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Source: *The Economic Journal*, Vol. 22, No. 86 (Jun., 1912), pp. 303-309

Published by: Wiley on behalf of the Royal Economic Society

Stable URL: <http://www.jstor.org/stable/2221801>

Accessed: 27-06-2016 04:34 UTC

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The Economic Journal

NOTES AND MEMORANDA

THE MINIMUM WAGE—PAST AND PRESENT.

It is perhaps not altogether a mere coincidence that we find in the year 1795, when the reverberation of the great social upheaval across the Channel was still sounding in men's ears, an attempt made in Parliament to fix by statute a legal minimum wage for agricultural labourers. This was not indeed a new idea, for the Statute of Labourers, passed just after the Black Death, was an attempt at the regulation of wages by law. The Act of Elizabeth provided that the Justices of the Peace should meet annually and assess the wages of labourers in husbandry and sundry other trades. Penalties were imposed on all who gave or took wages in excess of this assessment, which would seem to indicate that the object of legislation at this period was rather to enact a maximum than a minimum wage. The latter principle, however, was embodied in the Act of James I., which imposed a penalty on all who gave a wage below the rate fixed by the magistrate, and the Act of George II., 1747, provided that disputes on the question between master and man should be referred to the magistrate when "no rate or assessment of wages had been made in that year by the Justices of the shire." Samuel Whitbread, the friend and follower of Fox, introduced late in the year 1795 a Bill to empower Justices to hold General Sessions, at which they should "rate and appoint the wages and fix and declare the hours of working of all labourers in husbandry, by the day, week, month or year, and with beer or cyder or without, respect being had to the value of money and the plenty or scarcity of the time." Hammond (*The Village Labourer*) quotes from the *Annals of Agriculture* a most interesting petition from a group of Norfolk labourers—the class mainly concerned—entirely endorsing the principle of the Bill, and (with a remarkable anticipation of a subsequent agitation) actually submitting their own schedule, stipulating that the price of labour should be at all times propor-

tioned to the price of wheat, according to the scale annexed, viz. :—

When wheat is £14 per last, the price of labour will be 1/2 per day	
„ „ £16 „ „ „ 1/4 „	
„ „ £18 „ „ „ 1/6 „	
and so on, with a rise of 1d. for every £1 of price.	

Whitbread's Bill, which also provided that any contract for lower wages than the official assessments was to be void, and that any employer breaking the law should be punishable with fine and imprisonment, was supported on its introduction by Sir Wm. Young, Fox, Dundas, and others. On the second reading, however, on February 12th, 1796, Pitt rose in opposition, and in a speech which traversed the mover's assertion that wages had not kept pace with prices, and alleging that the labourers' hardships were redressed by the benevolence of employers, he threw the whole weight of his authority against legislative interference with the price of labour, or any endeavour "to establish by authority what would be much better accomplished by the unassisted operation of principles." This killed the Bill, and an attempt to reintroduce it in February, 1800, was again opposed by Pitt, and with a like result.

The policy of the minimum wage lingered on for some years through the agency of a philanthropic society which, in 1827, gave evidence before the Select Committee on Emigration, and was finally extinguished by the curt report of the Committee. "It is from an entire ignorance of the universal operation of the principle of supply and demand regulating the rate of wages that all these extravagant propositions are advanced." The problem of agricultural distress, I may remark in passing, remained unsolved. Pitt's alternative measure of Poor Law reform perished still-born; allotments were suggested, but met with little encouragement, it being considered, as in Hampshire, that it would make the men "too saucy," that they would "breed more children and want higher wages"; and finally, the disastrous policy of giving poor relief in aid of wages was adopted—which practically formed the labourers of England into a race of paupers.

Some sixty years were to elapse before we again meet with the minimum wage—demanded in 1888 by the Yorkshire coal miners. The prosperity of trade in the early 'seventies had led to the general recognition of the unions, and trade disputes during that period were settled by the method of collective bargaining—wages being fixed by joint agreements, with resort when necessary to arbitration.

