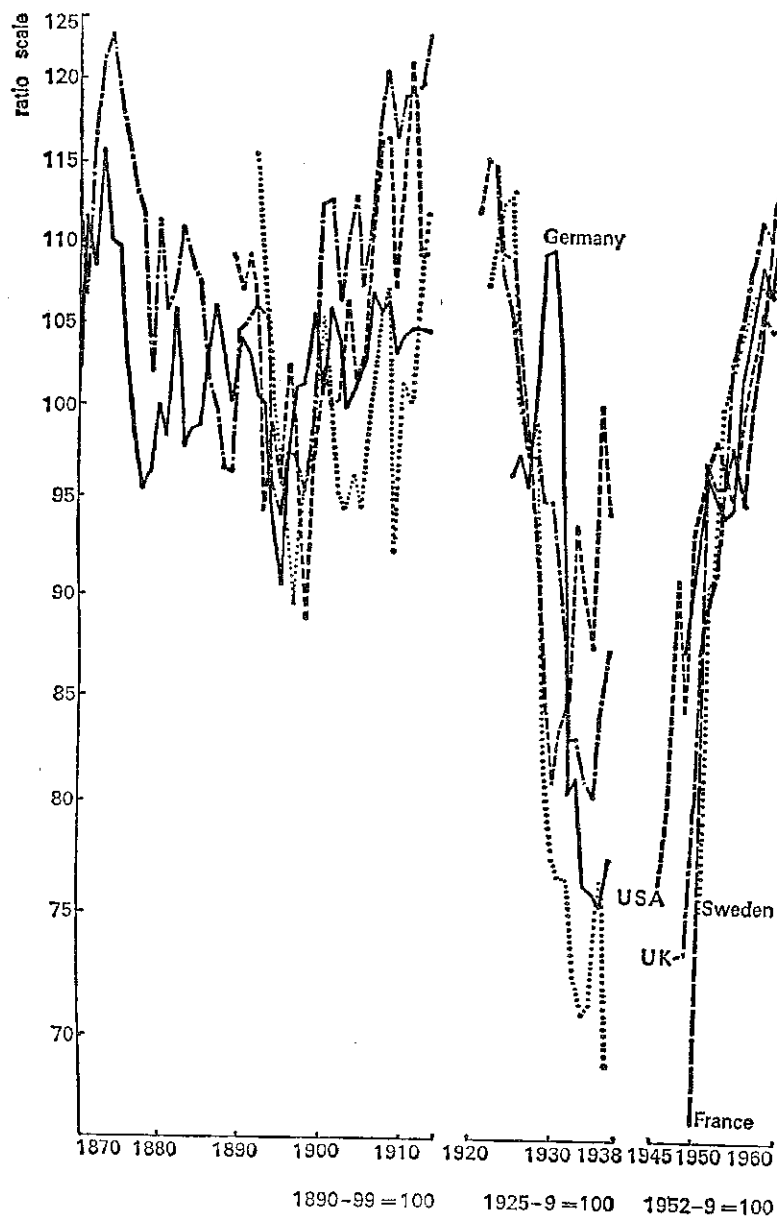


Figure 3 Indices of unit wage costs within industry in five countries, 1870-1960

unit wage cost in the same proportion as he felt obliged to reduce his selling price. But in the opposite permissive state of the market environment those who raised their prices would find that they had not worsened their competitive position and as such experiences accumulated they would have ever less reason to involve themselves in conflict to prevent a rise in their unit wage costs. Thus whether the forces of the labour market could raise wages more than productivity depended upon whether the market environment was hard or soft.

11. The product market did in fact evince a tendency for prices to move now upwards, now downwards, in either case for twenty or twenty-five years at a time. Between 1873 and 1896 the trend was downwards: in the UK we know, manufacturers felt themselves under a powerful and much resented competitive pressure to keep their costs down, pare their margins, and reduce their prices. During the 1890s, however, the tide turned; price rises, small but cumulative, became prevalent; a rise in unit wage costs could now more easily be covered by higher prices and in cycles of no greater intensity than before money wages per man generally rose more. But in the interwar years the market environment became hard again. The violent deflation that followed the First World War brought prices down not merely absolutely but relatively to unit wage costs; and even outside the great depression that began in 1929, few manufacturers could expect that a rise in their own prices would not lose them business. In this period accordingly unit wage costs in industry were not allowed to rise; and the considerable rise of productivity that came about at the same time was used more to reduce prices than to raise wages.

12. But since the Second World War the market environment has been entirely different. Though old apprehensions about the bad effects of higher costs may have persisted at first, experience began to show that prices and real output could rise together year after year and profits increase in the same proportion as wages and salaries. The soft market environment *par excellence* now developed. It was conditioned not merely by the experience of the opening years, but by knowledge of governments' commitments to full employment - if employers made

wage settlements that raised unit wage costs, governments would not in the event deny them the flow of monetary demand needed to keep their capacity fully occupied at the new level of costs. In such a setting, resistance by any one group of employers to a wage settlement of the prevailing size came to be seen as equally futile and needless. Differences between countries in the rate of rise of unit wage costs still, it is true, took their effect on international trade and in any one country the rise of money wages would tend to be checked in so far as productivity did not advance enough to keep the rise in costs down to something like the international trend. But this trend still rose more steeply and persistently than ever before.

13. If this was the system of forces bearing on the general level of money wages, what difference should we expect collective bargaining to make and what if any do we find? In the first place, we might expect collective bargaining to give more effect to the persistent pressure to raise wages and resist cuts. Alfred Marshall (1892, book 6, ch. 13, section 5) noted the claim of the trade unions

to receive an earlier rise, a greater rise and a more prolonged rise than they could get without combination. . . . When the time has come for the trade to reap the harvest for which it has been waiting, the employers will be very unwilling to let it slip; and even if an agreement to resist the demands of the men is made, it will not easily be maintained. . . . Unions further hold that the threat of a strike, though less powerful when the tide of prosperity is falling than when it is rising, may yet avail for the comparatively easy task of slackening the fall in the high wages they have gained.

The stress here is on greater gains in prosperity. On the other hand it has been held that when a boom goes far enough to set up a competitive scramble for labour among employers, an accepted procedure for regulating wages collectively will slow down their rate of rise. Other observers have held that collective bargaining has taken most effect in depression. The historian of the rise of Swedish trade unions (Lindblom, 1938, p. 73), discussing the strikes of 1880-85 in which unions played an effective part for the first time, observed that

rises in wages won by unorganized strikes were easily taken away from the workers in times of depression . . . if they could not offer

an organized resistance. The unorganized strike was a way of gaining momentary improvements in specially favourable circumstances. But only through organization could these improvements be made lasting.

In similar terms the historians of British trade unions from 1889 to 1910 have written: 'Unorganized or weakly organized workers frequently strike in years of good trade, but they lack the resources to sustain a defensive struggle during depression' (Clegg, Fox and Thompson, 1964, p. 362).

14. To see how far if at all these possibilities were realized we must ask whether, as collective bargaining extended, money wages departed from the course they are likely to have followed under the influence of the trade cycle and the market environment alone. In a number of ways they do seem to have done so, ways moreover that collective bargaining will account for. That the swing of money wages both up and down was generally narrower in later cycles than it had been in those of the 1860s and 1870s, without a corresponding difference in the cycles' own amplitude, supports the view that collective bargaining exerted some steadying influence on wages in boom as well as slump. The much smaller cut in wages in the unionized sector than in the rest of the US economy in 1929-32 also suggests that collective bargaining reduced the movement of wages under cyclical pressure. In a number of instances a phase of exceptional trade union vigour was associated with a bigger rise or smaller fall in wages than we should have expected from the level of business activity of the time. In the UK, for instance, rises in wages even greater than were to be expected from the rising phase of the cycle at the time were associated with the New Unionism of 1889, the release of the unions in 1906 from the constraint of Taff Vale judgement, and the growth of union membership and militancy in 1911-12. In the USA the fall of wages was exceptionally small during the depression of 1884-5 when the Knights of Labor were in their heyday; and in France wages actually rose during the depression of 1909, when trade union membership had increased by more than half over the six preceding years and the number of strikes had nearly doubled. There are instances also that suggest the effect of trade union

weakness – in the UK, the smallness of the rise of wages during the increasing business activity of 1880–83, after what the Webbs (1894, p. 345 of 1920 edn) called ‘a general rout of the trade union forces’ in 1879, and the bigness of the wage cuts in 1901–2, when the cyclical recession was mild but the unions lay under the shadow of Taff Vale; in the USA, the smallness of the wage rises of 1905–8, when union membership that had increased perhaps fourfold between 1898 and 1904 suddenly ceased to grow and the unions came under organized attack by the employers and were increasingly subjected to court injunctions.

15. These instances all indicate some difference made by collective bargaining to wage movements and a positive association between those movements and the strength of trade unionism. But there are also negative indications. In two instances money wages rose exceptionally fast at a time of exceptional weakness of the trade unions – in France, in 1874–9, when every sort of workers’ organization lay crushed beneath a regime of surveillance and repression; and in Sweden, when after the defeat of the unions in the general strike of 1909 their membership fell by nearly a half, yet within three years the average earnings of men in industry rose by more than 12 per cent. But more remarkable than these particular indications is the general and prevailing absence before the Second World War of any marked and systematic change in the course of money wages that could be cited as an effect of the extension of collective bargaining. It is true that in the 1890s, when trade unionism in a number of countries began to grow to its present proportions, the trend of money wages in Germany, Sweden and the USA turned upwards; but there was no such turning-point in France and the UK; nor did the much wider extension of collective bargaining from the end of the First World War bring any upward trend at all. Whether we look into the changes in wages year by year in the course of business fluctuations or stand back and survey the trends over the longer run down to 1939, we see no discontinuity in any country that would imply the entry on the scene of some new factor in wage determination.

16. So far we have been concerned with the effects of collective bargaining as those may appear on the surface of the movements of money wages. We may look below to see whether any effects appear on the rise of productivity. Such effects might conceivably be various. On the one hand, the extension of trade union membership could give more effect to wage-earners’ existing understandings about stints and norms of output, their dislike of changes in working practices and especially their resistance to labour-saving innovations. On the other hand, the enforcement of the union rate throughout a district would prevent inefficient managements from surviving by paying low wages; and in a hard market environment that did not allow of higher unit wage costs being simply covered by higher selling prices; a stronger drive for wage rises and resistance to wage cuts would put management under greater pressure to realize economies. In point of fact, the record of Figure 2 shows many differences in the rate at which productivity rose in various periods or economies, but none that suggests a systematic relation with the extension of collective bargaining. It is true that in the UK this extension at the end of the nineteenth century was accompanied by the virtual cessation of the rise of productivity, a change that was soon seized on by contemporaries and, under the title of ‘the crisis in British industry’, laid at the door of the New Unionism. But in Germany, Sweden and the USA the no less rapid extension of unionism at this time went with an accelerated rise of productivity. In the UK itself the rise was resumed and maintained through the interwar years, when the coverage of collective bargaining was far wider than it had been in the years of stagnation before the war. The years since the Second World War, in which the coverage of collective bargaining and the strength of the unions have been greater than ever, have seen an advance of productivity no less rapid than in any earlier period, in Germany, the UK and the USA. Any effect that collective bargaining may have taken on the rate of that advance must be small in comparison with that of other factors.

17. We may also ask whether collective bargaining seems to have taken any effect on the trends of money incomes and pro-

duct prices that characterize different market environments. It might have done so because in a number of ways it induced a greater concentration of decisions affecting costs and prices. It gave wider publicity to particular claims and settlements. Though the unions engaged in bargaining still did little to concert their actions formally, the timing as well as the vigour of the moves each made to seize its own opportunities would be strengthened by the sight of others on the move. Employers for their part, aware that the claims confronting them were part of a general movement, would have less reason to fear that a settlement which raised their costs would worsen their relative position. Especially within any one industry, or at least within the district that bargaining covered, each firm would know that any pressure it was being put under to raise its prices was being exerted at the same time on its competitors. To bring wages and prices under collective control together was indeed the explicit aim of the 'Birmingham alliances' in the 1890s and the Royal Commission on Trade Unions was led to consider the possibility of collective bargaining becoming generally linked with price controls in this way. There is thus some reason to expect that the extension of collective bargaining would tend to raise the trend of money incomes and product prices. The course of that trend from its turning point in the 1890s down to the First World War does not conflict with that expectation. But then come the interwar years, with more collective bargaining than before, but a hard market environment and a downward trend of prices. Evidently more factors went to make the market environment than collective bargaining alone: this could function as a price cartel only if those other factors permitted. But after the Second World War they did permit. Though the course of money incomes and product prices through these last twenty years has been unprecedented, we do not have to suppose that any new mechanism has been at work, only that a constraint on the mechanism has been removed. Proximately, this constraint was the expectation of employers that wage settlements which raised their unit costs would get them into trouble; ultimately, it was the absence of public policy to ensure that total monetary demand would not lag behind unit costs. Once public policy stood committed to ensure this, employers generally could

reckon on being able to cover higher costs by higher prices without loss of business. It then became the function of collective bargaining to determine the movement of prices as well as of pay.

18. One way in which collective bargaining might make a difference to wage movements remains to be examined. With a given level of productivity and a price for the product that cannot be put up to cover a higher unit cost, the wage can still be raised if the profit margin is narrowed. It has been an aim of trade unionism to gain for the worker a larger share in the product. How has that share in fact behaved? There has been much discussion of the share of wages in the whole national product, but this share is too much of an amalgam to tell us much. In a labour-intensive industry like coal-mining the share of wages is naturally higher than in a capital-intensive industry like electricity supply, and the national aggregate of all such shares will vary with the relative sizes of different industries. What we need to follow is the division of the product per man between pay and profits in each industry by itself, and even here the amount of capital per worker will be increasing over time. The evidence at this level is complex and does not allow of a broad comparative presentation. It tends, however, towards three general conclusions. First, the share of pay in the product fluctuated widely in the course of the trade cycle because of the inverse fluctuation of profits. But, second, the level around which these fluctuations occurred showed no sustained trend upwards or downwards. In some instances the level may have been displaced through one or both of the two Great Wars, but otherwise what is remarkable is the absence of permanent change in the ratio between two quantities which themselves changed so much. Third, the share of pay has been able to follow a level trend through periods which have brought a progressive increase in the amount of capital per worker and, therefore, in the amount due for the remuneration of capital, because in practice the output per worker has risen in the same proportion as the capital per worker.

19. This third finding is worth developing in more detail because it brings together the main elements of the distributive system

on which collective bargaining has impinged. Let us take as typical the manufacture of a given product in two periods, I and II, in the second of which the amount of capital per worker was twice as great as in the first. We suppose for simplicity that the pound has the same purchasing power throughout. How the situations have in fact tended to compare is indicated in Table 2.

