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The Dispute in the Engineering Trades

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Source: *The Economic Journal*, Vol. 8, No. 29 (Mar., 1898), pp. 115-124

Published by: Wiley on behalf of the Royal Economic Society

Stable URL: <http://www.jstor.org/stable/2956714>

Accessed: 25-06-2016 20:46 UTC

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## NOTES AND MEMORANDA

### THE DISPUTE IN THE ENGINEERING TRADES.

AFTER seven months the great struggle has ended in the victory of the Employers' Federation, and the revival of activity under new conditions of a great national industry is of greater immediate interest than the negotiations and events of the struggle itself. It will be convenient, however, to pick up the threads of the story at the points at which they were dropped in the last number of the JOURNAL. On December 3rd the apparently abortive conference of representatives of the Employers' Federation and the Allied Trades ended, and the employers presented their "ultimatum."<sup>1</sup> On its terms the men were invited to ballot, and the rejection by an overwhelming majority of the conditions offered was the result. The figures were reported on December 14th, and showed that a majority of no less than 68,214, out of 68,966 votes recorded, had been given against the employers' terms. A few days later, the same terms, amplified and explained after renewed conference, were again balloted upon. It was at this time that the men's representatives made the serious tactical blunder of inviting the opinion of the members, not only on the terms themselves, but also on the terms if accompanied by the concession of a fifty-one hours' week—a concession that had never been offered by the employers. With or without the shorter working-day, however, both proposals were again rejected by a very large majority, but from this moment the logical position of the men's leaders was weakened; the charges that had been freely circulated in the press and on the platform up to this date—that the conditions of the employers, if accepted, would annihilate the unions—lost their force when it was seen that the chief representatives of the men would be willing to accept them if a shorter working week were granted at the same time. The position of the leaders was, however, apparently unaffected. The agitation proceeded, and negotiations between the Federation and the Allied Trades were for the time completely suspended.

On January 1st a general conference of the representatives of Trade Unions met in London to consider the situation, and 198 delegates,

<sup>1</sup> *Vide* page 117.

said to represent some million and a half of men, attended. It was a striking demonstration in force on behalf of the right of association, which many trade unionists honestly thought at this time was being assailed and imperilled; but the meeting had little importance so far as the actual dispute was concerned. Little or nothing came of it except votes of sympathy with those involved in the dispute, and resolutions recommending all trade unionists to pay a weekly levy and the various executives to guarantee immediate financial help.

These were, perhaps, the weeks when feeling was keenest, and the high-water mark of personal partisanship was illustrated by the letter addressed by Mr. John Burns at this time to the trade union electors of York, urging them, independently of questions of general policy, to refrain, except under certain conditions that could not possibly be entertained, from voting for Sir Christopher Furness, the parliamentary candidate who happened to be also a member of the Employers' Federation. It ought to be stated that this advice was rejected by the engineers at York, but the letter illustrated a widespread feeling, especially perhaps in London.

It is remarkable that in the main the language of hyperbole, the extravagant partisanship, and even the shouting have been the work of irresponsible sympathisers and not of combatants. Occasionally a leader's speech may have been pitched in too high a key, but in the main the contest has been remarkable, not only for the importance of the issues involved, but for the self-restraint and tenacity of purpose that have been shown. It is to the men, as being on this occasion the weaker party, that the greatest credit is due, and a conclusive proof of the genuine part that trade unionism plays in our industrial life is to be found in the determination on the part of thousands of men still in work week after week to pay a levy of three or four shillings to support the men who were out, and the loyalty of the latter which made them hold together to the very end. They kept out in a body, and they have gone back to work in a body, as the conditions of employment have allowed. The resumption of work has, it would appear, been accompanied by but little friction, although it is melancholy to learn that in some districts as many as 25 per cent of the men have so far been unable to regain employment. But the *sauve qui peut* stage was happily never reached, and though financially weakened the Amalgamated Society of Engineers has maintained its integrity throughout.

