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LABOR AS AFFECTED BY THE WAR SERIES

**JOINT INDUSTRIAL COUNCILS
IN GREAT BRITAIN**

**REPORTS OF COMMITTEE ON RELATIONS
BETWEEN EMPLOYERS AND EMPLOYED,
AND OTHER OFFICIAL DOCUMENTS**



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BULLETIN OF THE U. S. BUREAU OF LABOR STATISTICS.

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JOINT INDUSTRIAL COUNCILS IN GREAT BRITAIN.

INTRODUCTION AND SUMMARY.

An entirely new departure affecting the relations between employers and employed in Great Britain, with a view to improving such relations and fostering a better understanding on both sides in order to prevent many of the difficulties which have heretofore interfered with complete cooperation between employers and workpeople, is the proposal to establish joint industrial councils, as set forth in the report of the Reconstruction Committee¹ subcommittee on relations between employers and employed issued on March 8, 1917. This subcommittee was appointed in October, 1916, by the Prime Minister (Mr. Asquith)—

1. To make and consider suggestions for securing a permanent improvement in the relations between employers and workmen.

2. To recommend means for securing that industrial conditions affecting the relations between employers and workmen shall be systematically reviewed by those concerned, with a view to improving conditions in the future.

The chairman of the subcommittee was Hon. J. H. Whitley, M. P., chairman of committees, House of Commons, from which fact the first report has come to be known as "the Whitley report," and the committee as "the Whitley committee." The other members of the subcommittee were as follows:

Mr. F. S. Button, formerly member of the executive council, Amalgamated Society of Engineers.

Sir G. J. Carter, K. B. E., chairman, Shipbuilding Employers' Federation.

Prof. S. J. Chapman, C. B. E., professor of political economy, University of Manchester.

Sir Gilbert H. Cloughton, Bart., chairman, London and North Western Railway Co.

Mr. J. R. Clynes, M. P., president, National Union of General Workers.

Mr. J. A. Hobson.

Miss A. Susan Lawrence, member of London County Council and member of the executive committee of the Women's Trade-Union League.

¹ Subsequently the Ministry of Reconstruction.

Mr. J. J. Mallon, secretary, National Antisweating League.
 Sir Thomas R. Ratchliffe-Ellis, secretary, Mining Association of Great Britain.
 Mr. Robert Smillie, president, Miners' Federation of Great Britain.
 Mr. Allan M. Smith, chairman, Engineering Employers' Federation.
 Miss Mona Wilson, national health insurance commissioner.
 Mr. H. J. Wilson, Ministry of Labor, and Mr. Arthur Greenwood, secretaries.

The committee has submitted to the Prime Minister the following five reports, which have been printed in full or summarized by this bureau in its MONTHLY LABOR REVIEW,¹ as indicated:

Interim report on joint standing industrial councils. March 8, 1917. (Cd. 8606.) Printed in full in Bulletin 237 (pp. 229-235) and summarized in the MONTHLY REVIEW for September, 1917 (pp. 130-132).

Second report on joint standing industrial councils. October 18, 1917. (Cd. 9002.) Summarized in the MONTHLY REVIEW for May, 1918 (pp. 59-61) and printed in full in the MONTHLY LABOR REVIEW for September, 1918 (pp. 53-58).

Supplementary report on works committees. October 18, 1917. (Cd. 9001.) Printed in full in the MONTHLY REVIEW for June, 1918 (pp. 163-165).

Report on conciliation and arbitration. January 31, 1918. (Cd. 9099.) Printed in full in the MONTHLY LABOR REVIEW for August, 1918 (pp. 237-240).

Final report. July 31, 1918. (Cd. 9153.) Printed in full in the MONTHLY LABOR REVIEW for December, 1918 (pp. 31-34).

Other official reports, statements of policy, recommendations, etc., bearing upon the Whitley reports, have been issued from time to time by the British Government, which adopted the recommendations of the subcommittee, and these may be set down as follows:

Industrial councils. The Whitley reports, together with letter by the Minister of Labor, explaining the Government's view of its proposals. October 20, 1917. Industrial Reports No. 1. Printed in full in the MONTHLY REVIEW for March, 1918 (pp. 81-84).

Works committees. Report of an inquiry made by the Ministry of Labor. 1918. [Ministry of Labor] H. Q. 7B. Text of portions printed in the MONTHLY REVIEW for August, 1918 (pp. 81-84).

Industrial councils. The recommendations of the Whitley report. April, 1918. [Ministry of Labor] H. Q. 7B. Text of portions printed in the MONTHLY LABOR REVIEW for July, 1918 (pp. 27, 28).

Suggestions as to the constitution and functions of a joint industrial council. May, 1918. Ministry of Labor. H. Q. 7A. Printed in full in the MONTHLY LABOR REVIEW for August, 1918 (pp. 76-79).

Industrial councils and trade boards. Joint memorandum of the Minister of Reconstruction and the Minister of Labor, explaining the Government's view of the proposals of the second Whitley report, together with the text of the report. June 7, 1918. Industrial Reports No. 3. Printed in full in the MONTHLY LABOR REVIEW for September, 1918 (pp. 58-64).

Suggestions as to the constitution and functions of district councils of national joint industrial councils. September, 1918. Ministry of Labor. H. Q. 7L. Printed in full in the MONTHLY LABOR REVIEW for May, 1919 (pp. 116-119).

Works committees. Suggestions prepared by the Ministry of Labor as to the constitution and functions of works committees in industries in which national

¹ This publication was called MONTHLY REVIEW prior to July, 1918.

joint industrial councils are established. September, 1918. H. Q. 7K. Printed in full in the MONTHLY LABOR REVIEW for May, 1919 (pp. 119-122).

It is the purpose of this bulletin to bring these reports together in order that industry generally in this country, and particularly that branch having to do with manufacture, may become acquainted with the movement which has come into operation in Great Britain and which offers opportunity for labor and capital to compose many of their differences and to get together on questions that vitally affect the interests and well-being of each.

SUMMARY OF PUBLICATIONS REPRODUCED IN THIS BULLETIN.

The plan suggested by the Whitley committee has aroused very great public interest in Great Britain and promises to be one of the most significant and far-reaching developments of the war so far as labor is concerned. The committee proposed in its first report that joint standing industrial councils should be formed in the various industries where they did not then exist, to be composed of representatives of employers and employed, regard being paid to the various sections of industry and the various classes of labor engaged, for the purpose of considering "matters affecting the progress and well-being of the trade from the point of view of those engaged in it, so far as this is consistent with the general interest of the community." Cooperation between employers and employed is to be effected not only through these national industrial councils, but also through district councils representative of trade-unions and of the employers' associations in the industry, and, finally, in the workshop through the organization of works committees, representative of the management and of workers. As the first Whitley report states:

The national industrial council should not be regarded as complete in itself; what is needed is a triple organization—in the workshops, the districts, and nationally.

Briefly stated, the aims of industrial councils are (1) to give the employed a direct voice in determining workshop conditions, and (2) to bring employers and employed regularly together in joint consultation. The questions with which it is proposed the national industrial councils shall deal are fully set forth in the first report (pp. 16-23), to which attention is directed.

Several months after the publication of the interim report the committee (on October 18, 1917) issued its second report on joint standing industrial councils, dealing especially with industries in which organization on the part of the employers and employed is less completely established than in the industries covered by the first report and the industries in which such organization is weak or nonexistent.

As has been suggested, one of the features of the Whitley committee recommendations is the proposal for the establishment of works

committees within the shop. It was recognized by the committee that better relations between employers and employed can best be developed by granting to the latter a greater share in the consideration of matters with which they are concerned. The primary purpose of these works committees, as contemplated by the committee, is to consider the many questions closely affecting daily life and comfort in, and the success of, the business, which necessarily have an important bearing upon the efficiency of the force. A spirit of cooperation in all these workshop matters is strongly to be desired. To emphasize the purpose of these committees, as a part of the joint industrial council plan, the committee issued, on October 18, 1917, a supplementary report on works committees.

The fourth report of the committee on relations between employers and employed is dated January 31, 1918, but was not issued until the following July. It deals with the question of conciliation and arbitration. While pronouncing definitely against compulsory arbitration or conciliation, the committee advocates a continuance of the voluntary schemes and suggests the establishment of a standing arbitration council to which disputants may voluntarily refer such differences as they are unable to settle among themselves.

On July 1, 1918, the committee made its final report to the Prime Minister. It embraces a brief review of the subject matter of the preceding reports and reaffirms its "conviction, expressed in the first report, of the urgency of the matter."

The Whitley report was adopted by the Government as a part of the policy which it hopes to carry into effect in the field of industrial reconstruction, and on October 20, 1917, the Minister of Labor addressed a communication to the leading employers' associations and the trade-unions, in which he explained fully the attitude of the Government toward the proposals of the report.

In this connection, although somewhat later (April, 1918), the Government issued a leaflet (H. Q. 7B) entitled "Industrial councils: The recommendations of the Whitley report," with a view to making these recommendations as generally known as possible.

In addition to the supplementary report on works committees, to which reference has been made, further data on the operation of various types of shop committees are contained in the report of an inquiry made by the Minister of Labor and issued in March, 1918. This report is based on an investigation of works committees in a number of different industries, including engineering, shipbuilding, iron and steel, boots and shoes, mining, printing, woolen and worsted, pottery, and furniture. The purpose of the inquiry was to bring out the different objects, functions, methods of procedure, and constitutions which have been tried in actual practice.

Suggestions as to the constitution and functions of a joint industrial council, to "serve as a basis for discussion and help in concentrating attention upon certain outstanding points in the relations of employers and workpeople which must be taken into consideration in the actual formation of a council," were set forth in a memorandum (H. Q. 7A) prepared by the Ministry of Labor and put out in May, 1918.¹

In the same connection the Ministry of Labor prepared and issued in September, 1918, a circular (H. Q. 7L) containing suggestions as to the constitution and functions of district councils of national joint industrial councils, and also a circular (H. Q. 7K) giving similar suggestions applicable to works committees.

Although the Government adopted the proposals of the Whitley committee, it was not found advisable, from the administrative point of view, to adopt the whole of the recommendations contained in the second report. Certain modifications seemed necessary before these recommendations could be put into effect, and the Government deemed it essential to make clear the relations between trade boards and industrial councils. Accordingly the Minister of Reconstruction and the Minister of Labor, on June 7, 1918, prepared and issued a joint memorandum, entitled "Joint industrial councils and trade boards," setting forth their reasons why the Government took the position it did as regards the second report and suggesting modifications which it has been found necessary to make.

Aside from the joint industrial councils and trade boards, to which reference has been made, the Government has fostered the establishment of what has been termed "interim industrial reconstruction committees" formed by the Ministry of Reconstruction in association with the Board of Trade and the Ministry of Labor in certain industries where, for various reasons, progress toward the formation of joint industrial councils has been slow. There are thus three quite distinct bodies in the industrial council scheme, all leading eventually to the same goal:

1. For poorly organized industries, or poorly organized localities of an industry, there are trade boards, which are in the hands of the Ministry of Labor.

2. For moderately organized industries, or for industries which evince a somewhat lukewarm interest in the subject and need to have their patriotic feelings aroused, there are interim industrial reconstruction committees, fostered by the Ministry of Reconstruction.

3. For well-organized industries there is the full-fledged joint council, the scheme of which will probably continue to be credited to

¹ See Appendixes A and B for copies of constitutions adopted, respectively, by the pottery industry and the rubber manufacturing industry.

the Whitley committee, although that committee only crystallized an idea long thought of and considered.

All the official documents thus briefly reviewed are published in full in this bulletin, in the order noted on page 6. The reports of the committee are in each case addressed to the Prime Minister, Hon. D. Lloyd George.

PROGRESS OF ORGANIZATION OF JOINT INDUSTRIAL COUNCILS.

The establishment of joint industrial councils under the Whitley plan has been under consideration in practically every trade in Great Britain for more than a year. The first trade to appoint such a council was the pottery industry, representing approximately 70,000 workers, and the first meeting of this council was held on January 11, 1918, at which the constitution was adopted. The rubber manufacturing industry was the next industry of any size, representing approximately 50,000 workers, to adopt a constitution, its council meeting for this purpose on July 16, 1918. Because they are typical of the progress in other trades, a statement of the objects of these two councils and a copy of the constitutions adopted are given, respectively, in Appendixes A and B. Sixty-nine other industries (down to May 13, 1919) had taken up the plan and considerable progress was made during the months of September and October, 1918. In that period eight councils were set up, and in each instance there appeared to be evidence that the council is determined to perform effectively and without delay the vitally important functions with which it has been charged. Five councils were set up during March of this year. The following chart¹ traces the progress made, down to May 13, 1919, in the establishment of joint industrial councils along the lines outlined in the Whitley report.² The figures in the second column of the chart represent the estimated number of workpeople in each industry. They are the closest estimates obtainable, and the Ministry of Labor considers them very reliable.

¹ Data furnished by Ministry of Labor, Great Britain.

² Copies of constitutions of joint industrial councils which have been adopted in the following industries on the dates indicated (all in 1918, except the one noted) have been received by the Bureau of Labor Statistics: Bobbin and shuttle, October 22; bread baking, September 18; building, August 1; chemical, August 16; china clay, October 1; furniture, no date reported; gold, silver, horological, and allied trades, July 20; hosiery, October 10; hosiery (Scottish), November 5; made-up leather goods (excluding boots and shoes), no date reported; match manufacturing, no date reported; metallic bedsteads, October 21; wool (and allied) textiles, January 15, 1919; paint, color, and varnish, September 18; pottery, January 11; rubber manufacturing, July 16; saw milling, November 21; silk, July 25; vehicle building, September 23; woolen and worsted (Scottish), November 5.

ESTABLISHMENT OF JOINT INDUSTRIAL COUNCILS.
[CORRECTED TO MAY 13, 1919.]

INDUSTRY	ESTIMATED NUMBER WORK PEOPLE	DEPARTMENT MAKING INQUIRIES	READY FOR CONFERENCE	CONFERENCE HELD PROVISIONAL COMMITTEE APPOINTED	DRAFT CONSTITUTION FORMULATED	DRAFT CONSTITUTION APPROVED	FIRST MEETING HELD
ADMIRALTY	NO ESTIMATE						
AIR MINISTRY	21,000						
ASBESTOS	5,000						
BAKING	93,200						
BANKING	200,000						
BEDSTEADS	7,000						
BLEACHING, DYEING, ETC.	107,200						
BOBBINS	4,500						
BOOTS AND SHOES	156,300						
BUILDING	308,800						
CARPETS	31,400						
CEMENT	12,400						
CHEMICALS	118,500						
CHINA CLAY	5,800						
COAL MINING	980,000						
COIR MATTING	3,000						
COMMERCIAL ROAD TRANSPORT	185,200						
DOCKS	99,000						
EDGE TOOLS	22,270						
ELASTIC WEBBING	10,000						
ELECTRICAL CONTRACTING, 15,000 TO	30,000						
ELECTRICITY SUPPLY	33,000						
ENTERTAINMENTS	30,000						
FLOUR MILLING	24,000						
FURNITURE	74,900						
GAS	97,000						
GLASS	30,000						
GOLD, SILVER, AND ALLIED TRADES	25,100						
GUN MAKING	24,500						
HEATING, AND DOMESTIC ENGINEERING	47,900						
HOSIERY	91,200						
HOSIERY (SCOTTISH)	NO ESTIMATE						
INSURANCE	99,000						
IRON AND STEEL	216,000						
IRON AND STEEL FOUNDRY	67,000						
LEATHER GOODS	55,400						
LOCKS, SAFES, AND LATCHES	7,000						
MATCHES	5,300						
MINISTRY OF MUNITIONS	NO ESTIMATE						
MUNICIPALITIES (ADMINISTRATIVE AND CLERICAL)	NO ESTIMATE						
MUNICIPALITIES (NON-TRADING)	72,000						
MUSICAL INSTRUMENTS	14,800						
NEEDLES AND FISHHOOKS	4,500						
NEWSPAPERS	41,800						
OFFICE OF WORKS	995						
PACKING CASE MAKING	28,000						
PAINT AND VARNISH	14,245						
POTTERY	69,700						
PRINTING	168,000						
PRINTING INK	1,000						
RAILWAYS	606,500						
ROLLER ENGRAVING	2,100						
RUBBER	50,100						
SAWMILLING	63,100						
SHIPPING	91,199						
SILK	21,912						
STATIONERY & OFFICE	2,500						
SURGICAL INSTRUMENTS	25,200						
TEACHING	300,000						
TIN MINING	5,600						
TIN PLATE	17,705						
TRAMWAYS	60,500						
VEHICLE BUILDING	27,200						
WALL PAPER MAKING	2,800						
WAR OFFICE	15,800						
WATER WORKS	17,000						
WIRE DRAWING	32,800						
WOOLEN AND WORSTED	263,500						
WOOLEN AND WORSTED (SCOTTISH)	NO ESTIMATE						
WROUGHT HOLLOW WARE	33,000						
ZINC AND SPELTER	3,145						

Although the second report of the Whitley committee outlines an adaptation of the plan to industries less organized than the industries covered by the first report, or in which organization is nonexistent, it has been maintained by some that the Whitley plan is applicable primarily to the organized trades¹ and can not be readily adapted to the interests of the large army of unorganized workers.² Moreover, a further objection to the Whitley scheme voiced by many is that it is essentially a Government plan and offers opportunity for the Government to exercise a sort of supervision or influence over the operation of the councils,³ whereas the workers demand an industrial self-government plan that will leave them free to control, together with the employers, all matters affecting their interests. This latter statement may explain to a degree the apparent slow movement toward setting up industrial councils.⁴ There has existed a disinclination on the part of workpeople to accept at face value propositions advanced by those in authority which seem to promise rather more than the workers believe possible. The constant strain under which the laboring class has been living on account of the war conditions has tended to engender suspicion, and this, together with a lurking fear that prewar union regulations may never be restored, has operated to fill the minds of workmen with apprehension and to make them reluctant to indorse the joint industrial council scheme. This attitude appears to have been aggravated by the hesitation of the Government to adopt the plan as a whole in any department. It can not be said, on the other hand, that employers have shown a greater willingness to adopt the industrial council idea. Both sides have proceeded rather cautiously. If it has been possible for a firm to get along with its employees without friction, it has seemed to evince little desire to adopt any new methods; on the other side, if employees in any locality are dissatisfied with their working conditions they are apt to be greatly in favor of this chance for improving their position.

WHITLEY PLAN IN INDUSTRIAL ESTABLISHMENTS CONTROLLED BY GOVERNMENT DEPARTMENTS.

Although approving the Whitley scheme and making every effort to urge its adoption by industries generally, the British Government

¹ This would seem to be confirmed by the Minister of Labor, who in his letter addressed to leading employers' associations and trade-unions said: "Although the scheme is only intended, and indeed can only be applied, in trades which are well organized on both sides, I would point out that it rests with those trades which do not at present possess a sufficient organization to bring it about if they desire to apply it to themselves." See page 48.

² Of an estimated 18,000,000 workers it is claimed that the Whitley plan will not reach approximately 14,000,000, or about 78 per cent.

³ The intention to introduce an element of State interference was denied by the Minister of Labor in his letter to leading employers' associations and trade-unions. See page 45.

⁴ Down to the 1st of April, 1919, only three industries had fully developed the Whitley scheme, that is, had organized national joint industrial councils, district councils, and works committees. These are the match industry, the pottery industry, and the rubber industry, representing in all about 123,000 workers.

has been slow in putting the plan into operation in industrial establishments controlled by Government departments, such as the Treasury, War Office, Admiralty, Office of Works, Ministry of Labor, etc. In February, 1919, however, a step in this direction was taken when a draft scheme was approved by the War Cabinet providing for the application of the Whitley industrial council plan to all Government departments having industrial establishments. This proposed scheme has for its basis the setting up of two types of councils: (1) A departmental joint council in each department concerned, composed of responsible officials appointed by the department, a representative of the Ministry of Labor, and representatives of the trade-unions having members employed in the various establishments belonging to the department. (2) A trade joint council, composed of the representatives of the departments employing the particular class of labor, and representatives of the unions in the trade concerned, to deal with wages and other matters usually settled on a trade basis. The Treasury and the Ministry of Labor will also be represented on these trade councils.

The draft scheme provides for local machinery by way of one or more of the following types of committee: (a) Works or yard committee; (b) department committee (covering a department, including several shops, of a works or yard); (c) trade committee (covering a trade or group of trades normally acting together on trade matters); (d) shop committee. It is suggested that one of the many duties of the department and trade joint councils will be to arrange for the setting up of these bodies. The procedure of these committees is described in the British Labor Gazette for March, 1919, as follows:

Following the lines which have been indicated above, a question which arises in a shop would, according as it was of (a) a general, or (b) a trade character, be dealt with as follows:

(a) *A general question.*—For example, a question of welfare, a question of discipline, etc. If not capable of settlement between the workman or workmen concerned (with the assistance of the secretary of the shop committee or other shop steward) and the foreman, the question would be discussed by the shop committee in meeting with the representatives of the management or by the secretary of the shop committee and the shop superintendent or other official. If it could not be thus settled the question would be referred to the works committee for discussion, and if possible, settlement with the representatives of the management, or possibly the secretary of the works committee himself might be able to settle the matter with the management. If a solution could not be arrived at on the works committee, the question would be referred to the departmental council.

In large works it may be found necessary to establish an intermediate committee between the shop and works committees—i. e., a departmental committee, on which the procedure will be similar, and where settlement of certain questions may be achieved.

(b) *A trade question.*—For example, a question of wages, etc. If not capable of settlement between the workman or workmen concerned (with one or more of their trade representatives in the shop) and the foreman, the question would

be referred to the trade committee or its secretary for negotiation with the works management. If the question could not be so settled the district representative (or representatives) of the union (or unions) would take part in or wholly take over the negotiations; if a settlement could not then be agreed upon the matter would be referred to the trade joint council.

It is important to recognize that, in dealing with trade questions, many of the most important trade-unions have district organizations as an integral part of their structure, and that it is the practice for the district officials to negotiate with the management of all works (including Government establishments) in their district, on matters affecting the district rate of wages or other district arrangements. Provision has, therefore, been made above, that in the progress of a trade question from the shop upwards to the trade joint council the position of the district organization of the trade-union should, where it exists, be recognized.

At a meeting of men and women delegates from the departments concerned held on February 20, 1919, a resolution was passed adopting the scheme as presented by the Minister of Labor and recommending the creation of a standing arbitration council, or other suitable body, to which cases in which the Treasury or the employing departments are not prepared to approve and adopt a recommendation of a joint council could be referred. A provisional committee of 20 members from the engineering, shipbuilding, building, miscellaneous trades, and general labor was appointed to draft, in cooperation with the Treasury, Admiralty, War Office, Ministry of Munitions, Air Ministry, Office of Works, and Ministry of Labor, the constitutions of the various departmental and trade joint councils.

REPORT ON WHITLEY COUNCILS BY DEPARTMENT OF LABOR COMMISSION OF EMPLOYERS.

In February and March, 1919, a commission of employers, designated by the Secretary of Labor, visited Great Britain to study industrial conditions and the methods of dealing with labor reconstruction problems, and this commission examined the Whitley system with special interest and care. The attitude of employers and employed in this connection is thus briefly outlined in the report of the commission which was submitted to the Secretary of Labor early in April:

The Whitley plan is viewed with much favor by officials of the Ministry of Labor, which is endeavoring to effect the organization of various lines of industry under this plan.

Various municipally operated public-service departments are also proposing to organize under systems based on the general idea of the Whitley plan.

Inquiry developed that the employers, when conversant with the Whitley plan, almost universally favor it; also that employers favor complete union organization of the employed in established labor unions and favor not only

collective bargaining, but closer touch with the employed. About the only note of doubt respecting the benefits of the Whitley system, on the part of the employers, relates to the question of the possibility that it might later on lead to undesirable results.

In short, the advocates of the Whitley plan expressed the belief that it would result in complete unionization of all the workers in those industries adopting it; also that it would prevent many strikes. The idea is that small grievances would be adjusted around a council table rather than being allowed to continue as foci of discontent until they grow into grave matters of discontent and strikes.

On the other hand, while some of the higher labor-union officials favor the Whitley plan, a large portion of the more radical among the minor labor-union officials and the workmen do not indorse it enthusiastically.

Their objections seem to be based, first, on the impression that it would take the place of the regular established labor organizations; and, second, that a distaste for Government participation in negotiations and settlements between employer and employed, which the Whitley plan contemplates in certain situations.

Some of the strong and thoroughly organized labor unions, such as the Coal Miners' Union and the Amalgamated Society of Engineers (metal trades), take the position that the machinery of the old-established organization and the usual arrangements with the employers afford sufficient means of adjustment of grievances.

In respect to a considerable number of industries both employers and employed explained that they had introduced the equivalent of the Whitley plan years ago. But it usually developed that their arrangements for conference and adjustment of differences between employer and employed did not include the district councils of the Whitley plan, and only in some industries regularly established joint industrial councils. Many of these individual mutual conference arrangements have been very effective in preventing industrial conflict. Some of them have been in operation for many years.

Fortunately, as some declare, England has been experimenting with methods for the betterment of relations between employer and worker so that opportunity has been afforded to witness results over a period of more than a generation. As confidence was gained by experience, more rapid progress in later years was accomplished. The plan simply carries out and defines more accurately old-established machinery for the adjustment of labor disputes.

REPORTS OF COMMITTEE ON RELATIONS BETWEEN EMPLOYERS AND EMPLOYED.

INTERIM REPORT ON JOINT STANDING INDUSTRIAL COUNCILS.¹

To the Right Hon. D. LLOYD GEORGE, M. P., Prime Minister.

SIR: We have the honor to submit the following interim report on joint standing industrial councils.

2. The terms of reference to the subcommittee are—

(1) To make and consider suggestions for securing a permanent improvement in the relations between employers and workmen.

(2) To recommend means for securing that industrial conditions affecting the relations between employers and workmen shall be systematically reviewed by those concerned, with a view to improving conditions in the future.

3. After a general consideration of our duties in relation to the matters referred to us, we decided first to address ourselves to the problem of establishing permanently improved relations between employers and employed in the main industries of the country, in which there exist representative organizations on both sides. The present report accordingly deals more especially with these trades. We are proceeding with the consideration of the problems connected with the industries which are less well organized.

4. We appreciate that under the pressure of the war both employers and workpeople and their organizations are very much preoccupied, but, notwithstanding, we believe it to be of the highest importance that our proposals should be put before those concerned without delay, so that employers and employed may meet in the near future and discuss the problems before them.

5. The circumstances of the present time are admitted on all sides to offer a great opportunity for securing a permanent improvement in the relations between employers and employed, while failure to utilize the opportunity may involve the nation in grave industrial difficulties at the end of the war.

It is generally allowed that the war almost enforced some reconstruction of industry, and in considering the subjects referred to us we have kept in view the need for securing in the development of reconstruction the largest possible measure of cooperation between employers and employed.

¹ Reconstruction Committee. Subcommittee on relations between employers and employed. Interim report on joint standing industrial councils. London, 1917. 8 pp. Cd. 8606. Price, 1d. Printed in full in Bulletin 237 of this Bureau, and summarized in its MONTHLY REVIEW for September, 1917 (pp. 130-132).—[Ed.]

In the interests of the community it is vital that after the war the cooperation of all classes, established during the war, should continue, and more especially with regard to the relations between employers and employed. For securing improvement in the latter, it is essential that any proposals put forward should offer to workpeople the means of attaining improved conditions of employment and a higher standard of comfort generally, and involve the enlistment of their active and continuous cooperation in the promotion of industry.

To this end, the establishment for each industry of an organization, representative of employers and workpeople, to have as its object the regular consideration of matters affecting the progress and well-being of the trade from the point of view of all those engaged in it, so far as this is consistent with the general interest of the community, appears to us necessary.

6. Many complicated problems have arisen during the war which have a bearing both on employers and workpeople, and may affect the relations between them. It is clear that industrial conditions will need careful handling if grave difficulties and strained relations are to be avoided after the war has ended. The precise nature of the problems to be faced naturally varies from industry to industry, and even from branch to branch within the same industry. Their treatment consequently will need an intimate knowledge of the facts and circumstances of each trade, and such knowledge is to be found only among those directly connected with the trade.

7. With a view to providing means for carrying out the policy outlined above, we recommend that His Majesty's Government should propose without delay to the various associations of employers and employed the formation of joint standing industrial councils in the several industries, where they do not already exist, composed of representatives of employers and employed, regard being paid to the various sections of the industry and the various classes of labor engaged.

8. The appointment of a chairman or chairmen should, we think, be left to the council who may decide that these should be (1) a chairman for each side of the council; (2) a chairman and vice chairman selected from the members of the council (one from each side of the council); (3) a chairman chosen by the council from independent persons outside the industry; or (4) a chairman nominated by such person or authority as the council may determine or, failing agreement, by the Government.

9. The council should meet at regular and frequent intervals.

10. The objects to which the consideration of the councils should be directed should be appropriate matters affecting the several in-

dustries and particularly the establishment of a closer cooperation between employers and employed. Questions connected with demobilization will call for early attention.

11. One of the chief factors in the problem as it at first presents itself consists of the guaranties given by the Government, with parliamentary sanction, and the various undertakings entered into by employers, to restore the trade-union rules and customs suspended during the war. While this does not mean that all the lessons learned during the war should be ignored, it does mean that the definite cooperation and acquiescence by both employers and employed must be a condition of any setting aside of these guaranties or undertakings, and that, if new arrangements are to be reached, in themselves more satisfactory to all parties but not in strict accordance with the guaranties, they must be the joint work of employers and employed.

12. The matters to be considered by the councils must inevitably differ widely from industry to industry, as different circumstances and conditions call for different treatment, but we are of opinion that the suggestions set forth below ought to be taken into account, subject to such modification in each case as may serve to adapt them to the needs of the various industries.

13. In the well-organized industries one of the first questions to be considered should be the establishment of local and works organizations to supplement and make more effective the work of the central bodies. It is not enough to secure cooperation at the center between the national organizations; it is equally necessary to enlist the activity and support of employers and employed in the districts and in individual establishments. The national industrial council should not be regarded as complete in itself; what is needed is a triple organization—in the workshops, the districts, and nationally. Moreover, it is essential that the organization at each of these three stages should proceed on a common principle, and that the greatest measure of common action between them should be secured.

14. With this end in view, we are of opinion that the following proposals should be laid before the national industrial councils:

(a) That district councils, representative of the trade-unions and of the employers' associations in the industry, should be created or developed out of the existing machinery for negotiation in the various trades.

(b) That works committees, representative of the management and of the workers employed, should be instituted in particular works to act in close cooperation with the district and national machinery.

As it is of the highest importance that the scheme making provision for these committees should be such as to secure the support

of the trade-unions and employers' associations concerned, its design should be a matter for agreement between these organizations.

Just as regular meetings and continuity of cooperation are essential in the case of the national industrial councils, so they seem to be necessary in the case of the district and works organizations. The object is to secure cooperation by granting to workpeople a greater share in the consideration of matters affecting their industry, and this can only be achieved by keeping employers and workpeople in constant touch.

15. The respective functions of works committees, district councils, and national councils will no doubt require to be determined separately in accordance with the varying conditions of different industries. Care will need to be taken in each case to delimit accurately their respective functions, in order to avoid overlapping and resulting friction. For instance, where conditions of employment are determined by national agreements, the district councils or works committees should not be allowed to contract out of conditions so laid down, nor, where conditions are determined by local agreements, should such power be allowed to works committees.

16. Among the questions with which it is suggested that the national councils should deal or allocate to district councils or works committees the following may be selected for special mention:

(i) The better utilization of the practical knowledge and experience of the workpeople.

(ii) Means for securing to the workpeople a greater share in and responsibility for the determination and observance of the conditions under which their work is carried on.

(iii) The settlement of the general principles governing the conditions of employment, including the methods of fixing, paying, and readjusting wages, having regard to the need for securing to the workpeople a share in the increased prosperity of the industry.

(iv) The establishment of regular methods of negotiation for issues arising between employers and workpeople, with a view both to the prevention of differences and to their better adjustment when they appear.

(v) Means of insuring to the workpeople the greatest possible security of earnings and employment, without undue restriction upon change of occupation or employer.

(vi) Methods of fixing and adjusting earnings, piecework prices, etc., and of dealing with the many difficulties which arise with regard to the method and amount of payment apart from the fixing of general standard rates, which are already covered by paragraph (iii).

(vii) Technical education and training.

(viii) Industrial research and the full utilization of its results.

(ix) The provision of facilities for the full consideration and utilization of inventions and improvements designed by workpeople, and for the adequate safeguarding of the rights of the designers of such improvements.

(x) Improvements of processes, machinery, and organization and appropriate questions relating to management and the examination of industrial experiments, with special reference to cooperation in carrying new ideas into effect and full consideration of the workpeople's point of view in relation to them.

(xi) Proposed legislation affecting the industry.

17. The methods by which the functions of the proposed councils should be correlated to those of joint bodies in the different districts, and in the various works within the districts, must necessarily vary according to the trade. It may, therefore, be the best policy to leave it to the trades themselves to formulate schemes suitable to their special circumstances, it being understood that it is essential to secure in each industry the fullest measure of cooperation between employers and employed, both generally, through the national councils, and specifically, through district committees and workshop committees.

18. It would seem advisable that the Government should put the proposals relating to national industrial councils before the employers' and workpeople's associations and request them to adopt such measures as are needful for their establishment where they do not already exist. Suitable steps should also be taken at the proper time to put the matter before the general public.

19. In forwarding the proposals to the parties concerned, we think the Government should offer to be represented in an advisory capacity at the preliminary meetings of a council, if the parties so desire. We are also of opinion that the Government should undertake to supply to the various councils such information on industrial subjects as may be available and likely to prove of value.

20. It has been suggested that means must be devised to safeguard the interests of the community against possible action of an antisocial character on the part of the councils. We have, however, here assumed that the councils, in their work of promoting the interests of their own industries, will have regard for the national interest. If they fulfill their functions they will be the best builders of national prosperity. The State never parts with its inherent overriding power, but such power may be least needed when least obtruded.

21. It appears to us that it may be desirable at some later stage for the State to give the sanction of law to agreements made by the

councils, but the initiative in this direction should come from the councils themselves.

22. The plans sketched in the foregoing paragraphs are applicable in the form in which they are given only to industries in which there are responsible associations of employers and workpeople which can claim to be fairly representative. The case of the less well-organized trades or sections of a trade necessarily needs further consideration. We hope to be in a position shortly to put forward recommendations that will prepare the way for the active utilization in these trades of the same practical cooperation as is foreshadowed in the proposals made above for the more highly organized trades.

23. It may be desirable to state here our considered opinion that an essential condition of securing a permanent improvement in the relations between employers and employed is that there should be adequate organization on the part of both employers and workpeople. The proposals outlined for joint cooperation throughout the several industries depend for their ultimate success upon there being such organization on both sides; and such organization is necessary also to provide means whereby the arrangements and agreements made for the industry may be effectively carried out.

24. We have thought it well to refrain from making suggestions or offering opinions with regard to such matters as profit sharing, copartnership, or particular systems of wages, etc. It would be impracticable for us to make any useful general recommendations on such matters, having regard to the varying conditions in different trades. We are convinced, moreover, that a permanent improvement in the relations between employers and employed must be founded upon something other than a cash basis. What is wanted is that the workpeople should have a greater opportunity of participating in the discussion about and adjustment of those parts of industry by which they are most affected.

25. The schemes recommended in this report are intended not merely for the treatment of industrial problems when they have become acute but also, and more especially, to prevent their becoming acute. We believe that regular meetings to discuss industrial questions, apart from and prior to any differences with regard to them that may have begun to cause friction, will materially reduce the number of occasions on which, in the view of either employers or employed, it is necessary to contemplate recourse to a stoppage of work.

26. We venture to hope that representative men in each industry, with pride in their calling and care for its place as a contributor to the national well-being, will come together in the manner here suggested and apply themselves to promoting industrial harmony and

efficiency and removing the obstacles that have hitherto stood in the way.

We have the honor to be, sir,

Your obedient servants,

J. H. WHITLEY, *Chairman*.

F. S. BUTTON.

GEO. J. CARTER.

S. J. CHAPMAN.

G. H. CLAUGHTON.

J. R. CLYNES.

J. A. HOBSON.

A. SUSAN LAWRENCE.

J. J. MALLON.

THOS. R. RATCLIFFE-ELLIS.

ROBT. SMILLIE.

ALLAN M. SMITH.

MONA WILSON.

H. J. WILSON,

ARTHUR GREENWOOD,

Secretaries.

8th MARCH, 1917.

APPENDIX.

The following questions were addressed by the Reconstruction Committee to the subcommittee on the relations between employers and employed in order to make clear certain points which appeared to call for further elucidation. The answers given are subjoined.

Q. 1. In what classes of industries does the interim report propose that industrial councils shall be established? What basis of classification has the subcommittee in view?

A. 1. It has been suggested that for the purpose of considering the establishment of industrial councils or other bodies designed to assist in the improvement of relations between employers and employed the various industries should be grouped into three classes: (*a*) Industries in which organization on the part of employers and employed is sufficiently developed to render councils representative; (*b*) industries in which either as regards employers and employed, or both, the degree of organization, though considerable, is less marked than in (*a*) and is insufficient to be regarded as representative; and (*c*) industries in which organization is so imperfect, either as regards employers or employed, or both, that no associations can be said adequately to represent those engaged in the trade.

It will be clear that an analysis of industries will show a number which are on the border lines between these groups, and special consideration will have to be given to such trades. So far as groups (*a*) and (*c*) are concerned, a fairly large number of trades can readily be assigned to them; group (*b*) is necessarily more indeterminate.