Table 2 Typical Changes in Output and in Incomes of Labour and Capital that have in practice been associated with an Increase in Capital per Worker

	<i>Period I</i>	<i>Period II</i>
1. Capital per worker	£300	£600
2. Net physical product per worker	50 tons	100 tons
3. Net value product per worker at price of £2 a ton	£100	£200
4. Annual earnings per worker	£79	£158
5. Profit at 7% on 1	£21	£42
6. Unit wage cost $4 \div 2$	£1.58	£1.58

While capital per worker has doubled (row 1) output per worker has also doubled (row 2). The shares in the product have remained the same, so that the annual earnings per worker (row 4) and the total profit (row 5) have both doubled; but the rate of profit (row 5) and the unit wage cost (row 6) have remained the same. With constant purchasing power of money, the doubling of earnings in money represents a doubling of real earnings and these have risen in the same proportion as the physical product per worker.

20. In this system there are three relations, constancy in any two of which implies constancy in the third¹: the ratio of capital to output (in our example, 3 to 1); the division of the product between earnings and profits (79 and 21 per cent) and the rate of

1. They form the identity:

Share of earnings = $1 - \text{rate of profit} \times \text{capital/output ratio}$,
or here, $0.79 = 1 - (0.07 \times 3)$.

profit (7 per cent). We need not ask which have been the governing relations or why any of them should be stable. For our present purpose the essential is that the available estimates of the relevant magnitudes in the course of the development of some Western economies indicate that predominantly these relations have in fact been stable. The most significant of them for us here is the division of the product. If earnings per worker have tended to be a constant proportion of the product per worker, real earnings must have risen in proportion to productivity.

21. That this relation has held through periods in which there have been many and various changes in the course of money rates of pay and product prices implies a running adjustment between them. In fact this seems to have been made through the linking of product prices and unit wage costs. If in a given period money wages rose at 5 per cent a year, but productivity at only 3 per cent, and real wages correspondingly at only 3 per cent, prices must have risen at the rate of 2 per cent a year: but this they would have done if they were kept at a constant markup over unit wage costs, which themselves must have been rising by 2 per cent a year, the excess of the rise in money wages over that in productivity. Alternatively, if with productivity rising at 3 per cent money wages did not rise at all (as they did not, for instance, in the UK as between 1874 and 1889 or 1923 and 1937) real wages would still rise at the same rate as productivity if prices fell at 3 per cent a year, as they would do if they keep a constant ratio to unit labour costs.

22. In a system that behaves like this, power to raise the general level of money wages has not been power to raise real wages. If collective bargaining makes the general level of money wages rise more than it would otherwise have done, it will raise real wages only where prices cannot be adjusted so as to retain their previous relation to unit wage costs. But usually the circumstances in which money wages are most readily raised are those in which prices are most readily raised too; and at other times, when the price level is pinned down, rises in money wages in excess of the current rise in productivity are hard to wrest from employers. Generally, a difference made to the rate at

which the general level of money wages rises affects the rate of rise of prices but not that of real wages. Much more enters into the welfare and status of the wage-earner than the size of the basketful of goods that his wage will buy and there are many benefits not included in this basket that collective bargaining has gained for him. But the basketful itself remains a principal component of his material welfare and a comparative study of different periods and countries strongly suggests that only occasionally has collective bargaining taken much effect upon its growth. This has been governed by the rise of productivity.

The influence of collective bargaining on the structure of wages and salaries

23. So far we have been concerned with the general level of rates of pay: now we turn to the differences between one rate and another. Since the general level is only an average of particular rates any effect that collective bargaining takes on these is liable to affect the general level and might, therefore, seem to have been taken into account already. But one rate may be raised at the cost of lowering others and some observers have held that this is what has actually happened. There are also grounds to believe, as we shall see, that collective bargaining can raise the pay of one group of workers relatively to others at its introduction without widening the difference in the course of time: in this case it may raise the general level somewhat by its impact, but will take no effect on the later movements of that level. In general, the influence of collective bargaining on those movements depends on considerations different from those that determine its ability to raise one rate of pay relatively to the rest and so change the pay structure.

24. The effect that collective bargaining is capable of making on any one relative rate of pay can be seen by comparing the workings of the labour market before it arose. Here the worker lay under two disabilities. One was that he might find himself only one of a number of applicants from whom the employer could fill a job, while he himself had no corresponding access to a number of alternative employers. In such a case the employer could simply announce the rate for the job unilaterally pro-

vided it was high enough to retain at least one suitable applicant; or, in effect put the job out to tender and give it to the man who would do it for the lowest pay. Many employers, it is true, would not have done this, but would have thought it fair and right, as well as the best policy in the long run, to observe a customary rate; but that left the worker dependent on the goodwill of an employer with whom he was in no position to argue. It is true again in the history of the labour market that periods of the excess of applicants over vacancies have alternated with others when it was the applicants that were scarce and the competition of employers raised the pay they offered. But competition for jobs has recurred sufficiently often to burn itself on the mind of the worker as a risk against which he – and his son after him – needs insurance. This insurance can be provided by an agreement among the applicants that whoever gets the job shall take it only at 'the union rate'. Formally, this is to counter one monopoly by forming another. But even when this has been done, the workers may still be at a disadvantage. If there is bargaining now about the rate for the job, it will be effectively between only one party on each side; but suppose the parties cannot agree on the rate – how much will each suffer from failure to fill the job? In general the employer will lose only part of his profit, but the worker must go without his whole earnings; and in any case his reserves are likely to be lower. Herein lies the second disability to which the worker was liable who made his own bargain. Bargaining power is the power to change offered terms by withholding consent. Either party has that power to the extent that leaving the job unfilled will put the other party under greater pressure of loss or suffering than it does him. Under collective bargaining, the worker is less likely to be under the greater pressure than when he bargains alone, partly because his union supports him through the stoppage, but even more because failure to agree now means for the employer not one vacant place merely but the stoppage of his whole works.

25. The two disabilities we have just examined both arise in the absence of effective competition in the labour market. Such competition would ensure that each worker had the benefit of

the best offer that any employer would make for him, that a single rate would rule in the market at any one time for each type of labour and that this was the highest at which all applicants could be employed. Collective bargaining would remedy the two disabilities if it arrived at that sort of rate. But can it not do more for the worker? Will there not generally be at least some groups of workers who by threat of strike can win a higher rate than the most active competition among employers would assure them if they bargained singly?

26. It has been generally held that indeed there will be some groups in that position. Of the various possibilities envisaged, two seem of the most practical importance. One arises where certain workers are indispensable and irreplaceable, but the sum of their pay is a small part of the total costs of the employer. Examples would be airline pilots and newspaper press operators. Their position is the stronger if, as in these examples, an interruption of production is specially damaging to the employer. Even where this is not so, the cost of a big rise in the pay of this group alone will involve a proportionate rise in his total costs so small that he may well reckon it less than the cost of a stoppage. This will be so, however, only on one further condition, that his other employees will allow this group to raise its own pay, without being instigated – indeed, feeling themselves morally obliged – to insist upon equivalent advances for themselves. In the absence of this condition, no one group can push forward on its own and the employer must in practice deal with all his employees together, even if negotiations are separate. But this very comprehensiveness opens up a second possibility: let all the employees of all the firms that market a certain product bargain with those firms together and they may be able to get a rise in pay although it will raise the cost of the product, because all the firms will bear it and their competitive relations with one another will remain as before if each covers it by a higher price for his product. True, if this higher price resulted in a sharp fall in the quantity sold, jobs and profits would both suffer. It is a condition, therefore, of this possibility, that the demand for the product should be inelastic. But this condition is quite often satisfied, especially for industries that do not have to contend

with foreign competition in their markets at home or abroad. In such cases, industry-wide collective bargaining can function as a price cartel.

27. These possibilities do not include the creation of scarcity – the raising of the pay an occupation commands by restricting entry into it. This device may be used by a party to collective bargaining, but is quite distinct from the bargaining, and has indeed been used by bodies that do not bargain at all. We are concerned only with the consequences that flow from bargaining collectively instead of singly, in a given state of supply and demand in the labour market. But it is true that if these consequences include a raising of the rate of pay and this induces employers to engage fewer workers, much the same effect comes about as when the supply of labour is restricted in the first place.

28. If the consequences of collective bargaining have been looked for only in rates of pay that are higher, not lower, than would obtain when workers bargain singly, that is because competition between workers for jobs is taken to be usually keener than competition between employers for workers. The single employer, it is said, has always been a monopoly in himself and when a trade union is formed to bargain with him, that does but match one monopoly with another. But there have been many phases in which the employer, far from having any monopoly in the labour market, has been in active competition for labour. In such a situation collective bargaining may actually check the rise of pay. If a number of competing employers associate for a collective bargain, their competition may, it is true, be resumed after the settlement has been reached and take effect as wage drift; but it is also possible that it will become less active in practice as well as in profession. In that case the rate of pay may rise less under collective bargaining than it would do if workers and employers bargained singly. It is even possible that the associated employers should enjoy a counterpart to the power of the union to raise the rate of pay when the rise is imposed on all firms selling in a given product market: when this common rate is fixed for all workers with qualifications which only the associated employers require, they have for-

mally as much possibility of pushing it down as the union has of pushing it up. The monopoly is bilateral and may work in either direction. But in each direction there are resistances that become stronger as time goes on and monopoly power is eroded. The power of the union to run the industry as a price cartel will be reduced as the buyers of the product learn to use substitutes or new suppliers enter the field. The power of the employers to keep down the pay of a captive labour force will be reduced as its members find ways out of captivity and young entrants avoid it.

29. But these considerations remind us by their starkness of an essential factor that has been left out of the argument so far. In considering how the outcome of collective bargaining might differ from that of an effectively competitive market, we have relied on a calculus of coercion. But those who take part in collective bargaining do not use the language of that calculus. No doubt this is sometimes a matter of diplomacy, of public relations and the velvet glove; but generally it goes deeper. Collective bargaining is usually conducted on the assumption of common standards of what is fair and reasonable, standards common to the two sides and to the public whose opinion in the last resort may be decisive. A group whose bargaining power might enable it to drive its own rate of pay up will not generally try to exploit that power to the full, partly because that would seem barefaced exploitation, partly because what is seen as an unfair demand may be resisted on principle even though giving in to it would cost less. Employers generally accept the view that pay should wherever possible be raised and are concerned in collective bargaining not so much to seize advantages as to transmit to their workers some of the pressures that the market puts on them. In the days of the single bargain, custom was strong and no doubt what was customary was thought equitable. Collective bargaining, no less, must be seen in its setting of prevailing notions about what is fair and reasonable.

30. This discussion suggests that we should look for the effects of collective bargaining in two features of the wage structure. One is the dispersion of rates paid to labour of a given grade in different employments: we should expect collective bargaining

to reduce this dispersion, at least by enforcing a minimum that extinguished the exceptionally low rates. But we should expect it not only to establish more of a common level in this way, but to raise that level, so that the workers who bargain collectively will be found to be earning more, grade for grade, than those who do not. The second feature of the wage structure in which we should look for the effects of collective bargaining is, therefore, the relative average earnings of groups of organized and unorganized workers in employments otherwise similar.

31. We can estimate the actual effects of collective bargaining at particular points only if we can compare what happens where it is established with what happens where it is absent, but much the same kinds of labour are being engaged in much the same sort of economy. An unusual opportunity to do this has been afforded by the USA, where the coverage of collective bargaining has for long been more partial than in other countries of similar industrial development. The findings we shall set out are based on the many studies made by American economists of the comparisons so afforded. They have been able to compare the scatter of rates within local labour markets in the presence and absence of collective bargaining. They have also compared the levels of wages at a given time in sectors of the same industry before and after collective bargaining is established in it; and the movement of wages in the course of time under collective bargaining and elsewhere. They have further been able to compare the apparent effects of collective bargaining according as the workers concerned are less or more strongly organized. None of these comparisons is straightforward, in the sense that the presence or absence of collective bargaining is the sole difference between the two situations, but ways can be found of taking some of the other differences into account. Where two sectors of the same industry are being compared, for instance, they will commonly be in different regions which have their own prevailing differences in wage levels: what is done, then, is to compare not simply the levels of wages in the two sectors of the given industry, but the ratios which those levels bear to the wage of some grade of labour found in both sectors and not regulated by collective bargaining in either.

Even after these precautions, no one of these studies by itself can reach conclusions rigorously; but taken together their findings show enough agreement to lend them probability. There seems no reason to believe that they do not apply to the British economy.

32. They suggest that collective bargaining has taken a marked effect in the first of the two ways we noticed, by substituting 'the rate for the job' for a scatter of rates. The extent of variation found even within a local labour market in the absence of collective bargaining is remarkable: it is evidently possible for two firms in the same town, even in the same street, to go on paying very different rates to the same grade of labour and not all of the difference is offset by other conditions of employment or by the level of exertion expected. Beyond this are wide regional variations. So far as these are common to most employments in a region, they may arise in the same way as differences between the levels of pay in different countries, but for any one occupation or grade of labour they often go beyond that. At any rate the coming of collective bargaining has been associated with a marked reduction in them. In all the effect of collective bargaining has been to reduce greatly the differences between the rates of pay for the same kind of work that arise in practice from the inability of particular workers or groups of workers to deal with different employers.

33. It has not necessarily done this by bringing the rate for the job up to the level being paid already by the 'best employers'. On the contrary, the rates set by collective bargaining are generally thought to be limited by the capacity to pay of the weaker part of the industry. But this does not mean that their enforcement has not raised the wages of many workers, some of them substantially. In this respect it has acted like a statutory minimum wage. In the United Kingdom, indeed, a kind of collective bargaining was instituted by statute to fulfil just this purpose. The 'sweated' workers whom the Trade Boards were set up to help were such because they were tied to a particular employment, without effective access to alternative employers; nor in their case did the cheapness of their work bring an extension of the demand for it through growing sales of the

product. The Trade Board was needed to do what more competition in the labour market could have done – raise the wages of particular groups of workers to the level generally prevailing for workers of their grade who had some effective choice of employers.

34. So far we have seen the effect of collective bargaining in a reduction of the disparities due to the imperfections of an actual labour market. Has it done more than this? Has it not only brought the lower rates up towards the higher, but raised these too? The answer is certainly yes. Most conspicuously that holds for certain groups that have been able to take advantage of their being indispensable yet accounting for only a small part of total costs. The most notable case (already mentioned) is that of the commercial airline pilots, whose earnings (after allowance for length of working life) have been estimated to have stood in 1956 at from 21 to 34 per cent above those generally obtained by men of equivalent professional qualifications. It has been remarked that one permissive condition here is the agreement of the public, as passengers, that their pilot had better be a highly paid type. In a lesser degree the craft unions in building have been found to have exploited a similar situation – equipment that can be substituted for the craftsman's skill has been developed for particular operations but not for his functions as a whole.