Though the new year opened with the general Trade Union Conference, and though many anticipated a considerable extension of the area of dispute and prolongation of the struggle, the hopes of an early settlement were renewed by the issue of further notes by the employers on January 10 explaining the disputed terms with still greater fulness, and safeguarding against the risks of misinterpretation. These explanations and the steady shrinkage of the funds at the disposal of the men bore fruit, and on January 15th the withdrawal by the London Eight Hours Central Committee of the demand for eight

hours, *fons et origo malorum*, was announced. It was assumed by some that the withdrawal of the Federation lock-out notices would follow as a matter of course, but the dispute had long ceased to turn on the question of working hours, and the Federation had already decided that there could be no resumption of work until their terms, as formulated after the conference of December 17th, had been accepted. For this purpose other meetings between the representatives of the Federation and of the Allied Trades were necessary, and these were held on January 20th and 21st. Further notes of explanation were agreed to by the employers, and the members of the Amalgamated Society of Engineers, according to their rules, were again called upon to ballot, this time being advised by their executive to accept the proposed terms. The returns were received on January 28th. The total number of votes was smaller by 12,109 than that by which the conditions had been rejected on December 14th, indicating a large body of unrecorded and thus uncertain opinion, while the results themselves showed no unanimity. But 28,588 voted in favour of acceptance as compared with 13,727 against. A majority of more than two to one was thus secured, and the resumption of work began on January 31st.

Thus this great dispute, in which some 70,000 men have been directly and indirectly engaged; in which some £600,000 has been spent out of the resources and the levies of the trade unions involved; and some £170,000 from outside sources—by far the greater part of this coming from other (mainly British) trade unions; in which many millions seem to have been wasted, and in which a great national industry has been seriously crippled, had now ended. The struggle had been a remarkable example of discipline and loyalty, and whatever opinions may be held on the policy pursued,<sup>1</sup> few can fail to admire the temper in which the battle has been waged. It is idle to think in these days of ending the unions; the best employers are indeed the first to recognise the importance of many of their functions; and the strong tie that binds members together has been forcibly illustrated by this very battle that seems to have ended in their signal defeat.

The following are the final terms of settlement. The main conditions remain as they stood on December 17th; and all important alterations agreed to then, by which the original "ultimatum" of

<sup>1</sup> Many vague statements have been made as to the so-called socialistic policy of the A.S.E. The large vote given a few years back to Mr. Tom Mann when he was a candidate for the general secretaryship, and the election of Mr. Barnes himself to that office, are probably an indication of a large socialistic element in the Society. But this has not been proved by the dispute itself. Moreover, the attempt to obtain an eight hours' day by the voluntary action of a trade union moving on behalf of an exclusive class is in itself non-socialistic in character, and the resort to the weapon of the strike and the large expenditure of money and energy in this dispute instead of in political propaganda has been vigorously condemned by many leading socialists.

December 3rd was modified, are printed in italics. The subsequent notes, which are to be read as part of the agreement, are dated, and thus the whole course of the negotiations can be traced.

## FINAL TERMS OF SETTLEMENT.

### GENERAL PRINCIPLE AGREED TO OF FREEDOM TO EMPLOYERS IN THE MANAGEMENT OF THEIR WORKS.

The federated employers, while disavowing any intention of interfering with the proper functions of trade unions, will admit no interference with the management of their business, and reserve to themselves the right to introduce into any federated workshop, at the option of the employer concerned, any condition of labour under which any members of the trade unions here represented were working at the commencement of the dispute in any of the workshops of the federated employers; but, in the event of any trade union desiring to raise any question arising therefrom, a meeting can be arranged by application to the secretary of the employers' local association to discuss the matter.

Nothing in the foregoing shall be construed as applying to the normal hours of work, or to general rises and falls of wages, or to rates of remuneration.

Note [Jan. 10].—No new condition of labour is introduced or covered by this clause. It simply provides for equality of treatment between the unions and the Federation by reserving for all the members of all the trade unions as well as for all the federated employers the same liberty which many trade unionists and many employers have always had.

Special provision is made in the clause and in the subsequent "provisions for avoiding future disputes," to secure to workmen, or their representatives, the right of bringing forward for discussion any grievance, or supposed grievance.

### 1.—FREEDOM OF EMPLOYMENT.

Every workman shall be free to belong to a trade union or not, as he may think fit.

Every employer shall be free to employ any man, whether he belong or not to a trade union.