For trades in group (*a*) the committee have proposed the establishment of joint standing industrial councils in the several trades. In dealing with the various industries it may be necessary to con-

sider specially the case of parts of industries in group (a) where organization is not fully developed.

Q. 2. Is the machinery proposed intended to be in addition to or in substitution for existing machinery? Is it proposed that existing machinery should be superseded? By "existing machinery" is meant conciliation boards and all other organizations for joint conference and discussion between employers and employed.

A. 2. In most organized trades there already exist joint bodies for particular purposes. It is not proposed that the industrial councils should necessarily disturb these existing bodies. A council would be free, if it chose and if the bodies concerned approved, to merge existing committees, etc., in the council or to link them with the council as subcommittees.

Q. 3. Is it understood that membership of the councils is to be confined to representatives elected by employers' associations and trade-unions? What is the view of the subcommittee regarding the entry of new organizations established after the councils have been set up?

A. 3. It is intended that the councils should be composed only of representatives of trade-unions and employers' associations, and that new organizations should be admitted only with the approval of the particular side of the council of which the organization would form a part.

Q. 4. (a) Is it intended that decisions reached by the councils shall be binding upon the bodies comprising them? If so, is such binding effect to be conditional upon the consent of each employers' association or trade-union affected?

A. 4. (a) It is contemplated that agreements reached by industrial councils should, while not, of course, possessing the binding force of law, carry with them the same obligation of observance as exists in the case of other agreements between employers' associations and trade-unions. A council, being on its workmen's side based on the trade-unions concerned in the industry, its powers or authority could only be such as the constituent trade-unions freely agreed to.

Q. 4. (b) In particular is it intended that all pledges given either by the Government or employers for the restoration of trade-union rules and practices after the war shall be redeemed without qualification unless the particular trade-union concerned agrees to alteration; or, on the contrary, that the industrial council shall have power to decide such question by a majority vote of the workmen's representatives from all the trade-unions in the industry?

A. 4. (b) It is clearly intended that all pledges relating to the restoration of trade-union rules shall be redeemed without qualification unless the particular trade-union concerned agrees to alteration, and it is not intended that the council shall have power to decide such questions by a majority vote of the workmen's representatives from all the trade-unions in the industry.

SECOND REPORT ON JOINT STANDING INDUSTRIAL COUNCILS.¹

PREFATORY NOTE.—This report of the committee on relations between employers and employed is now receiving the joint consideration of the Minister of Labor and myself, in the light of the practical experience which has been gained in establishing joint industrial councils in accordance with the proposals of the first report. A statement² will shortly be published with regard to any modification of recommendations of this second report which may be considered expedient from the administrative point of view.

C. ADDISON.

FEBRUARY 28, 1918.

To the Right Hon. D. LLOYD GEORGE, M. P., Prime Minister.

SIR: Following the proposals made in our first report, we have now the honor to present further recommendations dealing with industries in which organization on the part of employers and employed is less completely established than in the industries covered by the previous report, and with industries in which such organization is weak or nonexistent.

2. Before commencing the examination of these industries the committee came to the conclusion that it would materially assist their inquiries if they could have the direct advantage of the knowledge and experience of some representative employers who were connected with industries of the kind with which the committee were about to deal; and it was arranged, with your approval, that Sir Maurice Levy, Mr. F. N. Hepworth, Mr. W. Hill, and Mr. D. R. H. Williams should be appointed to act with the committee while these industries were under consideration. This arrangement made it possible to release from attendance at the earlier meetings of the committee Sir Gilbert Claughton, Sir T. Ratcliffe-Ellis, Sir George J. Carter, and Mr. Allan Smith, whose time is greatly occupied in other public work and whose experience is more particularly related to the organized trades covered by our former report.

3. It is difficult to classify industries according to the degree of organization among employers and employed, but for convenience of consideration the industries of the country may be divided into three groups:

¹ Ministry of Reconstruction. Committee on relations between employers and employed. Second report on joint standing industrial councils. London, 1917. 5 pp. Cd. 9002. Price, 1d. Summarized in the MONTHLY REVIEW for May, 1918 (pp. 59-61), and printed in full in the MONTHLY LABOR REVIEW for September, 1918 (pp. 53-58).—[Ed.]

² See pp. 180 to 187.—[Ed.]

Group A.—Consisting of industries in which organization on the part of employers and employed is sufficiently developed to render their respective associations representative of the great majority of those engaged in the industry. These are the industries which we had in mind in our first interim report.

Group B.—Comprising those industries in which, either as regards employers or employed, or both, the degree of organization, though considerable, is less marked than in group A.

Group C.—Consisting of industries in which organization is so imperfect, either as regards employers or employed, or both, that no associations can be said adequately to represent those engaged in the industry.

The present report is concerned with groups B and C.

4. So far as groups A and C are concerned, a number of industries can be definitely assigned to them. Group B, however, is necessarily more indeterminate. Some of the industries in this group approach closely to industries in group A, while others verge upon group C. Further, most industries, in whatever class they may fall, possess a "tail," consisting of badly organized areas, or sections of the industry. These facts we have borne in mind in formulating our further proposals.

5. So far as industries in group B are concerned, we are of opinion that the proposals of our first report should, in their main lines, be applied to those which, on examination by the Ministry of Labor in consultation with the associations concerned, are found to be relatively well organized. We suggest, however, that where in these industries a national industrial council is formed there should be appointed one or at most two official representatives to assist in the initiation of the council, and continue after its establishment to act in an advisory capacity and serve as a link with the Government. We do not contemplate that a representative so appointed should be a member of the national industrial council, in the sense that he should have power, by a vote, to influence the decisions of the council, but that he should attend its meetings and assist in any way which may be found acceptable to it. By so doing he would acquire a continuous knowledge of the conditions of the industry of which the Government could avail itself, and so avoid many mistakes that under present conditions are inevitable.

The question of the retention of the official representatives should be considered by the councils in the light of experience gained when an adequate time has elapsed. We anticipate that in many cases their continued assistance will be found of value even after an industry has attained a high degree of organization, but in no case should they remain except at the express wish of the councils concerned.

6. It may be that in some group B industries in which a national industrial council is formed certain areas are well suited to the establishment of district councils, while in other areas the organization of employers or employed, or both, is too weak to be deemed representative. There appears to be no good reason why in the former areas there should not be district industrial councils, acting in conjunction with the national industrial councils, in accordance with the principles formulated in the committee's earlier report on the well-organized trades.

7. An examination of some of the industries coming within group B may show that there are some which, owing to the peculiarities of the trades and their geographical distribution, can not at present be brought readily within the scope of the proposals for a national industrial council, though they may be quite well organized in two or more separate districts. In such a case we think there might well be formed one or more district industrial councils. We anticipate that in course of time the influence of the district councils would be such that the industry would become suitable for the establishment of a national industrial council.

8. In the case of industries in group B (as in the industries covered by our first report) we consider that the members of the national councils and of the district councils should be representative of the employers' associations and trade-unions concerned. In the formation of the councils regard should be paid to the various sections of the industry and the various classes of labor engaged, and the representatives should include representatives of women's organizations. In view of the extent to which women are employed in these industries, we think the trade-unions, when selecting their representatives for the councils, should include a number of women among those who are appointed to be members.

9. It does not appear to us necessary or desirable to suggest any fixed standard of organization which should exist in any industry before a national industrial council should be established. The case of each industry will need to be considered separately, regard being paid to its particular circumstances and characteristics.

In the discussion of this matter we have considered whether it would be feasible to indicate a percentage of organization which should be reached before a council is formed, but, in view of the great diversity of circumstances in these industries and of the differing degrees to which the several sections of some of them are organized, we have come to the conclusion that it is more desirable to leave the matter to the decision of the Ministry of Labor and the organizations concerned. Whatever theoretical standard may be contemplated, we think its application should not be restrictive in either direction.

10. The level of organization in industries in group C is such as to make the scheme we have proposed for national or district industrial councils inapplicable. To these industries the machinery of the Trade Boards Act might well be applied, pending the development of such degree of organization as would render feasible the establishment of a national council or district councils.

11. The Trade Boards Act was originally intended to secure the establishment of a minimum standard of wages in certain unorganized industries, but we consider that the trade boards should be regarded also as a means of supplying a regular machinery for negotiation and decision on certain groups of questions dealt with in other circumstances by collective bargaining between employers' organizations and trade-unions.

In order that the Trade Boards Act may be of greater utility in connection with unorganized and badly organized industries or sections of industries, we consider that certain modifications are needed to enlarge the functions of the trade boards. We suggest that they should be empowered to deal not only with minimum rates of wages but with hours of labor and questions cognate to wages and hours. We are of opinion also that the functions of the trade boards should be extended so as to enable them to initiate and conduct inquiries on all matters affecting the industry or the section of the industry concerned.

12. If these proposals were adopted, there would be set up, in a number of industries or sections of industries, trade boards (consisting of representatives of employers and employed, together with "appointed members") who would, within the scope of their functions, establish minimum standard rates and conditions applicable to the industry or section of the industry which they represented, and consider systematically matters affecting the well-being of the industry.

13. Where an industry in group C becomes sufficiently organized to admit of the institution of national and district councils, we consider that these bodies should be set up on the lines already indicated. Where it appears to a trade board that an industrial council should be appointed in the industry concerned, they should have power (*a*) to make application to the Minister of Labor asking him to approach the organizations of employers and employed, and (*b*) to suggest a scheme by which the representation of the workers' and employers' sides of the trade board could be secured.

14. Whether in industries in group C the establishment of works committees is to be recommended is a question which calls for very careful examination, and we have made the general question of works committees the subject of a separate report.

15. We have already pointed out that most of the industries in groups A and B have sections or areas in which the degree of organization among the employers and employed falls much below what is normal in the rest of the industry; and it appears to us desirable that the general body of employers and employed in any industry should have some means whereby they may bring the whole of the trade up to the standard of minimum conditions which have been agreed upon by a substantial majority of the industry. We therefore recommend that, on the application of a national industrial council sufficiently representative of an industry, the Minister of Labor should be empowered, if satisfied that the case is a suitable one, to make an order either instituting for a section of the industry a trade board on which the national industrial council should be represented or constituting the industrial council a trade board under the provisions of the Trade Boards Act. These proposals are not intended to limit, but to be in addition to, the powers at present held by the Ministry of Labor with regard to the establishment of trade boards in trades and industries where they are considered by the ministry to be necessary.

16. We have already indicated (par. 9) that the circumstances and characteristics of each of the several industries will need to be considered before it can be decided definitely how far any of our proposals can be applied in particular instances, and we have refrained from attempting to suggest any exact degree of organization which would be requisite before a particular proposal could be applied. We think, however, that the suggestion we have made in the preceding paragraph to confer upon a national industrial council the powers of a trade board should be adopted only in those cases in which the Minister of Labor is satisfied that the council represents a substantial majority of the industry concerned.

17. We are of opinion that most of the chief industries of the country could be brought under one or other of the schemes contained in this and the preceding report. There would then be broadly two classes of industries in the country—industries with industrial councils and industries with trade boards.

18. In the former group the national industrial councils would be constituted either in the manner we have indicated in our first report, carrying with them district councils and works committees, or on the lines suggested in the present report, i. e., each council coming within the scope of this report having associated with it one or two official representatives to act in an advisory capacity and as a link with the Government, in addition to the representatives of the employers and employed.

19. It should be noted that in the case of industries in which there is a national industrial council, trade boards might in some instances be associated with the council in order to determine wages and hours, etc., in certain sections or areas. It is possible that in some allied trades really forming part of the same industry both sets of proposals might in the first instance be in operation side by side, one trade having its industrial council and the other its trade board. Where these circumstances obtain, we anticipate that the trade board would be a stepping stone to the full industrial council status.

20. It may be useful to present a brief outline of the proposals which we have so far put forward:

(a) In the more highly organized industries (group A) we propose a triple organization of national, district, and workshop bodies, as outlined in our first report.

(b) In industries where there are representative associations of employers and employed, which, however, do not possess the authority of those in group A industries, we propose that the triple organization should be modified by attaching to each national industrial council one or at most two representatives of the Ministry of Labor to act in an advisory capacity.

(c) In industries in both groups A and B we propose that unorganized areas or branches of an industry should be provided, on the application of the national industrial council and with the approval of the Ministry of Labor, with trade boards for such areas or branches, the trade boards being linked with the industrial council.

(d) In industries having no adequate organization of employers or employed we recommend that trade boards should be continued or established and that these should, with the approval of the Ministry of Labor, be enabled to formulate a scheme for an industrial council, which might include in an advisory capacity the "appointed members" of the trade board.

21. It will be observed that the policy we recommend is based upon organization on the part of both employers and employed. Where this is adequate, as in group A industries, there is no need of external assistance. In group B industries we think that the organizations concerned would be glad to have the services of an official representative who would act as adviser and as a link with the Government. In unorganized sections of both groups of industries we believe that a larger measure of Government assistance will be both desirable and acceptable, and we have therefore suggested the adoption of the machinery of the Trade Boards Act in this connection. In group C industries we think that organization will be encouraged by the use of the powers under the Trade Boards Act,

and where national industrial councils are set up we recommend that the "appointed members" of the trade board should act on the councils in an advisory capacity. Briefly, our proposals are that the extent of State assistance should vary inversely with the degree of organization in industries.

22. We do not, however, regard Government assistance as an alternative to the organization of employers and employed. On the contrary, we regard it as a means of furthering the growth and development of such organization.

23. We think it advisable in this connection to repeat the following paragraph from our former report:

It may be desirable to state here our considered opinion that an essential condition of securing a permanent improvement in the relations between employers and employed is that there should be adequate organization on the part of both employers and workpeople. The proposals outlined for joint cooperation throughout the several industries depend for their ultimate success upon there being such organization on both sides; and such organization is necessary also to provide means whereby the arrangements and agreements made for the industry may be effectively carried out.

24. In considering the scope of the matters referred to us we have formed the opinion that the expression "employers and workmen" in our reference covers State and municipal authorities and persons employed by them. Accordingly, we recommend that such authorities and their workpeople should take into consideration the proposals made in this and in our first report with a view to determining how far such proposals can suitably be adopted in their case.

We understand that the Ministry of Labor has up to the present circulated our first report only to employers' and workpeople's associations in the ordinary private industries. We think, however, that both it and the present report should also be brought to the notice of State departments and municipal authorities employing labor.

25. The proposals we have set forth above do not require legislation except on three points, namely, to provide—

(1) That the trade boards shall have power, in addition to determining minimum rates of wages, to deal with hours of labor and questions cognate to wages and hours.

(2) That the trade boards shall have power to initiate inquiries, and make proposals to the Government departments concerned, on matters affecting the industrial conditions of the trade, as well as on questions of general interest to the industries concerned, respectively.

(3) That when an industrial council sufficiently representative of an industry makes application, the Minister of Labor shall have power, if satisfied that the case is a suitable one, to make an order instituting for a section of the industry a trade board on which the

industrial council shall be represented, or constituting the council a trade board under the Trade Boards Act.

26. The proposals which we have made must necessarily be adapted to meet the varying needs and circumstances of different industries, and it is not anticipated that there will be uniformity in practice. Our recommendations are intended merely to set forth the main lines of development which we believe to be essential to insure better relations between employers and employed. Their application to the several industries we can safely leave to those intimately concerned, with the conviction that the flexibility and adaptability of industrial organization which have been so large a factor in enabling industry to stand the enormous strain of the war will not fail the country when peace returns.

27. Other problems affecting the relations between employers and employed are engaging our attention, but we believe that, whatever further steps may be necessary to accomplish the object we have in view, the lines of development suggested in the present report and the one which preceded it are fundamental. We believe that in each industry there is a sufficiently large body of opinion willing to adopt the proposals we have made as a means of establishing a new relation in industry.

We have the honor to be, sir,

Your obedient servants,¹

J. H. WHITLEY, *Chairman.*

F. S. BUTTON.

S. J. CHAPMAN.

G. H. CLAUGHTON.

J. R. CLYNES.

F. N. HEPWORTH.²

WILFRID HILL.²

J. A. HOBSON.

A. SUSAN LAWRENCE.

MAURICE LEVY.²

J. J. MALLON.

THOS. R. RATCLIFFE-ELLIS.

ALLAN M. SMITH.

D. R. H. WILLIAMS.²

MONA WILSON.

H. J. WILSON,

A. GREENWOOD,

Secretaries.

18th OCTOBER, 1917.

¹ Sir G. J. Carter and Mr. Smillie were unable to attend any of the meetings at which this report was considered, and they therefore do not sign it.

² Additional member of the committee appointed in connection with this report.

SUPPLEMENTARY REPORT ON WORKS COMMITTEES.¹

To the Right Hon. D. LLOYD GEORGE, M. P., Prime Minister.

SIR: In our first and second reports we have referred to the establishment of works committees,² representative of the management and of the workpeople, and appointed from within the works, as an essential part of the scheme of organization suggested to secure improved relations between employers and employed. The purpose of the present report is to deal more fully with the proposal to institute such committees.

2. Better relations between employers and their workpeople can best be arrived at by granting to the latter a greater share in the consideration of matters with which they are concerned. In every industry there are certain questions, such as rates of wages and hours of work, which should be settled by district or national agreement, and with any matter so settled no works committee should be allowed to interfere; but there are also many questions closely affecting daily life and comfort in, and the success of, the business, and affecting in no small degree efficiency of working, which are peculiar to the individual workshop or factory. The purpose of a works committee is to establish and maintain a system of cooperation in all these workshop matters.

3. We have throughout our recommendations proceeded upon the assumption that the greatest success is likely to be achieved by leaving to the representative bodies of employers and employed in each industry the maximum degree of freedom to settle for themselves the precise form of council or committee which should be adopted, having regard in each case to the particular circumstances of the trade; and, in accordance with this principle, we refrain from indicating any definite form of constitution for the works committees. Our proposals as a whole assume the existence of organizations of both employers and employed and a frank and full recognition of such organizations. Works committees established otherwise than in

¹ Ministry of Reconstruction. Committee on relations between employers and employed. Supplementary report on works committees. London, 1918. 4 pp. Cd. 9001. Price, 1d. Printed in full in the MONTHLY REVIEW for June, 1918 (pp. 163-165).—[Ed.]

² In the use of the term "works committees" in this report it is not intended to use the word "works" in a technical sense; in such an industry as the coal trade, for example, the term "pit committees" would probably be the term used in adopting the scheme.

accordance with these principles could not be regarded as a part of the scheme we have recommended, and might, indeed, be a hindrance to the development of the new relations in industry to which we look forward. We think the aim should be the complete and coherent organization of the trade on both sides, and works committees will be of value in so far as they contribute to such a result.

4. We are of opinion that the complete success of works committees necessarily depends largely upon the degree and efficiency of organization in the trade, and upon the extent to which the committees can be linked up, through organizations that we have in mind, with the remainder of the scheme which we are proposing, viz, the district and national councils. We think it important to state that the success of the works committees would be very seriously interfered with if the idea existed that such committees were used, or likely to be used, by employers in opposition to trade-unionism. It is strongly felt that the setting up of works committees without the cooperation of the trade-unions and the employers' associations in the trade or branch of trade concerned would stand in the way of the improved industrial relationships which in these reports we are endeavoring to further.

5. In an industry where the workpeople are unorganized, or only very partially organized, there is a danger that works committees may be used, or thought to be used, in opposition to trade-unionism. It is important that such fears should be guarded against in the initiation of any scheme. We look upon successful works committees as the broad base of the industrial structure which we have recommended, and as the means of enlisting the interest of the workers in the success both of the industry to which they are attached and of the workshop or factory where so much of their life is spent. These committees should not, in constitution or methods of working, discourage trade organizations.

6. Works committees, in our opinion, should have regular meetings at fixed times, and, as a general rule, not less frequently than once a fortnight. They should always keep in the forefront the idea of constructive cooperation in the improvement of the industry to which they belong. Suggestions of all kinds tending to improvement should be frankly welcomed and freely discussed. Practical proposals should be examined from all points of view. There is an undeveloped asset of constructive ability—valuable alike to the industry and to the State—awaiting the means of realization; problems, old and new, will find their solution in a frank partnership of knowledge, experience, and good will. Works committees would fail in their main purpose if they existed only to smooth over grievances.

7. We recognize that from time to time matters will arise which the management or the workmen consider to be questions they can not discuss in these joint meetings. When this occurs we anticipate that nothing but good will come from the friendly statement of the reasons why the reservation is made.

8. We regard the successful development and utilization of works committees in any business on the basis recommended in this report as of equal importance with its commercial and scientific efficiency, and we think that in every case one of the partners or directors or some other responsible representative of the management would be well advised to devote a substantial part of his time and thought to the good working and development of such a committee.

9. There has been some experience, both before the war and during the war, of the benefits of works committees, and we think it should be recommended most strongly to employers and employed that, in connection with the scheme for the establishment of national and district industrial councils, they should examine this experience with a view to the institution of works committees on proper lines, in works where the conditions render their formation practicable. We have recommended that the Ministry of Labor should prepare a summary of the experience available with reference to works committees, both before and during the war, including information as to any rules or reports relating to such committees, and should issue a memorandum thereon for the guidance of employers and workpeople generally, and we understand that such a memorandum is now in course of preparation.¹

10. In order to insure uniform and common principles of action, it is essential that where national and district industrial councils exist the works committees should be in close touch with them, and the scheme for linking up works committees with the councils should be considered and determined by the national councils.

11. We have considered it better not to attempt to indicate any specific form of works committees. Industrial establishments show such infinite variation in size, number of persons employed, multiplicity of departments, and other conditions, that the particular form of works committees must necessarily be adapted to the circumstances of each case. It would, therefore, be impossible to formulate any satisfactory scheme which does not provide a large measure of elasticity.

¹ The reference is to the report printed on pages 50 to 170.—[Ed.]

We are confident that the nature of the particular organization necessary for the various cases will be settled without difficulty by the exercise of good will on both sides.

We have the honor to be, sir,

Your obedient servants,¹

J. H. WHITLEY, <i>Chairman.</i>	A. SUSAN LAWRENCE.
F. S. BUTTON.	MAURICE LEVY. ²
S. J. CHAPMAN.	J. J. MALLON.
G. H. CLAUGHTON.	THOS. R. RATCLIFFE-ELLIS.
J. R. CLYNES.	ALLAN M. SMITH.
F. N. HEPWORTH. ²	D. R. H. WILLIAMS. ²
WILFRID HILL. ²	MONA WILSON.
J. A. HOBSON.	

H. J. WILSON,
A. GREENWOOD,
Secretaries.

OCTOBER 18, 1917.

¹ Sir G. J. Carter and Mr. Smillie were unable to attend any of the meetings at which this report was considered and they therefore do not sign it. Sir G. J. Carter has intimated that in his view, in accordance with the principles indicated in paragraphs 3, 4, and 5 of the report, it is important that works committees should not deal with matters which ought to be directly dealt with by the firms concerned or their respective associations in conjunction with the recognized representatives of the trade-unions whose members are affected.

² Additional members of the committee appointed in connection with this report.

REPORT ON CONCILIATION AND ARBITRATION.¹

To the Right Hon. D. LLOYD GEORGE, Prime Minister.

SIR: We believe that the recommendations made in our earlier reports for the establishment of industrial councils will provide facilities for full and free discussion of matters affecting the several industries and so improve the relations between employers and employed. We have thought it necessary, however, to give some attention to the cases in which the parties may desire voluntarily to refer some difference that has arisen to arbitration or conciliation. But it must be understood that we do not intend to express any views on the extent to which disputes can be equitably or satisfactorily settled in this way. As regards arbitration, our sole concern in this report is with the question of the machinery to be provided when it is the expressed wish of both parties, for any reason, to have recourse to it.

2. We are opposed to any system of compulsory arbitration; there is no reason to believe that such a system is generally desired by employers and employed, and, in the absence of such general acceptance, it is obvious that its imposition would lead to unrest. The experience of compulsory arbitration during the war has shown that it is not a successful method of avoiding strikes, and in normal times it would undoubtedly prove even less successful. Disputes can only be avoided by agreement between employers and workers and by giving to the latter the greater measure of interest in the industry advocated in our former reports; but agreement may naturally include the decision of both parties to refer any specified matter or matters to arbitration, whether this decision is reached before or after a dispute arises.

3. For the same reason we do not recommend any scheme relating to conciliation which compulsorily prevents strikes or lockouts pending inquiry. But it is obviously possible and desirable that in some instances arrangements should be voluntarily made in organized trades for holding an inquiry before recourse to extreme measures; and we suggest that the Ministry of Labor should be authorized to hold a full inquiry when satisfied that it was desirable, without prejudice to the power of the disputing parties to declare a strike or lockout before or during the progress of the inquiry.

¹ Ministry of Reconstruction. Committee on relations between employers and employed. Report on conciliation and arbitration. London, 1918. 5 pp. Cd. 9099. Price, 1d. Printed in full in the MONTHLY LABOR REVIEW for August, 1918 (pp. 237-240).—[Ed.]

4. It is important that it should be clearly understood that we do not contemplate the imposition of an elaborate system of conciliation and arbitration upon industry, in place of the present well-recognized voluntary conciliation and arbitration machinery which exists in so many of the important trades of the country. On the contrary, we desire to emphasize the advisability of a continuance, as far as possible, of the present system whereby industries make their own agreements and settle their differences themselves.

5. The extent to which machinery for the conciliatory adjustment of disputes exists in the important trades of this country is one of the most marked features of its industrial organization, and the valuable work that has been done by the numerous conciliation and arbitration boards in the past has rendered it possible for the State to remain very much in the background. There seems no reason to suppose that after the war these boards will not continue to work effectively, and it may be (especially in so far as they may become merged in or correlated with the joint industrial councils, whose establishment the committee have recommended) that they will achieve an even larger degree of success in securing the settlement of points that may arise between employers and employed, when regular joint meetings, apart from any disputes, have been established, and their benefit experienced.

6. It is desirable, however, to consider the part that should be taken by the State in the event of those directly concerned in industry being unable to adjust their differences themselves. The interest of the community may require that there should be an unbiased and independent examination of the facts and circumstances connected with any dispute between employers and employed. On this point the committee have had under consideration the Canadian Industrial Disputes Investigation Act, and the report on the working of that act made by Sir George Askwith [Cd. 6603]. They have also had under consideration the recommendations contained in the report of the Industrial Council [Cd. 6952 of 1913].

The committee indorse the view that there should be means by which an independent inquiry may be made into the facts and circumstances of a dispute and an authoritative pronouncement made thereon, although this does not carry with it any compulsory power of delaying strikes or lockouts.

7. Section 2 (1) (a) of the Conciliation Act, 1896, empowers the Ministry of Labor to cause an inquiry to be held into the facts and circumstances of dispute. Presumably the existing act empowers the Ministry of Labor to publish reports made as a result of inquiries of this character, but, if not, the necessary power should be obtained, so that there may be immediate publication, for the information of those

affected by the dispute and of the public generally, of an independent and authoritative account of the matters in difference.

The question whether these powers should be exercised in respect of particular cases is one which must be left to the discretion of the Government department concerned.

8. Arbitration being recognized as an appropriate method whereby the parties to industrial differences may voluntarily seek to have those differences adjusted, it is necessary to consider what form of arbitration tribunals are calculated to command the confidence of those who may appeal to them. Under the Conciliation Act the usual form of arbitration tribunal was the "single arbitrator," an independent person appointed by the Board of Trade sitting as sole judge except in cases where the points in dispute necessitated the assistance of technical assessors. Courts of arbitration (an employer's representative, a workmen's representative, and an independent chairman) were established in 1908, but comparatively few cases are referred to this form of tribunal.

9. Under the Munitions of War Act, in addition to single arbitrators and courts of arbitration, two other forms of tribunal were established—the committee on production and the special arbitration tribunal for women's wages. The committee on production consisted of three independent persons appointed by the Government, and the majority of the disputes referred to arbitration during the war other than those affecting the wages of women on munitions work have been settled by that tribunal. Its personnel has recently been changed and it is now constituted on lines similar to a court of arbitration, except that its members hold continuous office and are not appointed ad hoc. The special arbitration tribunal for women's wages consists of an independent chairman and members chosen either for their official experience or their special knowledge of the interests of employers and workpeople, respectively.

10. As arbitrations affecting the same trade or section of trades may recur, there are advantages to both employers and workpeople in knowing that the tribunal to which they submit any differences which they may have failed themselves to settle is one to which previous differences have been submitted, and which therefore has become to some extent familiar with the conditions of the trade.

11. For these reasons it would appear desirable that there should be a standing arbitration council on the lines of the present temporary committee on production to which differences of general principles and differences affecting whole industries or large sections of industries may be referred in cases where the parties have failed to come to an agreement through their ordinary procedure, and wish to refer the differences to arbitration.

Such tribunal should include in its membership persons who have practical experience and knowledge of industry, and who are acquainted with the respective standpoints of employers and work-people.

12. There are, however, certain administrative difficulties connected with the utilization of tribunals of three or more persons, particularly where the parties desire that their case should be heard locally, and where the matter is one of relatively small importance, and it is desirable that suitable persons should be available to act as single arbitrators where the parties agree to submit their case to a single arbitrator. Persons possessing experience of industrial conditions and acquainted with industrial and workshop life, including representatives of labor, would seem the most likely to command the respect and confidence of the parties. It will be obvious that the efficiency of an arbitrator, provided that he possesses the right personal qualifications, increases with practice and the study of the conditions with which he has to deal.

13. The question whether, and if so, by what means, awards of single arbitrators should be coordinated with the more general awards of the standing arbitration council is one of considerable difficulty, as there are important reasons why the several awards should not conflict.

The experience which has been gained of the various forms of arbitration tribunals suggests that there are great advantages to all parties in facilitating coordination of decisions. Conflicting decisions given by different tribunals are bound to cause dissatisfaction to one or other party. With the object of avoiding such conflict as much as possible it is of paramount importance that the department charged with the appointment of arbitrators should be in a position to insure that the several arbitrators should have opportunities of interchanging views and experiences. The means to insure reasonable coordination should be provided through the secretariat of the standing arbitration council. The awards and decisions of that council would be circulated among the single arbitrators who would thus be kept in touch with the more general and comprehensive cases.

14. In order that there might be the requisite differentiation between questions of general importance or principle and questions of comparatively less importance, the department responsible for referring cases of arbitration should pass all cases to the secretariat of the standing arbitration council. The secretariat should include a highly trained staff with experience of industry and knowledge of arbitration work so that proper differentiation would be made between the various cases and, subject to the concurrence of the parties, the several cases referred to the form of tribunal most competent to deal with them to the satisfaction of those concerned.

15. The question whether awards and agreements should be made enforceable by means of monetary or other penalties was examined exhaustively by the industrial council in an inquiry commenced in 1912, and the committee concur generally in the views expressed in the report made by the council in 1913 (Cd. 6952) to the effect that, while it is to the interests of both employers and workpeople and the community generally that industrial agreements should be duly fulfilled, in the long run this object is more likely to be secured by an increased regard for moral obligation, respect for an instructed public opinion, and reliance on the principles of mutual consent rather than by the establishment of a system of monetary penalties.

16. Our conclusions, therefore, are that (a) while we are opposed to any system of compulsory arbitration, we are in favor of an extension of voluntary machinery for the adjustment of disputes. Where the parties are unable to adjust their differences we think that there should be means by which an independent inquiry may be made into the facts and circumstances of a dispute, and an authoritative pronouncement made thereon, though we do not think that there should be any compulsory power of delaying strikes and lockouts; (b) we further recommend that there should be established a standing arbitration council for cases where the parties wish to refer any dispute to arbitration, though it is desirable that suitable single arbitrators should be available where the parties so desire.

We have the honor to be, sir,

Your obedient servants,¹

J. H. WHITLEY, <i>Chairman.</i>	J. A. HOBSON.
F. S. BUTTON.	A. SUSAN LAWRENCE.
GEO. J. CARTER.	MAURICE LEVY. ²
S. J. CHAPMAN.	J. J. MALLON.
G. H. CLAUGHTON.	THOS. R. RATCLIFFE-ELLIS.
J. R. CLYNES.	D. R. H. WILLIAMS. ²
F. N. HEPWORTH. ²	MONA WILSON.
WILFRID HILL. ²	

H. J. WILSON,
A. GREENWOOD,
Secretaries.

31ST JANUARY, 1918.

¹ Mr. Smillie was unable to attend any of the meetings at which this report was considered and therefore does not sign it. Mr. Allan M. Smith has not signed the report, but makes the following statement: "Without expressing any opinion on the views contained in the arbitration report of the committee, I have refrained from signing the report because I consider that the subject dealt with is one which, unprejudiced by any pronouncement of the committee, should be left to the free discussion and consideration of the employers and workpeople in each branch of industry"

² Additional members of the committee appointed in connection with this report.

FINAL REPORT ON JOINT INDUSTRIAL COUNCILS.¹

To the Rt. Hon. D. LLOYD GEORGE, M. P., Prime Minister.

SIR: The committee was appointed by the Prime Minister in October, 1916, with the following terms of reference:

(1) To make and consider suggestions for securing a permanent improvement in the relations between employers and workmen.

(2) To recommend means for securing that industrial conditions affecting the relations between employers and workmen shall be systematically reviewed by those concerned, with a view to improving conditions in the future.

This reference might be held to invite us to recommend in detail schemes applicable to varied industries. From this we have refrained, in the belief that it is wiser to indicate a ground plan only, and invite the persons actually engaged in the several industries to build the fabric suited to their own conditions.

2. We have presented four reports. In our first report on joint industrial councils we recommend the establishment for each of the principal well-organized industries of a triple form of organization, representative of employers and employed, consisting of joint industrial councils, joint district councils, and works committees, each of the three forms of organization being linked up with the others so as to constitute an organization covering the whole of the trade, capable of considering and advising upon matters affecting the welfare of the industry, and giving to labor a definite and enlarged share in the discussion and settlement of industrial matters with which employers and employed are jointly concerned.

3. In our second report on joint industrial councils we proposed for trades where organization is at present very weak or nonexistent an adaptation and expansion of the system of trade boards working under an amended trades board act; and for trades in which organization is considerable, but not yet general, a system of joint councils with some Government assistance which may be dispensed with as these industries advance to the stage dealt with in our first report.

In the second report we proposed also a plan whereby the joint council of an industry when it has agreed upon a minimum standard of working conditions for those employed in the industry may have the means of making those conditions general in any district or over the whole country.

¹ Ministry of Reconstruction. Committee on relations between employers and employed. Final report. London, 1918. 4 pp. Cd. 9153. Price, 1d. Printed in full in the MONTHLY LABOR REVIEW for December, 1918 (pp. 31-34).—[Ed.]

Taking our first and second reports together they constitute a scheme designed to cover all the chief industries of the country and to equip each of them with a representative joint body capable of dealing with matters affecting the welfare of the industry in which employers and employed are concerned and of caring for the progressive improvement of the industry as an integral part of the national prosperity.

4. We have considered it no less important that in each factory or workshop, where the circumstances of the industry permit, and when the conditions which we have stated are fulfilled, there should be a works committee, representative of the management and the men and women employed, meeting regularly to consider questions peculiar to the individual factory or workshop, which affect the daily life and comfort of the workers and in no small degree the efficiency of the work, and in which practical experience will bring a valuable contribution to the improvement of methods. This question was the subject of our third report.

5. We wish to reaffirm our conviction, expressed in the first report, of the urgency of the matter. In our opinion there is pressing need that every organized industry should equip itself with a representative machinery capable of dealing with the large questions of common interest to employers and employed arising in war time, during demobilization, and in the period after the war. Further, we believe that when the joint councils have gained confidence and experience in dealing with the urgent problems of the moment they will find their sphere of usefulness to be much wider than they themselves imagined at their first inception.

Similarly, works committees, beginning perhaps with limited functions, will, we anticipate, without in any way trenching upon matters appropriate to the industrial councils, find a continual growth in the list of questions appertaining to the individual factory or workshop that can be dealt with by mutual agreement. We have purposely refrained, throughout our reports, from making proposals in detail with regard to the constitution of the councils and committees or the scope of their functions, because we are convinced that this can only be done satisfactorily by the people engaged in an industry and familiar with all its circumstances.

We note with satisfaction that, following the approval of our first report by the War Cabinet, the Ministry of Labor has established a special department to give assistance and information where it may be desired, and to collect and codify the results of the activities and experience of the councils that have been formed or are coming into existence.

6. In our fourth report we have made recommendations on conciliation and arbitration. Relying in the main on the methods built up by agreement within the various industries and looking to an expansion and improvement of these methods resulting from the habit of dealing with common questions in joint council, we have limited our new proposals to the establishment of a small standing arbitration council, on the lines of the present committee on production, to deal with cases where the parties have failed to come to an agreement under their ordinary procedure and wish to refer their differences to this council.

In this connection we have made suggestions designed to minimize the occurrence of conflicting awards and to secure an interchange of knowledge and experience between persons called upon to act as arbitrators.

7. On the question of the adoption of schemes of profit sharing and copartnership we have considered the evidence at present available and have felt bound to come to the conclusion that it does not justify us in putting forward any general recommendations.

8. Our recommendations have the effect of conferring upon the joint industrial councils, and through them upon the several industries, a large measure of self-government. Many of the subjects which might perhaps have been suggested as forming objects of inquiry by the present committee are matters which, in our opinion, can more usefully and profitably be considered by the joint organizations, composed as they are of those actually concerned in the various trades. Moreover, since our committee was constituted two new departments of State have been set up, viz., the Ministry of Labor and the Ministry of Reconstruction.

The functions of these departments and the activities of the various advisory committees which they have established will necessarily include the consideration of the relations between employers and employed and of the problems connected therewith, and the departments will no doubt be better able (through and with the assistance of the industrial councils which we have recommended) to offer such advice and guidance as may be found necessary than the present committee.

