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Hours, Wages, and Welfare in Industry.

OF all the problems which have been left to Great Britain as a legacy of the War, that of unemployment has proved to be the most tragic, most persistent, and most intractable. Ever since the short-lived boom of 1919 the nation has had to contemplate week by week the spectre of anything from 1 to 2 million workers unemployed. Although the anxiety arising from this fact has been alleviated in some degree by the knowledge of the relief arising from the operation of the Unemployment Insurance Act, it is to our credit as a nation that we have never ceased to concentrate attention on remedies for this evil as well as on palliatives of its worst defects. Private investigators have inquired carefully and scrupulously into the effects of unemployment, and official analyses of the unemployed have been made in order to get so far as possible to the tenacious, deep-seated roots of the trouble.

It was not, therefore, surprising that when the first Labour Government came into power it should follow the excellent British tradition of appointing a committee to inquire into the conditions and prospects of British industry and commerce, with special reference to the export trade. Accordingly, the Committee on Industry and Trade was set up by Mr. MacDonald on July 28, 1924, with a distinguished and impartial personnel ranging from members responsible for the conduct of large industrial undertakings, with economic experts and the chief economic adviser to the Government, to representatives of the wage-earners. As is the British custom also, the political colour of the Commission was blended in a judicious pattern. In a memorandum accompanying the terms of reference, the Committee was asked to direct its attention first to the position of British Overseas Trade and the prospect of British participation in the markets of the world. In pursuance of this request, the Committee issued in July 1925 a first volume entitled "Survey of Overseas Markets," in which it surveyed Overseas trade and brought together in a convenient and accessible form a mass of valuable data upon that subject.

Another of the three questions put up to the Committee in the memorandum referred to was that of the relations between those engaged in production. In the words of the memorandum, "This will involve inquiry into methods of industrial remuneration, the main causes of unrest and disputes, and the methods of avoidance or settlement of disputes, as, for example, co-partnership, co-operation, wages boards and voluntary arbitration, State regulation of wages, and compulsory arbitration and compulsory enforcement and extension of agreements."

Faithful to this term of reference, the Committee has now produced a second volume,¹ which covers the ground indicated by our quotation. The main part of the book consists of six chapters on population, wages, conditions of labour, unemployment, machinery for industrial negotiation, and statistical data respectively. As the terms of reference required the Committee to have special regard to the export trade, the investigations were limited to those industries which account for the major part of exports of British manufactures, namely, coal mining, iron and steel, engineering and shipbuilding, electrical manufacturing, cotton, woollens and worsted, chemicals, and clothing. The information in the six chapters referred to has, of course, been mainly supplied by the Government Departments concerned. Upon the Registrar-General fell the labour of providing statistics as to population; the rest of the burden was mainly carried by the Ministry of Labour, the Mines Department, the Board of Trade, and the Home Office. In what is termed an introduction, of 53 pages in length—practically a review of the mass of the information gathered—the Committee surveys the field of labour and brings out the principal facts and tendencies. The keynote of this survey is to be found in the statement that “the primary objects of this volume are descriptive throughout and no systematic attempt has been made therein to trace and co-ordinate the underlying causes of the phenomena described, still less to formulate conclusions as to remedial measures.”

The publication of the volume rests upon the Committee's belief “that the impartial ascertainment and publication of authoritative data on certain essential aspects of industrial relations in Great Britain will not only be of value to a large number of persons who desire a trustworthy book of reference, but will also conduce towards the better understanding of present-day economic problems, both by limiting the field of controversy and by facilitating and clarifying discussion.” To the constant student of economics, therefore, this volume brings little added knowledge. It is a praiseworthy book of reference, but little more. Nevertheless, on that account alone its value is not to be denied. We may therefore with advantage pick out some of the principal facts established in order the better to equip ourselves in our consideration of the industrial problems which Great Britain has yet to solve.

Although it is customary to speak of four agents of production, namely, land, capital, labour, and organising

ability, in the ultimate analysis, all is seen to depend upon the productivity of human effort. Land is limited in quantity, and has its own degrees of fertility. Capital is itself the fruit of productivity, stored up in quasi-permanent form. The free gifts of Nature, the sunshine and the rain, are beyond human choice or control. Labour therefore, excluding for the present its small but important sub-class of organising ability, is of supreme importance to the Committee on Industry and Trade. The growth and distribution of the population thus naturally receives first attention in this report.