Every workman *who elects to work in a Federated workshop* shall work peaceably and harmoniously with all fellow employees, whether he or they belong to a trade union or not. *He shall also be free to leave such employment, but no collective action shall be taken until the matter has been dealt with under the provisions for avoiding disputes.*

*The Federation do not advise their members to object to union workmen or give preference to non-union workmen.*

Note [Jan. 10].—The right of a man to join a trade union if he pleases involves the right of a man to abstain from joining a trade union if he pleases. This clause merely protects both rights. The Federation sincerely hope that a better understanding will prevent any question of preference arising in the future, and advise the members not to object to union workmen.

## 2.—PIECEWORK.

The right to work piecework at present exercised by many of the federated employers shall be extended to all members of the Federation, and to all their *union* workmen.

The prices to be paid for piecework shall be fixed by mutual arrangement between the employer and the workmen *or workmen* who perform the work.

The Federation will not countenance any piecework conditions which will not allow a *workman of average efficiency*<sup>1</sup> to earn at least the wage at which he is rated.

The Federation recommend that all wages and balances shall be paid through the office.

Note [Jan. 10].—These are just the conditions that have been for long in force in various shops. Individual workmen are much benefited by piecework.

A mutual arrangement as to piecework rates between employer and workman in no way interferes with the functions of the unions in arranging with their own members the rates and conditions under which they shall work.

## 3.—OVERTIME.

Terms of Recommendation agreed to be made to Employers :

When overtime is necessary the federated employers recommend the following as a basis and guide :—

That no man shall be required to work more than forty hours' overtime in any four weeks after full shop hours have been worked, *allowance being made for time lost through sickness or absence with leave.*

In the following cases overtime is not to be restricted, viz. :—

Breakdowns in plant.

General repairs, including ships.

Repairs or replace work, whether for the employer or his customers.

Trial trips.

*It is mutually agreed that in cases of urgency and emergency restrictions shall not apply.*

This basis is to apply only to members of the trade unions who are represented at this conference.

<sup>1</sup> Instead of "an efficient workman."

All other existing restrictions as regards overtime are to be removed.

*It is understood that if mutually satisfactory to the local association of employers and the workmen concerned existing practices regarding overtime may be continued.*<sup>1</sup>

Note [Jan. 10].—These overtime conditions are precisely the conditions now in operation in various places, though in many federated workshops no limitation whatever exists at the present time. In many cases this will be the first attempt to regulate, or prevent excess of overtime.

#### 4.—RATING OF WORKMEN.<sup>2</sup>

*Employers shall be free to employ workmen at rates of wages mutually satisfactory. They do not object to the unions or any other body of workmen in their collective capacity arranging amongst themselves rates of wages at which they will accept work, but while admitting this position they decline to enforce a rule of any society or an agreement between any society and its members.*

*The unions will not interfere in any way with the wages of workmen outside their own unions.*

*General alterations in the rate of wages in any district or districts will be negotiated between the employers' local association and the local representatives of the trade unions or other bodies of workmen concerned.*

Note [Jan. 10].—Collective bargaining between the unions and the employers' associations is here made the subject of distinct agreement.

The other clauses simply mean that as regards the wages to be paid there shall be—(1) Freedom to the employer; (2) freedom to the union workmen both individually and in their collective capacity—that is to say, collective bargaining in its true sense is fully preserved; and (3) freedom to non-unionists.

These conditions are precisely those in operation at present on the North-East Coast, the Clyde, and elsewhere, where for years past alterations of wages have been amicably arranged at joint meetings of employers and representatives of the trade unions.

#### 5.—APPRENTICES.

There shall be no limitation of the number of apprentices.

Note [Jan. 10].—This merely puts on record the existing practice, and is to prevent a repetition of misunderstandings which have arisen in some cases.

<sup>1</sup> The following words were omitted: "No alteration, restriction, or extension of this basis shall be made except by mutual agreement between the employer and the individual workman concerned."

<sup>2</sup> This clause was entirely recast. It originally ran as follows: "Every workman shall be paid according to his ability, and no employer shall be restricted in employing any workmen at any rate of wages mutually satisfactory to them," with an added note that there was "no intention whatever to reduce the rate of wages paid to efficient workmen."