35. But such cases as these, even in the aggregate, are not of great extent. Much more significant is the finding that even where the bargain covers a great part or the whole of the labour force and, therefore, takes a major effect on costs, unionization and the collective bargaining it brings with it have been associated with a substantial raising of the relative wage. Gregg Lewis's survey and reworking of twenty recent studies has led him to estimate that in recent years the average wage of American workers who were union members was 10 to 15 per cent higher, relatively to that of other workers, than it would have been but for their unionism (Gregg Lewis, 1963, pp. 4–5). This is in an economy where only about a quarter of the whole labour force is unionized. In an economy like the UK in which collective bargaining extends more widely, some corresponding

between employers for labour. At a high level of demand the apparent effect has been much lower: in one way or another the demand for labour in the unorganized sector brings it near parity with the organized. A similar effect may be felt by an economy in which collective bargaining prevails in all sectors but has raised pay by more in some than in others.

39. The main effects of collective bargaining on the structure of wages and salaries may now be summarized as follows. Collective bargaining reduces the wide disparities between rates of pay for the same grade in different employments that in practice prevail in its absence. In doing this it substantially raises the pay of pockets of labour that have lacked the protection of access to alternative employment; it provides a continuing protection against that disability and enables the employee who remains in post to gain the rise for which he might otherwise have to seek alternative employment. For particular groups it may do more than this. A few groups, under special conditions of inelastic demand and permissive attitudes of other workers or the public, have been able to raise their relative pay greatly. More generally the coming of collective bargaining has been associated with a rise in relative pay of from 10 to 15 per cent. But it seems that this has been possible largely because collective bargaining functions as a price cartel; and the relative gain of any one group is reduced as other groups adopt collective bargaining and raise their product prices too. In sum, collective bargaining distorts the structure of wages and salaries at a few points while making it more orderly and equitable at many others and leaving its main proportions unchanged.

40. It remains to be noted that collective bargaining has been the channel, and probably the indispensable channel, through which the form that advances in real wages should take has been decided – how much should be taken out in the pay packet and how much in shorter hours or fringe benefits. The institutions of collective bargaining provide for the formation of a common policy on these issues from time to time and for the administration of changes, some of which have to be made collectively if they are to be made at all. As productivity and standards of living continue to rise, these issues are likely to be

of increasing importance in shaping the whole way of life of the working community.

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Part Seven Trade Unions and the Law

This Part deals with the contemporary controversy in Britain over the legal status of trade unions. In Reading 19 I have sought to analyse the principles that have traditionally influenced Parliament and the courts in dealing with trade unions, and tried to show the continuing relevance of the issues they raised to the contemporary debate. Reading 20, from the TUC's evidence to the Donovan Commission, sets out the traditional trade union case for the maximum possible abstention by the State in the field of industrial relations in general and trade union relations in particular. Reading 21 contains the views of the Donovan Commission on one of the most crucial aspects of the case for reversing this tradition of abstention. In this excerpt from its report published in 1968, the Commission argues against legislation to make existing collective agreements enforceable by law and to impose legal sanctions on trade unions whose members do not observe them. Reading 22 is from Andrew Shonfield's influential dissenting note to the Commission's report. Shonfield argues that there should be a new legal framework designed to deal with trade union action that is against the public interest. It is worth noting that many of his proposals have been reflected in the Conservative Government's 1971 Industrial Relations Act.

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Principles and Possibilities in British Trade Union Law

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This paper has three objectives: first, to analyse principles that underline trade union law in Britain and to describe how they emerged; second, to relate these to the proposals contained in the Donovan Report; third, to pose what appear to me to be some of the main issues that arise in the contemporary debate about the future of trade union law. The paper is written by a non-lawyer trying to avoid legal terminology, if only because he does not always understand it. Apologies are offered in advance to lawyers who find the distinctions and arguments over simple.

The first Royal Commission

British labour law has emerged largely as a result of the attempts of various Royal Commissions, judges and politicians to grapple with the phenomenon of trade unionism in the nineteenth and twentieth centuries. It has been a chequered history with such sharp reversals of policy and interpretation that non-lawyers find it difficult to comprehend. One result of this is that an explanation of where we are today has to begin with a rather long historical introduction.

In the first years of the nineteenth century the Combination Acts had rendered collective action for all kinds of purposes illegal. In 1825 an act was passed which specifically legalized combination for the purpose of influencing wages and hours of work. In 1867 Sir William Erle, the chairman of the first Royal Commission on Trade Unions, summarized their existing position in law as he saw it by suggesting that while unions themselves were no longer illegal, any particular union's lawfulness depended on its *objectives, methods* and the *consequences* of its

acts. In this respect, he argued, quite apart from the effect of the 1825 Act, combination was illegal in common law if it constituted a 'restraint of trade'. The chairman's influence was clear in the majority report which had three objectives: first, to protect unions whose objectives and methods were approved of; second, to ensure that unions whose activities were disapproved of were still liable to legal penalties; third, to create a framework of laws combined to induce and compel unions to restrict themselves to objectives, methods and consequences approved of by the signatories. Essentially the majority wished to encourage what is often termed 'voluntary' trade unionism – or trade unionism that does nobody any harm. Because the natural power of employers was greater than the 'natural' powers of workmen, combination was justified on their part; only in this way could they hope to match the employers' power in the labour market and protect and defend their interests. But, at the same time, said the majority, the law must protect the right of employers to dispose of their labour. As a result the majority did not favour the legalization of various so-called coercive objectives and methods of trade unions – such as the limitation of apprentices, the prevention of the introduction of new machinery, the closed shop and picketing. These activities were said to be a restriction of the liberty of others and against the general economic interest. Unions with such objectives should not be given protection for their funds; trade unionists who sought to pursue them should be penalized by the law.

Against this view the minority argued that there was no case for any special restriction on trade union activities at all. So long as their members were subject to the ordinary laws affecting crimes of violence, they should be free to pursue their aim of protecting and defending their interests by combination. It followed that all the so-called coercive activities of unions should be allowable by law. Any other course would penalize the workers unfairly and weaken the effectiveness of their organizations. For combination among employers was impossible to detect; they were free to make any arrangement to limit competition, drive up prices or coerce their rivals or employees. In practice the State had long given up trying to suppress or

regulate such things and only the unfair legislation limiting the freedom of action of the workers remained.

Since the debate begun by the first Royal Commission continues today and the legislation arising out of it continues to be the basis of much of our labour law, it is worth making three brief comments at this point. First, much of the disagreement between the two sides turns inevitably on largely irresolvable disputable issues. One side believes that unions can amass sufficient strength to match employer power without recourse to certain coercive practices they do not like; the other side disagrees and in any case suggests that equally coercive practices of a rather different kind are used every day by employers. One side stresses the right of workers to combine in unions to raise their standards; the other, the rights of non-unionists to remain outside the unions and the right of employers to carry on their business without interference. The majority gives precedence to what it regards as the general interest; the minority stresses the group interests of the union and its members. No final and generally acceptable solution is possible in issues of this sort; as the contemporary statements of the Confederation of British Industry and the TUC amply demonstrate, this is, by its very nature, a debate which continues.

Secondly, the minority was right to stress the unsatisfactory nature of the distinction between coercive and non-coercive action, although the force of their logic has not settled the debate. All union activity is in a sense coercive, or potentially so. A wage settlement is intended to be imposed on all workers whether they are members of the union or not, as are all agreements reached between unions and employers. Similarly, the use of the strike weapon, whatever its objective, is essentially a coercive activity; it is designed to put pressure on both the public and the employer. Moreover, any sort of strike or union may turn out to be economically damaging. Recent investigations into the economic effects of trade unions indicate that it is almost impossible to calculate, in advance, what will be the cost of either granting or resisting any union demand, and very nearly as difficult to work out the results afterwards. But it can surely be said that there is a sense in which most union activities

are at least likely to damage or affect somebody's interests and to be in some way coercive.

Thirdly, however, it does not follow from this that the only alternative open to the law was and is to grant complete legal immunity to all union activities, whatever their objectives, methods and consequences. Indeed the history of labour law since the time of Erle's Commission can be interpreted as an attempt on the part of the courts to try to work out some other basis on which they could distinguish between justifiable and unjustifiable union activity.

The Acts of 1871 and 1875

As a result of the 1867 Commission, especially the report of the minority, Parliament passed the Trade Union Act of 1871 and the Conspiracy and Protection of Property Act of 1875. These seemed to the trade unions at the time to represent total victory for their cause. The crux of the 1871 Act was that unions were no longer liable because their objectives were thought to be 'in restraint of trade'. They were allowed protection for their funds whether they pursued coercive objectives or not. Yet, partly because it was thought inappropriate for the law to enforce rules that might be in restraint of trade, agreements between unions and unions, and unions and their members, which aimed to regulate terms of employment, subscriptions and so on were not to be 'directly enforced' through the courts. (The main practical effect of this has been that since employers' associations are subject to the 1871 Act, collective agreements between them and trade unions have not been 'directly enforceable' at law – see below.) The intention of the 1875 Act was to legalize picketing and to remove from those involved in a trade dispute the threat of the vague crime of criminal conspiracy.

In fact the legislation of the 1870s was soon undermined by the courts. A series of decisions, starting in 1876, undermined the right to picket. Others cast increasing doubt on the extent to which the threat of criminal conspiracy was removed. At the same time there developed, in the realm of civil law, new forms of liability arising out of the attempts of the courts to answer the question: what are the *civil* remedies available to those who are damaged by trade combinations?

Eventually the House of Lords decided that no liability was incurred if the predominating motive of combination was the protection of trading interests. Because they took this view, they decided that ship owners in a cartel were not liable for the loss of trade of those they refused the right to join their organization. The argument, which was similar to that advanced by the minority report, was that 'to draw a line between fair and unfair competition, between what is reasonable and unreasonable passes the power of the courts'. In effect this would be arbitrary and unfair and reflect merely the 'idiosyncracies of individual judges'. It had already been decided by Parliament that in principle it was not the job of the State to try to regulate or suppress such things.

As Kahn-Freund has written, the views of the House of Lords on this subject clearly reflected the supremacy of *laissez-faire* doctrines at the turn of the century. The only question to be decided was whether they would apply this doctrine to trade unions as such; whether 'the courts would hold that what was right for a cartel of ship owners was wrong for a trade union of workers'. In 1901 it became clear that this was how it was to be. In the case of an Irish butchers' union attempting to operate the closed shop, the House of Lords awarded damages against the trade unionists. This was done by deciding that in this case the combination was motivated by malice and not by the desire to defend trading interests. Endless legal ink has been spilt to try to reconcile these two cases, together with others where the 'trading interest defence' was granted to employers' combinations and denied to trade unions. The fact is that they cannot be reconciled, except in terms of extra-judicial motives.

The second Royal Commission

In 1894 the unsatisfactory state of the law, together with the rush of strikes following the development of New Unionism, combined to produce another Royal Commission. The Commission was even more divided than its predecessor, especially on the role which ought to be played by the State in the promotion of industrial peace. A minority wanted the newly formed Labour Department of the Board of Trade to have power to issue legally binding awards. Some wished to see the

establishment of a central board of mediation, to which the various boards of conciliation which had arisen could submit issues over which they failed to agree. However, the majority of members of the Commission decided against giving the State any compulsory powers. One of their main points was that they thought that legally binding awards would only be fair if the leadership of the unions were able to repudiate the acts of their members if the members acted in ways which involved a breach of such awards – e.g. by going on strike to secure an improved settlement. They also thought that the threat of repudiation would only operate as an effective disciplinary weapon in the hands of leaders who were responsible for highly organized and responsible trade unions – where collective agreements and arbitration awards were usually honoured anyway. Their report thus came down on the side of stimulating voluntary settlements and developing ‘strong organization on both sides’. In effect they reinforced and supported the doctrine which Kahn-Freund has aptly named *collective laissez-faire*. This doctrine holds that the State should aim to provide facilities to help the parties to agree, but it should not interfere to impose a settlement upon them by law. So far as possible the law should be kept out of labour relations and the parties should be encouraged to develop their own ‘non-legal’ sanctions. This view saw expression in the 1896 Conciliation Act, which resulted in an expansion of the government’s role as a ‘voluntary’ conciliator and benevolent neutral. It remains extremely influential today.

The third Royal Commission and the 1906 Act

The outstanding question which remained unsettled by the 1894 Commission was the legal status of trade unions and their right to use the strike weapon. By 1903 the position had become still more unsatisfactory, from the union viewpoint, since the judgement in the Taff Vale case had used the provisions of the 1871 Act to decide that trade unions could be sued as corporate bodies for the wrongful acts of their officers. The result was yet another Royal Commission, which reported in 1906, and the Trade Disputes Act of that year. The Commission was again divided on the degree of immunity to be granted to trade unions, but it added little to the debate and the eventual terms of the

1906 Act went beyond what it proposed and was influenced much more by the political campaign mounted by the unions and the Labour Representation Committee at the 1906 election.

Essentially the 1906 Act was viewed by its proponents as an attempt to return to the degree of immunity which the unions thought they enjoyed as a result of the 1871 and 1876 legislation. Once again it was argued that anything less would restrict working men unfairly in their efforts to match the power of employers and deliver them into the hands of unsympathetic and biased judges. Indeed it is clear from the debates in Parliament that there was a desire to take the issue of defining the legal limits of trade union activities finally out of the hands of the courts.

The 1906 Act had three main provisions, each one of which arose directly out of the legal struggles of trade unionism in the previous thirty years and cannot be understood without them. One section specifically prohibited *all* actions for tort (i.e. civil wrongs other than a breach of contract) against trade unions. Another aimed to legalize picketing by means of a comprehensive definition of that term. Most important of all was that part of the Act which claimed to remove liability for actions of civil conspiracy from individual trade unionists or their leaders engaged in the prosecution of a strike. This was done in two ways. First, it was stated that an act ‘in contemplation or furtherance of a trade dispute shall not be actionable on the ground only that it is an interference with another’s trade, business or right to dispose of his capital or labour as he wills’. Second, what was to count as a ‘trade dispute’ for the purpose of the Act was stated and this definition appeared to include every kind of issue likely to arise. To the non-lawyer these parts of the 1906 Act appear, and must have appeared at the time, to be impenetrable.

From 1906 to Donovan

In fact, since 1906 the law has developed in five different ways each of which has caused trade union concern. First, the courts have decided that a trade dispute must be related to a contract of employment, rather than a mere personal or political quar-

rel. The effect of this has been to enable them to reintroduce the question of motive in a trade dispute. Thus, in the case of *Huntley v. Thornton*, a judge was able to deny a group of trade unionists the 'trading interests defence' and decide they were motivated by malice in their attempts to prevent a man who had refused to strike from being employed.

Second, in the case of *Rookes v. Barnard*, the House of Lords decided that a threat that contracts of employment would be broken unless a closed shop was enforced was unlawful means and not covered by section 3 of the 1906 Act, as the union sought to show. It is true that the 1965 Trade Disputes Act aimed to set aside the effect of *Rookes v. Barnard*, but it is clear that it has not done this completely. It has been suggested that liability for civil conspiracy might still arise in respect of unionists who broke their own contracts in these circumstances and it is no longer clear what has to be done in order to avoid a breach of contract.