It is clear, therefore, that if we were to undertake further inquiries there would be a considerable amount of overlapping, either with the work that is now being carried on by the central departments or with the duties and functions of the industrial councils.

For these reasons we beg to be allowed to present this as our final report.

9. Throughout our work we have received most valuable assistance from our secretaries, Mr. H. J. Wilson and Mr. Arthur Greenwood,

and we wish to record our gratitude to them for the services they have rendered.

We have the honor to be, sir,

Your obedient servants,¹

J. H. WHITLEY, *Chairman.*

F. S. BUTTON.

GEO. J. CARTER.

S. J. CHAPMAN.

G. H. CLAUGHTON.

†J. R. CLYNES.

F. N. HEPWORTH.²

WILFRED HILL.²

†J. A. HOBSON.

†A. SUSAN LAWRENCE.

MAURICE LEVY.²

†J. J. MALLON.

THOS. R. RATCLIFFE-ELLIS.

D. R. H. WILLIAMS.²

†MONA WILSON.

H. J. WILSON,

A. GREENWOOD,

Secretaries.

1ST JULY, 1918.

NOTE.

By attaching our signatures to the general reports we desire to render hearty support to the recommendations that industrial councils or trade boards, according to whichever are the more suitable in the circumstances, should be established for the several industries or businesses and that these bodies, representative of employees and employed, should concern themselves with the establishment of minimum conditions and the furtherance of the common interests of their trades.

But while recognizing that the more amicable relations thus established between capital and labor will afford an atmosphere generally favorable to industrial peace and progress, we desire to express our view that a complete identity of interests between capital and labor can not be thus effected, and that such machinery can not be expected to furnish a settlement for the more serious conflicts of interest involved in the working of an economic system primarily governed and directed by motives of private profit.

J. R. CLYNES.

J. A. HOBSON.

A. SUSAN LAWRENCE.

J. J. MALLON.

MONA WILSON.

¹ Mr. Smillie was unable to attend any of the meetings at which this report was considered, and therefore does not sign it. Sir Allan M. Smith signs subject to his note to the report on conciliation and arbitration (see p. 40). The members whose names are marked † sign subject to the note appended.

² Additional members of the committee appointed in connection with this report.

OTHER OFFICIAL DOCUMENTS RELATING TO JOINT INDUSTRIAL COUNCILS.

BRITISH GOVERNMENT'S VIEW OF THE PROPOSALS OF THE WHITLEY REPORT.¹

MINISTRY OF LABOR, MONTAGU HOUSE,
Whitehall, SW 1, 20th October, 1917.

SIR: In July last a circular letter was addressed by the Ministry of Labor to all the principal employers' associations and trade-unions asking for their views on the proposals made in the report of the Whitley committee on joint standing industrial councils, a further copy of which is inclosed. As a result of the replies which have been received from a large number of employers' organizations and trade-unions generally favoring the adoption of those proposals, the War Cabinet have decided to adopt the report as part of the policy which they hope to see carried into effect in the field of industrial reconstruction.

In order that the precise effect of this decision may not be misunderstood, I desire to draw attention to one or two points which have been raised in the communications made to the ministry on the subject, and on which some misapprehension appears to exist in some quarters.

In the first place, fears have been expressed that the proposal to set up industrial councils indicates an intention to introduce an element of State interference which had hitherto not existed in industry. This is not the case. The formation and constitution of the councils must be principally the work of the industries themselves. Although, for reasons which will be explained later, the Government are very anxious that such councils should be established in all the well-organized industries with as little delay as possible, they fully realize that the success of the scheme must depend upon a general agreement among the various organizations within a given industry and a clearly expressed demand for the creation of a council. Moreover, when formed, the councils would be independent bodies electing their own officers and free to determine their own functions and pro-

¹ Ministry of Labor. Industrial Reports No. 1. Industrial councils. The Whitley report, together with the letter of the Minister of Labor explaining the Government's view of its proposals. London, 1917. 19 pp. Price, 1d. This letter, which was addressed to the leading employers' associations and trade-unions, was published in full in the MONTHLY REVIEW for March, 1918 (pp. 81-84). The pamphlet includes a copy of the Whitley report, which has not been repeated in this connection, since it appears in full on pages 16 to 23.—[Ed.]

cedure with reference to the peculiar needs of each trade. In fact, they would be autonomous bodies, and they would, in effect, make possible a larger degree of self-government in industry than exists to-day.

Secondly, the report has been interpreted as meaning that the general constitution which it suggests should be applied without modification to each industry. This is entirely contrary to the view of the Government on the matter. To anyone with a knowledge of the diverse kinds of machinery already in operation, and the varying geographical and industrial conditions which affect different industries, it will be obvious that no rigid scheme can be applied to all of them. Each industry must therefore adapt the proposals made in the report as may seem most suitable to its own needs. In some industries, for instance, it may be considered by both employers and employed that a system of works committees is unnecessary, owing to the perfection of the arrangements already in operation for dealing with the difficulties arising in particular works between the management and the trade-union officials. In other works committees have done very valuable work where they have been introduced and their extension on agreed lines deserves every encouragement. Again in industries which are largely based on district organizations it will probably be found desirable to assign more important functions to the district councils than would be the case in trades which are more completely centralized in national bodies. All these questions will have to be thrashed out by the industries themselves and settled in harmony with their particular needs.

Thirdly, it should be made clear that representation on the industrial councils is intended to be on the basis of existing organizations among employers and workmen concerned in each industry, although it will, of course, be open to the councils, when formed, to grant representation to any new bodies which may come into existence and which may be entitled to representation. The authority, and consequently the usefulness of the councils will depend entirely on the extent to which they represent the different interests and enjoy the whole-hearted support of the existing organizations, and it is therefore desirable that representation should be determined on as broad a basis as possible.

Lastly, it has been suggested that the scheme is intended to promote compulsory arbitration. This is certainly not the case. Whatever agreements may be made for dealing with disputes must be left to the industry itself to frame, and their efficacy must depend upon the voluntary cooperation of the organizations concerned in carrying them out.

I should now like to explain some of the reasons which have made the Government anxious to see industrial councils established as soon

as possible in the organized trades. The experience of the war has shown the need for frequent consultation between the Government and the chosen representatives of both employers and workmen on vital questions concerning those industries which have been most affected by war conditions. In some instances different Government departments have approached different organizations in the same industry, and in many cases the absence of joint representative bodies which can speak for their industries as a whole and voice the joint opinion of employers and workmen has been found to render negotiations much more difficult than they would otherwise have been. The case of the cotton trade, where the industry is being regulated during a very difficult time by a joint board of control, indicates how greatly the task of the State can be alleviated by a self-governing body capable of taking charge of the interests of the whole industry. The problems of the period of transition and reconstruction will not be less difficult than those which the war has created, and the Government accordingly feel that the task of rebuilding the social and economic fabric on a broader and surer foundation will be rendered much easier if in the organized trades there exist representative bodies to which the various questions of difficulty can be referred for consideration and advice as they arise. There are a number of such questions on which the Government will need the united and considered opinion of each large industry, such as the demobilization of the forces, the resettlement of munition workers in civil industries, apprenticeship (especially where interrupted by war service), the training and employment of disabled soldiers, and the control of raw materials; and the more it is able to avail itself of such an opinion the more satisfactory and stable the solution of these questions is likely to be.

Further, it will be necessary in the national interest to insure a settlement of the more permanent questions which have caused differences between employers and employed in the past on such a basis as to prevent the occurrence of disputes and of serious stoppages in the difficult period during which the problems just referred to will have to be solved. It is felt that this object can only be secured by the existence of permanent bodies on the lines suggested by the Whitley report, which will be capable not merely of dealing with disputes when they arise, but of settling the big questions at issue so far as possible on such a basis as to prevent serious conflicts arising at all.

The above statement of the functions of the councils is not intended to be exhaustive, but only to indicate some of the more immediate questions which they will be called upon to deal with when set up. Their general objects are described in the words of the report as being "to offer to workpeople the means of attaining improved conditions of employment and a higher standard of comfort generally, and

involve the enlistment of their active and continuous cooperation in the promotion of industry." Some further specific questions, which the councils might consider, were indicated by the committee in paragraph 16 of the report,¹ and it will be for the councils themselves to determine what matters they shall deal with. Further, such councils would obviously be the suitable bodies to make representations to the Government as the legislation which they think would be of advantage to their industry.

In order, therefore, that the councils may be able to fulfill the duties which they will be asked to undertake, and that they may have the requisite status for doing so, the Government desires it to be understood that the councils will be recognized as the official standing consultative committees to the Government on all future questions affecting the industries which they represent, and that they will be the normal channel through which the opinion and experience of an industry will be sought on all questions with which the industry is concerned. It will be seen, therefore, that it is intended that industrial councils should play a definite and permanent part in the economic life of the country, and the Government feels that it can rely on both employers and workmen to cooperate in order to make that part a worthy one.

I hope, therefore, that you will take this letter as a formal request to your organization on the part of the Government to consider the question of carrying out the recommendations of the report so far as they are applicable to your industry. The Ministry of Labor will be willing to give every assistance in its power in the establishment of industrial councils and will be glad to receive suggestions as to the way in which it can be given most effectively. In particular, it will be ready to assist in the convening of representative conferences to discuss the establishment of councils, to provide secretarial assistance, and to be represented, if desired, in a consultative capacity at the preliminary meetings. The Ministry will be glad to be kept informed of any progress made in the direction of forming councils. Although the scheme is only intended, and indeed can only be applied, in trades which are well organized on both sides, I would point out that it rests with those trades which do not at present possess a sufficient organization to bring it about if they desire to apply it to themselves.

In conclusion I would again emphasize the pressing need for the representative organizations of employers and workpeople to come together in the organized trades and to prepare themselves for the problems of reconstruction by forming councils competent to deal with them. The Government trusts that they will approach these problems not as two opposing forces each bent on getting as much

¹ See p. 19.—[Ed.]

and giving as little as can be contrived, but as forces having a common interest in working together for the welfare of their industry, not merely for the sake of those concerned in it, but also for the sake of the nation which depends so largely on its industries for its well-being. If the spirit which has enabled all classes to overcome by willing cooperation the innumerable dangers and difficulties which have beset us during the war is applied to the problems of reconstruction, I am convinced that they can be solved in a way which will lay the foundation of the future prosperity of the country and of those engaged in its great industries.

I am, sir, your obedient servant,

GEO. H. ROBERTS.

106328°—Bull. 255—19—4

REPORT OF AN INQUIRY INTO WORKS COMMITTEES.¹

PREFACE.

Owing to the great changes in industry which the war has produced, particularly in engineering, the need for closer relations between employer and workmen has become increasingly felt. The old trade-union machinery has often been overburdened and has not always sufficed to deal with the innumerable questions arising from day to day in the shops. These conditions have encouraged the growth of works committees as a means of direct and constant communication between employer and workmen, and as the formation of such committees in industries where the conditions require or favor them has been recommended by the Whitley committee as part of the industrial organization of the future, it was thought that it would be useful to collect particulars of existing works committees and to publish them for the information of those who might be interested in the matter.

The following report is based on an inquiry made by members of the department as to the constitution and working of works committees in a number of different industries, including engineering, shipbuilding, iron and steel, boot and shoe, mining, printing, woolen and worsted, pottery, and furniture. The inquiry did not aim at being exhaustive, but an attempt was made to examine carefully typical committees in the chief industries where they were known to exist, with a view to bringing out the different objects, functions, methods of procedure, and constitutions which have been tried in actual practice. The opinions of those interested in the committees, on the side both of the management and of the workmen, have been sought, and the sincere thanks of the department are due to directors, managers, trade-union officials, shop stewards, and others for their courtesy and the trouble they have taken to help the inquiry at a time when all were burdened by the extra duties imposed on them by the war. Our special thanks are also due to the Ministry of Munitions of War and the Admiralty shipyard labor department, and to those individuals, firms, committees, and associations who have given permission for the publication of the particulars of works committees which appear in the appendixes.

¹ Ministry of Labor. Works committees. Report of an inquiry made by the Ministry of Labor. Industrial Reports No. 2. London, 1918. 146 pp. Price, 6d. Summarized in the MONTHLY LABOR REVIEW for August, 1918 (pp. 81-84). Appendix VI of this report is the text of the third report of the Whitley committee, entitled "Supplementary report on works committees," which appears on pages 32 to 35, and is therefore not repeated in this connection.—[Ed.]

No attempt has been made to draw any general conclusions or to sketch any ideal form of works committee. The object aimed at has been to present the facts as accurately as possible, to point out the various difficulties which have been encountered and the various methods which have been devised to meet them. In this way it was hoped that this report might be of some value as furnishing guidance and suggestions to those who are concerned with working out the problem of works committees for their own industry or their own establishment.

Since this volume was prepared the Whitley committee have issued their third report, which deals with works committees and which recommends the collection of information regarding existing works committees. This report is printed as Appendix VI.¹

D. J. SHACKLETON.

MINISTRY OF LABOR,
March, 1918.

I. INTRODUCTION.

The extent of the existence of works committees before the war is largely a matter of definition. Our estimate of their scope will vary according as we give the term a wide interpretation, or confine it to committees representative of all the workpeople in an establishment. Works committees in this latter sense of the term existed before the war in various industries, and in some instances they had been in existence for many years. If the term is interpreted in a wide sense, and taken to include various kinds of committees, such as those representative of individual trades or departments, or those which have come into existence at particular times and for limited purposes, the number in existence before the war is greatly increased.² In certain industries, however, notably engineering, the conditions of war have produced such a change in both the form and function of workshop organization that the discussion of the general idea of works committees may be said to have developed out of those conditions. Since, however, the works committee, on the whole, springs from the common methods of trade-union organization inside the workshop, as they existed long before the beginning of the war, some reference to these methods is necessary as an introduction to this report upon some of the committees which are now in operation.

Before this works organization is considered it may be noted that certain of the immediate causes which have led to the rise of works committees during the war—the methods of remuneration (piece-

¹ See footnote on p. 50.—[Ed.]

² For an explanation of the various terms used for different forms of workshop organization see under Nomenclature, pp. 56, 57.

work or profit-sharing¹ or bonus on output), welfare, collections for charity, and, to some extent, dilution also—were already operative in the formation of earlier works committees.

WORKS COMMITTEES BEFORE THE WAR.

The majority of trade-unions have official shop stewards, though these officials may be known by some other name—such as “shop delegates,” “works representatives,” “collectors,” “yard committeemen,” or, in one case at least, “works directors.” In certain cases also the name committee—watch or vigilant committee—is attached to the body of shop stewards in an establishment. It may even be said that the works committee is older than trade-unionism; the “chapel,” for instance (the ancient organization of the workmen in each printing office), goes back much farther than the end of the seventeenth century.² Such shop clubs were not confined to any one industry. They were, however, quite different things from a works organization formed of representatives of permanent trades-unions, and would now be represented by a committee of workers in a nonunion shop. Today the duties of the “chapel,” as laid down in the rules of various unions of the industry, include those discharged by shop stewards in many other trades. Apart from (1) functions obviously intended to sustain the fabric of the trade-union—the collection of dues, the interrogation of defaulters and newcomers, and the like—the duties of shop stewards are stated in the rules of different unions to include (2) the regular supply to the branch or district committee of information respecting any encroachment upon recognized trade-union conditions, participation in deputations to the management in connection with grievances,³ the calling of shop meetings of the members to discuss grievances, etc. The stewards are in one case held “responsible for the conduct of the shop according to rules.” The actual degree of organization of the shop stewards varies among the trade-unions. In some cases all the shop stewards of a union in a district hold regular meetings once a month with the district committee of the union. Certain unions supply their shop stewards with

¹ For some examples of committees in a variety of industries, which in 1894 were concerned with schemes for profit sharing or cooperative production, see report on profit sharing by Mr. D. F. Schloss (C-7458).

² See the appendix to Joseph Moxon's “Mechanick Exercises,” published in 1683. The appendix headed “Ancient customs used in a printing house” tells us that “every printing house is, by the custom of time out of mind, called a ‘Chappel.’”

³ Participation in deputations to the management has naturally tended to the formation of committees. This may have happened when representatives of different trades joined together to present common grievances; the management may again have suggested the formation of a committee as an alternative to a number of sectional deputations. The appointment of deputations of workpeople to meet the management is, of course, not confined to trade-unionist workmen; it has always been a feature of modern industry in both organized and unorganized establishments. In organized establishments, however, there has always been a tendency for the shop stewards to be represented on such deputations.

official cards. In other cases, however, there is no regular machinery for consultation between the shop stewards and the union officials, and no certificates of official recognition are supplied to the shop stewards. There is variety also in regard to the election and the deposition of shop stewards; some hold office for a definite period, while others may be deposed at any time. Most commonly the election is made in the department by the men of the union, though there are cases in which appointment to the office is made by trade-union branches.

(1) In regard to the first-mentioned duties of shop stewards—the collection of subscriptions and the examination of credentials of membership—two facts may be noted. The first is that such methods of organization are not confined to workers whose daily work is done in a fixed establishment, but are also used on certain forms of more or less migratory work, such as building construction. The “ticket” steward commonly examines new men taken into employment on a building job. The second fact to be noted is that in certain industries, in a number of areas, a regular system of works committees, linked together in district organizations, had developed several years before the war for the purpose of the more efficient achievement of these objects.¹

(2) But both in theory and in practice the work of shop stewards—or of committees of shop stewards—has generally extended beyond these functions. As an example of practice, the apparently unsuitable case of building work may first be taken. Committees—somewhat loosely organized it may be, but nevertheless committees, and so considered by those responsible for their formation—have been formed in the building trade; and the scope of these committees has embraced the second and wider class of duties mentioned above. It has for years been common in certain districts for the “ticket” stewards on a big building job to come together and to elect a secretary, who in some cases (it may be noted) has been a representative of the laborers. Such a committee of stewards may make representations to, or be consulted by, the employer on questions such as the proper allocation of work in order that sufficient inside operations may be reserved for wet weather. Another question which such committees have been known to bring forward is that of extra payment in consequence of the inconvenient situation of some particular job. (This, perhaps, is strictly trade-union business.) In demanding adequate provision for the heating of tea cans and for the enjoyment of meals, such committees may be said to have anticipated in their own way the modern welfare committee. In many industries the same combination of shop stewards and the same practice in making

¹ For example, the Clyde Shipyards joint trades' vigilant committee formed at the beginning of 1911. [See pp. 165-167.—Ed.]

united representations to the employer—a practice not necessarily “recognized”—have been attempted at different times and with varying degrees of success. In some cases in which such methods have been successfully applied in engineering and shipbuilding the initiative has come from the side of the management. It remains true, of course, that the shop steward system up to the present has been in the main only a trade system, and that the committees formed under it can be classed under works committees only if the term is given the wide scope mentioned at the beginning of this report. If the term is used in this wider sense, committees will be found to have existed for many years in a number of industries where piecework is in operation. Some of these are dealt with in a later paragraph.

Another of the functions of shop stewards—the calling of shop meetings—appears to form the basis of a system of works committees in certain industries, which include, at any rate in some districts, the furnishing trades. The shop meeting, for which the rules of most trade-unions make provision, is a meeting of the members of a union; but the term has another meaning which has gained currency during the war, viz, a meeting of all the trades in a works; and it is interesting to note that in part, at least, of the furnishing industry this has long been the recognized meaning. Here the meetings are regular (monthly), and the stewards—not necessarily drawn from all the trades—make their report about membership and the like. The shop stewards in a furnishing works may in this way form a works committee with a secretary. At the same time, it would appear that for the settlement of piece prices certain unions in the furnishing trades, such as that of the upholsterers, work through their own shop stewards.¹

Committees for the arrangement of piece prices, which are found in a great variety of industries, are convenient examples of (*a*) trade or departmental organization as contrasted with works organization; and (*b*) the informal nature and composition of many committees. In regard to (*a*), the method of the upholsterers has already been mentioned. Usually there are only a small number of upholsterers in any one establishment; 15 would mean a very considerable firm. In smaller establishments the shop steward or stewards of the union usually carry through the negotiations for any new work not covered by the shop “log,” or list of piece prices. If they are un-

¹ The position in the furnishing trade is somewhat indefinite. Some years ago there would appear to have been joint committees of employers and employees in several districts, but these have disappeared. An example will be found in the Eleventh Report of Proceedings under the Conciliation Act, page 161. A system of departmental committees for the fixing of rates for subnormal workers is still in operation in certain districts, and was more common until quite recently, when piecework was abolished in some areas. In a few establishments these committees appear to have been works and not departmental committees. These committees are *ad hoc* bodies, called into being for a particular purpose by the shop steward (or stewards) who form the element of continuity.

successful, the full-time trade-union official comes into the bargaining operations. In one establishment, however, in which an exceptionally large number of upholsterers are employed in several departments or "floors," the departmental or trade committee has been in existence for many years. This is composed of all the stewards—three elected from each of the "floors"—and from this committee again three head stewards are chosen. For the particular work of any floor the appropriate stewards undertake the preliminary negotiations; but if these are unsuccessful, the question in dispute will come before the committee and be dealt with by the head stewards in consultation with the management before it is, probably with the assent of a shop meeting, given into the hands of the trade-union official. The pottery industry supplies examples of both (a) and (b). Pricing committees are found in most sections of the trade, and there may be several committees in a single factory. In the sanitary trade a standing committee is usual. In many factories, however, the method employed is for the operative concerned to call in two or three mates to assist him in arranging the price of a new job. The men called in need not be the same on each occasion. The existence of several committees in one factory may be exemplified by an establishment in the Jet and Rockingham branch of the industry, in which there have been for many years pricing committees for jiggers (makers), turners, and handlers. In this case none but trade-unionists can sit on the committee; but this is by no means a universal rule. In works, however, in which there are trade-unionists the practice is to elect to the committee one (or more) of them, who is expected to serve as a connecting link between the committee and the district committee of the trade-union.

The position of the "chapel" in relation to the London compositors' scale is an old and well-established case of a works organization taking part, among other functions, in the regulation of piecework.

In other trades in which piecework is in operation, and where complete standardization of lists has been found impracticable, methods more or less similar to those mentioned above are found. In this connection the development of works committees in engineering establishments during the war is significant. The engineering trades have always resisted piecework, but at the same time they have generally bargained on an individual basis for any work done on this system. The extension of piecework and the growth of the method of collective bargaining in the shop by works committees or stewards have gone on side by side, and it would appear that to a considerable degree the one is the immediate cause of the other. Even in industries in which price lists for piecework are used there are commonly occasions on which a particular job is not covered by the list, and in certain cases jobs can not be listed at all. In this con-

nection it may be noted that in mining the *method* of joint pit committees, as well as the joint district board, has been in operation in certain districts for a long time, and the method is embodied in the rules of various districts under the Coal Mines (Minimum Wage) Act of 1912. In several districts disputes as to whether a workman has forfeited his right to the minimum must be discussed by two officials of the mine and two representatives of the local lodge of the union before they are taken to the district joint board committee, and in one district the representatives from each side are four in number.

The fact that in many mining districts the trade-union branch or lodge is composed only of the men working in one pit makes the lodge committee in effect a pit committee.¹ It is not a complete works committee in the stricter sense of the term, except in those places in which the enginemen and certain other workers, who commonly belong to other unions, are members of the local miners' association. The tendency of certain other unions—e. g., those in the iron and steel industry—to organize on the basis of the work is interesting from the same standpoint.²

It may be noted that in many cases conciliation boards are really works committees. This is so when the joint board is composed of representatives of the workpeople in one establishment and of members of the firm. Such boards, with varying degrees of connection between the workmen's side and the trade-unions, have been formed in individual establishments belonging to a variety of industries.

NOMENCLATURE.

A distinction must be drawn between "works committees" and "shop committees." The former cover the whole of a works, or even in some cases, the whole of two or three contiguous works; the latter cover a particular department or shop in a works. Among works committees it is possible to distinguish three varieties. The first and main variety may be called the "industrial committee." Such a committee, generally constituted on a trade-union basis, deals with particular questions affecting the conditions and remuneration of labor in a given works, questions of principle being reserved for the district or national organizations concerned. It is this variety which, being the most important, is often called by the general name of works committee. A second variety may be called the "welfare committee." Such a committee, representing, as a rule, all the workers in a given works, deals with what may be termed "works amenities"—ventilation, sanitation, and the like. A third variety,

¹ Even where the basis of the miners' branch is not the pit but, say, the village, each of the several pits in the village commonly has its committee.

² It may be noted that the circumstances of industry in general in the eighteenth and early nineteenth century made for a greater correspondence between organization by locality and organization by establishment than exists to-day.

which may be merged with the second or may be distinct, is the "social union," or more exactly the committee governing the social union, where one exists, of the workers employed in the same establishment. Such a committee is concerned with games, recreations, study circles, picnics, and the like.

Apart from these main types there are, of course, local varieties of all sorts. There may be, for instance, a separate "mess-room committee," or again there may be a separate "women's committee." There may be a committee peculiar to a small section of workers—e. g., toolmakers—which handles a large and important area of functions in regard to those workers. Finally, even though there are no regular or standing works committees, it may be the case that committees are created *ad hoc* whenever an important question arises in a works, and that these committees are consulted by the management with a view to settling such questions. This, indeed, is the procedure followed in some of the works where the relations of management and men are most amicable. In some cases the committee so formed consists of the shop stewards of the separate trades.

It may be added that some committees are "joint" and embrace representatives of both men and management, meeting together in regular session; while others (and this is the general rule) are committees of workmen only, but meet the management from time to time (sometimes regularly and sometimes occasionally; sometimes directly and sometimes through their chairman or secretary) to settle grievances and give or receive information.

Various names have been applied to committees formed during the war, particularly to those formed to deal with such questions as timekeeping. Among the names are "workers' advisory board," "works' tribunal," "vigilant committee," and "works' council."¹

II. ORIGINS AND INFLUENCE OF WAR DEVELOPMENTS.

The causes which have brought works committees into existence during the war, and the circumstances attending their origin, are naturally very different. A classification of origins may, however, be attempted under the following heads:

- (1) Shop stewards.
- (2) Dilution.
- (3) Methods of remuneration.
- (4) Timekeeping.
- (5) Welfare.
- (6) War charity.
- (7) Other causes.

¹ "Works committee," it may be noted, is sometimes taken to mean only a joint committee of management and employees. The name is not used in this narrow sense in this report. "Shop committee" is sometimes used in the sense in which "works committee" is defined above, i. e., for a committee covering not merely a department but the whole of a works.

SHOP STEWARDS.

To a very considerable extent the first three headings must be treated together. This is particularly true of engineering works. It has already been pointed out that shop stewards with a considerable range of duties were a normal feature of trade-union organization before the war. It has also been seen that, though for the most part these stewards acted only for their own separate organizations, this was not their only method of operation. One effect of the war has been to enhance the position and prestige of shop stewards. The loss of the right to strike has depressed the position of trade-union officials, who were thus deprived of the chief weapon they controlled, and if they had organized strikes, would have been liable to prosecution. Under these conditions the shop stewards, more unknown and therefore less exposed, began to exercise more power. Nor was this all. In an industry such as engineering, questions of dilution and, again, of payment by results raised matters of detail which needed some shop machinery for their solution. Such questions often concerned the members of several unions in the same establishment; and the common interest of men working side by side often led to concerted action. Though many works committees instituted during the war can be traced to one or other of these sources, and though most of the committees thus called into existence may be said to have worked to the satisfaction of all grades of workpeople, it is true that in certain cases the question of dilution has produced committees of shop stewards with conflicting interests. In certain places two committees have been formed, one composed of the shop stewards of the skilled trades and the other confined to the stewards of the unions representing the unskilled and semiskilled men.

It may be added that this tendency among workpeople to bring their organization more closely to bear upon workshop conditions is to be seen in industries which have been much less affected by the war than engineering. The tendency preceded, but has been strengthened by, the war.

DILUTION.

To gain the consent of national unions was not in itself enough to settle the question of dilution, for it is obvious that in a complicated trade, such as engineering, with its many varieties, questions of detail might arise in almost every works which needed some machinery for their solution. This has led to the introduction of dilution committees in many establishments. These committees, consisting of representatives of the workers (mainly, of course, the skilled workers), discuss with the management on what machines

or processes, to what extent, and under what conditions dilution shall be introduced. Committees of this character, dealing with an important range of economic questions, have often been led to raise other questions than that of dilution, and to bring forward for discussion with the management, with which they were being brought into constant contact by the problems of dilution, questions and grievances of a general character. Sometimes the committee has remained in name a dilution committee, while it was in reality a works committee. Sometimes a definite change has been made and the dilution committee, with more or less change in its composition, has been turned into a works committee. In any case, the problem of dilution has been one of the most potent forces in forwarding the movement toward works committees. Though there has been a marked tendency for dilution committees to develop into works committees, it may be noted that in one or two cases the dilution committee was formed after and as a subcommittee of the works committee.

The importance of the connection between a works committee and the trade-unions is indicated by complaints that dilution committees' negotiations have violated trade-union agreements.

METHODS OF REMUNERATION.

One of the necessities of the war has been to increase output; and one method which suggested itself for this purpose was that of payment by results in trades where timework was the normal practice. In many trades any system of piecework is very unpopular, and in the past has been strongly opposed. This is true of engineering, where the unions had left any piecework which was introduced to the control of individual bargaining. The rapid extension of piecework in such trades has led to a variety of forms of collective bargaining. In some establishments a new piece price is submitted to the works committee before it is discussed with the individual workman. In others an appeals committee has been instituted to consider and bring forward complaints against piece prices or premium bonus times fixed by the management. In others, again, something on the lines previously mentioned as existing in parts of the pottery industry has been developed; and prices have been discussed, not with the individual workman, but with the workman and two or three of his mates on similar work. In other establishments various forms of collective or group bonus on output (or output value) have been adopted; and in some of these cases committees have been formed either temporarily, in order to discuss the introduction of the new method, or permanently, in order to supervise its working. In other

cases committees have been formed to deal with timekeeping bonuses or profit-sharing schemes.¹

Committees connected with methods of remuneration are not in themselves works committees proper. They may be committees representing only a small section of the establishment (e. g., the tool-makers), while the rest of the workmen in the establishment are not concerned and are represented by no committee. They may, again, be partial in scope as well as in membership, and deal with no other matters than that of a bonus. This, however, is unlikely and seems unusual. A committee connected with a bonus system often comes to embrace a wider scope, and will bring forward or be consulted by the management about other matters.

TIMEKEEPING.

Committees whose sole function, or one of whose main functions, is the improvement of timekeeping have been instituted in the coal mining industry, at the ironworks in Cleveland and Durham, and in a number of engineering and munitions factories. The pithead, or output, or absentee, committees, as they are variously called, commonly deal with the negligence of mine officials as well as with cases of absenteeism. The committees at the Cleveland and Durham blast furnaces are confined to the one function of improvement of timekeeping.

WELFARE.

The strain of the war has introduced conditions which have made it necessary to consider ways of promoting the physical welfare of the workers. Long hours have been worked; night shifts have been added to day shifts; workshops have sometimes been crowded; the introduction of women workers by the side of men, in occupations where women had not previously been employed, has raised a number of questions. Matters such as the best distribution of working hours, the provision of canteens and mess rooms, and the improvement of ventilation and sanitation, have all demanded attention. On such matters, where the interest of the workers is paramount, the simplest course is obviously to consult them, and to receive their complaints and suggestions through their own accredited representatives. This course has been adopted in a number of establishments; and the result has been the institution of a welfare committee, which has eased the situation by removing, or preventing the rise of, a number of griev-

¹ A great variety of bonus schemes is in operation in munitions factories, many of which are not understood by the workpeople concerned. It would appear to be necessary that not only should there be a committee to supervise such schemes, but that a "particulars clause" should be made obligatory on the employer. Arbitration awards have in individual cases made one or both of these methods of control part of their findings.

ances. The workmen have thus been allowed a voice in regard to the conditions under which they labor, and these welfare committees, though they can hardly be called works committees, may be said to prepare the ground. They serve to engender something of a spirit of community in the works, and to help the workmen to feel that they have a common interest as workers in the same establishment.

WAR CHARITY.

In several cases (for instance, in the Glasgow district) committees have been formed to administer funds raised in the works for the purpose of helping dependents of workmen who have joined the colors. These committees form a germ which may develop, and here and there has developed, into works committees capable of entertaining grievances or raising general questions and bringing them to the notice of the management. Where the firm has subscribed to the works' fund and has been represented on the committee of management, the nucleus of a joint committee is obviously present.

OTHER CAUSES.⁴

In much the same way committees formed in an establishment for social purposes prepare the ground, if they do nothing more, for the institution of works committees. They help to create the habit of common action through representatives; and, accustoming the men of different crafts and different unions to act together for purposes of a social nature, they gradually lead to the adoption of the idea that a certain range of industrial questions may be treated in the same way. In some of the best establishments which have recently instituted works committees the success of these committees is largely attributed to the work which committees of a social character have done in preparing the ground.

It is believed that the ways indicated are those in which works committees have mainly tended to arise. In a subject of such variety, however, it is impossible to make any exhaustive enumeration. Often the institution of a works committee is due to the initiative of an employer or manager who desires to give the workpeople a larger control over working conditions or who finds that his task is greatly eased if he can deal with an accredited representative of the workmen. Sometimes a committee may have arisen in connection with a particular dispute and for negotiating a settlement, and may then, in the issue, be adopted as a permanent mode of working. In certain cases during the war, as before it, the creation of a works committee has been one of the terms of settlement of a dispute.

⁴The effect of the Whitley report may also be noted. This influence has led to the formation of committees in several individual establishments. See also the scheme for the Lancashire coal mines in Appendix VII, pp. 169, 170.

III. CONSTITUTION.

The constitution of a works committee naturally varies with its functions. A welfare committee, handling questions in which the difference between unionist and nonunionist workmen, or again, the difference between different unions of workmen, hardly arises, will tend to be composed of representatives of all the workers, elected without regard to differences of craft or grade or occupation. An industrial committee, handling, as it does, questions in which difference of skill or of craft are concerned, will involve a new range of considerations. It may be necessary to consider the relation of such a committee, if one is instituted, to the existing industrial organization of the workmen in the works in the shape of shop stewards or delegates; and, again, it may be necessary to consider whether management and labor should sit together as a joint committee (and, if so, in what proportions), or whether the works committee should be one of workers only, with opportunities of ready access to the management—and ultimately, it may be, to the directors—when such access is desired.

The last point may be taken first. Joint committees are rare.¹ There are some committees of this nature, containing two or three representatives of the management and about a dozen representatives of the workmen, which meet at regular intervals—in one case from week to week, but more often at longer intervals. Even when the committee is a joint committee, however, some provision has generally to be made for separate meetings of the representatives of the workers; and, as a rule, works committees appear to be committees of workers only, with regular facilities for consultation with the management, either at fixed intervals or whenever occasion arises. Joint committees may ultimately come to be the normal form, but in the preliminary stage of development it seems likely that committees of workers only, with regular facilities for access to the management, will generally be the form adopted.

Where the committee is a joint committee, the idea of the joint meeting is probably first mooted by the management; and, unless the workers' side is already in existence, the management may suggest the basis of composition and the methods of election of the committee. Where, however, the committee is a committee of workmen only, it is advisable, whether the idea of such a committee is suggested by the management or develops spontaneously among the workmen, that the workmen should be left to determine the basis of its composition and the method of its election for themselves.

¹ This statement applies to committees whose work is not strictly limited to one or two functions. The actual number of joint committees is large if we include the "absentee" committees at local mines and the timekeeping committees at iron works.

Two main methods appear to prevail in regard to the composition of a works committee of the second type mentioned above.

(a) The committee may be elected by all the workmen employed, each department or shop being treated as a constituency, and returning a number of members, perhaps in proportion to its size. This appears to be the simplest method and is found even in works in which the workers have already an industrial organization in the shape of shop stewards or delegates.¹ This is the case in most works, and in such cases it may be advisable to build on the existing organization. This brings us to the second main possibility.

(b) The committee may be a committee of the shop stewards of the different unions represented in the works, or, in a large works where shop stewards are numerous, a committee elected by the shop stewards. In one works, for instance, which employs about 3,000 workmen, the works committee (in this case a joint committee) contains 12 representatives of the workmen elected by the shop stewards (some 40 in number) of the various unions represented in the works. In another works a committee of seven shop stewards meets the management monthly and discusses questions which its members and the management have asked to have placed on the agenda.

The two methods which have just been described represent the two possibilities at either end of the scale; but various methods may be employed which combine, or come as it were between, these two possibilities. Even where the committee is elected by all the workmen, unionist or nonunionist, voting by departments, the tendency, if the works is strongly unionist, is toward the election of representatives who are all unionists and are also, either altogether or in part, shop stewards of their unions. In one works with 4,000 workmen the works committee of 21 members, elected by a general vote of the men workers, is entirely composed of shop stewards. In another works, with 3,500 workmen, in which a works committee has existed for about 10 years, all the workmen in any department may vote, but only unionist workmen can be elected, and half of the members of the works committee are shop stewards.

Another method which deserves special notice is that of election on the basis of unions, all the members of a union in the works electing a certain number of representatives. The number of members to which a union is entitled may vary in direct proportion (or in some other way) with its membership in the works. Thus, in a scheme under consideration for an engineering works, representation on this

¹ This method of departmental election commonly results in a committee, all the members of which are shop stewards. But even when this is so, a majority of the shop stewards may not be on the committee; and the members may be drawn from a minority of the unions.

basis gives seven members to three general labor unions, eight members to the largest union of skilled men, two members to each of two other unions of skilled men, and one member to each of seven other skilled unions. This method—since in an engineering establishment the members of a union may be distributed through several departments, in each of which there may be a shop steward or stewards of the union—is not necessarily identical with that in which the shop stewards of the different unions in each department form the committee. In several iron and steel works the method of election appears to be by the members of each *branch* of a union who are working in the establishment.