## 6.—SELECTION, TRAINING, AND EMPLOYMENT OF OPERATIVES.

Employers are responsible for the work turned out by their machine tools, and shall have full discretion to appoint the men they consider suitable to work them, and determine the conditions under which such machine tools shall be worked. The employers consider it their duty to encourage ability wherever they find it, and shall have the right to select, train, and employ those whom they consider best adapted to the various operations carried on in their workshops, and will pay them according to their ability as workmen.

Note [Jan. 10].—There is no desire on the part of the Federation to create a specially favoured class of workmen.

## PROVISIONS FOR AVOIDING DISPUTES.

With a view to avoid disputes in future, deputations of workmen will be received by their employers,<sup>1</sup> by appointment, for mutual discussion of questions, in the settlement of which both parties are directly concerned. In case of disagreement, the local associations of employers will negotiate with the local officials of the trade unions.

*In the event of any trade union desiring to raise any question with an employers' association, a meeting can be arranged by application to the secretary of the employers' local association to discuss the question.*

Failing settlement by the local association and the trade union of any question brought before them, the matter shall be forthwith referred to the Executive Board of the Federation and the Central Authority of the Trade Union; and pending the question being dealt with, there shall be no stoppage of work, either of a partial or a general character, but work shall proceed under the current conditions.

Note [Jan. 10].—A grievance may be brought forward for discussion either by the workman individually concerned, or by him and his fellow-workmen, or by the representatives of the union.

[Jan. 21].—In no instance do the federated employers propose conditions which are not at present being worked under by large numbers of the members of the Allied Trade Unions.

The federated employers do not want to introduce any new or untried conditions of work, and they have no intention of reducing the rates of wages of skilled men.<sup>2</sup>

<sup>1</sup> The words "or their representatives" were omitted.

<sup>2</sup> The following extract from a letter, dated Jan. 21, is also to be read in the terms: "The note appended to the recent explanations issued by the employers, disclaiming any intention of reducing the rates of wages of skilled men, applies both



These conditions, with relative notes, are to be read and construed together.

It is agreed that there shall be a resumption of work simultaneously in all the workshops of the federated employers on Monday morning, 31st January, 1898.

Parties mutually agree that the foregoing shall be the terms of settlement."

The claim advanced by the men for a forty-eight hours' week was entirely put on one side by the employers, it being met by a statement that the condition of the engineering trades in this country would not allow of any increase in the cost of production, which it was argued would follow from the adoption of a shorter working day. In the final agreement therefore, there is no reference whatever to the very point upon which the initial claim of the men was based.

Perhaps the most important fact, however, revealed by the settlement is not the conditions themselves but rather the machinery by which they have been secured. It is the Federation that has been brought into such effective existence that is the most significant feature of the whole dispute. Collective action on both sides has for the first time been complete, and instead of the abolition of collective bargaining that some have prophesied, a completer machinery than ever before is now provided in the engineering trades to guarantee the recognition of all collective understandings. It remains for the future to decide how far organized labour can hope to compete on equal terms with organized capital, and to what extent the action and policy of the former will have to be modified in order to meet this new form of counter-combination which, no less than labour, can be militant and aggressive in case of need.

The extent to which the conditions as to the rating of workmen will lead to individual bargaining will depend on the unions themselves. In no trades except in such as are completely organized can it be a condition that not less than a given minimum must be paid, and in no trades is there any undertaking on the part of employers to enforce a rule that unions may make for themselves. In the engineering trades men are not taken on as members or non-members of a trade union, but simply as possessing the required degree of efficiency. If they are average men they will be able, whether members of a trade society or not, to secure the local standard rate. The trade union helps to secure a certain degree of uniformity of pay and to eliminate uncertainty as to what the rate will be. But in such a partially organized, sometimes very incompletely organized, collection of trades as the engineers, a union cannot expect to enforce the recognition by the employers of what in any given district it may regard as the fair minimum. Even of the highly organized Boiler-makers Mr.

to time wages and to piec work earnings. In the latter case there is no intention of interfering with the usual practice of making extra payment for extra effort."

