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The Railway Conciliation Scheme, 1907

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Source: *The Economic Journal*, Vol. 21, No. 84 (Dec., 1911), pp. 503-512

Published by: Wiley on behalf of the Royal Economic Society

Stable URL: <http://www.jstor.org/stable/2221735>

Accessed: 26-06-2016 05:41 UTC

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The Economic Journal

THE ECONOMIC JOURNAL

DECEMBER, 1911

THE RAILWAY CONCILIATION SCHEME, 1907, AND THE REPORT OF THE ROYAL COMMISSION THEREON.¹

THE Railway Conciliation Scheme of 1907 was hurriedly drawn up in an emergency. It represented a compromise made between two contending parties. The wonder is not that it has defects, but that it is so good a scheme as it is. The circumstances in which the scheme came into being may be briefly recalled. About ten years ago the railways began to revise their methods of working. Expenses had been growing, and it was absolutely necessary that economies in working should be introduced. The outcome was a thorough investigation of the methods of operation of traffic. It was found that a disproportionate amount of the men's time was not occupied with work. The result was what has been described as a "general speeding-up." Waggon and trains were better loaded. More powerful engines were built. The train-mileage was reduced. The waiting time at terminal points was cut down. Many a man found himself called upon to do more work in an eight-hours' day than he had formerly done in ten hours. The rate of promotion naturally slackened under these conditions. About the same time the cost of living, which had fallen almost continuously for many years, began to rise.

Although advances in wages and reductions in standard hours were conceded to the men from time to time, they proved insufficient, and an agitation for yet higher wages and still shorter hours was begun. This agitation took definite shape in November, 1906, when, at a special conference of the Amal-

¹ The major portion of this article was written prior to the appearance of the report of the Royal Commission.

gamated Society of Railway Servants, held in Birmingham, a "National Programme" for men engaged in the manipulation of traffic in England and Wales was drawn up. The demands formulated into this programme included an eight-hours' standard day for all men concerned in the movement of vehicles in traffic, and a ten-hours' maximum working day for all other classes of railwaymen,¹ excepting platelayers. There were also demands for overtime pay at a minimum of rate and a quarter, for payment for all Sunday duty at a minimum of rate and a half, and for a guaranteed week's wages for all men whose conditions of service compelled them to devote their whole time to the companies. An immediate advance of two shillings per week was to be given to all railwaymen who did not receive the eight-hours' day.

This programme was submitted to the railway companies in January, 1907, with a letter from Mr. Richard Bell, who was at that time the secretary of the Amalgamated Society of Railway Servants, requesting that their directors should meet a deputation of the men, accompanied by himself, to negotiate on the programme. The companies with one accord² refused to have any dealings with the society or its representatives. The programme was not discussed with the companies, but the men had no intention of abandoning it. Discontent was rife, and an organised agitation was set on foot. In the autumn of 1907 a ballot was taken of the members of the Amalgamated Society, and some 90 per cent. of the votes went in favour of a strike to enforce the programme, including the principle of recognition.

This society is not the only trade union for railwaymen. It, however, possesses more members than all the others put together, though two others—the Associated Society of Locomotive Engineers and Firemen, and the General Railway Workers' Union—are of some magnitude. The three were not acting together, nor were they in entire agreement on the programme. At the same time the discontent was considered to be on such a scale that a general railway strike was feared.

At this stage the Board of Trade intervened. Separate meetings were arranged between the Board of Trade and representatives of the railway companies and the railway unions respectively. The Board of Trade acted as mediator, the representatives of the companies and the men never meeting through-

¹ The word "railwaymen" is used in a technical sense, and does not include all railway employees. For instance, men employed in railway shops are not considered to be "railwaymen."

² The North-Eastern Railway Company, which had long recognised the Railway Unions, was an exception.

out the negotiations. The result was the Agreement of 6th November, 1907. The Agreement was a compromise, and perhaps the greatest tribute to it as such is that neither side has ever been convinced that it gained a victory or suffered a defeat.