In one such case the right to representation is stated to belong to the branch because it has members in the works. The statement, however, is qualified in order to cover the case of a trade-union branch—e. g., of the Amalgamated Society of Engineers or the Bricklayers' Union—only some of whose members may be employed in the particular works. In their case only the members of the branch employed in the works make the appointment; and from the nature of the case the representative so appointed is almost bound to be the person acting as shop steward for the union in the works. This, combined with the fact that the branches of the iron and steel trade-unions correspond to sections or departments of workers in a single works, makes such branch representation similar to departmental representation. Another feature of this system is that the secretary of any branch who is working in the establishment—this is almost bound to be the case with branches the membership of which is confined to the works—is, *ex officio*, a member of the committee. The draft proposals for representation now being discussed by the shipbuilding trades in one district are to the effect that each works committee should be composed of a certain number of representatives from the men of each trade or union employed in the yard, and that among the representatives of each trade or union one at least should be an official shop steward. Some of the unions in the shipbuilding industry include, it may be noted, several trades, and the official yard delegates (or shop stewards) of the several trades in one union often form a yard committee for such functions as the inspection of union cards.

Other methods found in practice are election of all the members by the whole of the employees in an establishment voting as one constituency, and election by occupations or trades.

In some works there is one committee for skilled men and another for unskilled or semiskilled. In several large engineering establishments, for instance, there are two committees of shop stewards—one for craftsmen and another for semiskilled men and laborers. Generally, however, there is only one committee for both sets of work-

men.¹ The persons elected to such a committee are in certain cases drawn solely from the ranks of the skilled craftsmen, though there may be unskilled men (and stewards of unskilled unions) in the works. The exclusion of any *direct* representation of the unskilled men in such circumstances is generally due to the same cause as the absence of any direct representation of the smaller craft unions, viz, the fact that a department's representative tends to belong to the union which has most members in the department. There are certainly cases in which this apparent exclusion of representation of the interests of the unskilled is a source of friction between the different classes of workers; and the presence in some works of separate committees is the extreme expression of such difference in interest. It is argued that the unskilled men—though they may be excluded by exactly similar circumstances—are in a different position from a minority of skilled men who may be excluded from direct representation, in that the interests of the latter, being akin to their own, are better understood by and receive more sympathetic consideration from the skilled men on the committee. It would nevertheless appear that most committees appointed on a departmental basis do succeed in representing fairly the interests of all their constituents; and it is claimed that the committee member tends to look upon himself not as the representative of a particular craft or section in the department but as the representative of the department as a whole.

The position of women workers is in some respects analogous to that of unskilled workmen. In some cases they have a vote for the works committee elected by the various departments, and they may have a representative of their own on that committee; in other cases representation is secured to women's departments as such. Sometimes, even where women are excluded from voting, the works committee may represent their interests; and it may entertain and bring before the notice of the management grievances of women workers and questions affecting their interests and the conditions of their labor. Occasionally, though this is rare, there is a separate committee to represent the interests of women workers.

From what has been said it is obvious that the constitution of a works committee raises a number of questions: (1) In the first place,

¹ A works committee in a Midlands munitions factory has just been reconstituted. Previously departmental election had produced a committee all the members of which were skilled trade-unionists. The new method gives separate representation to (i) skilled men, (ii) semiskilled and unskilled men, and (iii) women employees. This scheme, advocated and carried through by the secretary, who is an official of his own union, is designed to give all grades in the works an active interest in the committee. It is hoped that later the separate representation of the different grades in each department may not be necessary; previously the grades not directly represented have not opposed the committee, which has been very successful, but they have not shown as much interest in it as is desired.

there is the question whether the committee should be based on the industrial organization of shop stewards, where such organization is in existence, or should be based on a general vote; (2) in the next place, assuming the latter alternative to be adopted, there is the question whether all the workers should vote, and, if so, how the constituencies should be arranged, or whether only unionist workers should vote, and, if so, how and in what proportion the different unions should be represented; (3) further, there is the question whether there should be a single committee or one committee for skilled and another for unskilled workers; and (4) finally there is the question whether women workers should have a separate committee or be represented through the general committee of the works.

No general answer can be given to any or all of these questions. The circumstances of different works vary, and each type has to find its own solution.

Wherever it is possible a committee of shop stewards or trade-union representatives would appear to be the best solution.¹ At the same time it is important to secure that the size of the committee, while large enough to be representative, should not be so large as to make it unwieldy, and that, as far as possible, there should be direct representation of each department. The size of the committees actually in existence varies; some committees have 12 members, some have upward of 30. The smaller number seems more likely to be effective. It may be necessary, therefore, that a works committee, if it contains a large number of members, should appoint a smaller committee of itself; and that, while the management should be in regular contact with the smaller committee, questions of difficulty should be referred by the smaller committee to the larger, the management meeting the larger committee in case of need. In its choice of the smaller committee the works committee could allocate a place, or a number of places, to each department or group of departments. Another method of electing a committee of manageable size would be that from the stewards in each department (or, in certain cases, groups of departments) one should be appointed by a general elec-

¹ As will be seen from the appendixes, individual committees formed on very different lines have been in every way successful. Since, however, the problem from the point of view of the well-organized industries is complicated by the existence of poorly organized areas, a proposal under consideration by a firm in which considerably less than half of the employees are trade-unionists may be noted. The proposal is that the works committee should be composed of departmental representatives, who will include the shop stewards, and that from this committee as a whole, or from the shop steward and the nonshop steward sections of it separately, there should be elected a small number of representatives of the workers to sit on a joint committee. The proposal was made as a means of combining (a) the recognition of shop stewards, and (b) the representation of all the workpeople on the joint committee, without duplication of committees for different functions. The firm, which recognizes the unions and whose conditions are above the district standards, intends that the joint committee should deal with a very wide range of subjects, only some of which are shop steward questions.

tion held in the department or by the departmental stewards themselves. In certain cases in large works it may be desirable that the stewards in each department should form shop committees, with which the general committee could keep in touch and from which its members could learn the needs and the complaints of each department. Another variant is that subcommittees instead of being departmental should be functional, i. e., should each deal with a particular matter or set of matters, such as dilution, piecework, suggestions of improvements, etc. (See p. 74, footnote 3.)

The existing works committees have generally two officers, a chairman and a secretary. The tenure of office of the committee is often unfixed. Where it is fixed, it may be for six months or for a year.¹ A fixed tenure, provided that it is not too short, seems desirable; a new election will reinvigorate the committee, and, if the workmen in general have any feeling which the committee has failed to express, it will give a chance for its expression.

The desirability of election by secret ballot has been emphasized by many employers and by some trade-unionists.

IV. PROCEDURE.

Some works committees have regular meetings with the management at intervals of a week, a fortnight, or a month. A list of agenda is circulated and regular minutes are kept. In one establishment where this is done the men's chairman presides at one fortnightly meeting and a representative of the management at the next. In other cases the meetings are not regular but are held whenever occasion arises. Arguments may be used both for and against a system of regular meetings. It may be urged in their favor that they provide a known and regular time for raising a question; that they enable questions to be raised in their initial stages, whereas if meetings are not held until occasion arises, a question may have grown acute before a meeting is held; and, finally, that by bringing representatives of the management and the men into constant contact, they accustom either side to seeing and understanding the point of view of the other. It may be urged, on the other hand, that if meetings are regular and at frequent intervals, there may often be no business to be done, and that the effect may be either to make the committee slack or to induce the more restless members to manufacture business by finding grievances and discovering difficulties. In any case it may be suggested that the main thing is not so much regularity of meetings as what may be called *the principle of the open door*. If the men know that their representatives have access

¹ In certain exceptional cases committee members are elected monthly and the secretary quarterly.

to the management, and if they know that the management, on its side, is ready to consult their representatives, the success of the main function of the committee is secured. The number of times at which a general works committee needs to meet the management will vary with the type of works and with the degree to which sectional questions can be handled by such a committee. One committee, in an establishment in which relations have always been good, has met the management on an average three times a year in the last 24 years, though in the last three years, owing to the number of questions raised by the war, the average number of meetings in each year has been seven. During the whole existence of the committee, however, the right of the separate trade delegates to meet the management has been freely used. Employers complain that workpeople tend to want all questions settled offhand, and fail to realize that investigation may be necessary; and one argument in favor of regular meetings is that they form a permanent and businesslike substitute for frequent sectional deputations. There would appear to be many questions which can be settled in a more satisfactory way if they are discussed and investigated at regular joint meetings. This method, however, can not be applied indiscriminately; there will always be matters of urgency which must be taken up as they arise; and sectional questions may, in certain cases, be better treated apart from the regular meetings of a general works committee.

One other caution may be suggested in this connection. Works committees instituted in engineering establishments during the course of the war have naturally found abundant work. The same will probably be true of the period of reconstruction after the end of the war. It is possible, however, that under normal conditions a system of weekly or fortnightly meetings might prove unnecessary. It may be suggested, therefore, that a distinction may be drawn, on the point of frequency of meetings, between what may be called "the emergency period" and the period of normal conditions.

Another question of procedure, which also bears on the matter of frequency of meetings, is connected with the position of the secretary of a works committee. In many establishments which have works committees a large part of the active work which they entail is done by the secretary. Difficulties are reported to him by the workmen concerned either directly or through a member of the committee, and he, after consultation with the committee (or, it may be, in lesser matters, immediately), brings the difficulties before the management. Such difficulties may often be settled at once, and their settlement simply reported to the works committee. A great deal of work may thus be thrown upon the secretary in consulting the workmen concerned and in interviewing the management, and the position is thus one which offers a great deal of scope to a man of ca-

capacity. Such a man may largely carry on his shoulders the current work, and the committee may only need to deal with larger questions. But the position has its difficulties, and there are two matters which deserve particular notice. One of these is the question of the secretary or chairman's moving about the works during working hours, and entering departments other than his own, for the purpose of interviewing any workman who has preferred a complaint. If the secretary is bound to ask the consent of a foreman or overlooker before he enters a department, and if that consent may be refused, the work which the secretary can do in investigating and removing grievances is liable to be hindered. If, on the other hand, he can enter any department (without any formality, or on simple notification of his wish) and engage in discussion with a workman, the work of the department may be held to be likely to suffer. From the experience of several works, however, it would appear that this freedom of movement is found to be an essential condition of the success of a committee. The extent of freedom necessary, and the members of the committee to whom it should be allowed, will vary with the size and the other circumstances of a works.

The other matter which arises in connection with the position of the secretary is concerned with his remuneration. His secretarial duties may interfere with his own work. He is bound to lose time, and, consequently, unless some arrangement is made to indemnify him, he is bound to lose wages. In one case, in which, it is true, the work is specially complicated and onerous, the amount of time spent on secretarial work is said to amount to a total of 30 hours in a week; in another case the loss of wages involved has, over a period of several weeks, amounted to £2 [\$9.73] a week. In one large works, where the committee is engaged to a great extent with questions arising from charitable work, the secretary now gives his whole time to the duties of his position, and is paid by the firm. In some cases it would appear that the secretary is paid ordinary time wages for the time he spends on secretarial business in working hours; in other cases, where the work is premium bonus or piecework, he may receive the average earnings, or, again, his companions may keep his machine running in his absence. It seems, however, that some arrangement is necessary to meet what is often a real difficulty. It may be argued that the management should pay the secretary¹

¹ In certain cases the secretary's (or chief shop steward's) guaranty of average earnings appears to depend upon the will of a foreman or rate fixer. Thus, in one large establishment, where the premium bonus system is in operation, a chief shop steward is paid his time for periods during which he is engaged on negotiations with the management; it is usual, however, for the rate fixer to see that sufficient "extras" are added to the man's bonus earnings to neutralize the difference between the time wages and what might have been earned on bonus for the periods in question. This more or less casual arrangement does not appear to be a very satisfactory solution of the difficulty.

the full wages which he would otherwise have made, since the work he does conduces to the better running of the establishment. On the other hand, the men might object to such a course, on the ground that it tended to make the secretary more dependent on the management and less of a fellow workman. Another method, which is employed in some cases, is that the secretary should be reimbursed for lost time by the workmen. In certain cases it may be noted that weekly contributions are paid by the workpeople to meet the expenses of meetings, etc.

Another question, which is somewhat analogous, concerns the time of the meetings of the works committee. Under one plan the meetings may be held in the employer's time, and the members may be paid full rates during the time they spend in attendance. This is a plan which is often adopted when there are regular meetings with the management. Many committees which have no regular meetings with the management meet after working hours. Another plan, which has been suggested, is that the meetings should be held partly in the employer's time (the members being paid full rates during that time) and partly in the time of the men, or, in other words, after working hours. This may present some difficulties, as some of the members may find it inconvenient to stay after working hours. On the other hand, it is argued that this course best corresponds to the logic of the situation; management and men both gain from the work of a committee, and it seems logical that either side should surrender a part of its time. The solution of the problem depends to some extent on the length of the working day. Members of committees have complained that to meet at 8 or 8.30 p. m., after three hours of overtime, was "a bit hard." Under normal hours the attitude would have been different.

In the matter of procedure in the stricter sense of the term there is at present a good deal of variety. Generally the procedure is somewhat informal, and this, in the earlier stages of a works committee, is perhaps to the good. The normal procedure, so far as one can speak of a normal procedure, is somewhat as follows:

(1) A workman who has a grievance will report it, directly or through the committeeman in his department, to the secretary. Lesser grievances, which do not affect a number of men or raise a general question, may be settled at once by the secretary with the foreman or departmental manager concerned.

(2) Grievances which are not thus settled are taken up by the committee, and brought by the committee before the management.

(3) If grievances or disputes are not settled with the management, they are carried to the branch or the district organization of the trade-union or trade-unions concerned, and they go henceforth along the ordinary channels of trade-union organization.

The effect of this procedure can best be seen by comparing it with the procedure which is followed in the absence of a works committee or of recognized shop stewards for the separate trades. Where there is no works committee the individual workman, or a delegation of workmen, will bring their case to the management, if they can get admission; and failing any agreement, the matter will go straight to the trade-union. Where there is a works committee the difference is this: First, that there is a certainty of admission to the management; secondly, that instead of the onus of stating their case being thrown on the individuals concerned, there is a regular machinery (the officers and the committee) to sift the case and to state it formally; thirdly, that, instead of the action taken being individual or sectional, it is the general action of a body representative of all the works; and, finally, that there are two chances of a settlement being attained in the works (first between the secretary and the foreman or departmental manager, and, failing that, between the committee and the management) before the question goes outside for settlement. The main difference between this procedure and that adopted when the trade shop stewards are recognized is much less, and only arises on the third of the points just mentioned. This difference, however, is important, because it involves the problem of the delimitation of a works committee's functions. It may also be noted that, in certain cases at least, the machinery of the works committee is brought into operation not as a preliminary to the question going before a trade-union branch, but in support of a decision previously come to by a branch. This is so in certain iron and steel works. The difference, it may be said, is more apparent than real, because many of the branches (and these the strongest in numbers) are in such cases works branches—that is to say, the membership of the branch is confined to men employed in the works. On the other hand, certain branches extend their membership beyond the works; and, in so far as the works committee takes up a case already entertained by such a branch as union business, there is another form of procedure. This procedure appears to have been adopted in certain cases with the acquiescence of the trade-union branch concerned. It seems important that the place of the works committee in relation to trade questions should be properly defined; otherwise there may be dangers of overlapping and confusion through (a) the diversion of a purely trade question to the works committee, when it ought to go through the ordinary trade-union channels, or (b) the use by a trade-union branch of the works committee in support of a case which it should properly call upon the officials of its union to handle.

Three other matters of procedure call for notice. One of these is the use of what may be called "the referendum." A works commit-

tee, when its members feel that a matter is important, and that it is necessary that they should ascertain and carry with them the opinion of the workers either in a department or in all the works, may summon a general meeting and bring the matter forward for discussion in that meeting. There may be no rules to decide when this should be done, and it may be done at different stages, either before a matter has been discussed with the management or subsequently to such discussion; but the possibility of such a general meeting enables the committee to make sure that its policy will be adopted by the workmen concerned, and it puts it in a position to assure the management that a policy thus confirmed can really be carried into effect. In certain industries the regular shop meeting is a feature of shop organization. This is so, for example, in furnishing and in the wood-working side of the aircraft industry in London. The shop meeting is really a factory meeting and is held once a month.

Another matter of procedure is one which touches the management and directors of a firm. It is important that the representatives of the firm who meet the committee or (if it is a joint body) sit on the committee should belong to the highest rank, and should include the general works manager (or, if there is one, the labor superintendent)¹ and one or more of the directors. A great part of the value of the works committee, from the point of view of the men, is that it brings them into contact and gives them an opportunity of discussion with the authorities, with whom in its absence they seldom get into close touch, and then only on points of difference. Nor is it only the workmen who stand to gain if the highest rank of management is represented. Members of the firm who are primarily occupied with finance or technique will be brought into contact with those questions of labor which are the fundamental problems of industry, and in discussing these questions with the representatives of the workmen they are likely to gain a deeper insight into the best methods of conducting the industry.

Lastly, there are questions connected with the keeping of minutes, the drawing up of agenda, the presentation of complaints, and the like. Where regular joint meetings are held it is common for a complete record of each meeting to be made in shorthand by a member of the staff and for the workpeople's secretary to make notes of the proceedings; minutes based on the complete record may be circulated among the members of the committee after the meeting. Even where the committee of workpeople as a whole does not meet the management, it may supply the latter with copies of the minutes which concern the management. It is common for the management

¹ A particularly interesting development during the war has been the appointment to the management staffs of several establishments of persons whose chief function is to deal with labor questions. The success of a works committee may to a considerable extent depend upon the status and qualifications of such an official.

to supply typing facilities for the duplication of minutes and of agenda. In some works complaints made to the committee must be in writing. This rule has sometimes been introduced in order to check the making of frivolous complaints or inaccurate statements; it may be compared with a method of the "chapel," where a member may call a special meeting by placing a shilling (or other sum) "on the stone" on pain of forfeiting his shilling if the chapel decides that his complaint is groundless.

V. FUNCTIONS.

Since works committees are of different types it is obvious that their functions vary considerably. In the first place there is the distinction already mentioned under the head of nomenclature. A welfare committee is concerned with all questions that affect the comfort and physical well-being of the workman while he is engaged on his occupation; an industrial committee is concerned with industrial conditions in general. Often a works committee will undertake both sets of functions, but some committees may be confined, primarily at any rate, to the working of a system of bonus on output or premium bonus or piece rates; others may be confined to questions of dilution; others may have a general and undefined scope which depends on an unwritten understanding between management and men.

There are several questions of a general character which deserve some attention before we turn to the detailed functions actually discharged by various works committees. Are these functions always consultative, or are they sometimes executive? This raises another question, Is it possible, in the strict sense of the word, to speak of a joint works committee? What, again, are the functions of the management, and how far may a works committee trench on these functions? Finally, what is meant by "recognition," and what is the effect of recognition on the functions and powers of a works committee?

As far as the first question is concerned, it would appear that the functions of a works committee are practically always consultative. Usually a works committee can bring matters before the management and discuss them with the management; it can press its views about these matters on the management; in the last resort it can induce the trade-union organization to call a strike. But the works committee can not usually, as such, carry its views into action, or insure that they shall be carried into action, by any direct machinery. The management has the executive power, and unless the management is impressed by the representations of the members of the committee, or by the sanction which lies behind them, those repre-

sentations will not lead to executive action.¹ This would appear to be usual even where the works committee is a joint committee. There are, indeed, certain cases in which the decision of a *majority* of the members of such a joint committee is carried into effect. This is so in the pit-head and certain other committees² which have the power to fine bad timekeepers; and in certain engineering establishments the question of prosecuting bad timekeepers before the munitions tribunal is decided by joint works committees. But, so far as can be discovered, the general custom is to the contrary. *Unanimity* must be attained; the management must be convinced, and both sides must freely agree together, before executive action is taken. The operation of a joint committee is really in the nature of consultation between two parties—consultation which, if it results in unanimity, results in action, but not otherwise. It would be a mistake to think in terms of voting, or to think that even if there is voting, its result is a formal decision by a *majority* vote. What happens is rather discussion by which misunderstanding is often removed, and upon which, if *unanimity* is attained between the two sides, action will ensue. It follows, therefore, that generally we can not speak of joint committees, if by joint committees we understand joint executive councils acting by the vote of the majority. On the other hand, there are joint committees, if by joint committees we understand deliberative meetings of both sides, always attended by both sides, though often accompanied by separate meetings of the two sides.³

A question of importance, when we are considering the functions of a works committee, is the definition of the term "management."

¹ In one establishment, however, decisions upon disciplinary and timekeeping cases made by a committee wholly composed of workpeople are accepted by the firm. See reference to works tribunal on p. 77. In some cases such functions as the day to day administration of a messroom are discharged by committees wholly composed of workpeople. Even in such cases, however, an important decision—for example, one involving capital expenditure—would usually have to meet with the approval of the management before it could be put into force.

² See Appendix IV, pp. 158-163.

³ The division between executive and advisory powers in a scheme now under consideration for an engineering works may be noted. It is proposed that the former should include (1) those powers conferred by the trade-unions and in accordance with the constitution or resolutions of the local allied engineering trades and (2) those conferred by the firm. The suggested first list of executive powers contains the following: Determination of hours of work (with minimum of 50 per week); mess room; heating, lighting, sanitary matters, etc.; ambulance; collections, supervision of notice boards, entertainments, etc.; proposed technical lending library and works magazine; and organization of the sports association. The advisory functions include the regulation of piecework; the engagement, discharge, dilution, and transfer of labor (excluding disciplinary discharges); training and education of apprentices; suggestion of improvements in methods; timekeeping, etc. It is proposed that seven subcommittees be formed, each subcommittee to deal with one or more of the above-mentioned functions, e. g., a subcommittee for hours of work, engagements and discharges, and timekeeping; a subcommittee for mess room; and a subcommittee, advisory and *negotiatory*, for piecework. There is this reservation in regard to executive functions that if capital expenditure is involved authority should be obtained from the firm before such expenditure is incurred.

It may be urged, on the one side, that the functions of a works committee should not be such as to interfere with management; it may be urged, on the other, that if a works committee is to be debarred from questions of management it loses reality and becomes a mere form. Much, therefore, depends on the sense in which the term "management" is used. Is the work of the foreman part of management? Or does the word denote the higher organization of industry? It would appear that a works committee, if it is to be of any value in ventilating and removing grievances, must be in a position to ventilate grievances arising from the conduct of foremen or overlookers. Such grievances touch the worker most closely in his daily work, and if they can not be discussed the committee loses a sphere of action in which it might be of the greatest service. It is true that if a committee has the right of criticizing the action of foremen, difficulties may arise. Foremen may feel that their authority is undermined; they may feel that they are being made responsible not only, as heretofore, to the management (a responsibility they know and understand), but also to the committee; they may feel that, with a dual responsibility, their position becomes exceedingly difficult. These are real problems. In many instances, however, they seem to have been surmounted; and if they prove serious, they may perhaps be met, to some extent, if the general manager arranges to meet the foremen in advance, and to discuss with them criticisms and grievances which have come from the works committee.¹

The last of the general questions raised by a consideration of the functions and position of a works committee is that of "recognition." This, again, is a term which seems to be understood in different senses, and which it is difficult to define. A committee may be held, from the point of view of the management, not to be recognized, even when the management is in constant touch with its secretary, and even when it consents to meet those members of the committee who represent a department which has a grievance. Here the point would appear to be that the management does not, as such, formally meet the *whole* committee. In another case a system almost exactly parallel—a system under which the management interviews four or five members of the committee—is described as one of "recognition." The term "recognition" thus appears to have no fixed meaning; and it may be concluded that what matters is the fact of con-

¹ In some establishments there are management committees, and in others regular conferences between directors, managers, and foremen are held. The question of meetings of the management and works committees together is under discussion in one or two firms. The relation of works committees to problems of management is discussed further on p. 78 et seq.

sultation between a committee and the management rather than any formal pronouncement about the fact.

In the preceding paragraphs the functions of a works committee have been discussed with reference to the management. It is obvious that they must also be discussed with reference to trade-union organization. A works committee must stand in some sort of relation to the district committees of the unions to which the workmen in the works belong, and some demarcation of functions, whether explicit or implicit, has to be made. The relations vary, and the demarcation is not always easy to make. Generally the division is said to be that questions of general application—district rates of wages, hours of work, and other district or national conditions of work—are regarded by works committees as outside their sphere, and such questions are left to be settled by the employers or associations of employers with the trade-unions.¹ On the other hand, questions of a particular application relating to a works—for example, a piece rate for a particular job for which it is impossible to lay down any general piece rate for the district—are regarded as belonging to the functions of a works committee. Such a committee may thus deal (1) with the particular application in the works of a principle general to the district, and (2) with questions which are entirely peculiar to the works. But the general problem of the relations of works committees and trade-unions organization is one that demands separate treatment, and it will accordingly be treated in a subsequent section.

The powers of the management and the powers of the local trade-union organization may be said to constitute two points more or less fixed, and the powers of a works committee are naturally determined with reference to these two points in ways that vary according as those points vary. Turning to the works committee in itself, we may distinguish two main types of function. In the first type a committee is primarily concerned with some one particular thing—a scheme of dilution, a system of bonus, or a method of profit sharing. This does not prevent such a committee from dealing incidentally with other things. On the contrary, a committee on dilution will be led to discuss the wages of dilutees and other questions; a committee on a bonus system will be led to deal with timekeeping and other matters which affect the bonus. A committee, therefore, which is primarily and formally concerned with a particular thing may actually be something of the nature of a general works committee. When once an organization is created, if only for a single activity, it will naturally become a center for other activities; the management, finding

¹ This does not mean that the works committee may not consider an alleged infringement of such conditions. This, as we saw previously, is one of the usual duties of shop stewards.

a representative organization which it can consult, may consult it on broader issues; and *vice versa* the representative organization, meeting the management to discuss one issue, may readily tend to bring forward other issues. The tendency for this to come about is greater if the committee is one of shop stewards who are charged by their unions with a general supervision of conditions.

In the second type a committee is from the first general in its range, and is formed to deal with the general industrial conditions of a works. One such committee has for its province (1) to inquire into grievances reported by workmen; (2) to bring before and discuss with the management grievances that it considers genuine; (3) to consider complaints about wages and piece rates which concern individuals; (4) to consider questions relating to the health and safety of the workmen; (5) to consult with the management on the interpretation of awards, orders, and circulars; and (6) to consider generally the conditions of work in the establishment. This may be considered to be fairly typical. Another committee, primarily concerned with piece rates, has also dealt with questions of ventilation and sanitation, complaints about the decisions of foremen, arrangement of shifts and of hours of admission to the works, the allocation of piecework and timework, and the interpretation of official orders and circulars. Other matters handled by works committees include works discipline, especially timekeeping, methods of paying wages, hours of overtime, and the like. The questionnaire which is printed in the first appendix¹ contains a list of possible functions; and it may be said at once that different works committees exemplify all these functions and that some exercise functions which are not included in the list.

Instances may be cited of committees which are tending to exercise, or actually exercise, peculiar and interesting functions. In several cases works committees have made suggestions for economies in the running of machinery, and it is agreed on both sides that the committees have brought to light weak spots in organization.² A striking feature is the keenness of certain committees, or of the more active members of these committees, to discuss the after-war situation, and this in relation not only to working conditions, but also to such problems as the proper employment of plant. Another case is equally interesting. This is the case of a works in which a works tribunal has been instituted in lieu of the local munitions tribunal. The men elect a jury of 12 and a chairman, and this tribunal has been successful in bringing about a great improvement in discipline

¹ See pp. 92-94.—[Ed.]

² The same is said of pit-head committees—a form of colliery committee to insure increased output—as may be seen from the report on these committees in Appendix II, p. 153.

and timekeeping.¹ An incident in this works, though it does not bear directly on the matter of works committees, is indirectly of value as showing that consultation with the workmen may be of great service to the management. A question arose of the introduction of dilution into the works, and the men in the pattern-making shops objected to its introduction. They were interviewed by the managing director, who asked what alternative suggestion they could make for increasing output. They answered that they believed they could easily increase their output if they had additional equipment. A tool catalog was put before them. They suggested the purchase of a number of tools costing in all nearly £2,000 [\$9,733]. The tools were bought and the output was increased by 50 per cent without dilution.

The range of functions which a works committee can efficiently undertake is necessarily indefinite, and a subject of contention not only between employers and workpeople, but also between different groups both of employers and of workpeople. Some of the questions on which there is considerable difference of opinion may be noted. They include questions affecting promotion, dismissal, the suggestion of improved processes, lectures and education in trade technique, and works discipline.

The question of alleged wrongful dismissal is already handled by the trade-unions, and there is a considerable body of opinion among both workpeople and employers that, at least in the first instance, it is a suitable function for a works committee. Dismissal for such a reason as alleged disobedience, it is argued, may be only a cloak for victimization; reasons may be invented by a foreman in order to get rid of particular men. The claim is made that the other workpeople are likely to understand the psychological influences underlying such action, and that no such dismissal should be made until the circumstances have been discussed with the works committee. The situation in which slackness of work compels a considerable reduction in the number of employees is more complicated; on the one hand, workpeople complain that the opportunity is used by certain employers to get rid not only of the less efficient employees but also of those who have shown themselves active in support of their fellows—that is, to cover up victimization; on the other hand, employers complain that workpeople are exclusively biased in favor

¹ This is a very interesting matter, especially in view of the argument in the report of the N. W. commission on industrial unrest, that joint committees of employers and employed would administer "industrial law" better than legal tribunals. The existence of a number of joint committees which exercise such functions has been mentioned (see p. 73). The particular interest of the above-mentioned works tribunal is that it is not a joint committee but is wholly composed of workpeople. The firm has no status in the court, merely appearing by its representative as it would in the local munitions tribunal. Procedure is quite formal, and the firm's representative is expected to address the chairman as "Sir."

of the claims of seniority, and make little, if any, allowance for differences in efficiency. There would appear to be some truth in both contentions. A frank discussion would probably tend to remove the causes of the workpeople's complaints and at the same time to produce a balance between the claims of seniority and of efficiency satisfactory to both employers and employees. What is perhaps even more important is a further argument; such frank discussion would lead to plans for the alleviation in the particular works of the effects of a general slackness. It is not contended that any general remedy for unemployment can be found on these lines; all that is suggested is that local and individual effort may help to solve the problem. Dismissals due to the introduction of new machinery or new methods are perhaps of a kind with which a works committee might properly deal. Workpeople are ready to acknowledge the benefits due to improvements and yet naturally resent such improvements where they involve the destruction of their craft or sudden loss of employment. It may be suggested that what individual employers have done in the past—namely, to make arrangements by which the dislocation of livelihood is reduced—can be carried out more generally, and that in individual establishments adjustments for such a purpose are a suitable subject for discussion by a works committee. It is, of course, a subject of vital importance to the trade-unions; it is, indeed, an aspect of the process of dilution as seen at work in the normal industrial conditions of peace time. Though the trade-unions could not be expected to hand the matter over to a works committee, there appears to be room for the latter to deal with the question within certain limits.

The appointment of foremen is a question on which there may be said to be three groups of opinions. Many employers hold that it is purely a management question. The opposite extreme to this is the claim made by a considerable section of trade-unionists that the workmen should choose their own foremen. A position intermediate to these two extremes is taken up by a certain number of employers and by a section of workpeople; the appointment (they feel) should be made by the management, but it should be submitted to the works committee before it becomes effective. Even this intermediate position, however, is not really a common position; there are differences of opinion as to the conditions under which the appointment should come before the works committee—that is to say, whether or no the works committee should have power to veto the appointment. Those employers who are prepared to submit such appointments to a works committee are for the most part of the opinion that this should only be done in order to explain the reasons for their choice. This, they hold, will tend to remove obstacles which might otherwise be put in the way of the appointment. A considerable body of workpeople,

on the other hand, hold an intermediate position which comes nearer to election of foremen by the workpeople; they think that the works committee should have the right to veto the choice made by the management. A few employers consider that this—or even direct election—may be possible when a works committee, through the experience gained in consultations about such appointments, has learned to estimate all the qualities necessary in a foreman. It has already been mentioned that works committees very often discuss the conduct of foremen. The conclusion then reached, that such discussion was a desirable function for a committee, would appear to involve as a corollary that of consultation about appointments. This latter function would tend to remove the necessity for the former.¹

Among the results expected from the giving of a larger measure of responsibility for industrial conditions to the workpeople is a considerable increase in efficiency. This is said to be possible if the ability of the workpeople to suggest improved processes and methods is properly used. The experience of individual firms would appear to confirm this contention. Many firms have for years past had awards schemes in operation, and in certain cases these have stimulated important suggestions for improvements. The fact that the "suggestion box" is often stated to have proved a failure is not necessarily a condemnation of the idea; it may only mean that the somewhat mechanical and uninspiring device is in itself an inadequate stimulus. A comparison of the results secured in establishments more or less similar (so far as work is concerned) would suggest that the success of an awards scheme depends to a great extent upon the action of the management. Where the management gains the confidence of the workpeople, and has devised methods of considering suggestions which appeal to the workpeople, there is a much more powerful response than in works where, though there may be a suggestion box, these conditions are absent. Many employers and workpeople agree that a works committee may not only produce the atmosphere necessary to the stimulation of suggestions, but may also help to arrange for the proper investigation of proposals made by workpeople. In this connection, as in the quite different field of

¹ This question of promotion has been discussed in one aspect only, viz, in relation to the appointment of foremen. It is, of course, much more general, and is in many of its aspects a matter of agreement between employers' associations and trade-unions. Such agreements may regulate progress within a trade or a group of connected trades, and necessarily involve, among other questions, that of standard rates of wages. The discussion of promotion in this wider sense of the term could come within a works committee's functions only where the trade-unions make no conditions except the payment of standard rates—and then only within the limits of this condition. The promotion to foremanship may be said to be distinct, in that a foreman is a member of the management staff, and directly concerned with such employer's interests as the maintenance of discipline. The dividing line, however, is not well defined in certain cases, and the fact that certain unions which largely control promotions among the men paid by wages have also organized the lower grades of the staff, paid by salary or standing wage, complicates the issue. In some of these cases certain unions claim the right to intervene.

grievances, it would appear to be important that suggestions which look to be worthless should, nevertheless, be considered. To put the matter on the lowest ground, this will probably pay in the long run. The fundamental matter is that everyone should be encouraged to think about the processes and the organization of the works. It should be noted that workpeople very commonly complain of the staff's attitude on such matters; any suggestion, they say, is apt to be brushed aside with the remark that they are not paid to think but to work. The obstruction in such cases may be a foreman or manager, and even though the higher management may be sympathetic it may never hear of a suggestion. His mates also are sometimes not very encouraging to a workman with ideas. For lack, therefore, of encouragement, or because of actual discouragement, ideas of value are held back and the capacity for ideas destroyed. How best to arrange that suggestions will be guaranteed an adequate consideration is not a direct concern of this report, except in so far as a works committee may be employed for the purpose. It is doubtful whether a general works committee is a suitable body with which to discuss the value of a change in a particular process or machine, and the use of a small subcommittee for this purpose may be suggested. The argument has been used that a man will place his ideas before two or three responsible workmates for their criticism, but not before a big committee. If the small committee thought the proposal sound, it would then go straight to the higher management. For more general questions of organization, as distinct from questions of individual methods or machines, the general works committee, or in large works a departmental committee, would probably be a suitable body. Testimony to the value of suggestions made by both of these has been received from employers. A further suggestion with a direct bearing on this subject has been made; that the education which certain firms provide for sections of their staff, such as foremen and underforemen, might be extended to representative workpeople. This may take the form of educational lectures, which will widen the outlook of the specialized worker by showing him how his own activities fit into those of others and into the general plan of the establishment's activities.¹

The attitude to a works committee's assumption of responsibility for discipline varies very considerably, both among employers and among workpeople. There is a considerable body of experience, and it would appear that, though there are examples to the contrary, works committees which undertake disciplinary functions usually do so with success. There is, at the same time, a very general demand

¹ Another interesting feature in this connection is the development of works magazines.

among workpeople that, if joint committees are to discuss the bad timekeeping and other mistakes of the employees, they should have similar powers of dealing with faults on the side of the management. In a number of establishments committees regulate fines or deductions made from bonus because of lost time, negligence, damage, or other cause.¹

A note of caution may be added. There is some evidence that a small minority of employers may endeavor to use a works committee in order more easily to impose penal conditions which are objected to by the main body of workpeople. This is opposed to the whole spirit which makes a works committee a success, and is bound to produce friction. A somewhat similar attitude is taken up by a small minority of workpeople who appear to desire that no joint meetings should be held in an orderly or businesslike manner.

It may be added, in conclusion of this section, that the opinion, and indeed the practice, of a number of firms inclines in the direction of *ad hoc* committees. It is held that this enables the firm to consult the men who are directly concerned, and that it has the additional advantage of giving greater reality to the consultation. When consultation takes place on an immediate and definite issue, it is said to result in practical and useful discussion; and the fear is expressed that consultation, in the absence of such an issue, may only be an empty form. The inclusion in such committees of the shop stewards who represent the classes of men concerned, as is often the case, gives a direct connection with the trade union or unions whose standard may be affected.