Knight states "The employers know our rates and do not attempt to pay our members less, but if they thought they could get men outside our society who would do the work cheaper they would have a perfect right to do so." In the same way it must depend primarily on the efficiency and the cohesion of the engineers in every locality to maintain the standard local rate for their members, and in this connection they will be strengthened by the important note of January 21st, to the effect that the federated employers have no intention of reducing the rate of wages of skilled men.

It is also worthy of note that differential rating, although it might make it more difficult, does not in itself abolish collective bargaining, since a general rise or fall on the basis of percentages is just as possible and would be just as comprehensive in its action as an agreement to raise or lower some uniform rate.

The danger of the collective being lost in the individual bargaining through the subtle medium of the piecework system of employment will have to be avoided in the same ways. It is admitted that no piecework schedule can be complete in the engineering trades, either as a whole, or even in particular firms. The settlement of rates has to be arrived at by the accumulation of recognised lists of prices, that at least offer a basis of comparison for new work; by fair play on both sides, since fresh measuring up of work is constantly necessary; and by the undertaking of employers not to countenance piecework—conditions that will not allow "a workman of average efficiency to earn at least the rate at which he is rated" and not to lower the present level of piecework earnings.

But the conditions as regards rating and piecework, as also as regards overtime and apprenticeship, are of considerably less practical importance at the present juncture than those relating to the working of machine tools. It is in this connection that the policy of the union has in the past been often most shortsighted and the efficiency of management been most hampered. The liberality of policy adopted by the A.S.E. in the admission of a very varied class of members has been often accompanied by considerable narrowness in the regulations they have in practice sanctioned for the conditions under which men should work. In this connection they have not faced facts, and have persisted in the shortsighted policy (since Englishmen are protected by no ring fence) of trying to make men work according to a worn-out and insular tradition and not according to the economic conditions of the present time. They have been partly biassed by inertness and partly guided by a mistaken altruism into the adoption of a policy that has frequently wasted capacity, and weakened a great industry. But the pressure of invention, the stress of foreign competition and the lessons of the past months have brought about the change that was necessary, and the freedom in the manning of machine tools that employers have now secured is probably the most important practical result of the dispute. In the Engineering Trades there is no pro-

tection to the operatives, as is found, for instance, in the Building Trades, from any fixity in their products ; nor is there any monopoly of skill, perhaps even no supremacy of technical aptitude, possessed by the workmen of this country. As in the Cotton Trade so in the Engineering, it has to be recognized that in order to maintain its national position, an international relationship in the conditions of working has to be maintained, and the practical admission of this fact will do much to remove a restraining incubus. It will tend, even though it will inevitably bring hardship on individual men, to increase the total volume of employment in the country ; and it will probably do much to facilitate the introduction of that shorter working day to secure which the dispute began. The employers met the claim for a shorter day by saying it would be followed by diminished output and increased expense, but if the efficiency of production can be increased, then the way is best prepared for that reduction of hours which is desired.

ERNEST AVES

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#### THE POLICY OF THE ENGINEERS.

THE following is a provincial view of the engineers' policy in the recent dispute. The masters have fought far more against interferences in regard to machinery and the claim of trade unionist officials to "boss" their workshops than against the demand for an eight hours' day. Take a case in Leeds. A firm had two lathes which one good man at 35s. a week was perfectly capable of managing by himself. Possibly a boy only was needed. The trades union official, however, interfered, and insisted that there must be two men at the job, each of whom would be paid, say 28s. a week. Another case, which also comes from a non-interested and quite trustworthy source, is equally instructive. A man had a machine to look after which frequently did not need watching for half an hour at a time. During one of these intervals he began sharpening his tools. The foreman came up and told him to put them away. "Why?" "Because this is your own time, and you must sharpen tools in your employer's time." The further development of a system of this sort would of course be ruinous, and one cannot wonder that the masters were alarmed at what seemed to be only the beginning of a new policy.

These recent developments are due to the success of the Independent Labour Party in this particular society ; but there is always sure to be *some* discouragement to good workmen, for the trade union must be ruled by a majority, that is by a mediocrity which refuses to allow the best workmen to receive the reward of superiority. Then there are the secretaries. A great deal of unnecessary meddling is done by paid officials, who think that they ought to show something for their money. So they fuss about in their district and bully small employers. The local branch of the trade