Third, it has become clear that neither the 1906 Act nor the 1965 Act protect trade union officials or their members whose acts are said to constitute a threat or inducement to break contracts other than employment contracts - e.g. to result in an interruption of a customers' supplies or the cancellation of an order for raw materials. Recent cases indicate that union officials may well be liable if they are aware that things like this are likely to happen, even as a result of otherwise lawful strikes that may be authorized by the union and called after the exhaustion of procedure.

Fourth, certain dicta and cases throw serious doubt on how far disputes involving inter-union questions are protected by the 1906 Act.

Finally, the recent extension of union liabilities have taken on increased practical importance by the practice of granting *ex parte* or interim injunctions to third parties who are able to demonstrate that there is a *prima facie* case for believing that a particular strike or boycott is likely to damage their interests.

At the same time, since 1906, we have passed through a period in which the doctrine of collective *laissez-faire* has been subject to periodic modification and growing criticism. The two outstanding instances of the former occurred during the two

World Wars, in both of which legislation was passed providing for a ban on strikes and the introduction of legally binding arbitration. Unfortunately this did not result in any sustained reduction in strike activity. By 1917 the number of working days lost had doubled and there were rumours of a general strike. In the same year the government set up another committee under Whitley, to report on the position after the war. It utterly rejected any prolongation of the war-time system and suggested instead a return to voluntarism and the development of new collective bargaining machinery. During the Second World War strikes continued to increase, despite the legal ban placed upon them, but this time the government decided to continue the war-time arrangements after 1945. This time both sides of industry agreed to this course, although there were periodic complaints from employers that the government failed to prosecute illegal strikers. Eventually, in 1950, action was taken against a group of strikers but the result was an outcry from the trade union movement which ended in the legislation forbidding strikes in peace time being revoked. Legally binding arbitration at the request of one side remained in existence for a further eight years, until the employers complained that union members were striking against arbitration awards that went against them and demanded the abolition of the system. Partly as a response to this criticism and partly because the awards of the arbitration tribunal were thought to be inflationary, the government agreed to this request in 1959.

But this has not meant that in industrial relations we have returned to complete collective *laissez-faire*. On the contrary, there has been a growing tendency for governments of both parties to intervene in matters which were previously regarded as largely the concern of either side of industry. There have been three main reasons for this. The first has arisen from the search for an effective prices and incomes policy. By 1964 this was thought to involve trying to gain acceptance for certain 'norms' or 'criteria' and the establishment of various institutions to interpret and apply them. In 1966 it resulted in the creation of certain legal sanctions, the exercise of which involved a new and unprecedented extension of government involvement. Second, there have been the initiatives and powers arising out of

the government's growing concern to improve the quality and use of labour. This has resulted in the Industrial Training Boards (ITBs) and the Redundancy Payments Scheme, both financed by compulsory levies on industry. Most recently the Department of Employment and Productivity has taken a new initiative to assist the more effective use of labour by the establishment of the Manpower and Productivity Advisory Service. Finally, it has also been found necessary for the government to play an increasingly active role in the prevention and settlement of disputes. This has involved increased activity on the part of the conciliation service and a growing number of courts of inquiry and committees of investigation. To tackle the outstanding problem of unconstitutional strikes in the motor industry, a number of initiatives have been launched.

Thus it can be said that, in many ways, the theory of collective *laissez-faire* has been undermined by governmental practice since 1906, especially in the last few years. But it must also be admitted that during the last decade or so the doctrine itself has been subjected to growing theoretical attack, as a result of the contemporary debate concerning the future of labour law in general. No attempt can be made in this paper to summarize all the issues raised in this debate, but it is worth while making a few comments on it by way of an introduction to the Donovan proposals.

The contemporary debate

It is clear that some who argue for changes in existing law do not wish to see any substantial change in the government's overall responsibilities in the labour relations field. They wish merely to redress what they regard as the antisocial and overmastering power of trade unions and their members. Proposals for the legal enforcement of collective agreements, of the kind advanced by the motor manufacturers to Donovan, appear to fall into this category, as do suggestions for a ban on sympathetic strikes in *A Fair Deal at Work*. Those who argue like this are essentially attempting to return to the position not unlike that occupied by the majority in 1867. In the words of that report the legal immunities of unions have resulted in the 'tyranny of labour taking the place of the tyranny of capital'. In

effect it is suggested that the immunities granted as a result of the arguments of the minority in 1867 have resulted in unions doing much more than merely 'match' the power of employers. It follows that we require action by the State to shift the balance of power back towards a position of more equality.

But there is often mixed with arguments of this sort proposals designed to promote 'responsible' trade unionism – along the lines suggested by the minority in 1894. This presumably is the argument behind the CBI's suggestion to the Donovan Commission that benefits should not be paid to those who strike without the authority of the union and the proposals in *A Fair Deal at Work* that unions should be liable for the unconstitutional acts of their fellows unless they can show they have done all in their power to prevent them. This notion also seems to inform ideas for a secret ballot before a strike.

But to an increasing extent critics of our labour laws have advocated reforms that are not really compatible with either of the views. Thus *A Fair Deal at Work* argued for a form of compulsory arbitration to settle disputes involving the national interest, together with a sixty-day cooling-off period. Similarly, the CBI has favoured a restrictive practices tribunal for labour. Proposals of this kind would appear to make most sense as part of a general criticism of the whole doctrine of collective *laissez-faire*. For example, Andrew Schonfield has argued most notably in his book *Modern Capitalism*, that the time has come to formally bury this doctrine. He suggests that the State should have positive objectives in the field of labour relations, which it can not afford to leave to the parties. Just as the Restrictive Practices Court, the Monopolies Commission and the Industrial Relations Commission have been created to pursue these objectives so there should be institutions, backed by legislation, to pursue similar objectives in the field of industrial relations. To some extent of course, this has happened in the past, as the creation of the Prices and Incomes Board, the ITBs, and so on show. What is really being said is that there should be a readiness to intervene in more positive and far-reaching ways and to use the regulative influence of the law to this end. This view may be placed in its historical context by saying that the views of the 1867 minority and the House of Lords in 1892 no

longer fit the case; the State has not quite given up the attempt to regulate the forms and effects of competition in the product or capital market. It has even begun to attempt to regulate certain aspects of the labour market, but in the interests of its own policy objectives rather than in order to adjust the power situation to fit the requirements of one or other of the parties. The question is whether this trend should continue and, if so, what would be the implications for trade unions and their position in law?

Donovan's answer

It must be said that the Donovan Report did not attempt to deal with this question explicitly. It contains no set of legal principles from which may be derived a programme for reforming labour law in general and trade union law in particular. Yet one can infer what the legal principles of Donovan were, even if they are not entirely consistent, and the Commission's report does argue for a number of important modifications in the legal status of trade unions.

In the first place, Donovan rejected the view that we need a fundamental readjustment of the power position in industry; for this reason it favoured most proposals for setting aside the effects of recent legal decisions on the 1906 Act – see page 351. (The only problem it does not specifically set out to deal with is the problem of the labour injunction.) The reason for this, by implication, is that Donovan felt that unions still need the general right to strike, subject to the limitations of breach of an individual contract and other minor restrictions in respect of particular groups. It is also argued that most so-called evidence that there is a 'tyranny of labour' turns out, on examination, to be evidence of defective bargaining arrangements. Broadly speaking, Donovan also rejected the view that the law should try to create 'responsible' or 'voluntary' trade unionism. It decided against establishing trade union liability for unconstitutional strikes, secret ballots, and so on. There are two main reasons for this in the report. First, in practice, legislation of this sort, so far as it is effective, will only further undermine the influence of union officials over their members. Second, the use

of the law to try to change workers' behaviour patterns has not worked in the past.

Yet it must be said that by a majority of seven to five the Commission did propose that in future protection against an action for inducing breach of contract should not be given to unregistered associations or those who act on their behalf. The curious justification for this in the main text is that it will make no difference, since 'if the persons who are organizing the employees feel for some reason that the protection of section 3 is vital to them, they can secure it by framing a constitution for themselves and register themselves as a trade union'. But, of course, this assumes the right to register will be given to every minority group. If it is not, as the minority state, they will be liable to actions for civil conspiracy. In fact, it is doubtful if this suggestion is compatible with the majority's general position and, as the minority suggest, it can be said to be 'incompatible with the proposals made elsewhere in this report for the reform of collective bargaining'.

Yet it is to be noted that Donovan did not advocate a return to collective *laissez-faire*. The Commission accepted that trade union power can be abused and wanted to do something to prevent this in respect of the closed shop. It proposed far-reaching suggestions for the compulsory reform of trade union rules and for a special complaints procedure with legal sanctions. It suggested a whole series of reforms that would involve major interventions legislation on the part of government. Some of these arise out of the need to promote collective bargaining, others from the desire to protect workers against unfair dismissal. Perhaps the most important are those that relate to their central analysis of defective bargaining institutions. Here the main proposal is for an Industrial Relations Act, the establishment of the Commission on Industrial Relations and the compulsory registration of the bargaining arrangements of major companies.

Three things can be said about what Donovan proposed at this point. First, there is a sense in which it aims to redress the balance of emphasis in labour law, in that the Commission is mainly concerned with management behaviour rather than

trade union misbehaviour. This is partly because the Commission did not accept the view that the major defects in the British system of industrial relations arose out of trade union defects. But it is much more likely that they had become convinced that improvements they desired could only come about as a result of management action and initiative. For this reason many of their penalties and prods are directed at managers, rather than at trade unions, especially top managers.

Second, in the case of the CIR at least, Donovan also appeared to want to make its penalties and prods as specific as possible. Thus the legal support for recognition is made contingent upon a recommendation to recognize a particular union in a specific firm or industry. The discussion of additional legal penalties for breaches in procedure is considered in the context of a particular procedure, which has been investigated and approved by the CIR itself.

Third, when the Commission came to discuss ways and means of using the law to bring about the reform of bargaining arrangements, it only considered one of a number of situations where this might be thought to be appropriate. For, in principle, an action to assist in the implementation of CIR recommendations could be expected to operate on any one of three levels. First, the parties could be required to 'bargain in good faith' about the implementation of CIR proposals – e.g. a new wages structure, a more comprehensive procedure, joint criteria for redundancy, etc. Sanctions could be imposed on any organization or group that was preventing bargaining in good faith. Second, following a CIR report which the parties refused to act upon, they could be told that unless they came up with an agreement of some sort within a specified period, sanctions might be imposed upon them – say in the form of a fine. Third, if the parties accepted CIR proposals, say those relating to a new procedure, and it was subsequently not observed by them or their followers, it might be legally enforced.

Strangely enough Donovan only discussed alternatives one and three. The majority decided against the first largely because they said any competent trade unionist or employer would be able to avoid its effects. They decided in favour of the third, on the grounds that they could not be certain that sanctions would

not have a part to play once effective procedures were introduced.

It should be evident by now that basically Donovan's approach to labour law in general and trade union law in particular is directly related to its views about practicability in solving specific problems, especially those that have disadvantageous social or economic implications. To meet problems arising out of the abuse of union power, or the absence of effective bargaining arrangements for white-collar workers, or dismissal questions, they are prepared to use the law, but only if it can be shown to be of use. As a result they are driven to a set of suggestions that are not really compatible with the doctrine of collective *laissez-faire*. Yet for obvious internal political reasons Donovan never faces the question of the role of the State in industrial relations head on.

The issues in debate

The issues in the contemporary debate about the future of trade union law should by now be clear. Essentially they revolve round three broad questions. The first concerns the still vocal cry for an attempt to curb trade union power. Those who think this is necessary are naturally led to support demands for such things as general legislation against the closed shop, a narrowing of the definition of a trade dispute, a court of restrictive labour practices and attempts to increase the liabilities of unions unable to control their members (e.g. by denying them the benefits of the 1906 Act). It has been shown above that arguments advanced to prove or disprove the case for legislation on these grounds are inconclusive and subjective. In any case the concept of the 'non-coercive' union, which so often lies behind proposals of this sort, is essentially bogus – as is the concept of non-coercive management, or interest group, or professional association or government. Trade unionists know this very well and partly for this reason they always feel that those who voice sentiments of this sort are either ignorant of the facts of industrial life or essentially anti-union. Nevertheless, any government that decides against legislation to curb trade union power should appreciate that the historical record shows that the supporters of this position are not easily routed or con-

verted. Moreover, their views are almost certainly gaining ground at the present time. It follows that those who reject such views need to explain why they do so in a simple and easily understandable way. Yet this is very rarely done and even Donovan did not attempt the task.

The second question is whether a return to the minority view of 1871, or the majority position of 1894, is the only alternative to an attempt to reduce union power. In other words, if one refuses to attempt such a task, is one forced to assume that unions must be free to pursue their objectives, irrespective of the means they use or the consequences that follow – so long as they do not resort to violence? This paper has sought to show that the trend is all against such a view and that Donovan's proposals, properly considered, are not strictly compatible with it. But if one decides against either of these extreme positions, the need arises for another set of principles on which to decide the proper boundaries of labour law in general and trade union right in particular. The third question is, therefore, what ought these principles to be and from what general position can they be derived?

At this point one can only enter a personal view. It has always seemed to me that the most sensible position to adopt is to consider, in a contemporary setting, the legal implications arising from the responsibilities now adopted by a modern government in the field of industrial relations. The trouble is, of course, that nobody has yet tried to spell out the contemporary targets of government activity in industrial relations in any comprehensive way – though this paper has argued that one possible view of what they ought to be can be derived from the Donovan Report. In the absence of any more authoritative source, and having come this far in the argument, it seemed to me worth while attempting an answer. It is based partly on the personal preferences of the author, but it also tries to take into account the implications of Donovan and the present activities of government. The result looks like this:

1. The development of efficient and responsible management aware of the need to negotiate effective and acceptable collective agreements with trade unions representing their employees.

2. The negotiation of such agreements at appropriate levels which seek to relate pay to performance, promote the better use of labour, encourage improvements in methods of operation and provide equitable differentials between individuals.

3. The extension of worker participation and involvement in the decision-making processes of industry, by the encouragement of independent, representative and democratic trade unions enjoying effective rights of negotiation and consultation.

4. The development of adequate and acceptable procedures for securing the necessary modification of agreements, together with methods of disposing of disputes arising from their operation.

5. The prevention and settlement of disputes likely to result in an interruption of production, especially in circumstances involving a serious threat to other important government objectives (e.g. the promotion of exports and the maintenance of public safety).

6. Opposition to all forms of discrimination in employment and the promotion of job security and fair treatment at work.

7. The pursuit of an active labour market policy, together with measures designed to improve the quality, suitability and mobility of the labour force.

8. The achievement and acceptance of an effective and equitable prices and incomes policy.

This list is not in any order of priority. It is advanced merely as an instance of a possible approach which may result in more productive results than other alternatives. This paper is not the place to try to spell out the legal implications of adopting such an approach, but a number of points that arise should perhaps be mentioned briefly.