VI. RELATIONS WITH TRADE-UNIONS.

Something has already been said in the sections dealing with the constitution, procedure, and functions of works committees concerning the relations between such committees and trade-union organization. The position is in certain respects somewhat paradoxical; the problem as seen by most trade-unionists is that of strengthening the trade-union organization in the workshop, but, on the one hand, many employers prefer not to deal with the shop stewards in the works but with the outside trade-union organization, and, on the other hand, some elements in trade-unionism prefer that it should stand outside the workshop and handle questions in each works from the outside, while some unionist shop stewards consider that their works committees should not be subject to any control of the trade-unions. The general question of the relation and the rela-

¹ The settlement of deductions for damages, defects, etc., by works tribunals representative of employers and employed was recommended in the Report of the Truck Committee, 1908, p. 37 and p. 81. Cd. 4442.

tive weight and power of works committees and district organizations is one which is likely to be settled gradually in experience and actual working. Here it may be convenient to draw attention to some considerations which appear to affect this general question, particularly as seen in the engineering industry.

The first consideration is that the change in the conditions of working have made necessary the development of new machinery for collective bargaining. Since the questions for which this machinery is required are, to a great extent, peculiar to individual establishments, the collective bargaining, if it is to be done at all, must be carried through in each establishment. At the same time, unless the results are to impair the standard conditions which it is the business of the unions to uphold, the work must be intrusted to representatives of the unions. Thus there has come about a natural development in the functions of the shop stewards. Previously they had to see that no encroachments were made on standard conditions; now they may have the more positive duty of participating in the settlement of piecework prices in terms of these standard conditions.¹

In regard to the changes just mentioned, and in regard also to dilution, the interests of the workpeople belonging to different skilled unions are more or less the same. This, combined with the natural community in the works, probably accounts for the fact that certain apparent difficulties of representation are, as a rule, easily overcome. The impossibility of so representing different unions on a works committee that satisfaction is secured to all is alleged to be such a difficulty. So far as the skilled trades are concerned, at least in engineering, the difficulty would not appear to be serious. In many cases where even a small minority only of the skilled unions have *direct* representation there would appear to be no dissatisfaction.

As between the members of skilled and unskilled unions the position is more difficult. There are several cases of two separate committees of shop stewards—one representing the skilled and the other unskilled and semiskilled men—in the same works. In other establishments, however, skilled and unskilled men vote for the same committee and act together as members. This would appear to be the most desirable arrangement. The case, however, in which a minority of unskilled men in each department is represented on a works committee by a skilled unionist is not exactly on a par with that in which a minority belonging to an unskilled union is so repre-

¹ The appointment by the men of a separate rate fixer, whose business it would be to arrange piece prices with the firm's rate fixer, is a suggested development towards which a movement is being made in one or two firms. In one large establishment such a duplication is suggested by one of the firm's rate fixers as a very desirable arrangement.

sented. Apart from the fact that unskilled men are more likely to be distributed through all the departments, so that though in a minority they form a considerable proportion of the total number of employees, there is the further consideration that the similarity of interest and the community of feeling are not so pronounced. In many establishments the difficulty has apparently been surmounted; but in a number of others it is still a serious problem. The problem would appear to be one which can not be settled by the men in each establishment—though they may provide valuable suggestions—and it must probably be left for the trade-unions concerned to come to some agreement on the matter. For this reason a certain number of workpeople, both skilled and unskilled, consider that in cases where the difficulty is acute the policy of two committees is the best present working arrangement. The defects of such a system are perhaps too obvious to require particular mention. It may, however, be noted that the system obstructs very considerably that joint consideration of common interests and desires, to find expression for which is one of the main purposes of a works committee. It tends instead to concentrate the attention of each committee upon points of divergence of interest.

The coming together into one committee of shop stewards responsible to different trade-unions raises a number of questions. It is true that the rules by which unions define the functions of their shop stewards are fairly uniform, and so long as a works committee respects the rules of the different unions there is little fear of overlapping or confusion in functions. The general rule which determines the functions of a works committee in relation to trade-union organization has already been mentioned. As is said in the case of one committee, "The committee regard questions of general application, relating to rates of wages, hours of work or otherwise, which affect 'district conditions,' as beyond their jurisdiction. There is no formal rule to this effect, but this limitation of the committee's power is well understood and no difficulties have arisen."

It is thus the rule that general questions of district or national conditions are left to the trade-unions, while the works committee deals with either the detailed application of these general rules within the works or with questions entirely peculiar to the works. On the whole, the information which is available would suggest that the division of jurisdiction is well understood and closely followed. There are, however, certain difficulties.

In the first place, there is evidence of uncertainty as to whether or not a works committee should undertake certain functions; matters may sometimes seem from one point of view to be "branch" or "district" business and from another to be "works" business. A tool-room bonus, for instance, may be arranged in a works between a com-

mittee and the works manager, and they may agree in regarding it as a works affair, while the local branch (or district committee) of the union concerned may consider that it is a question of wages which demands their sanction. In view of the variety and complexity of bonus schemes which have been instituted in munitions factories, and of the possible reactions of these upon standard rates, there would appear to be some need for careful definition of a works committee's functions in this field.

There is some evidence also of actual conflict of authority. Such cases, however, would appear to have been given an altogether disproportionate prominence in public discussion to the detriment of those whose main desire is to create a constitutional machinery suited to new and rapidly changing conditions. In a few instances, however, a works committee would appear to have been in doubt as to whether it was an independent organization or one subject to trade-union control. Thus, a works committee wholly composed of trade-union stewards has made a demand for an advance in wages to which, under an alternative agreement made by the trade-unions, the workmen represented by it had no claim. In one or two cases representations have been made to Government departments for advances in wages and improvements in other working conditions in individual works, independently of district or national machinery, though the works in question were known to recognize district standards.

It would appear that the uncertainty as to the real position and powers of a works committee in relation to the trade-unions is, at least in the engineering industry, to some extent due to the fact that the various members of a committee may be responsible to many different unions. Though, therefore, the works committee may aspire to be a unit of government, this is rendered difficult in view of the different and possibly conflicting authorities from which the members obtain their status. One suggested scheme proposes to overcome this particular difficulty so far at least as the unions of skilled men are concerned. It would bring the committees in the various establishments under the district engineering trades joint committee and confine membership of any committee to those organized in the trade-unions affiliated to the district committee.¹ This question of the relationship of works to district committees is interesting also in view of the proposals contained in the Whitley report. That report advocates joint national and district councils

¹ See p. 167. In another case where the firm's proposals for a joint committee are being considered it is suggested that "the representatives of the trade societies shall be elected and retire in accordance with the rules for the time being of the joint committee of allied engineering trades, and shall be subject to its constitution." In this instance the works in question is the only considerable establishment in the town, and the trade-unions affiliated to the allied engineering trades include the general labor union.

and works committees, and the problem of the relations of the district council and the works committee and their relative functions is one which will need to be investigated when measures are being adopted to institute such councils.

The need for this consideration of relationships between works committees and the district trade-union organization would appear to be more necessary in certain industries than in others. It would appear, for instance, that in the iron and steel industry the fact that members in one works commonly form a branch of their union, and that the secretaries of branches are usually—it may be in virtue of the office they hold—members of the works committee, makes the problem of interrelations less difficult, at least for those unions which are organized on the basis of works.

A point of procedure may be noticed. It is sometimes the case that a trade-union official accompanies the representatives of the works committee in an interview with the management; or, again, a trade-union official may attend the deliberations of a joint committee if the men so desire.¹ But this apparently is exceptional; and, as a rule, a works committee acts by itself and refers to trade-union officials questions which are too large or too difficult to be settled in the works. It should, however, be noted that many trade-unionists are of the opinion that the right of the trade-union officials to attend committee meetings (or to inspect the minutes of a committee) is a necessary condition of the satisfactory solution of the question of interrelations.

Two other questions which are involved in this problem of the interrelations of works committees and trade-unions call for notice.

The first relates to the victimization of men who show themselves active as shop stewards or as members of a works committee. It is impossible to estimate to what extent such victimization actually occurs, and this is partly due to the difficulty of defining what victimization is. Workmen complain not only of victimization, but also of the difficulty of bringing the charge home even when (they state) they have no doubt about the facts. For this reason many of them hold the view that, unless the works committee is properly related to and protected by trade-unions, it can not hope—in certain establishments at least—to discuss questions before the management with that sense of freedom which is essential to the success of joint deliberations. In this connection it may be noted that one of two reasons given for the short terms of office of the shop stewards and secretaries of committees in one industry (one and three months, respectively) was the fear of victimization. The other reason—in this the works committee appears to revert to the early forms of conducting the business

¹ It may also be noted that officials of the various unions were members of the workmen's side of the joint committee formed in connection with a profit-sharing scheme instituted before the war by a well-known shipbuilding firm in a northern town.

of trade-union branches—was stated to be the desire that everyone should take his share of office.

The other question relates to the allegations made by certain trade-unionists that certain employers, more particularly in one or two industries, are fostering the growth of works committees in order to destroy trade-union influence in their works. The danger, it is said, from the point of view of trade-unionism is exactly the same as that which is believed to result from profit sharing, viz, that the workman is detached from his fellows and his power to obtain certain standard conditions is consequently weakened. The further charge has been made in regard to one or two industries that the employers were proposing, in the name of the Whitley report, to form works committees without connection with the unions, and from these committees to build up district and national councils representative of employers and employed. It must, however, be emphasized that any such action is directly opposed to the proposals of the Whitley report. These proposals look to the control of the works committee by national or district councils, which, on the workpeople's side, would be representative of trade-unions only; and, in order that works committees should be formed on lines satisfactory to the national organizations, the report proposes that the formation of works committees should, as far as possible, follow, and not precede, that of the national and district councils. A logical application of this order of procedure may be impossible, but wherever individual employers find it desirable to form works committees before national or district councils are instituted, the idea of the Whitley report may be so far followed that such proposals should be brought before the trades-unions concerned, and they should be asked to share in the formation of the works committee.

VII. GENERAL CONSIDERATIONS.

The applicability of works committees to different industries is a matter of importance. During the war the discussion of them has been associated most generally with the engineering industry, and it is probably in that industry that, for reasons already stated, their development during the war has been most rapid. This development, however, has by no means been confined to engineering; and in certain other industries, for example, iron and steel works, there has been a marked increase. If we consider prewar experiences, and include not only general committees formed for special purposes, but also sectional committees, it would appear that an industry in which committees had not been in existence at some time or other would prove the exception rather than the rule. In this connection one may note that in establishments in the distributive trades several com-

mittees have been formed to help in the running of profit-sharing schemes. It may also be noted that during the war one very large establishment has seen the development not only of separate committees of shop stewards, representing the skilled and unskilled sections of engineering respectively, but of at least two other committees constituted on more or less similar lines. One of these is composed of shop stewards from the building trades and the other of delegates from the clerks engaged in the various departments. The works in question is exceptional, not only in size but in certain other respects, so that it can not very well be taken as an example. The specific representation of the building trades may, however, be put alongside the previously mentioned examples of informal committees constituted on big works of building construction. It may also be argued that if a committee is desirable in a distributive trading establishment for the administration of a bonus scheme, the same form of organization may be useful for other general purposes. It may further be argued, and it is so argued by some, that a works committee is desirable in any establishment in which more than a certain number of people are employed. Whether the organization is either necessary or desirable in every or nearly every kind of establishment is a question which the future must solve. Here it may be noted that at present considerations almost diametrically opposite to one another appear to determine the general absence of committees from different groups of industries; in some this would appear to be due to the absence or the weakness of trade-union organization, while in others the strength of trade-union organization makes works committees unnecessary for the purposes which call them into existence in a number of industries.

The cotton industry is a case in point. Here the contiguity of the mills, and the fact that conditions are so uniform that district piece lists are practicable, insure that the strong district organization (with its permanent secretary on both sides and its district committee on both sides) is adequate to those needs which in engineering, for instance, have produced the demand for a works organization. The same problem of wages has necessitated in other industries, e. g., certain of those coming under the Trade Boards Acts, direct State enforcement of piece rates. Though for this purpose a works committee may be unnecessary or undesirable in both groups of industries, it may be that other purposes will produce a similar form of organization. It would appear that most of the needs to which reference has been made in this report are not quite peculiar to any one type of industrial establishment, but more or less common to all. Questions of foremanship may be given as one instance. Welfare is another; very many matters can be brought under its scope,

and it seems likely that in future works committees will come to play a greater part in their administration.¹

It may be suggested that the size of the works concerned is a factor of importance in any discussion of the range of application of a system of works committees. It is sometimes urged that works committees are only valuable in large works in which the workmen number 3,000 or upward. It is certainly true that the larger the works, the greater the help which a works committee can give in putting the higher ranks of the management in touch with the feelings and needs of the men. In a small works the manager will probably be able to familiarize himself with every detail of the work, and he will be brought into contact with nearly every workman. He may feel that he is already in close touch with the men and that a works committee can not make the touch closer. Even here, however, a works committee is likely to help. It will enable the management to discuss matters not with isolated individuals, but with the accredited representatives of the whole body of the men, and it may help to bring to light difficulties, needs, feelings, and defects which might otherwise have remained concealed. A works committee may thus serve not to supplant, but to supplement, the advantages of personal touch, even in small establishments; while in large establishments, where personal contact is not so easy, the help which it may give is obvious. In any case it should be remarked that committees are to be found in works of very different sizes. One committee is concerned with workers in a single establishment to the number of 10,000 men; many are to be found in works in which the workmen number about 3,000; a number exist in works employing about 100 workmen.

To this may be added the expression of opinion of the owner and manager of a small printing office where the compositors' chapel (there is only the one chapel in the office) has at present only 10 members. He is in direct contact with each of the men, but he has found it advantageous in the past to have the father of the chapel and one or two of the other compositors together "for a talk over tea." This, it may be said, is done in many small businesses. It may, however, be worth while to consider the advisability of putting such discussion on a regular footing, even in small businesses. In the instance mentioned the employer proposes to make a trial of regular discussions. Probably the only generalization one can safely make about the need for works committees in relation to the size of establishments is that the need increases with the size.

¹ Since the above paragraph was written a movement to bring the union organization more closely into relationship with the conditions in individual cotton mills has produced a scheme in the Oldham district. The proposal is to make shop (or mill) clubs an integral part of the district union, to deal with shop grievances, etc.

There remain two points of importance. One is the question of the practical success of works committees; the other the importance from that point of view of the human factor.

As regards the first question, evidence is forthcoming from all parts of the country—the Clyde, the Tyne, the Midlands, the Bristol, Manchester, Yorkshire, and London districts. As regards the second, this much is clear—success depends to a great extent on the existence of a spirit of counsel and understanding on both sides. If “the management door stands open” to all legitimate grievances, and if the men are ready to present their grievances and to take into consideration the difficulties of the management, the fundamental conditions are present. Much will always depend on the personalities concerned. Every human institution requires for its success the guidance of personalities. A works committee requires for its chairman or secretary—or, at any rate, one may say, ideally requires for its chairman or secretary—a man of personality, trusted by his fellow workmen, respected by the management, with the spirit of service, and ready, in that spirit, to give his services freely in the cause of his committee. It requires no less a sympathetic and capable management, ready to listen, ready to weigh carefully, ready to take pains in discussion, and prepared to persuade and to be persuaded. It is one of the most encouraging signs of the times that on both sides such men have been found, and that, both among the management and the men, personalities have emerged to meet the needs of the institution.

Works committees mean discussion; discussion takes time; and from this point of view it is sometimes argued that a works committee may tend to slow down the pace of industry; and, again, that it may be difficult to convince a committee of the value and the feasibility of a new idea or process, so that the way of innovation may be somewhat impeded. These, however, are theoretical objections. In practice works committees, the evidence would suggest, have improved timekeeping and increased output, and in that way they have accelerated rather than impeded the pace of industry. In practice, again, they have been the opposite of conservative, and instead of checking change they have themselves suggested change. And even if they made the pace slower or change more difficult, they have advantages that would compensate, and more than compensate, for these defects. They make for better relations and greater harmony, and these are the things that matter most to industry. More time is gained by the absence of disputes than is lost by the presence of discussion; more improvements can be introduced in an atmosphere of harmony than can possibly be introduced in an atmosphere of suspicion.

That works committees have in the great majority of cases tended to introduce greater harmony, and, through it, greater efficiency, is

proved by the evidence of those concerned in their working. It is not denied that in some cases, though these are very few, works committees have failed. A few cases of such failure have been noted in committees instituted during the war for general purposes. In one of these the failure was perhaps due mainly to defects of machinery, and it is stated that the works committee may be resuscitated; in another the failure was due to deep-seated causes, which made success impossible, and the failure reflects no discredit on the institution. In almost every case, however, the testimony is to the opposite effect. Sometimes introduced with difficulty and amid suspicion, committees have established themselves and done service which is acknowledged even by their original opponents. By providing a channel for the ventilation of grievances at an early stage, and before they become acute, they have prevented disputes and strikes, and they have improved timekeeping and increased output. Nor is this all. The functions of works committees are not merely concerned with bringing grievances before the management, but also with a preliminary inquiry into grievances, in order to decide whether they are well-grounded and serious enough to be brought before the management. The work which they do in this preliminary stage is not the least valuable part of their work, and, far from hampering the management, it obviously does the reverse and relieves the management of difficulties and grievances it would otherwise have to face. Grievances are either nipped in the bud by being shown, upon discussion in committee, to be unfounded, or they are settled in discussion between the secretary of the committee and the foreman or head of the department, and in either case they never come to the main management. When grievances can not be settled in this way—since, for example, they may involve the head of a department directly—there remains the possibility of access to the main management. The necessity for this has been emphasized by both representative employers and representative workmen; and upon it, so far as can be judged, depends not only the removal of grievances, but (what is still more important) that really suggestive and constructive work which the signatories to the Whitley report had in mind in recommending that workpeople should be given a larger voice in determining industrial conditions.

In more than one works the summary of opinion on a works committee—and that not on one side only, but on both—has been expressed in the phrase, “This is the best thing that has ever happened in the shop.” Such a summary could not be given if experience had not proved that a works committee was more than a piece of machinery and something different from the old methods of industrial conciliation. It means that a works committee is felt to be something vital and something new—something that enlists the workers

in real participation, and something that offers fresh promise for the future.

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APPENDIX I.—WORKS COMMITTEES: QUESTIONNAIRE.

1. *Origin.*

- (a) When did the committee come into existence?
- (b) Under what circumstances did it arise?
- (c) What procedure was adopted to put the proposal of a committee before the employees (or management where the initiative came from the employees), and draft a constitution?

2. *Constitution.*

- (a) Is there one committee only, or more than one?
If more than one what are their relations, if any?
In the case of each:
- (b) Is it a joint committee, representative of management and employees, or a committee of employees alone?
- (c) In the latter case what arrangements exist for meeting the management?
- (d) In the former case does the workers' side constitute a separate committee, meeting apart from the joint committee?
- (e) How are the workers' representatives chosen?
What classes, grades of workers, or departments are represented and in what proportion?
Are any classes of workers not represented?
- (f) What representation, if any, have trade-unions, as such, on the committee?
 - i. Is the whole or any part of the membership of the committee confined to trade-unionists?
 - ii. Has any union any part in the appointment of members?
 - iii. Is any full-time trade-union official admitted to sit with the committee, and if so, in what capacity?
 - iv. What is the relation (if any) of the committee to the trade-union stewards or delegates in the works?
- (g) How are the representatives of the management appointed?
- (h) What officers has the committee, and how are they appointed?
- (i) What changes in the constitution of the committee have been made since the establishment of the committee, and for what reasons?
- (j) What changes in the constitution are desired by either side, and for what reasons?

3. *What are the functions of the committee?*

- (a) i. Wages questions:
 Piece prices. Bonus times.
 Allocation of collective bonus.
 Application of wage orders, etc.
- ii. Working hours:
 "Clocking."
 Breaks. Shifts.
- iii. Allocation of work:
 Piece and time. Demarcation.
 Dilution.
 Overtime. Short time.
- iv. Works organization:
 Suggestion of improvements.
 Discussion of proposed innovations.
 Place of apprentices.
- v. Discipline:
 Timekeeping. Language.
 Methods of foremen.
- vi. Disputes:
 Discussion of complaints.
 Settlement of differences.
- vii. Welfare:
 Canteen management. Rest periods.
 Sanitation. Works amenities.
- viii. Any other functions:
 (It is desirable to make the list of functions as comprehensive as possible for the purpose of comparison.)
- (b) Are the powers of the committee specified in the constitution? or determined by the chairman? or unspecified?
- (c) Have there been any changes in the functions of the committee since it was established? If so, what were the reasons?

4. *Procedure.*

- (a) i. How, and by whom, are matters brought before the committee?
- ii. Does the committee meet at stated periods, or only when specially summoned? How is a meeting summoned?
- iii. If the firm is represented on the committee, do the worker members meet separately before the joint meeting?

4. *Procedure.*—Concluded.

- iv. If the times of meeting are irregular, please state the number of meetings held during each of the last three months.
 - v. Do the meetings take place in employers' or in workers' time?
 - vi. How long does a meeting usually last?
 - vii. Is there any payment for attendance? If so, by whom?
- (b) In case of failure on the part of the committee to settle any question, to what authority is the question taken? Give an example of the stages through which a complaint could go.

5. *Relations with trade-unions.*

- (a) What proportion of the employees of the firm are members of unions? Of what unions are they members?
- (b) Does the firm recognize all, or any, of these unions?
- (c) Have the union officials assisted or obstructed the establishment and working of the committee?
- (d) Is any provision made for the safeguarding of small sectional interests (such as the scientific instrument makers in an engineering works)?

6. *General.*

- (a) The attitude of the management to committees. On what occasions, if any, has the management refused to carry out a committee's decisions?
- (b) Have the men in the works accepted or rejected a committee's decisions?
- (c) The possibility and difficulties of dovetailing works committees into the existing trade-union organizations.
- (d) Effectiveness and results of the establishment of works committees on the relations between employers and employed.
- (e) The desirability of separate committees to deal with different types of functions (e. g., wages questions, welfare, etc.).
- (f) Possible directions in which the functions of committees could be extended.
- (g) The relation of works committees to unofficial shop stewards.

(N. B.—It is the suggestions and feelings of employers, managers, trade-union officials, and workpeople it is particularly important to collect. The investigator's own criticisms and suggestions should be embodied in a separate report.)

APPENDIX II.—REPORTS ON INDIVIDUAL WORKS COMMITTEES, ETC.¹

(A) to (P)—Engineering, shipbuilding, and iron and steel industries.
 (Q) to (W)—Boot and shoe, woolen, and other industries.

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(A) MESSRS. HANS RENOLD (LTD.), BURNAGE WORKS, DIDSBUURY, MANCHESTER.

Industry: Engineering. Number of employees, 2,600. Number of departments and (in round numbers) average of workers in each—17 departments, 160 in each. Males, 1,000. Women, 1,600.

At this establishment there are three different committees:

(1) The first of these is the "council" of the social union of the works, which includes about two-thirds of the whole body of the workers. The social union is managed entirely by its members, and has been in existence for the last eight years; it is concerned with games, recreations, and educational activities, such as the formation of study circles; it is said to have done a valuable work in helping to create a feeling of community and to have prepared the ground for later developments.

¹ The statements given below are in some cases supplied by the firms, but in most cases have been compiled by the investigator on statements made to him by the management and representatives of the workers on the committee. Wherever possible, pains have been taken to insure that the statement accords with the views of all parties concerned with the committee.

(2) The second is a welfare committee, concerned with shop amenities, which came into existence about a year ago. This committee is a joint committee. On the workers' side there are 17 representatives for as many constituencies; each constituency is, roughly speaking, comprised of workers employed on the same sort of operation and in the same building, but men and women vote and are represented separately; the election is by ballot, and every worker (unionist or nonunionist) is entitled to vote. Trade-unionism is officially represented by a delegate from the shop stewards' committee. The secretary of the social union is also a member of the welfare committee. On the side of the management the committee is composed of one of the partners in the business, the employment manager, the women's employment manager, and such of the assistant works managers as wish to attend; generally the number is about six. The chair is taken by the chief representative of the management, and he provides the secretary; the meetings are monthly. The functions of the welfare committee are to advise the management on matters which it wishes to hear discussed, to bring to the notice of the management questions (other than those of wages and trade-union matters) which the workers wish to have discussed, and to consider suggestions for improvements. The questions that have actually been discussed include the treatment of eye cases, the provision of first aid and the prevention of accidents, the provision of overalls, and the arrangement of the seats and the maintenance of order and comfort in the men's and women's dining rooms. The members attend well; they meet in overtime hours at present, and are paid overtime wages for the time they spend at meetings, but it is hoped that in normal times the meetings will be held outside working hours and that attendance will be regarded as a form of voluntary service. It is possible that in the future a separate preliminary meeting may be arranged for the women representatives from time to time; it is possible, too, that in the future the management will absent themselves at every alternate meeting, in order that the representatives of the workers may discuss matters by themselves.

(3) The third committee is that of the shop stewards. This was formed by a spontaneous movement among the trade-unionists in the establishment at the time when the welfare committee was under consideration. Room has been found in practice for both, and the firm has from the first recognized the shop stewards' committee. The shop stewards are elected by the trade-unionists in the establishment; they are seven in number, but the number is likely to grow. At the invitation of the firm, they send one of their members to sit on the welfare committee, but it is worth noticing that otherwise the composition of the two bodies is distinct, and the same person has not been elected a member of both. The shop stewards elect their

own chairman and secretary. While the welfare committee is concerned with shop amenities, the shop stewards' committee deals with questions of wages and trade-union matters in general. As soon as it was formed the shop stewards' committee asked and obtained the approval of the district committee of the particular union to which its members almost entirely belong. The secretary of the committee sends the names of its members to the district committee, which issues a card to each entitling him to act as an official shop steward. The committee meets (in the firm's time) at the beginning of each month, and after discussion sends to the management a list of the questions it wishes to have discussed; the management adds questions which it wishes to bring forward, and the head of the management and various managers then meet the committee for discussion; but a meeting is held between the management and the committee monthly, whether there is definite business or no. Sometimes foremen are present when a subject vitally concerning them is under discussion. From the point of view of the men the advantage of the committee is that they can go direct to the management, while before they could only go direct to the foremen. From the point of view of the management the committee has, on the whole, conduced to smoother working of the establishment; and questions of the method of paying wages, of increased bonus, and of alleged victimization of workers by foremen have been thrashed out freely between the two sides. In connection with the position of the foremen, it is thought that it may be necessary to devise some scheme, such as regular meetings between the foremen and the management on any questions raised in the committee which affect their position, in order to avoid any clashing between the foremen and the committee. It is also thought that it may be necessary to draw up rules to determine the right of the secretary of the committee to enter departments of the works to consult with individual workmen about complaints. (These rules have since been drawn up and are contained in the following note.)

Both the welfare committee and the shop stewards' committee are used in this establishment as means for the announcement and explanation of intended action by the management. Announcements have been made, for instance, of new methods of grouping the work, and again of the appointments of foremen and the general grounds on which they are based.

NOTE.

REGULATIONS GOVERNING ACTIVITIES OF SHOP STEWARDS.

Meetings.

1. The directors will give the shop stewards' committee facilities for holding committee meetings, including the use of a room, twice

per month, one such meeting to take place, unless otherwise arranged, on the first Wednesday of each month at 6.15 p. m.

2. The management will meet the committee, in general, once per month, such meeting to take place on the second Wednesday at 6.15 p. m. unless otherwise arranged.

3. The directors will allow the shop stewards' committee the use of one of the works dining rooms twice a year, for general works meetings.

4. If extra meetings are desired, either with the management for committee meetings or for general shop meetings, application should be made to the employment manager.

5. In the case of the regular meetings of the committee or the monthly joint meetings with the management, if overtime is being worked, and a steward would have been working during a meeting, time spent at such a meeting will be paid for as though spent at work.

Procedure.

6. The superintendent is the executive authority in each department, and his instructions must be obeyed, even though a shop steward considers an order unreasonable. In such a case the constitutional procedure is to obey the order, and to lay a complaint or call for investigation afterwards.

7. Stewards have the right to make any complaint or suggestion to a superintendent with regard to the rules he makes, his treatment of any individual or individuals, his application of general shop rules or policy, etc.

8. In no case will a superintendent refuse to listen to and investigate any *bona fide* case brought forward by a shop steward, and to give him an answer.

9. If a steward is not satisfied with a superintendent's handling of a question, he may refer the matter to the shop stewards' committee for discussion, if the committee so desires, with the management at the next monthly joint meeting.

10. It is considered highly desirable that the stewards should get as many questions as possible settled direct with their own superintendents. This does not mean that matters under discussion can be allowed to drag out unnecessarily, and when feeling is running high the shop stewards should take up a question immediately with the employment manager or the works director, but always with the cognizance of the superintendent.

11. When a complaint is made by a steward to a superintendent on behalf of another individual, it must be understood that the superintendent has every right to discuss the matter direct with the individual concerned. This is not intended as a means of putting off the steward, but is a statement of the superintendent's right and

duty to maintain the most intimate and friendly relations possible with each and all of his men. In such a case no decision will be come to between the superintendent and the individual except jointly with the steward.

Similarly, every man has a right to approach his superintendent direct, without asking the help of the steward of his department, if he so desires.

General arrangements and discipline.

12. The management desires that shop stewards shall have such reasonable facilities as are necessary for carrying out their functions, and expects that in return these will be exercised in such a way as to involve a minimum of interference with their work.

13. Meetings, formal or informal, can not be held in working hours, except by special permission, and men should not bring grievances or questions to their shop stewards during working hours, but should wait for the next break.

14. Shop stewards may visit the secretary of the shop stewards' committee during working hours on notifying their superintendent. Similarly, the secretary may visit any of the stewards on notifying his superintendent. Each steward is expected to make arrangements mutually satisfactory to his superintendent and himself for the notification of visits when the superintendent is temporarily absent from the department. The time spent in visiting should be restricted as much as possible, and must not be made an excuse for inefficiency of work.

This arrangement is subject to reconsideration, should the number of stewards in the works exceed 10.

15. When decisions are taken at a joint meeting with the management, shop stewards shall not announce same to their men until the dinner time of the following day, so as to give time for the superintendents to be made cognizant of what transpired.

These regulations are subject to revision at any time by arrangement between the management and the shop stewards' committee.

HANS RENOLD (LTD.),
Manchester.

20TH OCTOBER, 1917.

(B) MESSRS. ROLLS-ROYCE (LTD.), DERBY.

Works: Engineering; motor cars. Employees, 6,000. Departments: Thirty-five to 40 have shop stewards of their own, but from the point of view of the management the departments may be enumerated as about 80, with about 300 men in the largest (the test department) down to about 20 in the smallest. General laborers (in-

cluding women), about 500. Women, about 1,500 (of whom about 100 are general laborers).

1. This establishment is very strongly unionist, and before the war 98 per cent of the employees were unionist, a figure which has sunk a little during the war owing to dilution. The relations between the management and the men are described by both sides as "of the best." The works would appear to be regarded by the labor opinion of the district generally with distinct favor.

The committee at the works is one of shop stewards (just as the committees at two other establishments here described—those of Messrs. Hans Renold and Messrs. Barr & Stroud—are also committees of shop stewards). The interesting feature of this committee of shop stewards is that it goes back to a period previous to the war. It originated as follows: Originally individual workmen laid their grievances before the management, bringing (according to the general habit) a companion to help them to state their case. As time went on, men who were recognized as good companions to bring were sorted out, and they became semiofficial advocates. About 1912 or 1913 this informal system developed into a recognized committee of shop stewards. This committee is what exists to-day. There is little difference in the present system from what was usual before the war.

2. Each department elects its own shop steward, the total number of whom is nearly 40. There are about nine different unions with shop stewards, but more than half of the shop stewards belong to the A. S. E. [Amalgamated Society of Engineers]. The fact that there is a majority of A. S. E. stewards has apparently produced no difficulty. The various shop stewards form a committee, with a chairman who bears the name of convenor. On questions affecting a particular department or departments, the convenor interviews the management, by appointment, along with the shop steward or shop stewards concerned; while on questions affecting all the works, he interviews the management, by appointment, along with all the rest of the shop stewards. There are no fixed or regular meetings with the management, but there are frequent meetings none the less.¹ The motto of the management is: "The door of the management is always open," and this motto is acted upon. There are no women among the shop stewards (though it should be noticed that the shop stewards bring a woman representative with them to see the management when they are discussing a question that affects women); but the women employees have direct access of their own to the management. They can come one by one, or in twos and threes (to raise

¹ There was a system of fixed and regular meetings at one time; but this fell through, partly because there was not always business, but largely because the convenor of the shop stewards and the works manager were both busy men, and were often unable to attend.

questions of ventilation and heating, for instance), and they always receive a hearing.

3. The functions of the committee are large and undefined. They bring forward anything which they think a fit matter to be brought before the management. A question may sometimes arise with the management whether such and such a question really is a fit question; there is then a discussion, and it is generally settled by the application of common sense whether the question shall or shall not be entertained, but there seems to be no rule regulating the matter. The management discusses with the committee, or those of it concerned, changes of process; while the men, according to the view of the management, "have helped the management in many cases on knotty problems of output, and have made suggestions which were acted upon," besides bringing up complaints of the men and cases of hardship. Among specific matters handled may be mentioned the following:

(a) *The base times for premium bonus work.*—This system prevails throughout the works; and if the base time can not be settled between the foreman of the department and the workmen, the matter is brought by the convenor and shop steward of the department before the management.

(b) *Dilution.*—The shop stewards have protested against the principle but they have made an amicable arrangement with the management in every case, it being understood that a record of changes was duly kept. The wages of dilutees have also been discussed in conferences of the management and committee.

Much is settled with the foreman in the department concerned and never comes before the management. Relations with the foremen have not been particularly difficult. Some of the foremen resented the action of the committee of shop stewards until it was pointed out to them that the shop stewards "did not wish to press too far." There have only been one or two isolated instances of conflict; and in one case (which appeared to be the main one) the foreman left the works. The convenor of shop stewards has the right to go anywhere in the establishment without notifying the foremen.

4. The procedure of the system has already been incidentally described in large measure. When any point arises in a department, it is reported to the convenor (who is elected by the shop stewards from their number), and if it can not be settled in the department, it is brought before the management in the way described above. Complaints or requests from the management go to the convenor, and are discussed by the shop stewards when he brings them before a meeting. Meetings with the management are in the employer's time, generally in the afternoon, and may last from half an hour to

two and one-half hours. The management has always carried out the decisions arrived at in a meeting with the committee; and the general body of men in the works have accepted these decisions.

5. The relations of the committee with local trade-unionism seem to present no difficulties. The various societies represented in the works—A. S. E., Pattern Makers, Coppersmiths, and the rest—have worked together; and the shop-steward system is part and parcel of the official trade-union organization of the district. The district committee of the A. S. E. does not issue cards to the shop stewards as it does in other areas. Extremists are sometimes elected as shop stewards, but they generally mix with the rest; they are a live element and responsibility steadies them. A man who proves a poor shop steward does not carry weight, and will generally be dropped by his constituents. There is thus no need for the issue of a card by the district committee concerned or for the threat of withdrawal of such a card. The relations of the shop stewards at the establishment with the trade-union authorities are generally good, and every question unsettled in the establishment goes to the local district committee or joint committee of allied engineering trades.

It may be added that there is a mess-room committee at the works, some four or five years old, appointed by the vote of all who use the mess room; but it has no particular importance.

(C) THE PHOENIX DYNAMO CO. (LTD.), THORNBURY, BRADFORD.

The Phoenix Dynamo Co. is a firm employing about 4,000 employees. In addition to its ordinary product, the firm is now producing miscellaneous munitions supplies. The following statement, which the firm has sent to a number of employers, has been supplied to the ministry for publication:

28TH DECEMBER, 1917.

A. SHORT DESCRIPTION OF THE PHOENIX SYSTEM FOR FIXING PIECEWORK PRICES BY CONTINUOUS ARBITRATION.

PREAMBLE.

There is surely no question so vital to engineering and kindred industries as that of the fixing of piecework prices. It would probably be accurate to say that in the period immediately preceding the war most of the prejudices, both on the employer's part and that of the men, to some system of payment by results were in a fair way to be removed. The increasing competition in business, with the resultant necessity for selling on fine margins, together with the fact that experience was proving that because a man was working piecework the quality of his work was not necessarily suffering, had already converted most of the employers.

The chief outstanding difficulties were those of organization, and much of the remaining prejudice on the part of labor toward schemes of payment by result was the result of unscientific and amateurish systems of estimation of the time necessary to carry out any particular job by the employer. Consequently one got side by side in the same shop astounding inequalities of earnings which caused great discontent. It was the double-time man who caused the time-and-a-quarter man to throw down tools, and the employers, prevented by agreements from reducing prices, are obviously unable to increase all the prices to double time in order to remove the discontent. The employer, therefore, urged often more by despair than a desire to break his agreements about price reduction, adopted subterfuges to reduce the times which were too high. This often took the form of splitting the job into sections and altering methods of production in a minor way in order to reduce the time allowed, and thus the confidence of the workers was lost by this evasion of the real spirit of the agreement.

Even to-day the predicament still exists, and the problem of the price, which is unreasonably high, and the discontent caused amongst the remainder of the men, is extraordinarily difficult for the employer who wishes to observe not only the letter but the spirit of his undertakings not to reduce prices.

On the other hand, labor, with its greater facilities for discussion between individuals and the absence of any motive to prevent complete interchange of information, such as unfortunately exists among employers, has been enabled to bring great pressure to bear upon the employer for the rectification of a price which can be proved to be unremunerative. The same cohesion among labor, coupled with the fear among employers that workmen are only accepting payment by results under sufferance and might some day refuse to continue such a system, has made the employer very fearful of pushing forward with any system to deal with the straight problem of the reduction of an excessive time.