The principle that wages should depend on prices at this time met with general acceptance, and led to the adoption of the sliding scale over the northern coalfields in 1877-8. Hailing it at first as a panacea, the miners soon began, with falling prices for coal, to grumble at its operation; and under Pickard's leadership they now for the first time definitely inverted their demands. In future, they claimed, prices must depend on wages, or, at any rate, they must be fixed at a figure that will include a living or minimum wage, such wage to be a first charge on the industry. The Miners' Federation of Great Britain, formed in 1888-9, definitely adopted this principle, and with the assistance of Conciliation Boards, which came into favour at the termination of the great Midlands strike of 1893, have succeeded in embodying it in all subsequent agreements with regard to piece-work rates. The clumsily worded agreement of 1894, which, however, remained in force for no less than ten years, provided "the rate of wages not to be below 30 per cent. above the rate of wages of 1888, nor more than 60 per cent. above the rate of wages of 1888." In South Wales the sliding scale survived till 1898, when 100,000 men struck against it and remained out for twenty-five weeks. This dispute led to the formation of the South Wales Conciliation Board. In 1910 a disastrous dispute began in the Cambrian collieries over the question of abnormal places. The strike lasted ten months, and from that time the Miners' Federation, influenced by the teaching of French Syndicalists, entered on the movement which has culminated in the recent "national" strike.

This brief survey of the history of the subject will have demonstrated, I think :

(1) That the early instances of statutes controlling wages in this country proved ineffective in operation, and legislation of this nature has been abandoned in practice for more than a century until the present day.

(2) That, on the other hand, the "minimum wage" has been definitely claimed by the Miners' Federation for the last thirty years, and has been admitted by the owners as a leading factor in the adjustment of wages.

There is, of course, one significant exception to the first proposition—but it is of the nature which is held to "prove the rule." It must be recognised that of late years the doctrine that the duty of the State is merely to keep the ring for the competitive struggle has been gradually relinquished by the majority of politicians in favour of a more definite intervention by the State in the sphere

of social and industrial conditions. "Keeping the ring" implies an initial equality of power on the part of the combatants, which is not always present. You may have a powerful yet delicate balance that will weigh anything from half a ton to a postage stamp, but to ensure its accurate working it is enclosed in a glass case to shield it from draught or dust. The law of supply and demand is such a balance, and in the absence of fair conditions the descending scale is apt rather to come down like a sledgehammer on the heads of the weaker party. This was recognised by the present Government to be the case in respect to what are known as the sweated industries, and with the assent of both sides the Trade Boards Act was passed in 1909, which empowered Trade Boards to fix the minimum rate to be paid to employees, either for time-work or piece-work, in certain trades, such as chainmaking, tailoring, cardboard box and machine lace making, the result being that the lowest wages paid in these trades have been raised from 50 to 80 per cent.

It was felt that the employees in question were a defenceless and unorganised body, working under "abnormal conditions"—a phrase that supplies alike the explanation and the justification of Government action. This Trade Boards Act, however, was quoted early this year by Mr. Ramsay Macdonald in moving an amendment to the Address in favour of a national minimum wage as a precedent which had definitely committed Parliament to the principle he advocated: "As Parliament has begun," he said, "so it must go on." The Amendment was hardly treated seriously by the House, the spokesman for Ministers dismissing it with the remark that "from the Government point of view the great task of bettering the conditions of labour was not to be solved by the method laid down in the amendment." A month later the principle thus contemptuously dismissed was embodied by the Government in the Bill introduced as the "Coal Mines (Minimum Wage) Bill"—which has now passed into law. It is not my object to criticise here the Government's action. A convert should at least be given the credit of an open mind, but the phenomenal rapidity of this particular conversion renders it the more necessary to consider, apart from politics, of what nature is the appeal made upon us by the new faith. The economist must lay it down that the interference of Parliament with the wages of adult and organised labour is *prima facie* to be condemned as an infraction of the liberty of contract. The main precedent for such action on a large scale may be said to have

been created by the Irish Land Acts, which set up Land Commissioners to interfere in the agreements between landlord and tenant in Ireland, and authorised the arbitrary fixing of judicial rents. It may be argued that in that case the existence of tenant right, constituting to some extent a dual ownership, was an abnormal condition that justified or even necessitated Government intervention. Do the abnormal conditions of coal mining, of which we have heard so much during this dispute, constitute a difficulty that cannot be adjusted as between owners and men without resort to legislation?

A good deal of light may be gained as to the answer by a study of the official records of the progress of the negotiations lately carried on between the coal owners and the miners' representatives, and of the part played by the Government therein. It is instructive to observe how the demand for the minimum wage, originally confined to "abnormal places," was subsequently extended to cover all hewers, whatever their position, and independent of the amount of work performed; and finally, "all men and boys employed underground." The miners further demanded that the hewer working in an abnormal place should receive "full wages, the rate to be the average rate of wages previously earned by the workmen in normal conditions, which shall not be less than the recognised minimum or average rate paid in each district." Later, they tabled their schedules, and laid it down that the rates given therein admitted of no modification. It thus appears that while the owners have throughout been willing to admit the right of workmen employed in abnormal places to receive wages commensurate with the work performed—in other words, to give special consideration to such cases and to agree with the workmen the means by which such wages should be ascertained—the men's claims have gone far in excess of this; their price, like that of the Sibylline books, advancing with each refusal.