First, because labour law has arisen out of the need to adjust to the emergence of trade unions, there is always a tendency to think that future changes in the law should be mainly designed to reform them. A set of principles of this kind helps to correct this narrow view. Indeed, the more one considers who is required to take the initiative if improvements are to be effected

under one or other of these headings, the answer that emerges is almost always 'management'. Indeed, if Donovan is right, it may always be best to begin by considering the use of the law to induce changes in management behaviour, if only because in the not too long run unions usually adapt to such changes. On this line of reasoning if one decides that Donovan is short on sanctions it may not be only against trade unions that additional sanctions are required.

Second, the acceptance of a list of this sort helps to focus attention on the existence of government as an interested party to the industrial relations process; a party with its own objectives and aims that need not be compatible with the objectives and aims of the other parties. It is arguable that a great deal of contemporary argument between the government, management and unions arises because this simple truth is insufficiently realized and not openly asserted. Instead an attempt is made to pretend that there is some sense in which 'men of goodwill on all sides must be agreed on what is right'. This leads to vacuous and meaningless declarations of intent, which everyone knows are not intended to bind anybody. Once it is accepted that government aims need not be the same as the aims of the parties, the road to adjustment and compromise may be that much easier; it may also be easier for the government to defend its own intention to take action where adjustment and compromise turn out to be unattainable.

Third, the spelling out of a series of relatively precise aims of this sort also helps to draw attention to the fact that what governments desire under one heading is not always strictly compatible with what they want under another. Thus, in the field of trade union behaviour, governments may be interested in the acceptance of agreements that relate pay to performance; but they are also interested in the avoidance of interruptions in production, especially in circumstances involving a serious threat to other important government objectives – such as the promotion of exports or the maintenance of public safety. Everybody knows that governments are often forced to choose between one or another of these objectives – e.g. in the face of a national dock strike – but it is customary to pretend that this is not so. This may not matter so much in the field of day-to-day

administration and policy, but it is dangerous when considering something as fundamental and permanent as changes in trade union law. Here it is essential to appreciate just how far laws designed to further government policy in one field (e.g. incomes policy) may be making it impossible to gain acceptance for laws designed to induce equally important changes of behaviour in other directions (e.g. the reduction of strikes). Where this is likely to be the case there must obviously be a choice made between two desirable objectives. Governments must face the fact that they cannot hope to legislate all problems out of existence at the same time. Otherwise too much is attempted and the overall results are likely to be counter-productive.

Fourth, if one adopts the view that the State has certain definable objectives in industrial relations which it needs to take action to ensure are achieved, then this has certain implications for the current debate about sanctions. For it surely suggests that in so far as sanctions are both desirable and practical it ought to be possible for their advocates to show that they are likely to have specific and observable effects which will advance particular policy objectives. In other words an approach of this sort tends to discount all general attempts to impose discipline in industry by indirect means – e.g. through the removal of the protection of section 3 of the 1906 Act or by the wholesale enforcement of procedures on the parties irrespective of their intentions or form. The difficulty with these and other general measures, especially those that rely on action from incensed employers or injured third parties, is that it is impossible to say what the results of enacting them will be. Of course simpletons or congenital optimists may always believe that in the long run they will assist the export drive, or help contain inflation or lead to the introduction of more effective payment and reward systems; but there is no guarantee that they will have the slightest effect on any of these problems. There is not even any guarantee that they will be used with these objectives in mind, if they are used at all.

It follows that the kind of sanctions that are most appropriate to this kind of approach are those that are likely to be the most specific, immediate and observable in their effect. To my mind Donovan's proposals for the reform of union rule books and

election malpractices are possible examples of this kind of sanction, as are their suggestions for the compulsory registration of bargaining arrangements. If one more example of this type of sanction were to be chosen, mention should be made of the suggestion summarized on page 358 that, following a CIR report which was not acted upon within a reasonable time, the parties could be told that unless they came up with an agreement of some kind within a specified period, sanctions perhaps in the form of fines, might be imposed on each side. This is not to say that legislation along these lines would be practical or desirable, much less that it would be best to begin by doing more than stating that action would be taken if it were proved to be necessary. It is merely suggested as an illustration of the sort of sanction which is most likely to be defensible on grounds of its use in advancing specific government objectives in industrial relations.

This brings me to the final point to be made in this paper. One hopes that one of the beneficial results of defining government objectives in this way is that it helps to put the law in its proper perspective. After all, the most cursory reading of the list outlined on pages 360–61 makes it clear to any but the most legalistic of reformers that there are severe limits in what coercive law can be expected to do to advance any one of these aims. Fortunately law is only the most extreme, and in some ways the most blunt, of government instruments. There are also a wide range of administrative devices, including the establishment of specialist services, the use of public investigation and inquiry, financial and other incentives.

In the writer's opinion these instruments have been grossly under-used in the cause of industrial relations reform – from the time of Sir William Erle onwards. If one-tenth of the ingenuity which past governments have lavished on defending the doctrine of collective *laissez-faire*, as an excuse for inaction, had been expended on analysing their objectives and devising instruments for inducing the parties to cooperate in achieving them, the Donovan Report would not have been required. The danger is now that having waited so long to begin there will arise an irresistible pressure which pitchforks us into an increasingly meaningless pursuit of imprecise and irrelevant attempts

to redraw the legal framework – especially in the field of trade union law. This is likely to create a climate which seriously hampers the work of the reformist institutions and instruments suggested by Donovan, and it is hardly likely to pave the way for the acceptance of more precise laws, which supplement and assist them where experience has demonstrated that this is required. The fact is that there is no necessary connection between a more responsible and interventionist policy by government and the volume of legal sanctions. It could be said that in the field of industrial relations success is likely to be much more closely correlated with a readiness to determine priorities, combined with a willingness to act, to investigate, to establish services and to provide the means whereby solutions can be found.

20 Trades Union Congress

The Case for Legal Abstention

Excerpts from 'Evidence of the Trades Union Congress', Royal Commission on Trade Unions and Employers' Associations, TUC, 1967, pp. 63-71.

The State and its functions

160. The concept of the State is one which enters into the discussion of a variety of questions affecting trade unions, often in a way which prejudices the issues. Thus, for actions to be represented as 'a challenge to the State' is often taken as a conclusive indictment of them. The debate about the nature of the State is in essence the same as the debate about what should be the functions of the State. Individuals, groups and institutions, of which the State is one, but in a very obvious sense the first, all perform functions. To some extent these functions may be complementary, but in many cases the State performs a particular function as an alternative to it being performed by individuals, groups or other institutions. There are trade union functions which fall into both of these categories. The issues which arise from the State's 'complementary' role must, therefore, be distinguished from those arising from the 'alternative' role.

161. As regards a country's internal affairs, the first and most obvious meaning of the term 'the State' is as the personification of statutes, made by Parliament, and the administrative framework of existing law, including the common law. The government as such has no sanctions which are apart from the law and actions cannot be represented as a challenge to the State if they are simply a challenge to a particular policy of government. Leaving aside legislation, the government operates by persuasion. It has discretion in a way which the law has not. It is open to persuasion in a way in which the law is theoretically not. Any simple equation of the State with the Government is,

therefore, very misleading. Parliament itself would hardly have a role to play if this were so.

162. The second meaning of 'the State', and the more common in terms of everyday usage, is not so much the law, as such, as the functions which are performed, generally under statute by government agencies or by government departments. Each ministry performs a wide range of functions, from purely consultative ones, through standard-setting and regulatory functions to the provision of public services and, at one remove, the administration of public enterprises. The range of these services and the degree of 'State intervention' present a picture which would have alarmed Adam Smith. Yet the fact that the State is performing a particular function does not mean in any absolute sense that there is State control in that field. The diversity of the forms of State activity is a factor which has an important bearing on the issue of the scope of State activity itself.

163. The two broad conflicting principles which any assessment of the proper role of the State must take account of are, first, that society comprises plural institutions, groups and individuals with authority naturally distributed among them, allowing a great measure of natural democracy which would be eliminated if all power and authority were concentrated in a monolithic State. The second and opposite principle is that the government through Parliament can mobilize the authority of the State in accordance with the wishes of the people to exercise a countervailing public power over that of private interests. From this it can be seen that the judicious point of balance should be determined empirically by reference to the respective characteristics of private and public authority, the extent to which there is a concentration of private authority, whether or not such concentration is democratically based, and the extent to which public authority is inevitable concentrated in a monolithic State. The goal must be to combine the best attributes of both principles - of freedom and diversity with equality and progress. [. . .]

The State and trade union function

174. In setting out the case for trade unionism in the first section of this evidence, it was pointed out that the essential characteristic of free trade unions is that they are responsible to the work people themselves who comprise their membership and cannot be directed by any outside agency. No State, however benevolent, can perform the function of trade unions in enabling work people themselves to decide how their interests can best be safeguarded. It is where trade unions are not competent and recognize that they are not competent to perform a function, that they welcome the State playing a role in at least enforcing minimum standards, but in Britain this role is recognized as the second best alternative to the development by work people themselves of the organization, the competence, the representative capacity, to bargain and to achieve for themselves satisfactory terms and conditions of employment. In general, therefore, because this competence exists, the State stands aside, its attitude being one of abstention, of formal indifference.

175. This general attitude of abstention on the part of the State arises, be it noted, from the competence of trade unions to safeguard the interests of their members. In other words, it is where this necessary protection is lacking that the State intervenes, because free collective bargaining is absent. Virtually all the traditional activities of the Ministry of Labour in the field of industrial relations can be described as complementary to free collective bargaining. Wages councils, covering some 3.8 million workers, are the embodiment of this principle: they exist because satisfactory bilateral machinery cannot be established. The difficult issues which arise regarding the role of the State concern the definition of what is complementary; in other words, which function trade unions should welcome the State performing and which functions if performed by the State would detract from the independence of the trade union movement. Whether seeking legislation in a particular field is the most advantageous way for trade unions to proceed is a question which cannot be answered in the abstract. However, the considerations outlined above are relevant to every particular issue, for example, to the examination of such questions as

trade union recognition, developing trade union membership, workers' rights in regard to dismissals procedure, equal pay, minimum wages and the furtherance of industrial democracy.

176. The attitude of abstention which has become traditional in Britain still remains largely true. Yet a significant change has come about over the past five years, a change which is in the direction of statutory intervention. In brief, this change can be seen to arise from what may be termed an overall government view of labour market policy as a key element in its economic policy. This is not so much a new role being played by government, as a new interpretation by government as to what this role should involve. It should be noted that government measures in pursuance of a positive labour market policy, to increase adaptability and mobility in terms of location, skill and occupation, exemplified by the Industrial Training Act 1964 and the Redundancy Payments Act 1965, are not by that token a reflection on the competence of trade unions to safeguard the interests of their members so much as a reflection of a determination on the part of government to make labour market policy the key to economic growth. The policy for productivity, prices and incomes takes this a step further.

177. Functions of government with a bearing on industrial relations can be classified in several ways. It has already been noted that there are what might be termed the traditional functions of the Ministry of Labour and its agencies, voluntary conciliation and arbitration, and the Industrial Court in respect of none of which is it, nor should it be, the function of independent referees to act as agents of government policy. Next there are Wages Councils, the factory inspectorate, employment services, and so forth – and more recent fluctuations such as manpower research and the continuing activities created by the legislation referred to above and the administration of the new Selective Employment Tax. These recent developments point in the direction of the Ministry of Labour itself becoming an economic ministry. A rather different distinction is between functions which are alternative to bilateral regulation through bargaining and functions which are broadly complementary to bargaining or strengthen bargaining as such. There are also

functions which lie right outside the field of collective bargaining. The third distinction is between legislation broadly favourable to trade unions and legislation which may be termed restrictive or unfavourable. Between these two there are statutes which are in this sense neutral.

178. In connection with this third distinction it should be pointed out that legislation favourable to unions does not logically strengthen the argument for unfavourable legislation as a sort of *quid pro quo*. Improving terms and conditions of employment and enhancing the freedom and dignity of work people is essentially a one-way process, just as improving social security arrangements is a continuing process. The TUC is careful not to make demands on the government without considering this argument, but statutes such as the Industrial Training Act and the Redundancy Payments Act which are undoubtedly of benefit to working people are developments which from the government's own point of view were absolutely necessary if, as part of its economic policy, it wished to see greater adaptability and mobility in the labour force.

179. A fourth distinction, therefore, is between government action arising from its role as conciliator and that arising from its role as economic manager. The new interpretation of this latter role is one which trade unionists have some sympathy for, yet they have definite views about how government should play this role. For government to say that such and such action is necessary arising from the government's role as economic manager and coordinator of the economy is to beg all sorts of questions. The way in which the government should play its role will obviously reflect the great extension of responsibilities it now assumes. There can be no doubt, however, that the government's new responsibilities in this field, and in particular the government's preoccupation with productivity, prices and incomes, raise very difficult questions of conflicting function. In this general field, these new functions currently being debated concerning productivity, prices and incomes are predominantly 'alternative' functions, as opposed to 'complementary' ones, and the trade union movement is naturally looking at them with some misgivings.

21 Royal Commission on Trade Unions and Employers' Associations

Limitations in the Use of the Law to Prevent Unofficial, Unconstitutional Strikes

Excerpts from *Report of the Royal Commission on Trades Unions and Employers' Associations, 1965-1968*, Cmnd 3623, HMSO, 1968, pp. 122-37.

460. The specific feature of our present industrial relations which is uppermost in the minds of those who recommend increased legal intervention in those relations is the frequency of unofficial, and especially of 'unconstitutional', strikes. It is urged that in comparable countries, such as the Federal Republic of Germany, Sweden or the United States, the law plays a significant role in regulating the exercise of the freedom to strike and - this is the most important point - that it seeks to prevent and to some extent succeeds in preventing strikes in breach of obligations imposed by collective agreements. The hope is expressed that if the law intervened on a larger scale in our industrial relations, and especially if those organizing and participating in strikes of this character were threatened with legal penalties of some sort, the incidence of these strikes might be reduced. A number of legislative techniques have been proposed with a view to reducing the number of strikes and some of these have been discussed in the previous chapter [not included here]. Much the most important of these techniques, however, is the transformation of either collective agreements in general or of procedure agreements in particular into legally binding contracts which (in one form or another) can be enforced in a court of law. Our evidence shows that this is a problem which is being actively and anxiously considered in many quarters. Many people expect measures of this nature to help to reduce the number of unofficial strikes to a considerable extent. If this expectation were justified, the law might indeed be able to make a most significant contribution to the improvement of our industrial relations. It might make it worth while to

reverse the entire trend of our industrial history and to give to the law a function it has never had in the past. This is, therefore, a question of the utmost gravity and significance.

461. To answer this question it is necessary to see it in the perspective of our industrial relations and in the perspective of the law. When dealing with the impact which the law may have on strikes, one must consider the nature of those strikes, and when considering a reform of the law governing collective bargaining and agreements, one must bear in mind the nature of the bargaining process and of the agreements which are its result. This is important if one seeks to draw lessons from the legal experience of other countries. It is sometimes possible to transplant from one country to another legal institutions or principles which have stood the test of time. But to do so may be useless or even harmful if the social conditions of the country which seeks to adopt them differ from those which have given rise to their growth in their country of origin.