Since the war, and without, possibly, a full appreciation of the precedents which are being created, employers, weary of the responsibility for so much price fixing and the dangers of labor unrest in their works, have compromised the most difficult jobs either by a group bonus on the whole of the wages paid, or by saying to individuals or groups of individuals, "We will pay you time and so-and-so while you are on this work." Some airplane factories working on a group bonus on total output are paying their men as much as time and three-quarters, while their output per man is well below that of other airplane factories on ordinary day rates.

It is fatally easy to act in this amateurish way while prices are high and excess profits can be used, but any experienced organizer or

worker, either employer or employed, knows that this condition can not last after the war. It is this prodigal use of "time and a something," without any definite guaranty that that amount of work had been carried out, which has destroyed the whole of the principle of the minimum wage. Competition on day rates being eliminated, a competition between employers as to who can give the most foolish piecework price or the highest bonus per hour on some theoretically imperfect group bonus scheme has taken its place. The best type of labor realizes that the badly organized piecework or bonus system is in the end as inimical to his interests as it is to those of the employer. So much for the money side of the question.

There is, however, another point which should be given its true value. One of the greatest objections to present piecework systems is that the employer works out the price in secret, writes down the time on a card, and this settles the price. Now, the men feel that payment by results is a bargain, and that it is not within the province of the employer or the employed to state arbitrarily what the price is to be. The fact that most employers are quite prepared to explain politely and sensibly to any workman how the price is made up does not meet the theoretical objection to the system, and the end of what should be a perfectly logical and simple business transaction is often an altercation with a "take it or leave it" as the employer's last word.

Another position which is often created as a result of a failure to agree about price is a steady opposition more or less furtive to the whole system. Assuming, however, that the system of piecework fixing is so accurate that every workman secures a fair return for his labor, the theoretical objection of organized trades-unionism to any arbitrary settlement of the price by the employer still remains.

A TABULATION OF THE MAIN DIFFICULTIES.

- (1) Unscientific price fixing.
- (2) The absence of proper machinery for appeal which is quick in action and not cumbersome in operation for the rectification of (a) a price which is too low; (b) a price which is too high.

Of these (b) is essential if the employer is to be able to preserve toward men absolute straightforward dealing. The employer must have means which will enable him, without even a suspicion of stealth, to reduce a price without necessarily changing the method of manufacture.

The following is a system which has been working for some time, the terms of which were drawn up by the aid and cooperation of the principal union of metal workers and the firm concerned. It is capable of considerable extension and improvement, and is a sincere attempt to solve an exceedingly complicated but absolutely vital problem.

Financial basis of prices.

The men had pressed for a guaranteed time and a half. To this we could not agree. Eventually it was agreed that times should be fixed so that an average man could earn time and a quarter, and a really good man should have no difficulty in making time and a half. The following is the agreement reached between the principal union of metal workers and ourselves concerning the scheme:

On getting out a new job we would calculate the feeds and speeds which were suitable for the tool on which the job was to be performed, and then put forward the time to the man who had to do the job, saying: "This is the time we offer; you are not bound to accept it and can appeal if you like. In this event you go to the time-study office, where the man who has dealt with the job will go through the detail of his calculations, and if he has made a slip will at once put it right."

Our time fixing is not infallible, and the men can help us by pointing out errors. If, however, we are unconvinced that the price is unreasonable, and the man is equally unconvinced that it is reasonable, he can then say, "I want this job to go to committee." The time offered by us would then be put on the card as a temporary time, and the decision of the committee would be added on or taken off the time agreed by the committee when their decision has been given. In any case, however, the man has no object in hanging back, because no evidence as to the time taken on the job between the price being fixed and the committee being held is available for the committee.

The committee consists of three of the firm's representatives and three workmen's representatives consisting of the man concerned and two workmen selected by him who are operating the same type of machine or whose work is closely allied to the work in question. In a dispute of a milling machine price, the man and two other millers would attend.

The committee is to be held within two days of the complaint. In the event of the committee failing to agree it is then up to the firm to demonstrate in their own works that the time is fair and that time and a quarter can be made on it. The question of outside demonstrators being employed was raised, and it was agreed that only in the case of new tools bought from the makers on guaranteed times should outside experts be brought in. The firm have the option to decide whether, in the event of the committee failing to agree, the demonstration of the time shall be done in the shop itself or alternatively in a demonstration department. It is further agreed that, in addition to the committee being a means by which workmen can secure awards as to prices which are too low, the firm have the same privilege with regard to prices which are too high. In the event,

however, of the firm petitioning for the reduction of a price and bringing the matter to a committee, it is understood that any reduction which is made in the time shall be put on to another job on which the workers can not do as well. This is accepted without demur, as it shows a desire, at any rate, to try to equalize the position as between man and man and also from the firm's point of view.

The above are the terms of the understanding arrived at and the following observations may be interesting.

The whole point about this system is that the rate fixers shall get into their heads the fact that they are not telling the men how much they, as representatives of the Almighty, agree to allow for each job, but are in the position of buyers who, having worked out what they think is a fair price for a commodity, make the man an offer for it on those terms.

A great deal can be done in making a time study department a really nice office and insisting that the man is treated really courteously. One of the great difficulties is to get personalities definitely removed from the transaction. A discussion that starts about the price of a job often finishes by two men staking their reputation as craftsmen and their experience as workmen that they are absolutely right.

The rate fixer must be made to feel that it is not a disgraceful thing to alter his price. The friendly spirit is extremely important, and unduly conceited rate fixers with the manner of a general manager have not proved invariably successful. The surprising part of the scheme over the period in which it has now been operating is the very small number of committees which are held. It would appear that a very stupid workman who goes to the time study office to argue with the rate fixer, or a very thick-headed rate fixer, are either of them rather afraid of what a committee would decide about their particular case, and so whichever party feels himself to be technically weakest in the argument appears to give way. At any rate, the number of committees is incredibly small. It may be argued that this is because the prices are fixed on so generous a basis.

The average in the whole of the shops concerned ranges from 27.5 per cent in the worst case to 52.25 per cent in the highest average case.

The provision by which an employer is allowed to reduce a price (provided that he adds the time so reduced onto some job which is a lean one) has the advantage that after a time you get a certain number of hours on the men's side of the ledger, and this is a sort of accumulation of time in the bank. By this means cases of special hardship can be dealt with by adding some of the time on to the lean jobs.

The composition of the committee from the employers' point of view should vary from time to time, and the superintendents of the shop will be well advised to keep their eye on the cases coming up for committee. It sometimes happens that a very good workman indeed has become pig-headed about his particular job, and while the rate fixer may be exactly right, it may be advisable to humor the man in question. The very fact of the man's all-round excellence and his status of a workman makes it advisable to keep him friendly to the scheme. In cases of this sort, where a certain amount of feeling is present, it is advisable for some fairly high official to sit as one of the employer's representatives and tactfully (while saving the rate fixer's face as much as possible) leave the committee to humor the man somewhat. These cases have proved to be very rare, but the employer has so much to gain from the system generally that he must be prepared to stretch a point, without saying he is doing so, to meet very difficult cases which come up to committee. One case in point:

An extraordinarily skilled airplane metal worker brought a case up to committee, where the rate fixer was an equally skilled metal worker and a member of the same union. The matter had obviously become more a question of which of the two men was a fool than the question of the price, and it is in cases of this sort that a tactful official can be so valuable on the committee.

If any employer will put himself in the position of a workman who, on being offered a price, thinks it unfair, and who has either to take it or else put himself in opposition to his foreman and others, he will appreciate the value of some such scheme as the above to the workmen. Under the present scheme a man so placed is either satisfied by the time-study office or not, and if he is still dissatisfied he can ask for a committee and go back working on the job without quarreling either with his foreman or anybody else.

(D) MESSRS. BARE & STROUD (LTD.), ANNIESLAND, GLASGOW.

Industry: Engineering. Number of employees, 2,350, of whom 275 are women.

This firm has and has long had an admirable system for the education of its apprentices, and it is noteworthy that several of them, during their apprenticeship, have taken the bachelor of science degree in the University of Glasgow.

The firm has also, like the shipbuilding firm of whose organization an account is given under (O) below,¹ a system of awards for suggestions made by their workmen, which has been at work for many years.

¹ See pp. 131-135.—[Ed.]

There are two workers' committees in the establishment:

(1) The first, which is called the shop committee, might also be designated a welfare committee, and has been in existence since about 1900.

Its constitution and rules are set forth in the published book of rules of the firm. Briefly, it may be said to deal with shop amenities. It controls the sick benefit society, the fund for distress, and all other funds of a like nature. It controls the management of the canteen and the rifle club and handles all social arrangements for entertainments, picnics, and the like. The chairman is one of the directors. He can vote the discussion of any matter, but he has never once had to exercise this veto. No trade-union questions—no questions of wages or application of trade-union rules—come before this committee. The committee meets regularly once a month and oftener if necessary. There are various subcommittees appointed by the shop committee to deal with the various activities.

(2) In March, 1916, when dilution was started, a second committee was formed, called the industrial committee. As it is professedly in existence for the war period only, nothing is said about this committee in the book of rules of the firm, but the following description may illustrate its chief features.

The formation of the industrial committee was helped by the good relations and the community of feeling engendered by the working of the existing shop committee. The industrial committee is based essentially on trade-unionism and the shop-steward system. The 12 representatives of the men are elected entirely by the shop stewards, some 40 in number, of the different unions. There is thus no system of election by all the workers and the committee is not representative of all the workers, but, on the other hand, there is a definite nexus established with trade-union sentiment and organization. Two directors of the firm and the head foreman sit with the 12 representatives of the men. When there is business to transact, meetings of the industrial committee are held on Tuesdays at 11 a. m. and the men's representatives are paid as usual during the time occupied at the meetings. The members of the committee hold office for one year. There are two chairmen, one from the men's representatives and one from the firm's, and they preside at alternate meetings. The only other officer is a secretary elected by the committee.

The following list contains some of the questions treated by the industrial committee during the past 18 months:

(1) The question of the convenor of shop stewards going into other departments for discussion of grievances. This was discussed and the result was the formulation of regulations. (See note (i); similar rules are also contained in note (ii) in respect of the "shop" committee.)

- (2) Wages of women and girl employees.
- (3) The record of changes in practice.
- (4) Questions arising from the premium bonus system.
- (5) Appeals against dismissal.¹
- (6) The question of men forgetting to clock on and of whether they should receive wages for the period for which they had forgotten to clock on.
- (7) The question of working overtime on Saturdays. The committee agreed to refer this to a general *plebiscite*.
- (8) The question of wages of apprentices.
- (9) The question of rules for night-shift work—e. g., whether men could leave a little before the closing time to catch a train.

It is obvious that the functions of the industrial committee are important; it is one of the most advanced works committees in existence. Questions of wages come within its scope (under 2, 4, 6, and 8 above), and a question recently under discussion was a proposal that there should be a guaranteed premium bonus.

A question which has recently arisen is that of the relation of the industrial committee to the local trade-union organization.

This industrial committee is deserving of attention; first, in its constitution—based as it is on the shop steward system—and secondly, in its influence on the works, which has been large and far-reaching.

It is interesting to notice that the system of Messrs. Barr & Stroud (Ltd.) is very like that of Messrs. Hans Renold (Ltd.). Both have two committees; both assign to one committee the consideration of shop amenities, and to the other questions of work and wages; both base the second committee on the shop-steward system.

An immediate and important result of having such an industrial committee is that grievances that might otherwise generate bad feeling are brought at once to the attention of the directors. The trivial surroundings of grievances are brushed off, and the real principles underlying the questions under discussion are arrived at.

So far the industrial committee and the shop stewards have quite naturally declined to deal themselves with matters of discipline; but in cases where they have declined, they have actively upheld, or at all events not hindered, the regulations imposed by the firm.

NOTE (1).

REGULATIONS FOR LEAVE GRANTED TO SHOP STEWARDS TO DEAL WITH COMPLAINTS.

(1) If any employee has a relevant complaint to make about his work, sufficiently important to bring before a shop steward, he must communicate only with the shop steward of his own department.

¹ Only one case has arisen. Here the firm refused to go back on its decision, but was ready to explain its action. This was done. The men's representatives then asked if the man in question might receive a clean character. This was given.

(2) If the department shop steward thinks the complaint requires attention, he will send for, or fetch, the convenor of shop stewards, who, when possible, will tell the foreman of the department to which he is called that he has been summoned on shop-steward business.

(3) If the convenor of shop stewards, after consultation with the department shop steward and the complainer, thinks the complaint requires further attention, he will call a meeting of shop stewards to consider the matter.

(4) If the meeting of shop stewards thinks the complaint requires still further consideration, the convenor will bring it before a meeting of the industrial committee or convene an emergency meeting of the industrial committee in order to lay the complaint before the firm.

(5) The foremen are instructed by the firm that they are to grant the facilities referred to above; but if they think that these facilities are being taken advantage of, they are instructed to inform the firm, so that the representatives of the firm may draw the attention of the industrial committee to it.

BARR & STROUD, (LTD.).

(Signed) HAROLD D. JACKSON, *Director*.

NOTE (II).

NOTICE.—TO MEMBERS OF THE STAFF AND TO FOREMEN AND MEMBERS OF THE SHOP COMMITTEE.

In connection with their duties as members of the shop committee, it is sometimes necessary for the members of the shop committee to go into different departments of the shop to inquire into matters connected with the well-being of the employees.

In such circumstances the members of the shop committee should always inform the chief of the department or the foreman into whose department they go that they are on shop-committee duty, and in such circumstances the foreman will not unreasonably withhold permission.

The firm rely that members of the shop committee will be careful never to abuse this privilege.

Each member of the shop committee is provided with a ticket of identification.

BARR & STROUD, (LTD.).

(Signed) HAROLD D. JACKSON, *Director*.

(E) A LARGE ENGINEERING ESTABLISHMENT. DILUTION COMMITTEE.

Seven departments, employing over 10,000 workpeople.

1. The committee at this establishment should properly be described as a dilution committee. It came into existence in February,

1916, and though matters other than dilution are occasionally brought before it, its primary function is the regulation of dilution.

2. The election of the dilution committee consists of two stages:

(1) In the first place, dilution delegates were elected on the basis of two delegates for each shop by all workers, unionist or nonunionist (including women¹), in every department or shop.

(2) In the second place, the delegates select five representatives to represent them on a joint dilution committee, on which also sit an equal number of the management. At first there was an agreed external chairman but, subsequently, the senior manager present acted in this capacity. There was found to be the objection that if an external chairman is appointed whose decisions are accepted, arbitration within the works is set up for dealing with matters which should be entirely within the jurisdiction of the management. A member of the management presides and another member of the management is official secretary and is responsible for the official minutes and the notification of all dilution questions. He is also responsible for all communications with the men's secretary. On the men's side there is official secretary and is responsible for the official minutes and the secretary, but has no vote.

3. There are no regular meetings of the joint dilution committee; it meets when either side asks for a meeting. (Some questions raised by the men's secretary may be settled at once by executive action and without a meeting, if the case is a clear one and the action will be simply reported at the next meeting.) The minutes are kept by the official secretary appointed by the management. The men's secretary takes informal notes. The minutes are generally circulated a week before a meeting to enable the men to consider them prior to the meeting and raise at the meeting any points arising therefrom or to which they do not agree. Sometimes there are meetings once a week, sometimes once a month, or even at longer intervals.

4. The functions of the dilution delegates are to supervise the introduction of dilution and the wages paid to dilutees. The delegates may complain, for instance, about a foreman introducing dilution without proper notice, or as to the rates paid to a dilutee or to the manning of a lathe by a dilutee. If any question arises about the rates paid to a dilutee, they refer to the dilution certificates sent to them, on which this rate is stated. In no instance are they allowed to ascertain the rates paid to men or women other than dilutees. On the whole no insuperable difficulty has arisen between the dilution delegates and the foremen. This is chiefly due to the tact displayed by the management and the men's chairman, but many times there

¹ The women in one department did not vote, but that is due to difficulties of time and place. If their hours had been different and the department had not been at a distance from the rest they would have voted.

there have been grave difficulties owing to the action of certain of the younger delegates and foremen.

The joint dilution committee deals with all important matters arising out of dilution which come up to it (as a rule through the men's secretary) from the delegates.

5. To what has been said above, it should be added that the whole procedure of the committee is necessarily elastic, and dependent on personal tact and contact rather than on formal constitution. There is, for instance, no fixed tenure of office for men's representatives; if their action or constitution were challenged, as it was in a case when the members of the United Machine Workers' Association claimed representation, they could, and did, resign, and a new election was held. The same committee as before was elected. The men's representatives on the joint committee, if they consider any proposal involves an important question of principle, ask to have a matter referred back to the dilution delegates for instructions, or, if the question is comparatively unimportant, may agree to settle it offhand.

The dilution committee here described is obviously of a special character, and under the peculiar conditions the joint dilution committee has been fairly successful. It works easily and informally. Confined in form to questions of dilution, it finds it easy to discuss other questions and to deal with works conditions in general on occasion; for instance, in a case where the firm had submitted a proposal for a bonus on output to a large number of setters-up, the men asked their dilution committee representatives to take the question up and discuss the matter with the management.

The men's representatives on the dilution committee have prevented many threatened strikes developing in various parts of the works, either by their direct intervention or by calling the attention of the management to trouble that was brewing.

In the firm's opinion, the value of the work to be done by such a committee depends on the men's representatives being educated and fair-minded men.

It must be remembered that this committee is essentially a dilution committee and not a works committee. The representatives may, *de facto*, be shop stewards, but they are chosen by all the employees, including skilled, semiskilled, and unskilled workpeople.

The dilution committee does not represent the steel smelters, steel, iron, and brass founders, smiths, and strikers, and one or two other trades. If it were to become a shop committee, it would probably have to be increased and represent all trades and the foremen. In the firm's opinion, the constitution of such a committee, so as to secure the best results, would require very careful consideration.

(F) AN ESTABLISHMENT MAKING MOTOR CARS AND AIRPLANES.

The firm make motor cars, airplanes, and airplane engines. The present number of employees is about 3,500, of whom some 600 are women and some 150 general laborers. The others are skilled or semiskilled.

The committee dates back to 1908. It arose from a dispute which resulted in a strike. The directors had had no idea of the trouble, and in order that in the future such a position should be made impossible, the works committee was formed. District trade-union officials took an active part in the formation of the committee.

The committee consists of 22 members, one from each department.¹ Each member must be a trade-unionist, but voting is open to all men, whether or not trade-unionists. The women do not have votes. There are members of 26 trade-unions in the works. Only 10 of these have members on the committee. The 10 are the A. S. E., the Tool Makers, the United Kingdom Society of Smiths, the United Kingdom Society of Coachmakers, the Amalgamated Society of Carpenters and Joiners, the United Machine Workers, the Wood Cutting Machinists, the Pattern Makers, the Steam Engine Makers, and the Sheet Metal Workers.² The members are elected annually, each department electing its representatives. The committee choose their own chairman and secretary. The same people tend to be reelected from term to term; the present chairman has been in that position from the first, and the secretary in his for 4½ years.

The only formal rules are contained in a poster, a copy of which is posted up in each department. This gives a short statement of why the committee was formed and outlines the procedure to be adopted with complaints. This procedure consists of three courts of appeal—the works manager, the managing director, and the board of directors. Thus, a man not satisfied with the response of a foreman goes to his departmental representative on the committee (or direct to the secretary or chairman, who have freedom of movement from department to department). The chairman and secretary of the committee and the representative of the complainant's department then approach the works manager, and thereafter, if necessary, first the managing director, and then the board of directors. In fact, nothing needs to go beyond the works manager; nothing has gone so far as the managing director since there was some trouble connected with the introduction of the Insurance Act; and during the present

¹ See note on p. 115.

² At one time there was a member of the workers' union on the committee, but when he left the works the next appointed belonged to a skilled union. The departments represented and the unions to which the members belong are given at the end of this report.

director's tenure of the position no case at all has reached the board of directors.

The committee acts for almost all purposes by the methods described in the preceding paragraph. The works manager has met the whole 22 as a body on one occasion only. The occasion was a visit from an officer of the Ministry of Munitions on the question of timekeeping. The works manager meets the small number who act for the committee (perhaps with the employee or employees concerned) whenever there is occasion. The number of interviews rises and falls. Sometimes he will have an interview every day for a week, and then a fortnight without one will pass. These interviews are in employers' time. The 22 members meet by themselves about once a month for general business; these meetings are partly in their own time and partly in the employers' time.

The committee has been largely responsible for making the appeal for better timekeeping effective, and this is the more remarkable because even before the appeal was made the timekeeping record was considered very good. As an illustration the following figures were given: For the week ending March 10, 1917, the total number of hours lost by 3,300 employees was 8,050; the corresponding number for 3,500 employees in the week ending September 22, 1917, was 5,700; that is a reduction from 2.4 to 1.6 per head. The other questions discussed with the officials of the committee and the representatives on it of particular departments have included dilution, which was carried through without trouble, and grievances in regard to premium bonus times including the fixing of new times when methods of production are altered. Usually the arrangement of times is discussed when the question affects a number of men. A toolroom bonus, payment of time and an eighth, was arranged between the committees' representatives and the works manager. This bonus, which was conditional on good timekeeping and increased activity, has since been given up in favor of individual premium bonus.

The chairman of the committee, who is an official in his own union, emphasized three points:

- (1) The division of functions between union and works committee, wage questions in particular being union matters.
- (2) The established procedure as posted up in the departments.
- (3) The officials' right of movement from shop to shop.

He had no doubts about the benefits produced by the committee. The representatives of the management agree as to the success of the present arrangements.

NOTE.

DIVISION INTO DEPARTMENTS.

Name of department.	Number of employees in department (in round figures).	Number of representatives on committee. ¹	Trade-union of which representatives are members.
Seaplane department.....	310	2	Amalgamated Carpenters and Joiners; United Kingdom Society of Smiths.
Seaplane erecting.....		1	Tool Makers.
Paint shop.....		1	United Kingdom Society of Coachmakers.
New machine shop.....	770	2	Amalgamated Society of Engineers; United Machine Workers.
Old machine shop.....	340	2	Amalgamated Society of Engineers.
Body shop.....	60	1	Wood Cutting Machinists.
Stripping and examining.....	70	1	Amalgamated Society of Engineers.
Repair shop.....	240	1	Do.
Smiths shop.....	30	1	Do.
Detail shop.....	180	2	Amalgamated Society of Engineers; Sheet Metal Workers.
Finishing shop.....	110	1	Amalgamated Society of Engineers.
Trimming shop.....	60	1	United Kingdom Society of Smiths.
Aviation engine department.....	200	1	Amalgamated Society of Engineers.
Fitting shop.....	180	1	Steam Engine Makers.
Erecting shop.....	110	1	Amalgamated Society of Engineers.
Experimental department.....	30	1	Do.
View room.....	120	1	Do.
Molders and pattern makers.....	50	1	Pattern Makers.

¹ The rule is one representative for each department whatever its size. The exceptions are due to such causes as: (a) In the new machine shop—one is allowed for each turn, day and night; (b) in the detail shop—a body of workpeople who have recently been removed from another department into this shop have been allowed to retain their representation.

(G) THE HORSTMANN GEAR CO. (LTD.), 93 NEWBRIDGE ROAD, LOWER WESTON, BATH.

These works are a small engineering establishment employing 70 to 80 men and apprentices and 14 women. There are no laborers. The men are all skilled mechanics. There are 16 apprentices.

The works committee was formed in the autumn of 1916. It was set up at the suggestion of the management in order to administer the bonus scheme proposed by the management, in response to a demand by the employees for a 10 per cent advance in wages in the autumn of 1916.

The essentials of the scheme are as follows:

Each month a sum equal to 5 per cent on the wholesale value appearing in the stock book of the viewed and passed manufacturing output for the previous month, and the works' value of other work done during the previous month, is set aside as a bonus fund.

Five per cent was adopted, as that was the percentage on the output of the previous month represented by a 10 per cent advance on the existing current wages at the date when the first bonus was paid.

Every employee in the works, except the two managers and the secretary, participate in the bonus according to the number of "profit-sharing units" to which he or she is entitled under the

scheme. Each employee, except apprentices for whom special provision is made, is entitled to one "profit-sharing unit" for each halfpenny per hour of the employees' time rate, up to, but not exceeding, 9d. [18.3 cents] per hour, and two units for each completed year of service up to five years. Examples: An employee receiving 9d. [18.3 cents] per hour and having been three years with the firm would be entitled to 24 units; another, receiving 1s. 3d. [30.4 cents] per hour and with three years' service, would also receive 24 units; and another, with two years' service and receiving 8d. [16.2 cents] per hour, would be entitled to 20 units.

The committee meets regularly each month (i) To settle the amount to be set aside for payment of bonus (for this purpose the books of the company are opened to the committee); (ii) to assess the value of the profit-sharing unit; (iii) to assess the fines incurred by employees under the scheme;¹ (iv) to determine the amount of bonus to which each employee is entitled.

2. *Constitution.*—The committee is a joint committee, representing—(i) the management; (ii) the employees.

The two works managers and the secretary are *ex officio* members. These gentlemen are also the managing directors of the company.

The rest of the committee consist of six representatives of the employees, elected by ballot by all the employees. The six members represent the works as a whole. Representation is not based on departments or on grades of workers. All employees, apprentices, and women as well as men, are voters.

The officers consist of a chairman and a secretary. The officers are elected by the committee. The present chairman is the chairman of the directors. The chief clerk has been elected secretary.

The committee meets as a whole. There are no separate meetings of the management members and employee members.

The present elected members have been elected for an indefinite term. The period of office will probably, in future, be six months.

The constitution has not been reduced to writing, and must be regarded as tentative. More women will shortly be employed, and it is intended then to consider the separate representation of women on the committee.

¹ A fine of a certain percentage of the units for any one month, with a maximum of 25 per cent, may be inflicted for each of the following offenses, and these units will then be temporarily forfeited for the month in question:

- (a) Insubordination, or use of improper language.
- (b) Undue carelessness and willful damage.
- (c) Neglect to enter goods, advices, time cards, dockets, or time sheets.
- (d) Waste of tools and materials.
- (e) Waste of time by failing to work full weeks, or by slackness, also including undue use of lavatory.
- (f) Refusal to work a reasonable amount of overtime when requested without sufficient reason.

Only one of the employees is a union member. The question of relationship to the trade-unions has, therefore, not arisen.

The committee has recently formed a works musical society, which is progressing excellently. A canteen will shortly be established, and it is intended to associate the committee with its management.

3. *Functions of the committee.*—The committee, in addition to the above-mentioned special duties, is charged with the consideration generally of any grievances arising in the shop. Its functions in this respect are not specified or limited. The committee has dealt with shop conditions, wages, holidays, and bad timekeeping. It discusses any questions arising in the works which are considered suitable for discussion.

4. *Procedure.*—The committee meets regularly each month. It meets some 15 minutes or so before the end of the working-day, and the employee members are paid for the time so spent up to the end of the working-day. Any time occupied after the end of the working-day is not paid for.

A special meeting can be called at any time on application to the management. Time spent at special meetings is not paid for.

Meetings take place on the works.

Meetings are summoned informally by verbal notice to the members.

The length of meeting varies according to the amount of business to be transacted.

Minutes are regularly kept of the proceedings.

5. *General.*—No arrangements have as yet been worked out for keeping the committee in touch with the general body of employees. The necessity for such arrangements has not been felt. The decisions of the committee appear to have given complete satisfaction. Employees are not bound to report grievances to the committee; if they wish they can approach the management direct. Every facility for this is afforded to all employees.

The value of the unit has already advanced some 30 per cent, and is expected to rise rapidly in the near future owing to improved methods and efficiency. The committee is regarded as a great success and has acted as a great incentive to efficiency in the works and in furthering increased production.

(H) H. O. STRONG & SONS (LTD.), NORFOLK WORKS, ST. PAUL'S, BRISTOL.

This establishment is a small engineering works employing about 120 men, women, and boys. The managing director personally supervises the whole of the works, and very close personal contact is maintained between the management and the employees.

1. *Origin.*—For several years prior to the latter part of 1915 the company adopted the practice of meeting the whole of the men

employed in the works once a month, to discuss any matters connected with the establishment that seemed to require examination. At the end of 1915 this practice was abandoned because it was felt by the management—(i) That much time was wasted discussing irrelevant and unimportant matters; (ii) that real grievances did not freely come out in the presence of the whole body of employees.

The last meeting of this character took place toward the end of 1915, and at this meeting the managing director pointed out these objections to the existing practice, and suggested that a works committee should be constituted. The management then retired, and the proposal was discussed by the employees alone.

The employees agreed to the proposal, and proceeded to elect seven representatives to form an employees' committee, which would meet as a joint works committee with the management.

2. *Constitution.*—The committee is composed of (a) three representatives of the management nominated by the managing director, namely, the managing director, manager of the repair department, works manager of the manufacturing departments; (b) seven representatives of the employees.

Representation is based on occupation, not on the department in which the men work.

The representatives are divided as follows: Laborers (1), machinists (1), turners (1), millwrights (1), pattern makers (1), fitters (1), apprentices (1).

Some 20 women are employed, but are not represented.

Of the seven representatives, four are members of the Amalgamated Society of Engineers, three are nonunionists.

The employees' representatives are appointed at an annual meeting of all the employees (other than women) held in September. They are appointed for 12 months.

The managing director has been elected chairman of the joint committee.

The men's representatives meet separately as an employees' committee for the purposes mentioned below in paragraph 4. The employees' committee elects one of its members as chairman. The chairman acts as convenor.

There is no relation between the committee and the trade-unions concerned. A trade-union official, as such, does not, therefore, attend the meetings, but one of the committee is the shop steward appointed by the Amalgamated Society of Engineers.

No constitution of the committee has been definitely formulated. It is at present experimental, and is developing in accordance with experience.

3. *Functions of the committee.*—Since the appointment of the committee, no complaints or suggestions come direct to the management;

they are first taken to the employees' committee as explained hereafter.

The committee has dealt with the following classes of business: Stoppage of bonus; general discipline; interpretation of official orders and circulars; interpretation of trade-union rules and regulations; shop conditions, lavatories, ventilation, etc.; decisions of foremen; timekeeping; output and costs; overtime; grant and withholding of leaving certificates.

The committee has proved specially useful as a means of arriving at the proper interpretation of official orders and circulars. The operation of the recent order granting a bonus of 12.5 per cent to certain skilled time workers—the Skilled Time Workers (Engineers and Molders) Wages Order, 1917—was discussed at the last meeting and its operation in these works determined.

4. *Procedure.*—Complaints or suggestions are brought, in the first instance, to the attention of one of the men's representatives. Normally, the complaint or suggestion is made to the representative of the grade to which the person making the complaint or suggestion belongs. This representative then notifies the chairman of the employees' committee, who asks the foreman's consent to a meeting of the employees' committee being held, and arranges with him a convenient time. The members are then notified verbally of the time and place of meeting.

A meeting is held as soon as possible after receipt of the complaint or suggestion.

The meeting takes place in the employers' time.

All work in the establishment is paid on a day-work basis. The men are paid for time occupied on committee business.

The men's meetings are of short duration and are held in the works.

If the employees' committee can deal finally with the question raised, they do so. If not, the chairman of the employees' committee approaches the managing director as chairman of the joint committee and asks for a meeting of the joint committee. These meetings are held in the firm's time, and the committee meets in the office of the managing director.

Joint meetings occupy from half an hour to two hours, according to the amount of business to be transacted.

A shorthand typewriter is present to take notes, from which regular minutes are entered up in a minute book.

No voting takes place.

All decisions are arrived at by agreement.

There is no regular time for holding meetings of the joint committee. Meetings are held as and when required, and are held as

soon as possible after a request for a meeting is preferred by either the management or the employees' committee.

5. *Relations with trade-unions.*—There is no direct relation between the committee and the trade-unions.

The Unions are recognized by the company, and all union matters are arranged direct between the management and the union officials.

The joint committee is only concerned with union rules so far as affects their interpretation in relation to the circumstances of the works.

The Amalgamated Society of Engineers have a shop steward in the shop. The latter is a member of the committee, but not in his official capacity as shop steward.

No difficulties have arisen with the unions.

6. *General.*—The management have found the committee of the greatest service in conducting the business of the works. It has obviated the necessity of posting notices, always liable to be misunderstood, in many instances. A good output has been maintained, and no trouble has arisen in the works. The management believes that the essential point in preserving good relations with their employees is to insure an open and full understanding, and that this can only be secured by frequent contact with every section of opinion in the works.

The employees find the committee of advantage to them because, instead of complaints being subject to the whim of a foreman or the *ipse dixit* of a manager, the matter is finally decided by a committee of their own mates, or, if this is not found possible, by a joint meeting of their own representatives with the management. Moreover, there is no delay. Rapidity of action is regarded as essential if a scheme of control of this sort is to work satisfactorily.

There is general agreement that, in a small meeting of 9 or 10 persons meeting informally, men have no hesitation in saying what they think, and it is thus possible to gauge the "temperature" of the shop with some accuracy.

(I) MESSRS. GUEST, KEEN & NETTLEFOLD (LTD.), BIRMINGHAM.

Works: Engineering: Screw, nut, bolt, and rivet. Employees (affected by the scheme, in three works), 2,500. Departments, some 50. General labor, about one-third of the whole. Women employees, 1,850.

1. There are five separate works of the firm, all engaged in the same business, in the Birmingham district. Three of these, contiguous to one another (Heath Street, Imperial Mills, and St. George's), are fully included in the scheme here described. The two others follow the same lines, but, being more distant, are not in-

cluded in the actual operation of the scheme. The origin of the scheme was as follows: Early in 1914 there was a series of strikes of the women employees, and these strikes affected the men employees, as machines stood idle, work was not ready, and wages were lost. The result was that the men also struck. When matters had thus reached a deadlock, a mass meeting of the men was held on May 9, 1914, which was attended by the management, and at this meeting the outlines of the scheme now in force was suggested. Subsequently a mass meeting of the women was also held, and the management and representatives of the men attended. The scheme was again propounded and was accepted by the meeting. Finally a mass meeting of men and women, with the management attending, was held, and here the scheme (on the lines of No. XII and No. IV of the present rules—that there should be no strike without consultation of the firm, and meanwhile the machines should be kept running, and that there should be an appeals committee in each of the three contiguous works) was accepted.

2. The works were conducted on this basis for over two years, down to August, 1916, without any difficulty. At that time the question arose of an advance in wages to meet the rise of prices. The matter went to arbitration, and during the arbitration the full scheme, as it is now in operation, was presented to the arbitrator for his opinion. He approved it, and not only so, but gave legal advice free of cost. Negotiations with the directors took place, and in December they accepted the scheme, and a formal agreement was concluded by which the men, as a society, agreed to a signed contract that they would not strike without consultation of the firm, and received in return a system of appeals committee in each of the three works and a central control board for all the three.

3. The scheme, which came into full working in December, 1916, embraces, as has been said, three works,¹ including the greater part of the manufacturing section; but the engineering section (which contains about 300 employees) is not at all under or connected with the scheme, its members belonging to various other societies. The 2,500 employees of the manufacturing section of the three works form a definite trade society or union. Few of them before the scheme came into operation were members of a union; all of them are now members of the new union. This new union does not belong to any trades council or allied trades committee; its strike rules forbid such

¹ Two other works of the firm in the district (Broad Street and King's Norton) are not included in the scheme, and have no appeal committee, but the wages and conditions at these works are affected and largely controlled by the system in force at the three contiguous works. One of these works is likely to come fully into the scheme, as its site is to be in the future nearer to those of the others; the other is out in the country, and so outside the scheme.

membership. The union is thus peculiar; it is a small union consisting of the employees of a single firm.

4. The union, as has been said, has entered into a definite contract with the firm, by which it covenants not to strike without consultation, and to keep the machines running meanwhile, in return for certain concessions. The first of these is:

(a) The Appeals Committee.—There is an appeals committee in each of the three works. Each committee contains men and women representatives elected, one for each section, by a ballot among the employees of the section; and each has its chairman, but the chairman of the central control board often presides at meetings of the different appeals committees. The appeals committees deal with questions other than those of wages. Their province includes lavatories, canteen, general health and welfare; but they deal mostly with shop conditions and grievances. Any employee with a grievance states it to the chairman of the committee or to one of its members who reports it to the chairman. The chairman then sends a note on a regular form to invite the foreman to meet him in order to discuss the matter. The matter may be settled at such a meeting; if it is not, it goes to the appeals committee; and if, in the opinion of that committee, it raises questions outside their province, it is referred to—

(b) The Central Control Board.—This contains, at the present time, from 25 to 30 members, including men and women. The members are nominated by the different appeals committees, subject to ratification by a general meeting of the works concerned. (Meetings of 800 are not at all uncommon; the employees attend well, as there is a rule that unless two-thirds are present there is no quorum and nothing can be done.) The president of the central control board is elected by the whole society. The present president has been in industry for the last 37 years and has had a long practical experience in the works of all the wage questions which form the staple of the functions of the control board. In the handling of these questions the usual method is as follows: A wage question is reported to the president, and he then communicates with the management in writing. If it is a question of local detail, he writes to the works manager of the particular works; if it is a question of a general kind, he writes to the general works manager. The manager addressed replies to the president in writing (but, as a rule, there has been a personal interview between the two before the reply comes) and the reply is reported by the president to the central control board. If the reply of the management is satisfactory to the central control board, the matter, of course, ends; if it is not, the central control board makes further representations to the management. The control board does not meet the management; the relations are entirely by correspond-

ence, supplemented by personal interviews between the president and management.