The position then is as follows: We have, from the coal miners, a definite claim for the minimum wage for all classes of workers, boys included. This claim has been sanctioned and made obligatory by the present Act, and in settling such minimum rate the District Board is enjoined to have regard to the average daily rate of wages paid to the workmen of the class for which the minimum rate is to be settled. Behind this we have the demand, already distinctly audible, for a minimum wage in every class of industry; Mr. Tom Mann and Mr. Ben Tillett

have already asserted it as their view that the profits of industry are sufficient to pay a minimum of £2 per week to every worker, irrespective of his capacity or output.

In the background, again, we discern the menacing figure of the new Syndicalism—which in South Wales has formulated its aims and objects in the pamphlet known as the “Miners’ Next Step.” The authors begin by defining their immediate demands as a minimum wage of 8s. per day for all men engaged in or about the mines, and this obtained, the hours of labour are to be reduced to seven per day. The ultimate object is the “elimination of the employer” by the use of “the irritation strike,” and the consequent “taking over and working of the mines in the interest of the workers themselves” (sec. xiii. and xiv., p. 26).

In the consideration of these demands we shall be inclined, I think, to take a wider and more sympathetic view of the claims and aspirations of Labour than would have been the case a generation ago. Economic efficiency will endorse the plea of moral responsibility in admitting and sanctioning a claim for a minimum wage in the sense of a “living wage”—defined as the wage on which a working man can live and support a wife and family in decent comfort, with a margin that enables him to lay something by to insure against sickness and old age; and, meanwhile, to enjoy such a share of leisure or recreation as befits a man who, besides being a toiler, is also “a citizen of no mean city.” Further than this it is difficult to go. I do not understand a minimum wage which is to be fixed, as in the case of coal-mining, with regard to the “average rate” paid in each district. The introduction of an “average” (the mean of the highest and lowest wages earned), appears to introduce elements entirely foreign to the idea of a “living” wage; nor does it seem possible to justify on the basis of a “living” wage the wide discrepancies between the figures proposed for the minima in different districts. One thing is certain, that the passing of the Minimum Wage Act is a step of the gravest importance to our industrial system, and one that may have consequences which its framers little foresaw. It may reasonably be predicted that Government intervention in this case, as in others, must involve a measure of Government control; it would seem to follow that Government must insist on some security for the performance of contracts to which they have practically become parties. The Federation funds can no longer reasonably be immune from claims for damages, and when unionists refuse to work independent labour must be encouraged to step into the breach. The coal miners may have to pay for

victory by loss of privilege. They will have to learn that if Labour has its rights (to paraphrase a well-worn axiom) it has also its duties, and that in a civilised State no class of industry can be permitted to "hold the nation to ransom," or to pursue what it deems to be its own interest regardless of the suffering such action may entail on other classes of industry, or of the loss and danger involved to the community at large.¹

EVELYN HUBBARD

BLIND-ALLEY LABOUR.

THE term "blind alley" has become a phrase of the market-place; it is used often as a means of characterising the chief evil of juvenile labour, and is loosely interpreted to convey a multitude of sins. It is necessary, therefore, when public attention is being turned more and more to the problems of juvenile labour, to examine the nature of the "blind alley" and the real evils associated with it.

Blind-alley labour is boy and girl labour employed in an industry from which it will be ejected towards the end of adolescence. The blind-alley worker is one temporarily employed in an industry for a few years (the length of time varying from industry to industry) without at the end of the period obtaining a permanent foothold in it as an adult worker. The essence of the blind-alley job is that it is a juvenile job, offering little opportunity for absorption into the higher grades of the industry. A boy who enters an engineering shop, though he may not receive an all-round training such as apprenticeship is alleged to have provided formerly, has a reasonable chance of ultimately taking his place as a man in the trade, if not as a skilled engineer of some sort, at any rate as an engineer's labourer. On the other hand, a van-boy has but a small chance of becoming a carman, and even allowing for the fact that, in the case of railway companies, a proportion of them may be absorbed into other branches of the transport service (as porters, cleaners, &c.), there is still a considerable number who find themselves in a very few years superseded by younger boys, and are driven to find a market for their labour in other directions.

The case of the van-boy may be profitably examined a little further. As most vans carry both a man and a boy, the numbers

¹ I desire to express my indebtedness for material in the above paper to Professor Ashley's *Adjustment of Wages*, and to Mr. and Mrs. Hammond's *The Village Labourer*.