462. As pointed out in the last chapter [not included here], 95 per cent of all strikes in this country are unofficial. Unofficial strikes account for more than two-thirds of the days lost through stoppages. The number of unofficial strikes is growing, that of official strikes is not. Official strikes in breach of a collective agreement are very rare and offer no urgent problem of legislation or otherwise. Unofficial strikes in breach of a procedure agreement are common in a small number of important industries. That is: procedure agreements are broken and broken all too frequently. But they are not, or they are hardly ever, broken by trade unions. They are broken by trade union members. This is a fact of fundamental importance and a feature of our industrial relations peculiar to this country. During the years 1964-6 each unofficial strike lasted on average two-and-a-half days. Our problem is the short spontaneous outburst, not the planned protracted industrial action of long duration which is the main problem, for example, in the United States and in Canada.

463. Most of those participating in these strikes are, under the present law, liable to court proceedings. This is because notice

of the strike is hardly ever given to the employer. The employer, however, has a right to notice in most cases, either by express agreement, or by custom, or through the operation of the Contracts of Employment Act 1963. Hence, as the law stands, the employer can sue the large majority of strikers in the county court or, under the Employers and Workers Act 1875, summon them before a magistrates' court, so as to obtain damages for breach of contract. In this sense no legislation is needed to make unofficial strikes 'illegal'. The law can intervene - at the employer's option. The point is that hardly any employer exercises that option. As the Confederation of British Industry stated in its evidence (paragraph 170) this is 'not so much because the measure of damages against one man might be very small compared with the cost and inconvenience of litigation and because the chance of recovering the damages was doubtful, but because the main interest of the employer is in a resumption of work and preservation of goodwill'. It cannot be in the employer's interest to exacerbate his relations with his own men by summoning them before a court and to do so at a time when, in the large majority of cases, the strike will be over. Whatever deterrent effect such court proceedings may have will be outweighed by the harm they are likely to do to future relations on the shop floor, on the building site, in the office. The same would in our opinion also apply if an employer deducted from wages any amount awarded to him by way of damages, a possibility referred to by the CBI in its supplementary oral evidence.

464. When considering proposals for the legal enforcement of procedure agreements and other proposals for the enforcement of industrial peace through legal sanctions we have had to take into account that, as long as industrial relations are what they are now, employers do not and cannot be expected to proceed against those who cause a stoppage or to participate in any proceedings against them. Unless and until our system of industrial relations itself has been reformed, no proposal to impose legal sanctions is practicable if it assumes that the employer takes an active part in their enforcement.

Collective agreements and the law

465. With these facts in mind, that is the prevalence and the shortness of unconstitutional strikes and the reluctance of employers to make use of such remedies as the law places at their disposal against unconstitutional strikers, we now examine the various legislative techniques which have been proposed with a view to reducing the injurious impact of such strikes on our economy.

466. It has been pointed out that in many, if not in most, comparable countries, collective agreements are contracts enforceable by and against those who are parties to them. Of the obligations thus imposed upon the parties the most important is the 'peace' or 'no strike, no lock-out' obligation which means that the unions or employers or employers' associations parties to the agreement may not use industrial sanctions during the currency of the agreement, not at any rate with a view to changing to their advantage or to the advantage of their members the terms laid down in the agreement. If they violate this obligation, they may be liable to heavy damages and injunctions or their equivalent may be issued to prevent them from taking such action or to compel them to stop it.

467. The 'peace' obligation is imposed upon both sides, but it is more important in practice as a remedy to assist the employers than as a remedy to assist the unions; strikes are everywhere a more significant feature of industrial relations than lock-outs. This aspect of the legal enforcement of collective agreements is, therefore, of special importance to protect the interest of management in the continuous flow of production. Where this interest is thus legally protected, a corresponding legal protection usually exists for the interest of the unions in the maintenance of the standards laid down in the agreement. Under such a system employers who are themselves parties to collective agreements, or members of associations which are parties, are by operation of statute prevented from contracting out of the terms of the agreement to the detriment of their employees. This means that any contract of employment within the scope of the collective agreement which is concluded by an employer bound by its terms is automatically void in so far as it

purports to be less favourable to the employee than the terms of the agreement; and that the corresponding terms of the agreement compulsorily become terms of the contract of employment in the place of those which, by operation of the statute, are void. The terms of the agreement thus become a compulsory code for all employers parties to the agreement or members of associations which are parties, and the agreement may by special administrative acts be extended to non-federated employers as well. These two matters, the agreement as a compulsory contract and the agreement as a compulsory code, are closely connected: the legal restriction of the freedom to strike is so to speak the consideration for the legal guarantee of the agreed minimum. The obligation to refrain from strike or other 'hostile' action is generally understood to be co-extensive with the scope of the substantive agreement: strikes are prohibited only in so far as they are intended to compel employers to consent to a change of the matters regulated in the agreement itself while that agreement is in operation, and industrial sanctions are permitted if their application is unrelated to matters dealt with in the collective agreement.

468. No one has raised before us the issue of the legally guaranteed minimum. This is not surprising in view of the present structure of our industrial relations, which is discussed in chapter 3 [not included here]. In so far as there is any legal obligation upon employers to observe the terms of collective agreements, it is provided by section 8 of the Terms and Conditions of Employment Act under which the industrial court can, upon a reference by the Secretary of State, impose upon individual employers the obligation to apply recognized terms and conditions or conditions not less favourable to the employee. We have no general law to impose such obligation: it can only be imposed *ad hoc*, as the need arises. Experience has shown that the need does not arise very frequently, and yet the provision has proved its use and should (with modifications discussed in chapter 5 – not included here) be maintained. It is, however, totally different from the legal provisions existing in foreign systems of law under which employers are generally and by operation of law obliged to apply the standard terms or

terms not less favourable to the employee, and the unions are generally and by operation of law obliged to refrain from industrial sanctions in violation of the agreement.

469. Legislation giving contractual force to collective agreements may conceivably be passed without any corresponding step being taken towards giving to the terms and conditions laid down in agreements the force of a compulsory code. But, whilst conceivable, such legislation would in its character and impact on industrial relations be different from legal systems in which the obligation to keep the peace is intertwined and co-extensive with the compulsion to apply the terms of the agreement. It is because and in so far as the law guarantees those terms that the unions are made to guarantee the peace. To enact the peace obligation as a legal obligation without the corresponding legal guarantee for the enforcement of the substantive terms of the agreement would be an unusual step in labour legislation which only very exceptional circumstances could justify.

470. In this country collective agreements are not legally binding contracts. This is not because the law says that they are not contracts or that the parties to them may not give them the force of contracts. There is in fact nothing in the law to prevent employers or their associations and trade unions from giving legal force to their agreements. It is true that under a statutory provision – section 4 of the Trade Union Act 1871 (which is separately considered in chapter 14 – not included here) – agreements between one trade union and another cannot be ‘directly’ enforced in a court of law and damages cannot be recovered for their breach. An employers’ association may be a trade union in the eyes of the law and, therefore, a trade union and such an employers’ association could not, if they wished, make their collective agreement enforceable ‘directly’ or through an action for damages. They could, however, were they so minded, make it ‘indirectly’ enforceable, and for example obtain from a court a declaration concerning the meaning of the agreement. Nor would anything in this statute stand in the way of a union and an individual employer giving their agreement the full effect of a contract and making it enforceable even ‘directly’ and through actions for damages in the event of breach. The fact is that

nothing of this nature normally happens. That it does not happen is not, as we have already said, due to the law. It is due to the intention of the parties themselves. They do not intend to make a legally binding contract and without both parties intending to be legally bound there can be no contract in the legal sense.

471. This lack of intention to make legally binding collective agreements, or, better perhaps, this intention and policy that collective bargaining and collective agreements should remain outside the law, is one of the characteristic features of our system of industrial relations which distinguishes it from other comparable systems. It is deeply rooted in its structure. As we point out in chapter 3 [not included here] collective bargaining is not in this country a series of easily distinguishable transactions comparable to the making of a number of contracts by two commercial firms. It is in fact a continuous process in which differences concerning the interpretation of an agreement merge imperceptibly into differences concerning claims to change its effect. Moreover, even at industry level, a great deal of collective bargaining takes place through standing bodies, such as joint industrial councils and national or regional negotiating boards, and the agreement appears as a ‘resolution’ or ‘decision’ of that body, variable at its will and variable in particular in the light of such difficulties of interpretation as may arise. Such ‘bargaining’ does not fit into the categories of the law of contract.

472. As is also pointed out in chapter 3 [not included here] collective bargaining takes place at a number of levels simultaneously and, in so far as it takes place at workshop or plant level, it is fragmented and it is informal. That it is fragmented means, from the legal point of view, that it is difficult and perhaps often impossible to identify the ‘party’ who made it on the worker’s side, and that it is informal means that it would sometimes and probably very often be impossible for a court to receive evidence enabling it to ascertain the content of the ‘agreement’ in a way required for its legal enforcement. In fact most of these ‘agreements’ would probably, in the legal sense, be ‘void for uncertainty’. Industry-wide bargaining and workshop or plant bargaining are, however, closely intertwined. To

enforce one without the other would be to distort the effect of our collective bargaining system. That system is today a patchwork of formal agreements, informal agreements and 'custom and practice'. No court, asked to 'enforce' a collective agreement, could disentangle the 'agreement' from the inarticulate practices which are its background.

473. It may be alleged that none of these considerations applies to procedure agreements. Nevertheless it is a generally admitted fact that even procedure agreements are not contracts and this again for the reason that the parties in them do not intend to create legal obligations. This lack of intent is manifest from the style in which the agreements are expressed. To make them enforceable would in the first place require their redrafting, a task which could only be undertaken by or with the assistance of professional lawyers. And with procedure agreements as with substantive agreements the choice of the parties not to be legally bound is far from being arbitrary. Our analysis in paragraphs 61-4 [not included here] of the procedure agreements of two of our most important industries - engineering and building - shows that neither of these agreements necessarily produces a final settlement of disputes. In the engineering industry the central conference at York often fails to secure a settlement of the issue and in the building industry the existing code of procedure does not apply to a large number of disputes, namely all those arising from matters not covered by industry-wide bargaining or by the 'emergency procedure'. To spell anything comparable to the legal 'peace' or 'no strike, no lock-out' obligation known abroad out of a disputes procedure which is 'open-ended' (as in engineering) or fragmentary (as in building) would have been plainly impossible. In engineering the extent of the obligation would have been indefinite in time (in view of the unforeseeability of the duration and the nature of the termination of the procedure). In building, it would have been indefinite in scope (because in each case a dispute within a dispute might have arisen as to whether or not the case was within one or the other or neither of the two procedures). Clearly there are good reasons why the parties never intended these procedure agreements to operate as legal 'peace clauses'.

474. If, therefore, our existing collective agreements or if our existing procedure agreements were to be made into legal contracts this would have to be done by a statute attaching the force of law to the terms of a bargain contrary to the wishes of the parties. This would be an unprecedented step and a step wholly at variance with the principles of the common law which apply to the law of contract. Since the law of contract exists to give effect to the wishes of the parties, some strong justification must be sought at the outset for a law designed to set those wishes aside and to impose on the parties a relationship which they do not desire. This measure would be tantamount to a new departure in the law of contract and also to a breach with a long tradition of our industrial relations. The case for such a change might be argued if it could be shown to promise a decisive turn for the better in our industrial relations and in particular a substantial reduction in the number of unofficial strikes. The question whether such expectations are justified must be examined in the light of what we know of the causes of the frequency of unofficial strikes in a number of industries.

The root of the evil

475. If these causes were to be found, or mainly to be found, in the irresponsibility of those taking such action or participating in it, then the threat of sanctions for the breach of agreements never intended to be legally binding might create a counter-motive. It might thus reduce the number of strikes and improve our industrial relations. Such, however, is not the case. No doubt the desire on the part of a minority to make trouble and the irresponsibility or weakness of others are factors which contribute to the frequency of unofficial strikes. But this is not the root of the evil. As we found when seeking to identify the underlying causes of unofficial strikes, the root of the evil is in our present methods of collective bargaining and especially our methods of workshop bargaining, and it is in the absence of speedy, clear and effective disputes procedures. Until this defect is remedied, all attempts to make procedure agreements legally binding are bound to defeat themselves. One of the principal objects of the factory and company agreements which, according to our recommendations, should be concluded in the near

future will be to develop 'joint procedures for the rapid and equitable settlement of grievances'. This is what is lacking at present and this is the indispensable condition for reducing the number of unofficial and unconstitutional strikes. To make the present procedure agreements legally enforceable would be at variance both with our analysis of the causes of the evil and with our proposals for a remedy. It would divert attention from the underlying causes to the symptoms of the disease and might, indeed, delay or even frustrate the cure we recommend. It might perpetuate the existing procedures instead of replacing them by clear and effective methods of dispute settlement which at present do not exist.

476. Any attempt to deal with unofficial and unconstitutional strikes in isolation must be deprecated. This applies to the legal enforcement of procedure agreements as much as to the proposal to eradicate these strikes by imposing an overall obligation to give notice before resorting to a stoppage or to similar action such as go-slow, work-to-rule or overtime bans. None of these measures promises any success in the sense of improving our industrial relations as long as the underlying causes of these strikes have not been removed. We expect the reform of the collective bargaining system to lead to a very considerable reduction in unofficial strikes. This expectation may not be entirely fulfilled. If so, it may then be necessary to reconsider the desirability and practicability of giving some legal support to procedure agreements.

The problem of sanctions

Sanctions against trade unions

477. To gauge the legal effect of a possible transformation into contracts of collective agreements in general and procedure agreements in particular, one must face the question who would be the parties to such contracts. Collective agreements are, on the employees' side, concluded by trade unions. This is true in any event of industry-wide agreements, including those procedure agreements which are most important in the present context. Whether a shop steward or shop steward's committee bargaining at plant or workshop level could, in the legal sense, be

regarded as acting for the union or unions concerned, or for the individual workers, is a difficult question which we need not pursue. At industry level it would be wholly unrealistic to consider a union concluding a collective agreement as anything but a principal to the transaction. True, it acts in the interest of its members, but it does not act as their agent. Any other view would lead to insoluble difficulties as regards members who (in the event of a ballot or other vote) voted against the agreement and as regards members who joined the union after the agreement had been concluded. Thus, on the employees' side the union (or unions) is (or are) the party or parties and no one else. The same is likely to be true of the employers' association on the employers' side, though it is more arguable here that the association acts as an 'agent' for its members.

478. If procedure agreements gave rise to legally enforceable 'peace' obligations, these would, therefore, be obligations imposed upon the unions and not obligations imposed upon their members. This is well understood in those countries in which 'no strike, no lock-out' or 'peace' obligations are considered as implied in collective contracts. In those countries the legal 'peace' obligation was and is intended to ensure that trade unions which are parties to collective agreements do not take what in this country is called 'unconstitutional' action, that is action at variance with a concluded agreement. This is a policy which can be well understood against a background of a situation in which trade unions do not invariably apply the policy of carrying out the agreements they have made. We have already pointed out that unconstitutional action by trade unions is not a live issue in this country at present nor expected to be in the future.