(c) The last resort, if a question is not settled between the control board and the management, is the conciliation board, consisting of two representatives of the management and two of the control board. This board has never acted hitherto, since, under the working of the Munitions Act, questions which would have gone to the conciliation board under normal conditions now go to London for settlement. In this event the president writes to the Ministry of Munitions to state the men's case, giving a copy of his letter to the firm; and a general meeting of all the employers affected may be held before the letter is sent, just as would be the case if the normal procedure contemplated in the rules were being followed.

5. In regard to the general working of the system the following points may be made:

The firm permits anybody to see the president in the works (another workman sees to his machine while he is absent); it allows his letters to go by the works mail; it has supplied him with a desk beside the bench at which he works and facilities for keeping his books and papers. A room is set aside in which he can have interviews, and the firm provides a room for meetings of the appeals committee and control board. The management is always ready to see the president when he asks for an interview, and he has full liberty to go anywhere in the three works, without asking for permission, in order to interview employees or committeemen and to discuss grievances.

As has been mentioned, any grievance between an employee and an overlooker is discussed between the chairman of one of the appeals committees and the overlooker concerned; but if it is not settled the complainant and the overlooker appear before the appeals committee and both state their case. The committee decides which of the parties is, in their view, in the right, and they send the matter for adjustment to the management.

The work of the president under the scheme is unpaid.

(J) A FIRM OF ELECTRICAL ENGINEERS.

This establishment is an engineering works employing 400 women, 150 men, and 150 boys.

About 40 of the men are skilled. These are all members of the Amalgamated Society of Engineers.

The establishment is almost entirely engaged in making 18-pounder shells. A small amount of private work is done, principally heads of trolley arms for electrically propelled tramcars.

1. *Origin.*—The works committee was established in the autumn of 1915.

It was brought into existence to assist in fixing and adjusting piecework prices.

The committee was suggested by the men employed at the works, and the local delegate of the Amalgamated Society of Engineers also recommended the establishment of the committee to the managing director.

2. *Constitution.*—The committee is a men's committee only. It consists of five men. The women and boys are not represented. The five members are elected by the shop as a whole, and do not represent separate departments or grades.

The constitution of the committee has not been reduced to writing. It is at present experimental, and is developing in accordance with experience.

3. *Functions of the committee.*—The principal business of the committee is to assist in fixing and adjusting piecework prices. The questions which arise on this score are, however, not complicated or difficult, as the establishment has, since the committee was formed, been engaged almost entirely on repetition work. The management, in the first instance, settle what they consider fair prices, and submit them to the committee with the data on which they have been fixed. The men's committee then meets separately to consider the suggested prices. Ample time is allowed them to consider and discuss the matter, both among themselves and with the workers affected. A joint meeting is then held between the committee and the management, at which the several prices under consideration are reviewed, and any suggestions as to amendment are considered. If a good case is made out to the satisfaction of the management, the price is raised or reduced. If it becomes necessary to reconsider the price already fixed, any suggestions on this score are brought by the committee to the attention of the management, and are jointly considered. No friction of any sort has so far arisen. Prices have been frequently reduced or increased by mutual agreement. Under ordinary conditions of work, problems arising as to fixing and adjusting piecework rates will be more difficult, but the managing director considers that they can be best dealt with on the lines above indicated.

No limits have been put to the matters with which the committee may deal, and it is open to the committee to bring forward any suggestions or complaints relating to the management of the shop.

The committee has dealt with the following matters: Ventilating and sanitary questions, complaints as to the decisions of foremen, arrangement of shifts, allocation of piecework and daywork, holidays, alteration of hours of admission to the works, interpretation of official orders and circulars.

At the last meeting the application to this establishment of the Skilled Time Workers (Engineers and Molders) Wages Order, 1917, was discussed.

The managing director is of the opinion that the committee should also be charged with the supervision of dismissals and reduction of staff, and it is likely that steps will be taken to utilize the services of the committee in this respect.

The committee deals solely with domestic questions arising in the shop.

4. *Procedure.*—The men's committee meets separately on the employers' premises and in the employers' time. Time spent on committee work is paid by the employers. On request, the committee meets the managing director and the works manager.

Requests for meetings are made by the committee to the works manager.

Meetings with the management take place in the firm's time, and time is paid.

There are no fixed times for meetings. Meetings either of the employees' committee or joint meetings with the management are held at such times as may be found necessary.

On any business arising, a convenient time for a men's committee or a meeting with the management is arranged as soon as possible, and generally upon the same day.

Meetings are called informally by verbal notice.

Meetings with the management are of an informal character, and the men's representatives are, if necessary, accompanied by the local delegate of the Amalgamated Society of Engineers.

5. *Relations with the trade-unions.*—There is no official relation between the committee and the Amalgamated Society of Engineers. The union is recognized by the company, and very cordial relations exist between the management and the Amalgamated Society of Engineers' officials in the district. All trade-union matters are dealt with direct by the management and the union officials. No difficulties of any sort have arisen with the union.

6. *General.*—The committee is regarded by the management, the men, and the union officials of the Amalgamated Society of Engineers as a great success. The management have found the committee of the greatest service in conducting the business of the works. The managing director considers the existence of such a committee as essential and strongly supports any scheme by which the workers may be given a great share in the control of industry. In his opinion, the success of any such scheme pivots on the establishment of satisfactory joint works committees.

(K) HOTOEKISS ET CIE., ARTILLERY WORKS, COVENTRY.

FROM OFFICIAL CONSTITUTION OF WORKS COMMITTEE AS APPROVED BY THE
MINISTRY OF MUNITIONS.

The recognition of a shop committee, such committee to be composed of stewards elected by their representative departments by secret ballot and indorsed by their respective union district committees.

In deciding on representation the principle will be one representative for each department having not less than approximately 100 employees. In cases of smaller departments, these may be grouped together and representation of the departments so grouped will be on the same basis. No employee of less than 18 years may vote.

Functions of the committee:

(a) To provide a recognized channel of communication between the employees and the management;

(b) To present to the management, through the chairman of the committee, any grievance or suggestion which, after full consideration, they think worthy of the firm's attention.

Procedure.—If the management and the committee fail to agree, and on all questions of principle, negotiations will proceed between the management and the union as hitherto. The chairman of the committee will have facilities to consult the union local officials.

Failing settlement with the union, Part 1 of the Munitions of War Act, 1915, will apply.

No stoppage of work will occur during negotiations.

Meetings of the committee will be held after working hours unless called in case of emergency at the request of the management.

NOTE FROM FIRM.—The committee came into existence at Easter, 1917. It was instituted in the first place on a two months' trial and, as it momentarily achieved its object, was continued until about the end of the year. The constitution of the committee then became unacceptable to the shop stewards and the committee lapsed.

(L) A LARGE ENGINEERING ESTABLISHMENT.

1. *From the point of view of the management.*—A dilution committee arose in 1916 when dilution was introduced. There were no particular rules about its constitution. At the end of 1916, after the question of dilution had been worked out, and as the committee commenced to take up other questions, the firm began to consider the formal institution of a works committee in place of this informal dilution committee. The note printed below gives particulars.

A joint shop committee was set up, but only lasted a few months. It would appear that the really crucial question, which led to the dissolution of the joint committee, was the position of the shop stewards,

which was perhaps not properly coordinated with the institution of the joint committee. The men stood out against the committee because, in their view, its effect would be to weaken the authority of the shop stewards. As a matter of fact, the firm has always in practice recognized the shop stewards, though in the institution of the shop committee it did not take their position specifically into account. The management sees them whenever they wish it. Generally, they come in twos—a convenor attending with the shop steward of the department from which the complaint is brought. This still goes on; and, therefore, though the committee is dead, the principle of such a committee still lives. Generally, it is true, the shop steward goes to the foreman first with a complaint; but he can come straight to the management if he is dissatisfied with the foreman's answer.

2. *From the point of view of the men.*—The same people were shop stewards and members of the shop committee, but they preferred to act in the former capacity. One reason for this preference was curious but natural. There were 24 shop stewards in the establishment; there were only nine representatives of the men on the joint committee, as the management held the view that the committee must not be so large as to be unwieldy. The 15 shop stewards who were excluded from the committee were discontented.

3. The last straw which broke down the joint committee was a curious thing. It was the question of the washing of women's overalls. The women had agitated (or been agitated) about the matter; it was brought before the committee; the men took umbrage at a long discussion of such a matter, and the end came.

In spite of this failure, both management and men appear to be in favor of the idea of the joint committee.

NOTE

JOINT SHOP COMMITTEE.

It is proposed to form a joint shop committee for the purpose of mutual discussion of shop questions, with a view to securing harmonious relations and efficiency in the working conditions of the establishment.

The committee will consist of representatives elected by ballot by the workmen and women of the various departments, arranged in nine divisions as shown below, one representative to each division. The firm will be represented by the directors and departmental managers. The committee will have power to coopt any employee or works official for attendance at any meeting where such attendance may be necessary.

A first ballot will be taken in each department, each employee being at liberty to nominate a candidate for his department. The

two candidates receiving the largest number of nomination papers will be selected for the final ballot, and the nominee receiving the larger number of votes in the final ballot will be the elected representative of the department.

It is suggested that the representatives should hold office for six months. A payment of 2s. 6d. [60.8 cents] per meeting attended will be paid to each representative by the firm.

The committee will meet on the first Thursday of each month at 5 p. m., or as may be required.

The scheme is a purely domestic one, and is an attempt by the firm to provide a more direct means of communication with their employees in all matters affecting their conditions and the development of the establishment generally. The directors invite the cooperation and interest of the employees in the scheme, and trust that each individual will register his vote according to his judgment, in order to make the joint committee thoroughly representative.

The ballot will be secret, so that no parties will be in a position to ascertain how any worker has voted. Intimation will be made to each department when the first ballot will take place. The arrangements in connection with the election and voting will be carried out by the existing joint shop committee.

(M) A MUNITIONS FACTORY.

The company owns two factories and manages two others, and altogether employs about 10,000 workers. Its products are ammunition of various kinds for naval and military purposes.

This note only refers to one of their factories, in which there are 4,000 employees, of whom 1,500 are women. One hundred of the males are general laborers, the rest being skilled or semiskilled.

The works committee was formed in May, 1917, and consists of 21 members. It is composed of and is elected by the men, the election taking place at shop meetings. At present the women have no representative and no vote in the elections. Nevertheless, the women have laid certain matters affecting them before the committee for consideration, and the secretary of the committee is in touch with the organizer of the National Federation of Women Workers, and should need arise would deal with the women's section of the workers' union, or, indeed, any organization of female labor.

There is no rule excluding nonunionists, but, in fact, all the members of the committee are trade-unionists.

The committee meets weekly on Tuesdays at supper time (i. e., in the men's own time). In cases of real urgency the general manager gives permission for meetings in the company's time.

The committee has a secretary, who is largely responsible for the work transacted. He communicates the recommendations of the committee to the general manager through the company's labor officer.

The committee, though perhaps not formally recognized by the company, is, in practice, treated as a body with which negotiations can be concluded.

The general procedure is as follows:

Matters for the consideration of the committee are reduced to writing and brought up at a meeting. They are then discussed. In many cases the committee are able to give advice or instructions on the matter without any reference to the management. Should it be decided that in the opinion of the committee some alteration should be made, the labor officer is requested to lay the matter before the general manager, who frequently discusses the subject with the secretary before coming to a decision.

Should the matter be deemed to be very important or of a fundamental character the committee request the general manager to receive a deputation.

Up to the time of writing the working of this committee, as guided by its present secretary, is considered by the company as most helpful. It has settled many alleged grievances without any trouble, has prevented several threatened strikes, and generally tended to smooth and harmonious working in the factory.

The success of the whole scheme is largely due to the tact and good sense of both the company's labor officer and the works committee's secretary.

In conclusion it should be stated that before the formation of the works committee many consultations had to take place between employees and their respective unions to settle minor points. This procedure has now been found unnecessary, as the operation of the committee so far has made it easy for both small and great matters to be ventilated and promptly dealt with with the least possible friction and delay.

(N) WHITEHEAD TORPEDO WORKS (WEYMOUTH) (LTD.), WEYMOUTH.

The following summary contains part of a memorandum sent to the representatives of 13 trade-unions. A letter, which accompanied the memorandum, suggested that a general meeting of delegates of each organized society in the works should be called to discuss with the firm the formation and constitution of the proposed council. The proposals are now under discussion by the trade-unionists.

In the memorandum the firm suggests—

That the existing trade-union organizations may be made the basis of a general council of reasonable size, representing every union in the works, and given

the fullest possible powers to take decisions, subject, of course, to reference to the constituent branches on any issue of sufficient importance.

Then they state that—

The firm's aim is to associate (through a council appointed in such a way as to recognize and strengthen the position of the existing trade organizations) the whole body of workers in everything that concerns their well-being, discipline, and control, and by stirring in each individual the sense of his responsibility toward the State, the industry, and the works to enable such a council to secure loyal compliance with any decision arrived at conjointly with the firm.

A program of subjects is thereafter given as a basis for discussion.

1. *Hours of work.*—The proposal of a 50-hour week on the one-break day system was defeated when voted upon in May. Some men appear to have thought the adoption of a 50-hour week would prejudice the introduction of a 48-hour week after the war. The firm is strongly in favor of a 48-hour week, but in regard to that can not act without reference to the agreements between the Engineering Employers' Federation and the trade-unions.

A full explanation of the one-break day is given and arguments in its favor added. This section ends:

The firm has not had any other or better proposal put before it for this purpose, and therefore raises the question again for reconsideration. It is further proposed that, six months after the adoption of the one-break, a referendum by ballot should be taken as to whether the old system of hours should be gone back to or not.

2. *Timekeeping.*—"The question of timekeeping is the one that has gone nearest to impairing the excellent relations with its employees that the firm values so highly; but it is felt that here again the facts have not been rightly understood by everyone."

There follows a discussion of causes. The management have now come to the conclusion that the greatest effect has been produced by the institution of an "open gate" and the relaxation of the official works' rules.

"The exact form that the gate rules will finally take is subject to consideration and is much influenced by the concurrent question of the one-break day; but, in its old form, the 'open gate' has been tried and found wanting, and one way or another something else must take its place."

3. *Release of diluted labor.*—"The firm is prepared to invite collaboration from the proposed council, or sectional committees representing the individual trades concerned, both as regards the selection of suitable operations onto which to put unskilled labor, and as regards the individuals to be released for skilled work elsewhere."

4. *Fixing of piecework prices.*—In order to facilitate the fixing of prices satisfactorily to employer and employee it is proposed:

It would be one of the functions of such a council, as is suggested in this memorandum, to set up an organization whereby reliable times for piecework operations would be ascertained, checked, and counterchecked by both parties. This organization would prevent such occurrences as a recent suggestion of 50 minutes for a particular new operation. A trial made by the management showed that six minutes was an ample allowance. If such trials were made by a joint committee (or in their presence) prices could be settled more rapidly, and with less danger of unfairness, or discontent on either side afterwards.

The same organization could be used for the purpose of making clear to what extent a job becomes a new one by some alternation in design, material, or method of manufacture.

5. *General rules and regulations.*—"There is a class of rules, offenses against which are punishable by a fine of 2s. 6d. (60.8 cents), dismissal, or a prosecution under the Munitions Acts.

"None of these penalties is a convenient one. Fines are as much disliked by the firm as by the men; dismissal entails the loss of services which may be badly needed; and prosecutions entail great waste of time and may produce more evils than the original ones they are meant to cure.

"Many of these offenses and some others could probably be dealt with more satisfactorily by such a council as outlined above. Instances of them are:

"Clocking in too soon, fraudulent clocking, and registering another man's time.

"Not keeping at work till knocking-off time.

"Leaving work without permission of foreman.

"Idling in the works.

"Entering or leaving the works otherwise than by the main entrance.

"Bringing in liquor.

"Gambling in the works.

"Taking part in disturbances, using abusive language, and refusing to obey lawful orders.

"All the above are offenses under the works' rules, permission to post which has been given by the ministry to the firm as a controlled establishment. They have hung in the main entrance since 1915, and are still in force, but every one of them is broken from time to time."

(C) A SHIPBUILDING YARD.

The present number of employees is about 2,400, of whom some 200 are women.

The system in operation at this yard (and the same methods apply at the firm's engine works) is particularly interesting in view of the comparatively long time during which it has been working, and in view also of its success in fostering good relations between

the firm and the men. More than 30 years ago an elaborate system of rules for the yard were drawn up by the firm in consultation with delegates from the trades, conferences between members of the firm, officials of the firm, and delegates from the various trades in the yard, being held for this purpose on five dates in 1885 and on two in 1886. These "Rules" form a printed booklet of 36 pages, and each employee on joining the yard for the first time can be furnished with a copy. In an address, delivered by one of the late senior members of the firm, at the close of one of the conferences (on 21st January, 1885), there is contained the following statement:

I think I am right in saying that the step taken by this firm in asking their workmen to join with them in the preparation of the rules of this yard is a new step in the history of labor. I can not find, from anything I have heard or read, that any firm previous to my own firm has asked the men in their employ to join with them in the preparation of the rules by which these men were to be governed.

The revision of these yard rules has been a subject of conference at various dates since 1886. The present edition of the rules is divided into five sections: *Section I* is subdivided into (i) General, (ii) Decauville Railway, (iii) Timekeeping and piecework, (iv) Regarding apprentices, (v) Against accidents, (vi) Against dishonesty, and (vii) Final. *Section II* deals with the admission of (i) Apprentices to drawing office, (ii) Boys as apprentice clerks, (iii) Girls as apprentices in tracing departments, (iv) Girls as apprentices in the decorative department, and (v) Girls as apprentices in upholstery and polishing departments. *Section III* gives the rules for the guidance of the committee of awards. *Section IV* gives the rules referring to subscriptions. *Section V* gives the fire brigade rules. There is a separate book of rules for the accident fund.

Conferences similar to those of 1885-86 have been held from time to time since, and have developed into a workers' committee. The members of the conference at first represented trades, and may still do so, but not necessarily. Each department chooses one or two representatives and these representatives may or may not be trade-unionists or shop stewards.¹

The composition of the committee to-day is as follows:

Trade.	Number of delegates.
Painters -----	1
Engineers, cranemen, etc -----	2
Blacksmiths -----	2
Joiners (upholsterers) -----	2
Plumbers -----	1
Tinsmiths -----	2

¹ The majority of the delegates are trade-unionists and official yard delegates for their unions, though not elected to the committee as such.

Trade.	Number of delegates.
Riveters -----	1
Laborers -----	1
Electricians -----	1
Iron carpenters -----	1
Wood carpenters -----	1
Calkers -----	1
Drillers -----	1
Fitters -----	2
Foremen -----	2
Drawing office -----	1
Countinghouse -----	1
	—
	23

The above is the composition of the committee when it meets the management in what may be called formal meetings. There are, however, no set meetings, and in addition to the formal meetings much business is done between the firm and the chairman of the delegates; and, in matters affecting a particular trade, between the firm and the delegates from that trade. In the last 24 years the formal meetings have averaged three a year, but in the last three years there have been 20 meetings, or an average of seven a year.

The delegates hold shop meetings to report results of meetings with the management, and meet the management again, and so on until agreement is reached.

One of the delegates acts as convenor or chairman and as the link between the delegates and the management. For the formal meetings with the firm, one of the firm's shorthand clerks, at the request of the delegates, acts as secretary.

The subjects dealt with, in what have been called "formal meetings," cover a wide range. They have included the revision of yard rules originally made in conference; unemployment questions, e. g., the purchase by the firm of an old vessel so as to employ idle men, and subscriptions to an unemployed fund; timekeeping—men leaving their work before the horn blows; arrangements for paying the men, e. g., earlier payment for big squads where division has afterwards to be made among the members of the squad; arrangement of holidays; subscriptions to various funds and charities, including joint funds for augmenting Government's allowances to soldiers' dependents; provision of canteens and of supply of carried food warming appliances, and of ambulance transport for injured men; distribution of coal supplied from firm's yard during 1912 coal strike to inhabitants of town (this was worked by delegates themselves under chairmanship of one of the partners); subscriptions to war loan; and dilution of labor.

When the firm joined the employers' association, about 1906, the fact was formally put before the men's delegates.

It will be seen that the list covers not only general industrial questions, shop grievances, etc., but also questions of welfare. (There is a welfare supervisor for the some 200 women employees, and a boy's welfare supervisor for all the apprentices and young lads. He has formed a cadet corps mostly from among them.)

All the questions discussed are *general* questions, since, as has already been remarked, the questions of a particular trade are arranged between the firm and the representatives of that trade. In these latter questions the failure to agree would mean that the matter became one between the firm and the particular trade-union concerned.

THE AWARDS SCHEME.

The firm have had in operation since 1880 an awards scheme, under which any worker (exclusive of head foremen, officials of the committee of awards, and heads of department) may claim an award for improvements and inventions. The scheme was introduced by one of the late senior members of the firm. The rules for the guidance of the committee of awards form Section III of the yard rules. The committee consists of an outside and independent person as president, the manager of the yard, and the manager or chief draftsman of the engine works, with a clerk from the counting house as secretary. The rules are elaborate, and designed, among other things, to do justice as between different claimants. The average number of claims is stated to fluctuate very much from year to year. In certain cases where patents have been secured the amounts received by individuals have run into hundreds of pounds. In the case of patents, the inventors usually ask that one of the firm should be joined with them, and share partly in the gains. The reply of one inventor, when he was asked why this was so, is compounded of Scotch caution and good feeling and trust. It was: "Naebody kens my name, but a'body kens yours."

THE ACCIDENT FUND SOCIETY.

This society, established 43 years ago by mutual agreement between the firm and their workmen, was, in 1897, used as a basis for contracting out of the employers' liability act of 1880, and the workmen's compensation act of 1897, and has since been amended to conform to the act of 1906. It is governed by a joint committee of 22 managers, with an independent chairman. Eleven are chosen by the workmen and 11 chosen by the firm; the latter comprise four partners, one manager, and six foremen or members of office staff. Four of the works delegates are also managers of the accident fund, two of these

being trade delegates and the other two being the foremen delegates. The funds are provided in two ways. Fund No. 1, to meet the legal provisions of compensation imposed by the acts, is provided entirely by the firm. Fund No. 2, which provides extra benefits, such as solatium for loss of minor portions of the body, for which no lump sum compensation could be demanded under the acts, is provided from the contributions of the members and the payments of the firm, and, in addition, from the fines imposed in accordance with the yard rules. The particular interest of these fines, which like the other features of the rules are carefully detailed, is, that not only are they paid into the accident fund, and so, though taken from the individual, returned to the workpeople as a whole, but, in addition, in each case of a fine the firm pays an equivalent amount into the fund. The firm in fining an individual fines itself to the same extent, and the double fine goes to the accident fund.

The firm lay great stress upon the fact that this system of yard delegates has gradually developed on voluntary lines as the need for it was felt. In all cases the delegates simply ask to see the management when they so desire, and may meet several or only one of the managers, as the case may be. (There is no question of equality of numbers of firm's representatives and men's, except in the accident fund.)

(F) PARKGATE WORKS JOINT TRADES COMMITTEE.

I.—RULES FOR WORKS COMMITTEE.

1. That this organization be called "The Parkgate Works Joint Trades Committee."

2. That the objects of the committee are (a) to strengthen trade-union organization in the works; (b) to deal with general questions affecting the welfare of all sections in the works; (c) to give assistance to branches in sectional disputes where the branches fail to arrive at a settlement with the firm; (d) to keep a watchful eye on representation on local bodies, and to see that the workmen employed by the firm are not overlooked; (e) to do whatsoever it can to promote a closer union of the different trades represented in the works.

3. That branches be allowed representation as follows:¹ Membership of 50, one delegate; membership over 50, two delegates.

4. That the branches be asked to appoint alternative delegates, and forward their names to the secretary together with the names of the delegates appointed.

5. Any body of trade-unionists working in any department, but whose branch is out of the works, may have representation on the same basis as branches.

¹ With, in addition, the secretary of each branch, if employed in the works, *ex officio*.

6. The president and secretary shall be empowered to call a meeting of the committee to deal with any matter which arises, or may arise, affecting the welfare of the branches.

7. Any delegate or branch may have a meeting called by giving notice to the secretary, stating the business they wish to bring before the committee.

8. That a delegation fee of 1s. [24.3 cents] per delegate per year be paid to the committee.

9. That where sectional disputes are dealt with by committee, deputations to the management shall consist of two representatives of the committee and one from the section affected.

10. That the secretary be ex officio member of the committee.

11. No person allowed to sit on the committee unless authorized to do so by his branch and certified by the branch secretary.

12.¹ That in the event of any claim being made or dispute which affects the interests of more than one section of the works, such cases shall be dealt with by the trade-unions concerned and the joint trades committee.

II.

Fourteen trade-union branches are represented on the committee. Seven of the 14 have no members employed outside the Parkgate Works. The seven are: Four branches of the Iron and Steel Trades Confederation, and a branch each of the Blast Furnace Men, the Enginemen and Cranemen, and the General Laborers. Together these seven branches represent about 1,600 persons in the works. Six of them have three representatives on the committee; in each case the secretary of the branch is one of the representatives. The seven trade-union branches having only part of their membership within the works are: The Bricklayers, the Amalgamated Society of Engineers, the Blacksmiths, the Molders, the Boiler Makers, the Roll Turners, and the Carpenters and Joiners; together these seven branches represent about 200 persons in the works. Four of them have two representatives, including the secretary in each case, and three one representative on the committee. Altogether, therefore, the committee consists of 31 persons, including the secretaries of 11 of the 24 branches.

Rule 4, relating to alternative delegates, is stated to be necessary because some men, for example the first hand at a smelting furnace, can not leave their work at certain times.

The committee was formed in January, 1916. An attempt to form a committee had been made in 1913, but owing to the slight support given to it this committee lasted for a few months only. The influences which produced the present committee were the recognition of

¹ Included recently.

common needs and the desire for harmony. (See rule 2.) The particular incident from which its inception took place was a meeting called to nominate a representative from the workpeople to the local military tribunal.

Among the subjects which the committee has discussed are included the following: Dilution, gambling in the works, the recent 12.5 per cent increase to time workers, extension of this to part-time and part-bonus workers, the provision of canteens, works discipline, participation in local affairs such as elections, promotion of workpeople, etc. In regard to gambling, the committee decided that the practice should be abolished absolutely; this meant that a "raffle" which had been held for the past seven years was abolished along with the other forms of gambling.

Dilution committee.—This is a subcommittee of the works committee chosen so as to give representation to all the departments most vitally affected by dilution. Its membership is made up of three from the confederation (one each from the smelters, the millmen, and the stock takers and chemists) and one from the general laborers, with a blast-furnace man as president and the secretary of the works committee as secretary. The secretary has no vote and the president a casting vote only.

(Q) BOOT MANUFACTURERS.

The company employs about 1,000 workpeople, of whom two-thirds are men and boys and one-third women and girls.

1. *Origin.*—The works committee was established about 15 months ago, on the initiative of the management. The object in view was to afford more convenient machinery by which the employees could confer with the management, and vice versa.

2. *Constitution.*—The committee is an employees' committee and consists of 10 representatives, based on several departments into which the establishment is divided. The representatives are distributed as follows:

1. Clicking department.....	2
2. Machine-room department.....	2
3. Rough-stuff department	1
4. Making department	2
5. Finishing department.....	2
6. Boxing department.....	1

The two representatives from the machine-room department are women. The representative from the boxing department is a woman. The other representatives are men.

The members of the committee are elected for 12 months. They are elected by the employees at a meeting of the employees convened by the union for the transaction of union business.

The constitution of the committee has not been reduced to writing.

3. *Functions of the committee.*—No limits have been set to the matters with which the committee may deal. It is competent for the committee to make representation to the management on any question relating to the internal organization of the establishment.

A special function performed by the committee is the preliminary discussion of piecework rates with the management prior to such rates being presented to the conciliation board for the board's sanction. The committee has been found especially useful for the transaction of this business. In many cases it has resulted in agreed rates being submitted for the formal sanction of the board. This has been particularly the case in reference to fixing rates for new machines.

4. *Procedure.*—No regular times are fixed for the committee to meet. Meetings with the management are arranged on request by either the committee to the management or the management to the committee. The management usually give one day's notice to the committee when they desire a meeting. Meetings are held in the firm's time, and any loss of wages is made up. Meetings do not usually last beyond an hour.

5. *Relations with trade-unions.*—It is the policy of the union that all disputes or complaints shall be settled, as far as possible, in the shop, without reference to the union officials.

The union cordially approves of the committee, and the representatives on the committee are appointed at a meeting for the transaction of union business, as already stated.

Several of the shop stewards are members of the committee, but are elected as ordinary representatives, and do not sit by virtue of their office as stewards.

When matters of importance are under discussion a representative of the union attends the meetings of the management and the committee.

6. *General.*—In view of the high degree of organization both among the employers and operatives in the boot and shoe industry, and the efficient working of the conciliation board machinery, it is considered essential for the successful working of a committee such as that above described that great care should be taken to see that the committee does not usurp functions proper to the conciliation board. Special stress is laid upon the useful work done by the committee in arriving informally at agreed piecework rates prior to their being submitted to the conciliation board for formal approval.

(R) MESSRS. REUBEN GAUNT & SONS (LTD.), SPINNERS AND MANUFACTURERS,
FARSLEY, YORKSHIRE.

The firm has adopted works committees at their worsted spinning mill.

The firm are pioneers in the application of welfare schemes in their industry.

The following details, which the firm has kindly supplied, refer to the spinning section at Springfield, where combing as well as spinning is carried on.

The number of workers engaged is 400, in the proportion of two-thirds women and girls and one-third men and boys.

The first committee to be formed was the factory council.

This council was appointed by the board of directors, and is composed of two directors and the heads of the respective departments in the works. All the nine members are specialists in their various spheres. The factory council acts in an advisory capacity in regard to general questions of finance, ways and means, and expenditure, but in regard to interdepartmental questions it is competent to act both in an advisory and in an executive capacity.

The function of the factory council is to consider, unify, and consolidate the rules and principles of management.

The factory council makes use of the collective experience of its members and, in consequence, the business is more efficiently managed.

Meetings are held weekly, on the same day and at the same hour.

The chairman is one of the managing directors, and is responsible for explaining the business policy to the council; he is also the medium through which the recommendations of the council reach the board of directors.

When factory council meetings were first inaugurated it was not easy for either directors or heads of departments to table their information freely; neither did either party always appreciate a frank review on matters relating to their department, but in course of time (the factory council has been established eight years) confidence and a broader outlook have obtained, and members now pool their experiences quite freely. In this way members are kept in touch with all activities and, instead of having a knowledge limited to their own department, they gain an insight into the whole concern. This reticence on the part of both directors and representatives may be a real stumbling block—it should be frankly recognized as a difficulty and means should be found by the management of overcoming it. The manager or director, who is used to handling big propositions and acting independently, may be fretted by the narrower view of the man who can see no further than his own department, but restraint must be exercised.

If the conferences are to be of any use, those attending them must be able to speak freely and be assured of a sympathetic hearing. Ex-

perience proves that time and patience will overcome this difficulty. The time, both of the manager and the representative, is well spent; they are coming into closer contact with each other than heretofore, and both are gaining knowledge which will eventually lead to increased confidence and efficiency.

The establishing of such a committee as the factory council does not fundamentally alter the general scheme and management of industry. The function of the management is still controlled by the managing staff, but experience has proved that a council with consultative and advisory powers makes for efficiency and has a distinct value in the business organization.

The concept of leadership is "*Support by the staff rather than control of the staff.*"

CONFERENCE OF WORKS' REPRESENTATIVES.

General remarks.—In January, 1917, arrangements were made to hold a series of meetings with the various departments for the purpose of showing the value of cooperation and of suggesting that all matters relating to wages and working conditions should in future be dealt with by conference.

At these little meetings it was pointed out that the old way had been for changes to be made by the management without any active cooperation from the workers.

Changes were made and had to be accepted, but under the new arrangement the cooperation of the workers would be asked for in the belief that they would respond, and the result would be increased confidence.

As a result of these meetings it was unanimously decided to establish works committees.

The election of representatives was left entirely in the hands of the workers. The importance, however, of electing representatives who had their confidence was pointed out. It was suggested that workers who had been at the mill some time and believed in our ideals would be valuable, but the greatest stress was laid upon confidence.

Representatives must have the confidence and loyalty of their fellow workers.

Machinery of conference.—Each department elects three representatives by ballot. The firm nominates the managing director, the departmental manager, and the foreman to represent the management. Whenever conferences are called to adjust differences, two persons from outside the department are coopted to act as neutral representatives. The duties of the departmental committees are

clearly defined and meetings are only called when questions with which they have to deal are involved.

The coopted members are appointed for one piece of business only.

Committee members are elected for 18 months, one retiring every 6 months. The retiring member is eligible for reelection.

While the constitution has been kept as simple as possible, it was felt that the adoption of certain principles by all the works committees would secure uniformity and be a guide to conference members, and with this in view the following rules were drawn up and accepted in turn by the different committees:

1. There shall be a list of minimum wages established by conference for all machine minders.

2. Promotion and pay shall be as nearly as possible in proportion to merit.

3. A worker shall receive extra pay for extra work.

4. No important change in methods, rates, or service, shall be made by either party without a full explanation of its reason and purpose.

5. The Springfield Mills ideals were adopted as follows, the major ideal being to produce better yarns than have ever been produced in the past by anyone. The minor ideals are: To produce "Emperor" yarns under healthy and happy conditions, honestly, efficiently, and profitably; to educate our workers and ourselves to become highly skilled in order that we may earn a reputation for the highest grade of work, and as a result be able to pay the highest rate of wages; to secure continuity of employment by supplying high-grade yarns and by giving good service; to treat customers with absolute fairness in order that we may gain and keep their confidence.

6. So far as possible conferences shall be held during ordinary working hours, and attendance at such conferences shall be paid for at the appropriate rates.

7. Applications for conferences shall be made to the board of directors by the representatives of the workers through the foreman and through the manager of the department.

8. Differences shall be adjusted by a committee of eight—three from the workers, three from the company, and two chosen by these two parties, one of the latter to be appointed chairman of the meeting.

9. The conference shall decide the date from which any alteration in pay shall become operative. It shall also decide the minimum length of time any agreement arrived at shall be binding upon the parties thereto, subject to the proviso that whenever working condi-

tions are changed either the employees or the company shall have the right to obtain a revision of the rates of pay.

10. It was resolved that the present representatives should all three serve for the whole of the present year; at the end of the present year the one having received the least number of votes should retire, but should be eligible for reelection; at the end of 18 months the representative having received the second lowest number of votes should retire and be eligible for reelection; at the end of two years the representative having received the greatest number of votes should retire but be eligible for reelection.

11. It is understood and agreed that it is the business of the management, and is not the business of the conference, to deal with—

- (a) The allocation of work to particular sets of drawing.
- (b) The allocation of minders to particular machines.

Our works committees have only been in existence a year, but so far they have worked quite satisfactorily. We realize that time will be needed for representatives, who are unaccustomed to business meetings, to express their opinions and to voice the wishes of their coworkers, but we look upon the scheme as an educational venture and we are prepared to wait patiently and overcome the difficulties that beset us.

Democratic control of industry can only come when democracy has knowledge and wisdom to assume control. Rightly used, conferences will provide the necessary experience and education for greater responsibility, which will be equally beneficial to all concerned.

In conclusion, it should be remembered that the two principal factors in the organization of human beings are **THE SPIRIT** and **THE MACHINERY**. In successful cooperation the spirit is more potent than the machinery. **MENTAL ATTITUDE IS OF GREATER CONSEQUENCE THAN MENTAL CAPACITY**. Notwithstanding this the machinery is usually the only factor which is accepted consciously and considered in a scientific way. This is unfortunate, for the thing that really counts is *atmosphere*; the right spirit must prevail before the machinery of organization can work properly. The most valuable asset of the employee is *his spirit*—that intangible part of his personality which can not be bought with so cheap a thing as money. It must be won.

The royal road and the only road to capture a man's spirit is to win his *confidence* and nothing but integrity of purpose and sincerity of heart can do this. There is no field of action in which insincerity is so futile as in the handling of workmen. The employer who believes in the principle that "Confidence is the basis of all permanent

relationships" and works accordingly, is the man who will make his works committees a helpful force in his organization.

GERALD R. GAUNT.

2D FEBRUARY, 1918.

(NOTE.—Mr. Gaunt will be glad to supply fuller detailed information to any one who is interested in the matter.)

(S) FOX BROTHERS & CO. (LTD.), WELLINGTON, SOMERSET (AND CHIPPING NORTON).

The Wellington establishment is one of the oldest woollen and worsted manufacturing business in the country, going back to the seventeenth century. For nearly 150 years it has been controlled by members of the one family, up to 1896 as partners, and since then as directors. Several generations of the families of many of the present employees have worked in the mills. The conditions therefore are somewhat exceptional.¹ The present number of employees is about 1,400.

The works committee was instituted in February, 1917, on the suggestion of the directors as a means to more harmonious working of the business. Each department elects its representatives, roughly in proportion to the numbers of men and women employed; no one is eligible for membership of the committee unless he (or she) has been at least five years in the employment of the firm; the right to vote is confined to employees of 18 years of age and over. The composition of the committee is as follows:

Department.	Number of employees.	Number of representatives.
Wool sorters, etc.....	60	2
Worsted spinning.....	212	4
Woolen spinning.....	145	3
Weaving.....	591	10
Finishing.....	119	2
Dyeing.....	39	2
Washhouse.....	131	3
Mechanics.....	64	2
		—
		28

The committee meets the directors and the general manager once a month. Loss of time is paid for: Any question affecting the general welfare of the workers or the business can be discussed. Questions of discipline or wage questions affecting individuals or departments must in the first place come before the foreman of the department concerned and then, if unsettled, before the manager or managing director; if the question is still not satisfactorily settled it can

¹ A profit-sharing scheme has been in existence since 1886. Under it some 690 employees have £50,000 [\$243,325] invested in the company.

be referred to the committee and the directors as the final court of appeal. The object of this procedure is to prevent the undermining of the authority of the management and waste of time upon the discussion of details.