Before dealing with the Agreement, it may not be amiss to call attention to the position that railwaymen then occupied when attempting to bargain with the companies in regard to their hours, wages, and conditions of service. It was in many respects an extraordinarily weak position. To begin with the men are so scattered that the organisation of a movement in favour of any demand is difficult. The variety of conditions under which the men work and live makes even the formulation of reasonable general demands almost impossible. Then the railwayman's skill is largely dependent on his remaining in the service, not merely of a railway, but of a particular railway. Even if the latter were not the case, the fact that the railways will rarely take a man into their service after the age of thirty means that all but the youngest men are tied. Then there are pension and other funds on many railways, and there is no inter-company arrangement, by which men can transfer from one fund to another without substantial loss, if they change their service.¹ It is doubtful if there is any great industry in this country in which a man over thirty years of age stands to lose so much if he leaves the service of a particular company as he does in the railway industry. The advantages of the railway service are many, but they are not relevant to the position of the men when bargaining about their hours and wages. The one important matter to notice on the other side is that the power of the "lock-out" is denied to the companies, whilst the men are free to strike in the ultimate issue.

The Agreement of November, 1907, provided for the formation on each railway adhering to the scheme of a number of Sectional Boards and one Central Board, composed of representatives of the company and the men. The Sectional Boards, which generally number between three and seven, according to the size of each railway system, represent on one side the company and on the other a group of grades whose work is related, *e.g.*, locomotive drivers, firemen, and cleaners. The railways are divided into a number of districts, and the men belonging to a section elect representatives from amongst themselves for each district. The Central Board consists of representatives of the

¹ Certain clauses in the National Insurance Bill now under consideration will, if passed, materially modify the position.

company, and one or more representatives chosen from the men's side of each Sectional Board.

The Agreement lays down that the men shall approach the company in the usual way through the officers of the department concerned in the first instance. In the event of no settlement being reached, the matter may be put before a Sectional Board. A period of two months is allowed for this first stage. If the Sectional Board fails to arrive at a settlement, the question is to be referred, on the motion of either side, to the Central Board. Should the Central Board fail to agree, the question is to go forthwith to arbitration at the request of either party. The arbitrator is appointed by agreement, or in default thereof by the Speaker of the House of Commons and the Master of the Rolls. The scheme was to be in force for a minimum period of seven years.

The Boards are permitted to appoint secretaries, but they must be employees of the particular company concerned. The employees to whom the scheme applied are not rigidly defined, but it is generally understood to apply to all wage-earning employees below the rank of foremen engaged in the manipulation of traffic. The matters to be dealt with are rigidly confined to rates of wages and hours of labour. Settlements arrived at by the Conciliation Boards are binding for twelve months, reductions in rates of wages alone excepted, the men having the right to reject the settlement and insist on arbitration. The period during which an award shall be binding is decided by the arbitrator.

The scheme represented a great concession on the part of the railway companies. For a minimum period of seven years they had given up the right to decide what the rates of wages and the standard hours of a large proportion of their employees should be. In the arbitration proceedings counsel were barred, but the men might be represented by their union secretary or anyone else they chose to select. The railway companies drew a sharp line between the earlier period of friendly negotiation and the final stage of arbitration. In the earlier stages they declined to allow any person not an employee of the company to take any part in the proceedings. Whilst there remained any chance of settling the questions in dispute by conciliation, no one outside the service of the particular railway was to take any part in, or even be present at, any of the meetings. It is worthy of notice that arbitration was not looked on as conciliation.¹ In return the

¹ See evidence of Sir Guy Granet before the Royal Commission on the Scheme.

railway companies understood that they had secured the support of the railway unions in maintaining peace for a minimum period of seven years. Further, that during that period the unions would not press the question of "recognition."

On the men's side the gains were substantial. A regular channel for negotiating matters of hours and wages was established. In the event of failure to agree, the men had no longer to submit to the decision of the companies, but could insist on a verdict from outside being obtained. In obtaining the verdict they might obtain assistance from outside the railway service. It was quite understood that normally union officials would represent the men before the arbitrator, and that, whilst there was no formal recognition of the unions, they would in practice be represented in the final stage.

The scheme was, no doubt, as comprehensive as could well be arranged at the time. Apart, however, from any lack of comprehensiveness, there were a number of omissions and several obvious defects, which it was certain would lead to trouble if steps were not taken to remedy them. The arbitrator was to sit alone. In the circumstances it was improbable he would be a man with knowledge of railway work and conditions. In practice an eminent lawyer has been selected as a rule. Judicial qualities are not, however, the only qualifications necessary for an arbitrator on railway hours and wages. It is not merely a question of giving a just decision, but rather of giving a concession in such a way that it will advantage the men most whilst hampering the railway company least. More than one decision has been given in a form that has made both parties wish to alter it as soon as possible. Had the arbitrator sat with assessors, or been granted authority to call in outside expert assistance, the position would have been better.