During the decade from 1911 to 1921, containing the War years, the increase of population in Great Britain was less than 2 millions, or scarcely more than half of that of the preceding decade from 1901 to 1911. This figure, of course, includes children, wives, and others who followed no industrial occupation, and omitting this, the War decade showed an increase in the number of occupied persons, whether employers or employees, of just over a million. But the War, with its heavy loss of adult male lives, left its mark in the altered distribution by ages of the occupied population. Practically the whole of the million increase referred to took place in the older-age groups, those above 45 years. This decline in the proportion of workers of the most efficient ages cannot be overlooked in weighing the degree of productivity available to industry, and the Committee, in noting this fact, points out also that future years are likely to show this factor of disadvantage in an increasing degree. Britain has thus two million more mouths to feed, with one million more workers, but the productive efficiency of the working population as a whole must be taken to have been diminished, though but slightly, by the heavier proportion of workers in the older-age groups. Here is one definite result of the War, which is not likely to be remedied by natural events for many years. To offset it, one must look largely to improvements in industrial organisation.

Another striking problem which has remained to us from the War is the mal-distribution of the workers among the industries. Statistics on a comparable basis for 1911 and 1921 are available for England and Wales only. Speaking in terms of percentages of the number of occupied persons, we notice that for agriculture the figure has fallen between 1911 and 1921 from 7.55 to 6.54 per cent., for the manufacture of clothing (including boots and shoes) from 6.45 to 4.74 per cent., and for building, decorating, and contracting from 5.29 to 4.42 per cent. To those who have followed the history in recent years of agricultural economics, the fall in this industry will come as no surprise. But the Committee on Trade and Industry

¹ “Committee on Industry and Trade. Survey of Industrial Relations Based on Material mainly derived from Official Sources, with regard to Industrial Remuneration, Conditions and Relationships in Great Britain and certain other Countries so far as available; together with Statistical Tables.” With an Introduction by the Committee. Pp. v+497. (London: H.M. Stationery Office, 1926.) 5s. net.

is not concerned with this, and the absence of any comment is not surprising. We had, however, expected some comments on the two other decreases we have mentioned. Perhaps it is assumed, and rightly, that the public is already sufficiently aware of the difficulties in providing the additional labour in the building industry. But what is the reason for the fall in the number of persons occupied in manufacturing clothing? We have two million more to clothe, yet the percentage of workers engaged has decreased by more than 25 per cent.

It is not, however, so much the decreases as the increases in various industries which invite attention. Coal mining in 1921 occupied 6.59 per cent. of the occupied population, compared with 5.96 per cent. in 1911. Here, again, the Committee rightly assumes that little comment is needed. In the chemical and paint industry the percentage has risen from 0.81 to 1.15, a striking increase. In metals, machines, implements and conveyances, the increase is from 9.31 to 12.37 per cent. The Committee is content to record these facts. We should have welcomed some exploration of their causes, their effects, and the possibility of some amelioration of the economic disadvantages to which they have given rise. How far, for example, are the Rent Restriction Acts, with their paralysing effect on mobility, to be saddled with the responsibility for the persistence of these abnormalities? At a later stage in the introduction, the Committee discusses the relation between sheltered and unsheltered trades, but this important fact of supply is not brought into the arena. It is considered that the prime difference between sheltered and unsheltered trades depends on the element of time. From that we must dissent. As regards the relation of these facts also to unemployment, the Committee is content to state that it does not deal with the large problem of the mobility of labour, because there are no official data enabling its cumulative effect to be estimated.

After treating of population, the Committee turns to the kernel of this part of the terms of reference, and deals with wages and earnings. As is pointed out, on this subject there is the view of the employer and the view of the worker. To the former, the governing consideration is the amount of earnings per unit of output; to the latter, the primary consideration is the total quantity of necessary or desirable commodities which he can purchase with his weekly earnings. The necessity of distinguishing, so far as practicable, between wages as an item of cost and as a means of livelihood is therefore emphasised. Here again we are faced with the lamentable paucity of official statistics. There has been no comprehensive survey of wages since the partial inquiry of 1906; there has been no effective census of production since

1907; there has been no adequate inquiry into the household budgets of the workers since 1904. In the present year we may hope to have the results of official inquiries in the first two of these fields; as for the third, we must still possess ourselves in patience. The Committee records, therefore, that it is compelled to resort to imperfect methods of estimate.

From the slender information available, the Committee concludes that the net rise in money wages per week on the whole averages between 70 and 75 per cent., but that, first, the proportionate rise has been greater for the less skilled than for the more highly skilled workers; and secondly, the proportionate rise has been less for industries directly exposed to the blast of foreign competition than for those which are less exposed to that competition. As already mentioned, it is the real cost of labour with which the employer is concerned, and the Committee therefore proceeds to examine this aspect of the question. Since the index number of wholesale prices for 1924 was about 66 per cent. higher than its pre-War level, it follows that, *ceteris paribus*, there has been, on the average, a small increase in real wages, and therefore a small increase in the wages element in the real cost of production. But here again there is the same condition of unequal distribution between the sheltered and unsheltered industries, or unexposed and exposed industries, as the Committee prefers to call them.