479. Our problem is the strike which is both unofficial and unconstitutional, and from a purely legal point of view the transformation of collective procedure agreements into contracts cannot make any contribution to the solution of this problem at all: those who would be bound by the agreements do not break them in any event, and those who are in the habit of breaking them would not be bound.

480. The law might, however, go one step beyond merely trans-

forming procedure agreements into contracts: it might impose upon trade unions parties to such contracts a mandatory obligation to guarantee the 'good behaviour' of, that is the loyal execution of the agreement by, their members. Alternatively it might go less far and, as the CBI recommended in its evidence (paragraphs 179 ff), require the union to do all in its power to prevent its members from taking unconstitutional action. Such a measure could, it is sometimes said, be coupled with a threat of deregistration in the event of non-compliance by the union with its obligations and a consequential threat of the loss of immunity from tort liability. It could also be linked with the formulation of a set of 'model', i.e. compulsory, trade union rules containing wide powers of disciplinary action (including expulsion) against members in breach of procedure, powers which, as a result of the agreement, the union would, under the threatened penalty of deregistration, have to exercise.

481. We have given careful consideration to these and similar proposals. They are designed to overcome the legal dilemma referred to at the end of paragraph 479. The proposal made by the CBI is in essence that the 'peace' obligation imposed upon a trade union or an employers' association should be given a wide interpretation and that it should include (as it does in some foreign countries, for example in Sweden) a duty, as the Swedish Collective Agreements Act puts it, to 'endeavour to prevent its members from committing unlawful offensive actions' or, where they have occurred, 'an endeavour to cause such members to cease committing such action'. An obligation of this kind could be imposed by law without being linked with the threat of deregistration and the consequential loss of immunity for tort action envisaged by the CBI. Its effect would then be a liability to pay damages, possibly to be subjected to injunctions. This could be supplemented by a provision to the effect that, once the union has given its credentials to a shop steward, the steward would be deemed to be its agent.

482. Such a measure could be contemplated only if it was likely to result in a rapid diminution in the number of unofficial strikes. This however is not the case. The problem with which

we have to deal is the readiness of work groups to take action without regard to the procedures of collective bargaining. This stems from causes which we have set out in chapter 3 [not included here]. Among them any failures on the part of the unions to exercise discipline plays a very secondary part. The causes lie in the structure of our system of collective bargaining and the economic conditions under which it has operated since the war. The principal defect of the proposal made to us for forcing the unions to discipline unofficial strikers is that it fails to deal with these causes. It is the method of collective bargaining and the role which unions and work groups play in the bargaining process which has to be reformed in the first instance, and it is for that reason that we have set out our proposals for the reform of collective bargaining in chapter 4 [not included here]. If, when this reform has been accomplished, unofficial strikes continue to be a serious problem, it will then be time to see what the law can do; but not until then. As things now stand proposals such as those made by the CBI are more likely to lead to internal disruption in the unions than to a reduction in unofficial strikes. The house of the law collapses if it is not built on a solid foundation of fact.

Sanctions against trade union members

483. Although the members of the union are not bound by agreements and would not, on the general principles of the law of contract, be bound by them if they were legal contracts, it is of course open to Parliament to lay down by statute that they should be so bound. Such steps are not unheard of. The best known example is the Swedish Collective Agreements Law of 1928 which lays down that collective agreements entered into by an association are binding on its members and that employers and employees so bound may not during the period of the validity of the agreement take part in strikes, lock-outs and other 'offensive action' for a number of stated purposes, including that of bringing about an alteration of the agreement. Contravention entails liability to pay damages which, however, in the case of an individual employee may not in any case exceed the amount of 200 kronor (about £15).

484. If the mutual promises of employers and employees were – as they are in Sweden – clearly spelled out in agreements concluded between employers and trade unions, and if an effective procedure for the settlement of disputes was laid down in such agreements, that is if the recommendations in chapter 4 [not included here] were carried into effect, it might be more practicable in this country to envisage visiting spontaneous action undermining the application of such agreements with legal disadvantages. The agreements to which the Swedish law applies must be drawn up in writing – a provision existing in many countries – to ensure that those who may be made liable for the breach of an agreement are not in ignorance of their obligations and these obligations are articulated and clear. These conditions are not fulfilled in this country at the moment. They might be if the recommendations in chapter 4 [not included here] were accepted. Unless and until this is done the enactment of legislation on the Swedish pattern would mean that sanctions were attached to uncertain norms – by general consent the worst legislative policy any lawgiver can adopt.

485. There is, moreover, the very real difficulty caused by the reluctance of employers to enforce legal sanctions against their employees, a reluctance demonstrated by their failure to enforce their claims to damages under the existing law of contract, to which reference is made in paragraph 463 above. There is no reason to think that the liability of unofficial strikers to pay damages for breach of a procedure agreement would be more likely to be enforced than is their present liability to pay damages for breach of their contracts of employment. This too, however, may be different if the employer could expect that a real improvement of the strike situation might be the result of such enforcement – as he might after the reform of the collective bargaining system to which we have made reference.

486. The difficulty to which we have referred in the preceding paragraph could – in theory – be overcome if those acting in contravention of a procedure agreement were to be made liable to pay a fine to the State in criminal proceedings initiated by a public authority, such as the Secretary of State for Employment and Productivity. This was the method of enforcement em-

ployed during the Second World War under the Conditions of Employment and National Arbitration Order 1940 (SR & O 1305). The evidence which we have received shows that it was not effective: it did not succeed in reducing the incidence of unofficial strikes at that time. Indeed from 1941 until the Order was revoked in 1951 strikes were considerably more frequent than in any of the preceding twenty years. In December 1941 an attempt was made to enforce penalties against a number of miners who had struck work in the Kent coalfield. This attempt did not succeed. The evidence which we have received from Sir Harold Emmerson, which is reproduced in appendix 6 [not included here], shows the fruitlessness of the use of penal sanctions for the purpose of enforcing industrial peace.

487. Moreover – and quite apart from all intrinsic objections to the use of the criminal law for the purpose of enforcing industrial peace – one has to consider that most of the strikes are over in a few days, and some in a few hours, and such criminal proceedings would often have to be instituted after the resumption of work. The trial itself would in the large majority of cases occur at the time when the strike was already a matter of the more or less distant past. Many employers would rightly object to this reopening of the conflict and to creating an acute risk of a renewed stoppage. It is true that under the Prices and Incomes Act 1966, s. 16 [as amended by the Prices and Incomes Act 1967, section 4(1)] it is a criminal offence for ‘any trade union or other person’ to take or to threaten action, particularly strike action, with a view to compel, induce or influence an employer to implement an award or settlement in contravention of the statute. No occasion has as yet arisen for the application of this provision, but whatever its effect may be in the limited field of its application, it cannot yield any lesson for the larger problem we have to consider. Prosecution under the Prices and Incomes Act would be for a clearly defined offence, committed against a statute passed in the public interest. The protection of the prices and incomes policy is assumed to be of sufficient importance in the national interest to justify the possibility of creating additional industrial friction through the institution of criminal proceedings – proceedings which (section 22) can in

England be instituted only by or with the consent of the Attorney General. It is a unique situation without parallel in industrial relations.

488. Another proposal for sanctions is that those who participate in unofficial action should be deprived of the immunities provided by the Trade Disputes Acts 1906 and 1965 for those who commit certain torts in contemplation or furtherance of a trade dispute. This would mean that the strikers could be made civilly liable for conspiracy, for inducing a breach of contract and for intimidation. Such proceedings for damages or for injunctions would be open either to the employer himself or to third parties. Thus, the employer might, in certain circumstances, have a cause of action for conspiracy and also for inducing breaches of contract, for example, against one workman who induced another to participate in a strike. There is, however, no reason to believe that normally employers would be more inclined to sue their own men in tort than they are inclined to sue them for breach of contract. Third parties too may, however, also have rights of action in tort. Thus where an unconstitutional strike has the object of inducing the employer to discharge an employee, e.g. a non-unionist (that is in a situation resembling that in *Rookes v. Barnard* [1964] AC 1129), if the protection of the Trades Disputes Act 1965 were removed, an employee dismissed as a result of an unconstitutional strike or a threat of an unconstitutional strike might indeed claim damages against the strikers. Whether such a claim would ever be made, one cannot say, but it is perhaps not very likely. In a number of recent cases the courts have held that the provisions of the Trade Disputes Act 1906 did not afford a defence to those engaged in industrial action. But cases such as *Rookes v. Barnard* [1964] AC 1129, *Stratford v. Lindley* [1965] AC 269, *Emerald v. Lowthian* [1966] 1 WLR 691, *Morgan v. Fry* [1967] 3 WLR 65, originated in official trade union action and the trade union concerned could be expected to pay any damages awarded by the court. It does not follow that such proceedings would be instituted against unofficial strikers and that the change in the law here contemplated would act as an effective deterrent and thus lead to a reduction in the number of these stoppages. A majority of

us think it proper that the protection of the first limb of section 3 of the 1906 Act and the corresponding provision in the 1965 Act should be limited to those acting on behalf of a trade union, and make a recommendation to this effect in chapter 14 [not included here]. But none of us sees this as the primary means of securing a reduction in the incidence of unofficial strikes, though a majority of us think that there might be occasions when employers would sue unofficial strike leaders. [. . .]

502. We are not in principle opposed to the use of legal sanctions for the enforcement of agreed procedures. No such sanctions can, however, be enforced without the active participation of the employer. There is no such thing as an 'automatic' sanction. It follows that sanctions will remain unworkable until a fundamental change in our system of industrial relations has led to a situation in which employers may be able and willing to use such rights as the law gives them. At the present time legislation making procedure agreements legally enforceable would not in fact be enforced and like all legislation that is not enforced would bring the law into disrepute.

503. It would, moreover, be unjust to ask men to abide by procedures which, as everyone knows, cannot deal with some of the most important grievances and which more often than not yield no result at all. It would be futile to expect men to be deterred from using the strike weapon if they know that its speedy use is the only means at their disposal to get speedy redress for their grievances.

504. Those resorting to unconstitutional action should not be threatened with any disadvantages imposed by law until new procedures have been put into operation, procedures which are clear where the present procedures are vague, comprehensive where the present procedures are fragmentary, speedy where the present procedures are protracted, and effective where the present procedures are fruitless.

505. Until this has been done it would be as futile and as unjust to require men to observe a waiting period of (say) a week as it would be to expect them to refrain from using their own sanctions until the present procedures are exhausted. The employer

could not enforce a statute imposing a week's strike notice any more than he can now enforce his contractual right to notice, and as long as there is no adequate system of settlement a measure imposing an obligation to observe a period of notice would be as unfair as an attempt to enforce the procedure agreement itself. As long as no effective method for the settlement of grievance exists, no one can expect a threat of legal sanctions to restrain men from using the advantage they feel able to derive from sudden action in order to obtain a remedy for grievances which cannot be dealt with in an orderly fashion. Self-help has always been the response to the absence of 'law and order'. In industrial relations, 'law and order' can be created only by adequate collective bargaining arrangements.

506. We thus reject the proposal to make collective agreements – whether substantive or procedural – enforceable at the present time. We do so, not because we think that the law could not in any circumstances assist in the reduction of the number of unofficial strikes. It cannot do so in this country today – this is the point. To take steps in this direction today would be not only useless but harmful and they would undo a great deal of the good we hope to see done through the reform of the collective bargaining system which we recommend.

22 Andrew Shonfield

The Regulation of Trade Unions in the Public Interest

Excerpts from Andrew Shonfield, 'Note of reservation', *Report of the Royal Commission on Trade Unions and Employers' Associations, 1965–1968*, Cmnd 3623, HMSO, 1968, pp. 290–302.

7. I start from the proposition that the deliberate abstention of the law from the activities of mighty subjects tends to diminish the liberty of the ordinary citizen and to place his welfare at risk. If organizations are powerful enough to act the bully then very special grounds are necessary to justify the decision not to subject their behaviour to legal rules. The legal rules need not be much brought into play in practice; if such organizations enforce their own systems of rules and these work in the public interest there will be little actual labour for the law to do. But the content of the rules and the way that they operate in particular cases must not be allowed to escape from close public surveillance. I therefore regard the principle which is stated in paragraph 471 of the Report to be characteristic of the British system, that collective bargaining should remain 'outside the law', to be wrong. The special grounds for treating trade unions in this way which seem to have influenced the nineteenth- and twentieth-century legislators, who laid down the framework of rules which govern British industrial relations today, were essentially that trade unionism was an unpleasant conspiracy – of a kind which would be reprehensible if practised by anyone else but which had to be tolerated in this particular instance as the only available means of conducting relations between employers and the representatives of work people. However, it was felt to be wrong for the law to do anything to support such a conspiracy, e.g. by making any of the agreements among the conspirators enforceable as ordinary legal contracts. The only course was to leave the trade unions to their own devices.

8. Historically the doctrine of the 'licensed conspiracy' served a

useful social purpose. The trade unions were weak and vulnerable at the time and the respectable prejudice against them, which was shared by judges, would almost certainly have meant that legal decisions on matters affecting their affairs would have tended to inhibit their growth. The removal of these matters from the purview of the courts therefore helped the British trade unions to establish themselves as the large and influential bodies which they are today. But now that they have evolved to this dominant role, it would be highly anomalous if the legal prejudices of an earlier generation were to continue to be used to encourage them to avoid undertaking ordinary contractual obligations in their relations with employers, or to permit their actions to escape the public regulation which has come to be accepted as the common lot of corporate bodies wielding economic power.

9. It is true that the trade union is in the last resort a fighting organization; its business is to be equipped to be able to make a nuisance of itself in pursuit of the interests of its members. The reform suggested here is not intended to reduce its capacity to fight. But the trade union is also a regulative body: it makes rules about the way in which certain economic activities are to be conducted and about who is to be allowed to conduct them. Where these rules appear to run counter to the welfare of the community, e.g. in sustaining restrictive work practices which make things more expensive than they need be, they should be subjected to public scrutiny. And the trade union concerned should be placed under an obligation to justify these rules, if it wishes to maintain them, by reference to a set of criteria established by legislation which take account of the public interest as well as the interest of the particular group of workers directly involved. [. . .]

Disputes over trade union recognition and jurisdiction

13. One of the purposes of a more regulated system of industrial relations would be to supply a check, in cases of doubt, on the representative character of trade unions. These organizations derive their right to interfere with the way in which people conduct themselves at their workplace not, as is some-

times suggested, from the brute fact that the leaders are determined men who happen to be in occupation of the terrain and are in a position to make life awkward for employers who refuse to fall in with their wishes. It is not just a matter of effective power in conditions of 'abstention of the law'. In case of a dispute between two rival organizations claiming to bargain exclusively on behalf of the workers in a plant, it would surely be felt to be a wrong outcome if the majority of the organized labour there had to accept that bargaining on its behalf was to be conducted by a union representing the minority, simply because the latter had been able, through its greater power or greater readiness to disrupt the business of the employer, to persuade him to accept this arrangement. Collision between an employer and an aggressive labour organization would, in these circumstances, have robbed the organized workers in the plant of the right to exercise majority rule over the conduct of their own affairs. No doubt this occasionally happens. But in the end the legitimacy of trade unions depends on the elective principle: they are accepted as bargaining agents because of the belief that they command the voluntary assent of a majority of those on whose behalf they bargain.