With the scheme as it stood, it was to be expected that different arbitrators would be engaged on different railways. This has proved to be the case. Their decisions have been as varied as the number of different arbitrators. Uniformity in matters of hours and wages in all respects cannot be looked for. At the same time, there are many inequalities which should be smoothed away. What the rate of pay for Sunday duty should be is an instance. No one has attempted to justify the claim for a higher rate of pay on the ground of an increase in the intensity of work on Sundays. The sole reason has been the Englishman's right to his Sunday as a Day of Rest. The reason is as good on one railway as on another. Again, it is impossible to expect men

to be satisfied when working under similar conditions in the same town, if on one railway they are awarded a fifty-seven-hours' week, whilst on another railway the award pronounces for a fifty-four-hours' week. A comparison of the awards issued in the cases of the Caledonian and North British Railways—two railways which come into contact at many points—will supply anyone with an admirable idea of the divergence in the decisions of the arbitrators. It is not that one award always gives more or less than the other, but what it gives it gives in a different way. The men on each company take notice of the respects in which the award is the less favourable, and are duly dissatisfied.

The right granted to the arbitrator to settle the period during which his award should be binding was a gigantic error. Most of the arbitrators were so convinced of the justice of their awards, and so sure that the conditions on which their judgments were based would not change in the near future, that they made their awards binding until the close of 1913, and in some cases to a later date. Conditions, however, have changed rapidly, and there is little doubt that many of the awards would be substantially altered had they to be given to-day. Further, new Boards were elected early this year (1911), and their tenure of office will run until early in 1914.¹ Only at the extreme end of their life will these Boards have the right to re-open any of the matters which have been before an arbitrator.

The absence of any defined periods of time within which the various stages of the Conciliation Board proceedings were to be completed, seems to have aroused a good deal of suspicion and distrust on the men's part. The preliminary negotiations were limited to two months, but Sectional and Central Board proceedings might take any length of time. The time actually taken was often considerable, due to a genuine wish on the railway companies' part to arrive at an amicable settlement. The men, who were in many cases adopting the attitude that they would accept the whole programme submitted, and nothing but the whole, have freely accused the companies of deliberately delaying the progress of proceedings—an accusation for which there appears to be little or no foundation. The feeling of distrust engendered could easily have been provided against.

The matter which presents the greatest difficulty seems, up to the present, to have received the least attention. Commonly the difference between the standard rate of wages and the average

¹ The Royal Commission recommends that fresh Boards be elected immediately, so these may end their life at an early date.

weekly earnings of railwaymen is considerable. This is due to many causes. There is the extra pay for Sunday duty and overtime. There are "bonus" systems of payment for certain grades at many centres. Passenger guards, porters, &c., receive tips from the public. Any attempt to settle the rates of wages without reference to the earnings would inevitably lead to confusion. Besides, it is the earnings, and not the rate of wages, which determine a man's standard of living. Arbitrators have recognised this. They have permitted evidence of average earnings to be laid before them, and no doubt have been influenced by the figures. The margin above the standard rate of wages is, however, no fixed quantity. Railway officials, faced by a large increase in the wages bill, naturally look round to discover where there is waste and where economies can be effected. Not infrequently the changes that result affect the men's earnings. A signal-cabin is pointed out which could be closed on Sundays. A change in the hour at which some men come on duty will avoid the need for overtime work. If changes of this kind were not allowed, our railways would have their progress hampered. Cost of working would rise. In the end one and all would be sufferers.

When, however, questions of management affect earnings substantially, there would seem to be ample justification for reopening any settlement that has been made in regard to standard rates of wages. It is absurd to contend, as some of the men have done, that such changes constitute a breach of faith. They go a long way, however, to justify a claim that they ought to free the men from being tied by a previous award or settlement.

The extent of the discontent with the working of the Conciliation Scheme and the results of the arbitrations was not fully realised by the directors and managers of the railways. The reader will not require to be reminded how, last August, a strike began locally and rapidly spread over the country. The outbreak was only arrested by the Prime Minister's offer of a Royal Commission to investigate the working of the Conciliation Scheme.