The reliability of these conclusions is, however, somewhat weakened by the fact, pointed out by the Committee, that everything depends upon the *ceteris paribus*. If other factors have not remained constant, if the efficiency of labour or of industrial organisation, for example, has varied, then some of this reasoning must be revised. The Committee therefore postpones its final conclusions until the results of the evidence it is taking and of its own special investigations can be reviewed. When this point is reached we may hope the fallacy of averages will be borne in mind, and that the Committee will be content with recognised lines of statistical technique.

From the point of view of the worker, concentrating on the purchasing power of his weekly wages, the cost of living index must be substituted for the index of wholesale prices. As the mean of the monthly numbers for that index was 75 per cent. above the pre-War figure, the Committee notes that, again on the average, there was little if any change in real wages to the worker, but that the same disproportionate distribution appears between skilled and unskilled men, between sheltered and unsheltered trades. The validity of all these conclusions is, however, impaired by the limitations to which the evidence on which they are based is subject. It is stated, for example, that "the

information at the disposal of the Ministry of Labour is insufficient to enable the average percentage increase for all industries and occupations to be computed with precision, but it is estimated. ...” Again, “No information is available, however, as to changes which have occurred in rates of wages in industries, or sections of industries, in which neither standard nor minimum rates, nor the general amount of increase or decrease in rates of wages, have been fixed by collective agreements, arbitration awards, Statutory Orders, etc.” And finally, “No corresponding figures [of pre-War and 1925 wages] can be given as regards the earnings of piece-workers, who form a large proportion of the skilled work-people in many of the principal export trades.”

We do not wish to dwell too strongly on these defects, but that there may be a substantial difference between estimates based on rates of wages and facts as to actual earnings is shown, on the one hand, by the inclusion of skilled engineers in a table under the heading of “Increases substantially below the general average,” and on the other hand, by the definite statement, based on statistics furnished by the Engineering Employers’ Federation, that for engineering workers, skilled and unskilled, the general average rise of money earnings was about 73 per cent. when working on piece, and 65 per cent. when working on time, or taking both together, and including the shift over from time to piece which has taken place since 1914, an increase of 73 per cent. This compares with the 75 per cent. increase in the cost of living. As we are also told that piece-work is widely prevalent in the textile, mining, iron and steel and clothing groups, but that time work is still much the more usual method in the engineering and kindred trades (despite the tendency to change from time to piece), we begin to have some doubts whether the difference between sheltered and unsheltered industries is so clean-cut and definite as the Committee’s report suggests.

We have only space to mention some of the other topics of absorbing interest brought together in this survey. There are interesting tables of the movements of real wages in other countries, but the impossibility of relating different national standards of living, to say nothing of the incomparability of national methods of calculating the movements in the cost of living, robs them of much value. Comprehensive particulars are here brought together of changes in hours of labour, welfare work, unemployment, conciliation and arbitration machinery, all relevant to the problems of industry to-day. We notice, for example, that the time lost through sickness amounted in 1924 to more than 26 million weeks, or more than eighteen times the number of weeks (1.4 million) lost through trade

disputes in the same year. Yet there are many who deem national expenditure on health and welfare work a waste of money.

Every thoughtful student of national well-being must be very grateful to the Committee on Trade and Industry for this publication. We may perhaps be permitted also to include in this recognition of work well done all the labour which fell upon the Government Departments concerned. Two-thirds of the Committee’s task has been accomplished, but the greater part still remains. The productive capacity and organisation of British industry, the supply and efficiency of capital, labour and management, the present extent of large-scale production, its possibilities and limitations, the current methods of industrial and commercial finance, etc., have yet to be investigated. In this sphere, if anywhere, the Committee must come to real grips with its problem, namely, the root causes of the depression of the coal, iron and steel, textile and other industries, which have steadily lost ground in the last seven years. We look forward eagerly to the remaining volume, in which the Committee will deal with these baffling problems, and on which the justification for its appointment and labours will be almost entirely judged.

W. H. COATES.

Avian Migration.

Problems of Bird-Migration. By Dr. A. Landsborough Thomson. Pp. xv+350. (London: H. F. and G. Witherby, 1926.) 18s. net.

THE study of avian migration has been elevated to a higher scientific plane than heretofore by Dr. Landsborough Thomson in the book under review. The phenomenon of migration has at all times been a secret of absorbing interest and speculation not only among scientific men but also among those whose hobby has been of a scientific nature. As a means whereby evidence can be collected to assist the biologist and to help solve the larger biological problems, a valuable source can be found in avian migration, now that its importance has been recognised. “To study the migration of birds is to investigate the nature of animal behaviour, and to do this is to probe the inmost mysteries and to ask the very meaning of Life itself” (p. 327).

The book is unsatisfactory in the sense that it fails to satisfy, but at the same time it completes the picture in as thorough a manner as our present knowledge will permit. A creditable, over-cautious strain permeates the whole book, which is delightfully free from dogmatic or fanciful theories.

Part I. summarises all known facts bearing on the subject, serving as an excellent basis for further investi-