14. Thus in the case of a jurisdictional dispute between rival unions there should be an arrangement, if attempts at conciliation fail, for the automatic reference of the dispute to a judicial body – a special section of the Industrial Relations Commission should be set up for this purpose – which, having established the wishes of the workers concerned in the dispute, would decide which union or unions were the appropriate bargaining agent for specified groups of employees and would issue an order to this effect. In contrast to the proposal in paragraph 246 of the Report, which confines the Commission on Industrial Relations' power to the making of a 'recommendation', failure to comply with the order would lay the union or the employer open to a monetary penalty. It would be the prerogative of the CIR to determine the 'bargaining unit' in which any ballot of the members of rival trade unions should be held, i.e. to identify the group of persons in the workplace, who are involved in the

particular issue in dispute between the unions and also to frame the questions to be asked in the ballot. There will clearly be differences of opinion about the definition of the appropriate 'bargaining unit' in any particular case and the decision about which classes of worker in a plant are to be included or excluded from a ballot may sometimes determine the outcome. This cannot be avoided. [. . .]

A more powerful Commission on Industrial Relations

17. In order to fulfil the role outlined here, the CIR will have to be equipped in a different way and with more powers than those envisaged for the body proposed in the Report of the Royal Commission. The Report (paragraphs 198-206) sees the CIR essentially as an advisory body, responding to requests for counsel from the Secretary of State for Employment or making recommendations to trade unions and employers about ways of improving the conduct of industrial relations. The main defects of this scheme are, in my view, first that the pace of reform will be determined by the extent to which the Secretary of State finds it expedient, in the light of current political and other circumstances, to refer particular problems and cases to the CIR for an opinion; and secondly, that altogether too much depends on the personal performance of the man appointed to head the CIR. It would be unwise to be over-impressed by the performance of the Prices and Incomes Board with comparable powers in the second half of the 1960s, when both of these conditions have been extremely favourable. There are other precedents for advisory bodies appointed since the war to press forward some process of desired social or economic change which are much less encouraging.

18. For these reasons I propose that the body to be established should have a more autonomous function than that which is set out in the Report. Firstly, its powers of investigation should be exercised without waiting for the Secretary of State's orders, whenever there is evidence of serious friction in industrial relations or of inefficiencies in the employment of manpower. Secondly, the CIR should have a section exercising independent judicial authority in certain matters concerned with the

conduct of collective bargaining, including the following: jurisdictional disputes between unions and disputes with employers about recognition; the range of subject matter to be covered in collective agreements that are liable to compulsory registration; restrictive practices. The CIR's judicial task would be designed to supplement collective bargaining, not to replace it. It would ensure that genuine bargaining would take place in circumstances where the resistance of an employer or the presence of rival unions threatened to stultify it and it would ensure that employers and trade unions extended their bargaining to certain matters which one side or the other might otherwise be inclined to regard as being within its own exclusive prerogative. The effect of the reform would, therefore, be to increase the amount and enlarge the scope of collective bargaining.

19. The chief instrument used by the CIR Tribunal would be the order to 'bargain in good faith'. Paragraph 317 of the Report raises objections to this device. But other proposals of the Royal Commission involve an arrangement which is in practice indistinguishable from it. Thus the important reform which would impose compulsory arbitration on employers who reduce the process of collective bargaining 'to a mockery' (paragraph 273) would require that a judgement be passed on the bargaining behaviour of the persons involved. The question to be answered before compulsory arbitration could be legitimately imposed would be: was the employer bargaining in good faith or not? The Report refers briefly to the means to be employed for the examination of this question - 'an inquiry' by the CIR 'in which both sides have had an opportunity to put their point of view' (paragraph 274). Here in embryo is the judicial organ of the CIR, which should in my view be given a more generalized function extending to cases where either side in a dispute, not the employer only, is preventing the orderly and efficient conduct of industrial relations by refusing to bargain seriously on a particular matter or with a particular organization. [. . .]

21. The order to bargain would be made when a collective agreement subject to official registration (as proposed in the Report) was found, on examination by the CIR, to have failed

to cover some important subject – like the arrangements for the notification of anticipated redundancies or the office and shop-floor facilities to be provided for shop stewards. If one of the parties then claimed that it had been impossible to include these matters because the other refused to bargain about them, the CIR would first use conciliation to try to effect a settlement and, if this failed, proceed to impose a monetary penalty on one or possibly both of the parties if it judged them to be responsible. The size of the maximum penalty should be moderate in terms of the resources available to the parties, say something of the order of £500. It is to be expected that this would be enough to make union members or company shareholders feel that their representatives were unnecessarily wasting their money and to put pressure on them not to defy the Tribunal. The main sanction would not be the size of the monetary loss – though this could mount up if there were persistent defiance – but the consequences of the publicity attaching to the penalty.

22. The decisions of the CIR about the subjects to be included in collective agreements would result in a body of case law which would evolve further with changing industrial conditions. It is probable that the range of issues deemed to be proper subjects for collective bargaining, rather than the sole prerogative of either management or of trade unions, will in any case tend to grow in future. From time to time the CIR would issue a directive for the guidance of employers and trade unions whose agreements are subject to official registration and scrutiny, on the matters to be included in industrial bargaining.

Control of restrictive practices

23. One such matter where the need for a new set of rules is apparent now is collective bargaining on restrictive practices that have been shown to cause a significant loss of production. The first requirement is a definition which will allow such practices to be reliably identified; this will involve some approximate measurement of the unnecessary loss of production for which they are responsible. The standard of comparison should not be the theoretical maximum output per man-hour ob-

tainable from a piece of machinery or equipment, but the actual amount of output known to have been secured by efficient methods already in operation elsewhere and which can be shown not to result in unusual strain or discomfort to the workers involved.

24. The last proviso plainly leaves scope for a good deal of argument. One of the departments of the CIR would specialize in the problem of work practices, using where necessary the advice of industrial consultants to make international and interfirm comparisons. The Prices and Incomes Board has begun to examine some of these matters in a preliminary way; the CIR's Office of Restrictive Practices would carry the matter further and do so in a more systematic fashion. International comparisons would be especially important, since it might well be found in some cases that methods of work practised by competitors abroad could not, in fact, be employed here, because they were in conflict with some accepted standard of behaviour. In that case other questions of general economic policy would arise; the CIR in making its recommendations would have to consider whether the industry should receive tariff protection at the expense of the British consumer, who would have to pay higher prices for its products, or whether it would be in the public interest to allow foreign competition to force the home industry out of business and transfer the manpower employed in it to some other branch of production where Britain was not at an international competitive disadvantage.

25. Where investigation indicated that restrictive work practices were in use, the case would go to the CIR Tribunal, which after hearing the evidence would decide whether to issue an order to the trade union and the employer to negotiate about the elimination of the restrictive practice. The Tribunal would not lay down the terms of any new arrangement: its power would be limited to an order to the parties to bargain in good faith about a particular set of work practices. After a reasonable interval, the Tribunal would expect a report on progress and if this was unsatisfactory the two sides would be called upon to state the reasons why they had failed to advance. If the Tribunal found there was no adequate justification for their

inactivity, it would, in the last resort, have the power to impose a monetary penalty on a recalcitrant trade union or employer.

26. It is argued in the main Report that trade union negotiators would be able 'to parry almost indefinitely' any accusation that they were deliberately avoiding serious negotiation. If this were really so, it is hard to see why it would not apply with equal force to employers, who are going to be given the opportunity of going before the CIR and arguing against the introduction of compulsory arbitration as proposed by the Royal Commission in circumstances where collective bargaining is being reduced 'to a mockery'. The judgement in such a case must clearly depend in the end on whether the Tribunal is able to say that the demands of either party are so unrealistic as to imply an unwillingness to engage in serious bargaining on the subject. There will undoubtedly be occasions when it will be impossible to make a judgement of this sort – either because the two parties have in fact negotiated in good faith and honestly failed to reach agreement or because it is impossible to demonstrate that the bargaining position of either side, although very tough, amounts to a deliberate attempt to sabotage the negotiation. But there will be other cases where the Tribunal will be able to say, on the basis of what is being demanded, that one or the other party has no serious intention of making a bargain on the subject in question. It should not be forgotten that the CIR Tribunal will start with a benchmark – in the form of the data on wages, etc., provided by the investigation of more efficient work practices actually in force elsewhere, on which the original case will have been brought and it will, therefore, be able to apply some measure of what would constitute a wholly unreasonable demand. It is in any case not to be supposed that a trade union would relish the experience of being put in the position of publicly justifying work practices known to be causing inconvenience or higher costs or both, and doing so on the ground that the terms for their elimination had to be vastly better than those conceded to people doing comparable work with the same equipment elsewhere. [. .]

Collective agreements in the form of contracts

34. One of the reasons why collective agreements have lacked precision is that they have not been treated as enforceable contracts. As the Report makes clear, the typical agreement at present in operation is of a kind that could not be made legally enforceable. However, the same disability would not attach to a new kind of collective agreement which, it is hoped, will emerge as the reforms proposed in the Report take effect.

35. The arguments that are commonly advanced for the contention that the contractual form is an inappropriate one for collective agreements are not persuasive. They are regarded as having binding force in other countries and no special difficulties arise from that fact. Of course it should be open to the two parties to a collective agreement to avoid making promises to one another about fulfilment if they specifically state, at the time that the agreement is signed, that neither side regards it as being a contractual obligation. But otherwise it should have the character of a normal undertaking, in which each party has a claim for redress if it suffers loss because the other fails to keep its side of the bargain.

36. The proposal in essence is that the bias of English law, as it has been hitherto, should be changed. Instead of making it complicated and difficult for unions to enter into contractual obligations which are enforceable at law, so that it has become an eccentric thing for a union to do, unions and employers should be encouraged to treat it as the normal thing to do.

37. The traditional bias has had some unfortunate effects on the attitudes of trade union officials towards agreements which they make with employers. By many of them such an agreement is not thought of as being an undertaking about future behaviour, not even as something which they feel bound in honour to try to carry out. If circumstances change in such a way as to offer the union the opportunity of compelling the employer to go beyond the conditions or terms agreed, then it is thought proper to take advantage of the situation regardless of any agreement to the contrary. No doubt attitudes to collective agreements vary between different trade union leaders but it has been made clear in

the course of the investigation of the Royal Commission that the predominant view in Britain, as opposed to the view taken in other advanced industrial countries, is that a collective agreement does not set up any obligation on the part of the trade union to do anything which in the event turns out to be less convenient than the framers of the agreement anticipated. At the very least the proposed reform would induce trade unions which were offered more advantageous terms, on condition that they were prepared to treat their side of the bargain as a genuine promise, to consider their own attitudes more closely and critically. At the moment the inducement to promise anything seriously is weak; it should be strengthened.

38. If this happens there will be two consequences. First as regards the observance of disputes procedure, the objective set out in paragraph 457 of obtaining the widespread acceptance of binding arbitration by trade unions will be achieved that much faster. Secondly, on the substance of collective agreements, the attitude of management towards innovations dependent on the support of trade unions will grow more confident. At present innovations which would reduce costs in industry or greatly increase output per head are delayed, because employers feel that they cannot rely on trade unions to ensure that the necessary agreements on new methods of work, without which it would be too costly to install new machinery, will in fact be carried out. To this extent the atmosphere of uncertainty generated by the absence of precise and dependable commitments is a factor holding back the pace of British economic growth. It may be that employers are mistaken in their beliefs, but it is enough that many of them are convinced that they would go ahead faster with the process of re-equipment involving the negotiation of changes in work practices, if they knew that agreements reached with unions had the force of a contractual obligation. By this they do not mean that they want the automatic right to obtain damages from a union if some of its members refuse to carry out any part of a collective agreement which the union has made on their behalf. The contract would simply commit the union officials who have accepted it to use their best endeavours to ensure that the terms of the bargain

were carried out by their members. The activities covered by the phrase 'best endeavours' can be given clear and concrete form, even though there would almost certainly be some matters of interpretation on which opinions might well differ. But after a time a body of useful case law would be built up. Unions and employers would be expected to contribute to this because they would go out of their way in their agreements to define, in as precise terms as possible, the nature of the undertakings that they would make towards one another.

39. It is worth making the point that evidence of the use of its 'best endeavours' by a union in an unofficial strike situation would not be pushed to the point of requiring it to prove that it had threatened rebellious members of the union with expulsion. This might well be too drastic a penalty in an industry or trade with a closed shop. The union would be asked, above all, to demonstrate that it had not connived at the use of its authority by any of its officials, including its shop stewards, to defeat the purposes of the agreement which it had made.

40. It is the long-run consequences of the habit of entering into binding agreements which are the main objective of the proposed reform. The probability is that those unions which are able to promise reliably to perform their part of a collective agreement will obtain better bargains from employers for their members than weaker or less determined unions. The assumption underlying this proposal is that there are dynamic employers in British industry who would be inclined to innovate more rapidly, if the orderly introduction of new methods had the active support of strong trade unions carrying out contractual obligations which they had freely undertaken. After a time binding agreements would be seen to confer benefits on members of trade unions which had accepted them. Their chief benefit would be that a wider range of management decisions would be subject to negotiation with the work people affected by them. Management would be induced to enlarge the scope of the collective bargain, if the reward for doing so were to allow it to plan for more rapid change in a climate of security.

41. It would probably not be appropriate to subject these con-

tractual agreements to the processes of the ordinary courts. For one thing, decisions on disputed matters would need to be arrived at expeditiously; for another, the persons making the judgements would require to have a close knowledge of industrial relations. The usual mixed group of judges – a trade unionist and an employer sitting side by side with a lawyer – would seem to be the proper arrangement. Perhaps the industrial court, whose functions it is in any case proposed to enlarge by making it responsible for unilateral arbitration, might be adapted to fulfil this function.

Further Reading

The inclusion of a work under one or another of the headings below should not be taken to imply that it has nothing of value to contribute to other aspects of the subject.

Union objectives and methods

- S. D. Anderman, *Trade Unions and Technological Change*, Allen & Unwin, 1967.
- J. Barbash, *The Practice of Unionism*, Harper & Row, 1956.
- R. M. Blackburn, *Union Character and Social Class*, Batsford, 1967.
- G. Gooderich, *The Frontier of Control*, G. Bell, 1920.
- J. F. B. Goodman and T. G. Whittingham, *Shop Stewards in British Industry*. McGraw-Hill, 1969.
- J. W. Kuhn, *Bargaining in Grievance Settlement: The Power of Industrial Work Groups*, Columbia University Press, 1961.
- W. E. J. McCarthy, *The Closed Shop in Britain*, Blackwell, 1964.
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