The Royal Commission was appointed on the 22nd August, and has issued its report with commendable promptitude. It has met with a mixed reception. At the time of going to press it is not known what the final decision of the men will be. It is, however, abundantly clear that the changes in the scheme recommended are not to bring permanent peace to railway labour. It is remarkable that the Commissioners should have repeated a fault which they indicate as applying to the 1907 scheme. They point out that there is no proof that the failure of the scheme of 1907 was

attributable to the scheme itself, but "the circumstances which prevailed at the time rendered very difficult the application of the earlier stages of the scheme, which depend on conciliation." The circumstances which have prevailed during the last few months are far worse than those which prevailed four years ago. Yet the Commission make no allowance for this, and appear to believe that the stages which depend on conciliation can be carried out effectively at the present juncture. It is much to be regretted that, besides providing for the permanent amendment of the scheme, they did not make special recommendations to deal with the immediate situation. The amended scheme, if it is ever adopted, is sent on its way with a serious handicap. The handicap is increased rather than lessened by the stipulation that settlements made under the scheme of 1907 shall hold until the 1st July, 1912.

The preliminary procedure by approach to the company is to be maintained. This was the wish of both sides. That the approach should be by petition signed by at least 25 per cent. of those concerned is a severe condition. It is not hard to imagine the difficulty of obtaining the necessary minimum of signatures from such scattered grades as those of signalmen and platelayers. The decision must be given within twenty-eight days of the reception of the deputation to be named by the men in the petition, but no limit of time is fixed within which the deputation must be received. Arrangements are also recommended for procedure in case the company wishes to make changes affecting the men.

The scope of the scheme, it is recommended, should be extended to cover "conditions of service" as well as "rates of wages and hours of labour." "Matters of management or discipline" are excluded. The inclusion of conditions of service even with the limitation is an important concession to the men. The absence of any definition of "matters of management" can be compared to the failure to define "recognition" which the Commissioners noticed. Almost anything affecting the men can be covered by the term "conditions of service." Almost everything can be excluded by the terms "matters of management or discipline." It is difficult to see how this provision can fail to be a continuous cause of dispute.

With a view to expediting proceedings, the Sectional Conciliation Boards only are to be retained; the Central Boards are abolished. Whilst achieving its specific object, the proposal tends to weaken the men, as at no stage will the whole of the

grades come together for united action. This is partly, if not wholly, compensated for by the recommendation that the men should be allowed to select as their secretary a man from any source they please—counsel alone excepted. Judging from past experience this will mean that with few exceptions members, probably officials of the leading railway unions, will hold the position.

Each Conciliation Board is to have an independent chairman, to be selected from a panel to be constituted by the Board of Trade. In the event of no agreement being reached at a Board meeting—which may not be adjourned more than once or for a longer period than fourteen days—the chairman is to preside over a re-assembled Board, and to give a decision on the matter if the parties cannot be reconciled. The same chairman is to act for all the Boards established on a company's system. There seems nothing in these proposals likely to render the decisions of the chairman more acceptable to the men than the awards of arbitrators have proved to be. The chairman is to sit without assessors, and no provision is made for outside expert assistance. He is not to be a railway director or in the service of any railway company. The probability is he will have little or no knowledge of railway work. Uniformity in conditions of service, where uniformity is possible and desirable, is unlikely of attainment. That each side may select a special advocate—not counsel—to represent it before the chairman does not appreciably improve the position.

Provision is made for an ordinary meeting every six months, and as many special meetings as may be necessary. Settlements arrived at by agreement are to last at least twelve months, and those by decision of the chairman at least two years. The scheme is to remain in force until the 6th November, 1914, at any rate. There are many other provisions relating to expenses, interpretation of the scheme and settlements, &c. The most important is contained in the recommendation that lists of existing rates of wages, hours of labour, and conditions of service of the grades covered by the scheme be prepared and printed. Copies of the lists are to be exhibited where they can be readily consulted by the employees. The lists will be welcomed by many who are not members of the railway service.

The amended scheme is a compromise in which both sides gain and both give up. In the recommendations made the breach of faith on the men's part in tearing up the 1907 Agreement is recognised by the stipulation that settlements arrived at under

that scheme shall not be disturbed before July, 1912. The railway companies with one accord are showing what they think of the practicability of this provision—whatever they may think of its justice—by raising wages extensively without any waiting. This action on the part of the railway companies is much to be commended. They are thereby doing their best to make good the omission on the part of the Commission to provide for the present crisis. At the same time their action forms a curious commentary on the evidence given on their behalf before the Commission.

The amended scheme must be a great disappointment to all who hoped for a statesmanlike proposal likely to lead to a lasting peace.

W. TETLEY STEPHENSON

November 27th, 1911.