Much of the discussion between the committee and the directors has been of an educational character. The directors have explained some of the principles underlying the administration of a large business—the effect of output upon standing charges and wages, and the like; suggestions for the more economical running of the business are encouraged. In the firm's opinion it is essential to the success of a works committee that the directors take the workpeople into their confidence; the workpeople must be made to realize that they can help the administration and must be asked and given the opportunity to help.

The great advantage secured by the existence of the committee is claimed to be this: that by a thorough explanation to the members of any new departure in the internal administration of the business misunderstandings are avoided and the workpeople realize the real object of such departures. Another advantage is that the committee provides a safety valve; machinery is set up by which any grievance may reach the directors, and this removes the suspicion that complaints are suppressed by the management.

The committee also are encouraged to make suggestions as to works amenities such as improvement in ventilation. Questions of holidays and war savings schemes have been discussed and subcommittees have been appointed to deal with such matters as allotments and war charities.

The committee express their appreciation of the spirit in which the directors have met them. Both sides are pleased with the working of the system in its experimental stage and expect it to develop its activities.

The great majority of the workpeople are not members of any union; a small minority are organized in a general laborers' union. The difficulties of connecting the works committee with trade-unionism as seen by the management are two—the small minority in any union, and the fact that the particular union has nothing in common with the industry; if works committees are to be linked up with industrial councils, which on the workpeople's side are formed from the trade-unions, some way must be found for isolated establishments to be joined up to the proper unions. Here it may be noted that at the end of November a works committee was formed, on the same lines as that at Wellington, at another woolen mill belonging to the same firm, at Chipping Norton. In this case the workpeople are organized and the official of the union took part in the

formation of the committee. There are some 250 workpeople in the establishment and 12 members on the committee.

In addition to the works committee at the Wellington establishment there is also a management committee. The two are kept separate for the reason that the workpeople speak with greater freedom in the absence of their foremen.

(T) ROWNTREE & CO. (LTD.), THE COCOA WORKS, YORK.

MEMORANDUM TO THE EMPLOYEES IN THE ALMOND PASTE DEPARTMENT.

THE COCOA WORKS, YORK,
1st September, 1916. (Revised 1st February, 1917.)

WORKS COUNCILS.

For some time past the directors have felt that it might be of great service to the manager and overlookers of a department, as well as to the employees, if a council representing the management and the workers were formed in each department for the full and free discussion of all matters affecting the work of the department, such as (a) the comfort and well-being of the employees, so far as these depend upon wages, hours, and conditions of work, etc., and (b) the general efficiency of the department which depends upon such things as timekeeping, discipline, cleanliness, economy in the use of materials, and upon method and output.

The directors believe that through a departmental council, worked in the right spirit, the employees would feel themselves to have a real share in the administration of the department, while their co-operation would be heartily welcomed by the management.

As showing what is in the minds of the directors, the following matters are set down as among those which might, very properly, be discussed at departmental councils meetings:

- (1) The criticism of any piece wages not thought to be fair or adequate, and the consideration of suggestions for adjustment.
- (2) The consideration of conditions and hours of work in the department.
- (3) The consideration of departmental organization and production.
- (4) Rules and discipline.

Owing to the special difficulties of the time, with so many regular workers away, it is not thought advisable just now to institute these departmental councils over the works generally, but, as an experiment, it has been decided by the directors, with the full concurrence of Mr. G. T. Lee, to form a council in the almond-paste department. It is hoped, however, that although started as an experiment, it may prove to be of permanent value to workers and management alike,

and that when its value has been shown, and the time is opportune, it may be possible to extend the scheme to other departments. If this should come about, the institution of a general works' council, linking all departments, would naturally follow.

The work both of the men and women in most of the departments of the factory is divisible into certain well-defined sections. In order that each section may have the fullest opportunity of freely discussing with the management matters affecting its particular work, it is thought that in addition to a departmental council, sub, or sectional, councils will be necessary.

The constitution of such sectional councils, as well as of the departmental council, is given below.

Sectional councils.

The number of delegates of each sectional council will be fixed on the basis of 1 delegate for every 12 workers (of whatever age) or part of 12 exceeding 6, employed in the section. Sitting with these at the meetings of each sectional council, and having equal powers with them, will be the manager of the department with the head and suboverlookers, monitors, or chargemen of the particular section. Should these, however (including the manager), exceed in number the workers' delegates, the members of the council representing the administration will consist of the manager, the head overlookers, together with as many of the suboverlookers, chargemen, and monitors (elected by ballot among themselves) as are required to make up a number equal to that of the workers' delegates. The manager of the department will be ex officio chairman of the sectional councils. He will not have a casting vote. In the case of a drawn vote the matter would be submitted to me as director controlling the department. But a decision adverse to the employees' delegates will not prevent the trade-union concerned from raising the matter subsequently with the company. (See fourth paragraph, p. 147.)

In addition, there will be one delegate appointed by each union concerned (for the men's sectional councils from the men's union, and for the women's sectional councils from the women's union), who shall be allowed to speak, but shall have no vote. Such delegates shall be deemed to hold a watching brief for the union, but shall be in the employment of the firm and working in the department, and preferably, though not necessarily, in the section.

It is intended that the meeting of the sectional councils shall be held on a fixed day once a week, or once a fortnight, as may, in practice, be found necessary. Full minutes of the proceedings will be kept by the secretary (who will be Miss Ruth Slate for the women's

sections and Mr. T. W. Brownless for the men's). Matters arising in the meetings affecting the department as a whole and not merely the separate sections will be referable to the departmental council.

Departmental council.

The departmental council will be a distinct body from the sectional councils and will consist of one member for every 50 workers (or part of 50 exceeding 25), with an equal number of the administrative staff, namely, manager, head overlookers, suboverlookers, monitors, and charge men. Where these exceed the workers, the members representing the administration will consist of the manager and head overlookers, together with as many of the suboverlookers, charge men, and monitors (elected by ballot among themselves) as are required to make up a number equal to that of the workers' delegates.

At the meetings of the departmental councils there will also be one delegate appointed by the union representing the men, and one by the union representing the women, who shall be allowed to speak, but shall have no votes. Such delegates shall be deemed to hold a watching brief for the union, but shall be in the employment of the firm and working in the department.

Further, the workers will be entitled to have the attendance of a permanent official of their union, not necessarily in the employment of the firm, during the discussion of any matter on which they consider it essential that they should have skilled assistance and advice. Any such official attending a departmental council meeting shall withdraw as soon as the matter is disposed of upon which his or her advice has been required.

Nothing that takes place at a sectional or departmental council shall prejudice the trade-union in raising any question in the ordinary way. Questions of general principle, such as the working week, wage standards, and general wage rules, shall not be within the jurisdiction of the councils.

The meetings of the departmental council will be held once a month during working hours with myself as chairman and Mr. Linney as secretary.

No decisions of the councils, either sectional or departmental, will take effect until confirmed by myself or another director.

Qualifications for voting for both sectional and departmental councils.

All male employees over 21 years of age and all female employees over 16 who have been employed by the firm for six months (whether on the regular staff or not) will be eligible to vote for delegates to both the sectional or departmental councils and to become members of

such councils. Delegates will be elected to serve for one year. They will be eligible for reelection so long as they remain in the employment of the company. No deduction will be made from the wages of day workers for the time occupied as delegates in attending the council meetings, and pieceworkers will receive an average wage for the time so occupied.

Application to the almond paste department.

Based upon the aforementioned constitution, the sectional and departmental councils in the almond paste department will work out as follows:

Sectional.—There will be six sectional councils as under—

Women.—(1) Bottoms and centers.

(2) Pipers and coverers.

(3) Makers.

(4) Packers and labelers.

Men.—(5) Slab, machine, and boiling (fourth floor).

(6) Crystallizing and piping (fifth floor), cage and carting (third floor).

The number of delegates for each of these councils will work out thus:

	Number of delegates.
(1) Bottoms and centers—	
Bottoms—Room 1.....	2
Bottoms—Room 2.....	2
Centers—Room 1.....	3
Centers—Room 2.....	1
Total.....	8
(2) Pipers and covers—	
Room 1.....	11
Room 2.....	5
Total.....	16
(3) Makers.....	6
(4) Packers and labelers—	
Packers.....	9
Labelers.....	1
Total.....	10
(5) Slab, machine, and boiling (fourth floor).....	5
(6) Crystallizing and piping (fifth floor).....	6
Cage and carting (third floor).....	1
Total.....	7

METHOD AND DATES OF ELECTIONS.—In order to facilitate the election of delegates, a list of employees eligible to vote and to become

delegates (men of 21 years of age and over, and girls of 16 years and over, who have been employed by the company for six months) is now hung up in each section, and these are asked to nominate sufficient delegates *for their particular section*.

Nomination papers will be hung up in the department and employees eligible to vote and wishing to nominate delegates for their section should make out and sign one of these papers and place it in the locked box fixed in the department for this purpose. A voter is at liberty to nominate as delegate any other voter in his or her section, provided the person nominated is willing to stand as a delegate. The nomination papers will be collected on Thursday, March 1, at 5.30, and the names of those nominated will then be printed upon the voting papers which will be given out on Wednesday, March 7. The election of delegates will take place on Thursday, March 8.

Departmental.—The same method will be followed in the election to the departmental council, which, however, to avoid confusion, will not take place until after the completion of the sectional council election. Nomination papers will be issued on Wednesday, March 14, and collected March 15. The election will take place on Thursday, March 22.

The number of delegates to the departmental council is shown below:

	Number of delegates.
Bottoms and centers:	
Bottoms—Rooms 1 and 2-----	1
Centers—Rooms 1 and 2-----	1
Pipers and coverers:	
Room 1-----	3
Room 2-----	1
Makers-----	2
Packers and labelers-----	3
Slab, machine, and boiling (fourth floor)-----	1
Crystallizing and piping (fifth floor) and cage and carting (third floor)-----	2
Total-----	14

It is intended to hold the first meetings of the sectional councils within 14 days and the departmental council within one month of the elections.

T. H. APPLETON,
Director, R. & Co. (Ltd.).

(U) A PRINTING OFFICE.

In this office there is only the one chapel, composed at present of about a dozen compositors. In larger offices there are usually several

chapels.¹ The chapel meets quarterly. Any member may call a special meeting by "placing a shilling [24.3 cents] on the stone"; such member will say to the father "I call special chapel at 6 o'clock to-night." If his complaint is found by the chapel to be a frivolous one the shilling is forfeited. The meetings are held in the office at closing time. In the case of large offices there may not be a room big enough for a chapel meeting, and in such cases meetings are held outside. It is the duty of the father to interview the head of the firm when anything is wrong; to report to the general committee of the union from the chapel and to the chapel from the general committee; to see that subscriptions are paid; to interview newcomers regarding membership of the union, etc.

Piecework is not now in operation in this shop, so that the chapel is not called upon in this connection as it may be in other offices.

The employer is strongly inclined toward regular joint meetings between management and representatives of the chapel. This is rather striking because, as is easy in so small an establishment, he is in direct touch with each of his men. The present father (he has been in the office for only a few months) did not seem to have entertained the idea of the need for such meetings in this office; he referred to the good conditions and relations prevailing in the office. He said, however, that in bigger offices there was a need for such meetings, and he was prepared to consider the applicability of them to this office. The employer has, in an informal way, for a long time held meetings with the present father's predecessor and one or two others of the chapel. He would have them to tea, during which they would have a discussion on shop questions. As examples of the kind of things which joint meetings could discuss, the employer mentioned the following points:

(1) The adjustment of work, when new circumstances arise; there had been such joint discussions when recently the previous father, who had been a long time in the firm, was forced to leave.

(2) A break for lunch in the morning; this he means to bring forward, as the five hours' stretch, though in accordance with the union agreements and the general practice, is too long.

(3) As an example of how, even in a small establishment (where the relations obviously are friendly), there may be unnecessary distance between employer and workmen, he mentioned that some time ago he gave facilities to the men to acquire review copies of books.

¹ For example, in one office, there are chapels of compositors, stereotypers, machine minders, machine assistants, warehousemen, and certain women employees. The compositors in this office are divided among several departments each of which has its *local* father while *the* father of the compositors' chapel is colloquially known as "imperial" father. The compositors' chapel, as is usual, appoints also a clerk of the chapel. The father of the chapel among the women employees is, appropriately, known as the mother of the chapel.

This was greatly appreciated and one man happened to remark that he had often hoped some such arrangement could be made. When challenged by the employer for not suggesting the arrangement, the man could only plead that it was not his place. The incident was quoted as probably typical of many situations in which, for want of proper arrangements, the atmosphere common to the worse industrial establishments clings even to the very best firms much more closely than might otherwise be the case.

(4) The employer further said that he had known of a very serious grievance existing in a large office of which the head of the firm was kept ignorant. He had informed the head of the firm and the grievance, which had been causing great irritation right through the shop, was instantly remedied; it should not have been left to an outsider—obtaining the information only by chance and, again, only by chance knowing the head of the firm concerned—to be the avenue of information.

In regard to the last point (4), the employer was emphatic as to the necessity for the *heads* of establishments meeting the men's representatives. The need was greater the larger the office.¹

(V) WELFARE COMMITTEE (OR SOCIAL UNION).

1. The works council, as it is called (perhaps it may rather be termed a welfare committee), has for its purpose the collection, direct from the workers, of any suggestions for the improvement of their surroundings, and the putting of such suggestions, in the form of mature proposals, before the directors for their approval. It is not intended that these suggestions should in any way be connected with labor conditions. It is the function of the council to deal solely with suggestions relating to the amelioration of the surroundings of the men's work.

2. The council is a joint council, and its composition is as follows: There are two representatives of the management and from 19 to 21 of the workmen. The two former are the technical director of the works, who acts as chairman, and a representative manager² nominated by the firm from the sectional managers. The honorary secretary and the honorary treasurer of the council may be either persons coopted by the council or representatives of the workers on the council who have been elected by the council to these offices. The repre-

¹ The same need for regular meetings between the management and representatives of the employees was emphasized by the manager of a large printing establishment. He has from time to time held meetings with the foremen and the fathers of the different chapels in the office to discuss questions of common interest; lately, the question of the application of the Whitley Report and, at other times, shop regulations, sanitation, etc.

² The representative manager is said to act as a very useful link between the firm and the workmen, particularly when he is a young man interested in the social side of the works.

representatives of the men are elected (by ballot, and for a period of three years) by the different wards into which the works is divided for electoral purposes (19 in number), and all the workers in the establishment have a vote. Some of the wards represent working departments (e. g., the offices, or again the boiler makers and their laborers); others are artificial creations. These artificial creations are necessary in order that representation may be divided equally among all the departments, without any neglect of small sections and oddments of work. Some of the wards in which women are in a majority are represented by a woman; on the whole council there are 16 men representatives and 3 women.

3. The committee has been in existence for some 15 years. As has been said, its function is to deal with shop amenities or works betterment. This includes (*a*) conditions of work during working hours and (*b*) social activities outside working hours. Of these two the latter is apparently the more considerable, and thus—if one distinguishes between works committee, welfare committee, and social union—the works council really belongs to the third category rather than the second. The council, under this head, maintains a recreation ground, for the purchase and equipment of which money was advanced by the firm. The weekly subscriptions paid by the men form at once a sinking fund to extinguish this loan and a working fund to meet current expenses. The origin of the works council some 15 years ago was connected with these facts. A number of requests had come from the men to the management, asking for assistance in the promotion of sports, and the advance made by the firm and the institution of the works council both sprang from these requests.

4. The works council thus deals in large measure with questions that lie outside the works. Inside the works its scope is less considerable. The canteen, for instance, is under the control of the firm, which provides meals at less than cost price; the works council only deals with the amenities of the canteen. The main concern of the works council within the works is with matters such as ventilation, sanitation, and the general comfort of the workers. About half a dozen times, but not more, questions have been brought up at the works council which have had to be ruled out. Generally, the men's representatives draw a careful distinction between matter belonging to the works council and matters belonging to the sphere of trade-unionism. There has been no difficulty with trade-unions; on the contrary, the good feeling engendered by the works council has led to easy relations between the firm and trade-unions. The firm, it should be said, recognizes trade-unions and deals with them regularly.

5. It may be added that while the works council has nothing to do with suggestions for improvements in the works there is a departmental arrangement under which employees can make suggestions.

In each department there is a suggestion box, into which any workman can drop a memorandum of his suggestion; the memoranda of suggestions are regularly collected, and awards of prizes are made for good suggestions.

6. In the matter of meetings and procedure, the works council meets once a month, sometimes in the employer's time (in which case the men are paid during the time of their attendance) but generally in the evening, when work is over for the day. There is a regular agenda, prepared by the secretary, containing matters brought up on the reports of subcommittees or raised by individual representatives.

(W) A MINER'S STATEMENT ON OUTPUT COMMITTEES.¹

The following statements form part of the answer by a miner working in the area of the Midland Federation to the questionnaire printed in Appendix I.² The references are to the output (or absentee) committees in his district. The functions of these committees, as in other districts, are concerned with two matters—cases of absence from work and facilities for increasing output (improvements, negligence on the part of officials, etc.

1. *Origin.*—(b) The joint committee³ found out that output was not only affected by absenteeism, but by faulty management, and they began to frame rules which would embrace the faults of the management, as well as the workers' negligence in absenteeism, and would call the committees, instead of absentee committees, output committees, which gives wider facilities and administration in working.

(c) The meeting of representatives of employers and employed soon became lively and it showed the intense interest that was taken in the Government suggestions, and the men soon pointed out to the coal owners that there were other causes which caused a reduced output of coal besides absenteeism—the faults of the management in allowing the miners to wait for timber, no facilities in taking men to their work and bringing them back, the waiting for tubs through scarcity and uneven distribution of the same. If they were going to work this scheme and draw up rules, they must bring the management in as well as the men.

The coal owners, after consultation, decided to accede to the request of the men and asked them to withdraw from this meeting, take it back to their delegate board and appoint a small committee to draw up rules which would give them a voice in the management of the collieries concerned.

2. *Constitution.*—(d) The worker's side constitutes a separate committee only so far. Just to illustrate what I mean: If there is a

¹ For rules of these committees in another district see pp. 159, 160.

² See pp. 92-94.

³ Sectional joint committees of the miners.

serious case which has to be brought to the joint committee the worker's side will meet together separately before going to meet the management's side, so that they can as far as they are concerned get agreement.

(e) They are duly elected, not for 12 months but for any time. This seems to me a great mistake. They ought to be elected every 12 months, as some of them have lost the confidence of the men, and it causes discontent and friction; annual elections would make for confidence and efficiency. The classes represented by these committees are miners, datal, haulage, surface workers, who are manipulators of coal. I might say it would have been better when the rules were drawn up if it had been stated that all classes must be represented. You have on most of the committees datal, haulage, and surface workers without representation. These committees are only set up as far as the Miners' Federation of Great Britain are concerned. Shop men, shunters, laborers, and locomen are outside, as the idea among the coal owners is that these classes of workers do not affect the output of coal.

(f) i. The trade-unions have all the representation as far as the workers are concerned. Of course, it is possible for the men at the colliery to appoint a nonunionist, but he would be a rare species.

ii. No, it has none; it can suggest, but not appoint; this is left entirely to the men. In one colliery they refused to set up a pit committee, though the miners' union wanted to set one up and the leaders held meetings; but they failed to persuade the men. The coal controller was pressing the directors, and the directors the management, but they could not persuade the men; the men were afraid of victimization and I think they had a good case. Where men stood by their comrades, they were soon out of work, not knowing what for, only the management saying "inefficient."

iii. The trade-union official can pay a visit to any of the committees when sitting and listen to all the business and see whether it is being conducted in the interests of the men, or to see fair play all around, or to see that the management are not abusing the powers set by rule.

iv. The relationship is good in many of them, but there are doubts in the men; if some of the stewards are put in contracting places and coal is pretty easy to get, the representatives are open to attack by the men as they say "you would not have such a soft job only you have been acting in the master's interests"; and some of them play more than the usual time allowed, and nothing is said. I am sorry to say that if a strong man is on the committee and he goes in for pulling the management up the harmony is broken a good deal; you can fine the men and forgive them, but when you come to the management it is another thing.

(g) They are chosen by the managing director; he asks the underground manager, and the underlookers, or deputies, as they call them who are responsible for different coal seams. By this method you get an all around representation as far as the underground workers are concerned, but datal and surface management is left out.

(j) I will be most frank in what I have got to say in this important question. The employing side want no change, as it only applies to absenteeism as far as they are concerned. The rules give the men a voice in the management, but I am sorry to say there is no committee strong enough to administer the rules as it relates to management. They go so far but stop as they see an invisible pressure being brought upon them which is going to affect the security of their living, a kind of victimization which you can not prove. Your contracting place is finished and you want another place, but the management sends you "odding"—you are middle-aged and you can not keep pace with the younger element; and you look after a fresh place, but everywhere is full up; and when you come out of the office you can see other men set on. This is what is going on all around the district, and you want to strengthen these men by having the rules enacted by act of Parliament to make them binding; and if cases like this happen, there wants to be a tribunal appointed by Government, representative of all classes so that a man shall have a fair hearing and equality of justice; this will give him a security and it will reduce this insecurity of work.

3. *Functions.*—(a) iv. The suggestion of improvements is within the scope of committee and some good work has been done, which has affected the output of coal and increased the wages of the men.

v. None of these points are dealt with by our committee or only indirectly; it would be a splendid thing if these points were dealt with. There is more friction caused under these heads between the management and the men than under any other points.

TIMEKEEPING.—The management promises the men they will put so many turns to their credit for doing certain dead work in the mine, and when the time arrives for them to receive the wage at the week end, the money has not been put in to their credit; so the men often have to go to the office to make complaints, with a promise from the management it will be in for next week. If this was brought before a committee of this standing, a more harmonious spirit would be brought to bear on the industry.

LANGUAGE.—The language by some of the management to the workers is disgraceful and is not fit for any child in the pit to hear. This point can come before the committee but I have not known of any case yet, though reports have been made to the leaders of the men and they have taken up the cases. In one case I know the men

refused to go to work until the management were removed, but wise counsels prevailed and the bitterness was removed.

METHODS OF FOREMEN.—The mining industry requires great changes as the methods of the foremen are at fault in not paying for dead work, such as emptying dirt or packing it; they should pay for so many tubs, but if one or two tubs are over the stated number that they pay for, they reckon them nothing; in measuring ripping, instead of going to the widest part of the level they go to the narrowest, which may mean to the man a difference of 5s. [\$1.22] on that piece of work; in not seeing to a good distribution of wagons going in and about the mine, etc. There is a splendid scope for a committee, but ours have only limited powers as far as the methods of the foremen are concerned.

vii. **CANTEEN.**—This question does not come within scope of our committee, but one large colliery has a canteen, and suggestions have been made from the committee there in the management of the canteen. It would be a good thing for a colliery to have a canteen, as many men are called upon to work overtime and can not get food, and they work on many hours without, which only means inefficiency. In the colliery which has a canteen the men can get a good meal and hot drinks at cost price. I know when the wintertime comes on and the output of coal depends on the surface workers sticking to their work the management have rest periods for individuals, and the management gives them hot drinks to keep them at it. But at collieries where there are no canteens they have to knock off on account of the weather.

SANITATION.—Not within the scope of our committee, but conditions are awfully bad.

WORKS AMENITIES.—**Manners:** There are hardly any about the collieries; the management have an idea that nothing can be done without swearing and shouting, and it is a disgrace to hear it. Some managers are extremely nice, but they are very rare.

4. *Procedure.*—(a) ii. The committee meets once a week where a large colliery is concerned (say, 1,000 to 2,000 employees), but where there are less employees they are specifically summoned by notice from the secretary of the committee.

iii. Yes; the worker members meet separately, but only when the questions are vital and contentious.

v. They take place in the workers' time and the employers' time. The meeting is called for 1 o'clock. The management allow the worker members to come out of the pit before the time, but at their own (the workers') expense, and the committee sits till it comes into the workers' time after 2 o'clock.

vi. It generally lasts two or three hours. It all depends on how many defendants and who are the defendants.

vii. The worker members are paid out of the trade-union funds at the rate of 2s. 6d. [60.8 cents] per meeting. This causes friction, as it is costing the union a great amount of money, and they feel that the Government ought to pay or part pay for this work, as it is being carried on in the national interests to secure a greater output of coal. Some suggest that the management ought to pay half.

5. *Relations with trade-unions.*—(b) They only recognize the miners' union as far as the jurisdiction of this committee is concerned. They (the owners) did try to bring offenders in from other unions, but the miners would have nothing to do with them.¹

6. *General.*—(a) The attitude of the management to committees is fairly good—just according to what the business is. If it applies to men, they are good; but when it applies to the management the feeling changes a little; but, on the whole, it is good. I don't know of any decisions they have not carried out, but it takes them a long time to do it. When they promise your tenacity has to be great.

(e) As far as colliery workers are concerned separate committees are not needed, as they would deal with all questions that could arise. What would be essential would be to see that all grades are represented on the committee.

APPENDIX III.—SUMMARY OF A DISTRICT INVESTIGATION IN THE ENGINEERING AND SHIPBUILDING INDUSTRIES.

Of 32 firms in the engineering and shipbuilding industries in one district in which another inquiry was made as to the existence of works committees, 8 were found to have works committees. In addition, one had a dilution committee, one a welfare committee, one a women's committee, and in one there was a shop committee. In one other there was a works committee until recently. Expressions of opinion as to the value of works committees were obtained from 18 of the 32 employers. Ten expressed themselves in favor and eight as opposed to works committees. Of the 10 in favor, 7 now have a works committee. Of the eight opposed, one has a dilution committee and one a gun-shop committee, while six have no form of committee.

The following are notes of opinions of these employers:

FAVORABLE.

1. "Useful work is the outcome."
2. "Committee should be encouraged * * * much depended on class of men chosen from both sides."

¹ In this respect the practice differs from that of the timekeeping committees at the Cleveland and Durham blast furnaces. See pp. 161-163.

3. "Applied to large establishments very commendable."
4. "If established generally would do an infinite amount of good."
5. "Nothing but good would accrue if such committees were general."
6. "In entire sympathy."
7. "Experience is a very happy one and not by any means one-sided, as the members of the committee do everything possible to render assistance to the firm."
8. "Very harmonious relations although * * * grievances much too one-sided."
9. "Perfectly satisfied."

UNFAVORABLE.

1. "Encourages men to leave work to engage in business which management should attend to."
2. "Power is taken from management and exercised by the man."
3. "Simply looking for trouble."
4. "Advantage would be taken to look for trouble."
5. "Any amount of friction would ensue."
6. "Afraid grievances would only come from one side and little endeavor would be made to assist the management in conduct of works."

7. "Dealing with accredited shop stewards entirely satisfactory."

Of the opinions coming under "favorable" all except (3) and (4) are from establishments which have works committees; of those coming under "unfavorable" (1) is from an establishment in which one shop has a committee, (2) to (7) from establishments without committees.

The opinions of 16 active trade-unionists employed in the same industries in this district also show differences. Of the 16, seven are employed in establishments which have, or in one which had, a works committee, and nine in establishments which have no experience of a works committee. Of the seven, five are favorable and two unfavorable; of the nine, four favorable and five opposed.

This investigation would appear to support the results arrived at in the report that the majority both of employers and of workpeople with experience are persuaded of the benefits of works committee.

APPENDIX IV.—JOINT TIMEKEEPING COMMITTEES.

- (A) i. Joint committee at collieries in Northumberland. Rules.
- ii. Note on committees at collieries in other districts.
- (B) i. Joint committee at ironworks in Cleveland and Durham. Agreement.
- ii. Note on working of these committees.

(A) I. JOINT COMMITTEES AT COLLIERIES IN NORTHUMBERLAND. RULES.

NORTHUMBERLAND COAL OWNERS' ASSOCIATION AND NORTHUMBERLAND MINERS' MUTUAL CONFIDENT ASSOCIATION.

RULES RESPECTING THE FORMATION AND PROCEDURE OF JOINT COMMITTEES FOR THE PURPOSE OF SECURING GREATER REGULARITY OF WORK AT THE COLLIERIES.

In order to increase the output of coal the following rules are adopted by the above-named associations:

1. Where workmen are unable to work in their own working places such persons shall work in other places where there are vacancies in accordance with the custom of the colliery. If no such places are available and the man in consequence has to go home, he shall not be returned to the authorities as an absentee on that day.

2. Men prevented from getting to their work at the proper time, due to the workmen's train or car being late, shall on its arrival be allowed to go to work.

3. All deputations shall be held at such hours, whenever possible, as will cause no loss of time to the members of such deputations or the men who appear with them.

4. All persons shall attend every day on which the pit is working unless prevented by illness or other reasonable cause.

5. That a district committee be set up consisting of an equal number of coal owners' and workmen's representatives.

If all members are not present, only an equal number shall vote on each side.

6. That the district committee shall meet as agreed upon for the purpose of dealing with disputes which have arisen under any of the local committees and any other business, except in the event of urgent business, in which case a meeting may be called on the representation of either side to specially deal with the matter.

7. That a local committee shall be established at each colliery, consisting of an equal number (not exceeding three each) of coal owners' and workmen's representatives to carry out these rules. If all members are not present, only an equal number shall vote on each side.

8. The local committee shall meet at least once a fortnight, and the management shall supply a "time lost sheet," showing the names of the men against whom there is a complaint, and the local committee shall decide upon whom they shall summon to the next meeting.

9. The men who are called upon to appear before the committee shall have at least two days' notice given to appear. Failing to attend, they will be dealt with in their absence, and the method of giving notice to attend shall be left to the committee at each colliery.

Meetings are to take place so that men may attend without losing time.

10. The local committee shall be empowered to impose fines, and the person so fined shall have the option of signing a book for such fines to be deducted or to be dealt with by the management.

(a) If the first method is selected by the workman and he attends and works full time, as defined by rule 4, for one month after the fine is inflicted, the fine to be returned to him.

(b) All fines not so redeemed to be paid over to some charitable institution to be selected by the local committee.

(c) The amount of fines shall be: For a first offense for which a fine is inflicted, 2s. 6d. [60.8 cents] per day of avoidable absence; a second offense, 5s. [\$1.22] per day. In the event of a third offense, the case to be dealt with at the discretion of the management.

11. The local committee shall report to the district committee all cases in which they fail to agree.

12. Excuses for absence must be bona fide, and where an absentee claims he was away owing to illness, a doctor's note must be produced if demanded.

13. Any official responsible for the workmen losing work or failing to do his best to get work for them shall be reported to the local committee, who shall investigate the circumstances, and if the charge appears to be justified, the case shall be reported to the central committee to deal with.

14. These rules to continue for the duration of the war.

REGINALD GUTHRIE,
WILLIAM STAKER,
Secretaries.

12TH FEBRUARY, 1917.

(A) II. NOTE ON COMMITTEES AT COLLIERIES IN OTHER DISTRICTS.

Committees formed on very similar lines have been set up in other, but not in all, mining districts. The statements as to functions and procedure may differ in certain particulars. (1) Provision is sometimes made for the attendance of officials of the miners' and owners' associations at pit committee meetings. (2) The scope of a pit committee's functions is sometimes stated so as to include more than appears to be covered by rule 13 above, which deals with officials "responsible for the workmen losing work or failing to do his best to get work for them." The functions may include the consideration of facilities for output and the suggestion of improvements, apart from cases arising under the circumstances referred to in rule 13 above. This is commented upon in the report printed in Appendix II (W).¹ (3) The rules vary also in such details as number of representatives, time of meetings, and amount of fines.

¹ See pp. 153-157.—[Ed.]

The results achieved differ greatly from district to district. In some districts no committees have been set up, while in some others, after being set up, the committees have either failed to work at all or, after a period of successful operation, have weakened and been abandoned. In other districts, however, the committees have continued to work satisfactorily, improving timekeeping and organization and increasing output. The application of short time has in certain districts made the need for the committees less urgent and an estimate of their value difficult. Among the reasons given for failure to institute the committees are (1) failure of employers to take the matter up, and (2) the younger men's dislike for the scheme; and for failure to work satisfactorily (1) the failure of employers to carry out agreements about Sunday work, etc., and (2) simple inability of the two sides to agree.

(B) I. JOINT COMMITTEES AT IRONWORKS IN CLEVELAND AND DURHAM.

AGREEMENT SETTING UP WORKS COMMITTEES TO DEAL WITH CASES OF TIME LOSERS.

This scheme has been suggested by the Ministry of Munitions and accepted by the Cleveland Ironmasters' Association and the Cleveland Blast Furnacemen's Association, in order to avoid the necessity of taking men before the munitions' tribunals. The agreement will come into operation on Sunday, the 12th day of August, 1917, at _____ ironworks.

1. At each works in the ironmasters' association there shall be set up a committee consisting in the first instance of three workmen employed at the works.

2. The appointment of the three workmen (one of whom must be the delegate) shall rest with the Cleveland and Durham Blast Furnacemen's and Cokemen's Association.

3. The Cleveland Ironmasters' Association, or any individual member thereof, may, at any future time, and at the request of the Cleveland Blast Furnacemen's Association must, also appoint to the committee three employer representatives for each works or for such of the works as are affected, and such representatives shall have equal powers and duties with the workmen's representatives.

4. So long as the committee consists of three representatives, two shall form a quorum; if the committee consists of six representatives, four shall form a quorum.

5. There shall also be created a central committee consisting of six persons, three of whom shall be appointed by the Cleveland Ironmasters' Association, and three by the Cleveland Blast Furnacemen's Association; four to form a quorum.

6. The duties and the powers of the works committee shall be: (a) To inquire fully into every case brought by the manager of the works of alleged bad timekeeping on the part of any workman employed at the works under his charge; (b) to give warning and advice to any workman who may appear to need it; (c) to inflict, subject to the provisions of the truck acts, such penalty or fine as in the judgment of the committee the case shall merit, such fine not to exceed 20s. in any one instance; (d) in the case of repeated offenses, to transmit the facts and evidence to the judgment of the central committee; (e) in the event of the works committee being equally divided in their judgment on any case, the same shall be submitted to the central committee for decision; (f) each works committee shall have power to reduce or remit altogether any fine imposed by the committee, if the offender's conduct during the four weeks succeeding the hearing of his case justifies any variation in the original penalty.

7. The duties and the powers of the central committee shall be: (a) To review all the facts and evidence in connection with any case which may be submitted to it by works committees, and, if it so decides, to impose upon the offender, subject to the provisions of the truck acts, a fine not exceeding 40s., or to submit the case to the judgment of the Ministry of Munitions; (b) to make regulations for the guidance of the works committees.

8. Fines shall be deducted, subject to the provisions of the truck acts, from the wages due to the workmen penalized, and unless remitted by the end of four weeks from date of deduction, shall be handed over to some fund at the works where the offender is employed to be used for the benefit of the workmen or their dependents, or be handed over to some agreed-upon local charity.

9. The regulations herein shall apply by agreement to all workmen members of the Cleveland Blast Furnacemen's Association. Any workman outside the Cleveland Blast Furnacemen's Association and employed at the ironmasters' works, may submit his case for judgment to the committees if he so desires and be bound by the decision given.

10. Each employer party to this arrangement shall authorize one of his clerical staff to act as secretary to the works committee, and such person shall keep a record of the decisions given by the committee for the particular works and shall transmit at the end of each calendar month a record of such decisions to the secretary of the central committee and to the secretary of the Cleveland Blast Furnacemen's Association.

11. The committees under this scheme shall exist so long as munition tribunals under the Munitions of War Act continue to operate, but the regulations may be varied at the end of six months on the application of either party hereto.

12. The requisite agreements to be made immediately by the two associations concerned for enabling the committees to exercise the powers and perform the duties specified above.

13. The Arbitration Act, 1889, shall not apply to any proceedings under this agreement.

Signed on behalf of the Cleveland Ironmasters' Association.

J. T. ATKINSON,
Secretary.

Signed on behalf of the Cleveland and Durham Blast Furnacemen and Coke Men's Association.

THOS. MCKENNA,
Secretary.

MIDDLESBROUGH, *July 24, 1917.*

(B) II. NOTE ON WORKING OF THESE COMMITTEES.

It is agreed on both sides that these committees have worked very satisfactorily; both employers and employees regard the works committees as a far better means of investigating and settling questions of this character than that of taking the men before the munitions tribunals. Some 28 committees, all of them joint in membership, have been set up, but it has not been necessary for all of them to meet. The central committee had not met up to the end of January, 1918, though two or three cases had been recently filed for that committee. A works committee is generally unanimous about its decision—whether or not a fine should be imposed or the amount of the fine. In a large proportion of cases, more than half, a reduction or remission of fines has been allowed in accordance with section 6 (*f*). Those workmen who are not members of the union usually avail themselves of section 9 of the agreement to submit their cases to the works committee.

APPENDIX V.—NATIONAL AND DISTRICT SCHEMES. SHOP STEWARDS.

(A) Memorandum of conference between the engineering employers' federation and 13 trade-unions.

(B) Clyde Shipyards joint trades' vigilant committee.

(C) Coventry engineering joint committee. Shop rules.

The following schemes are printed as further illustrations of the problem discussed in Section VI of the report, "Relations with trade-unions." (A) is the agreement come to in December, 1917, between representatives of the engineering employers' federation and of 13 trade-unions. (B) is a trade-union district scheme of organization of shop stewards and works committees instituted before

the war. (C) gives the proposals put forward by the Coventry engineering trades' joint committee for their district before the negotiations which resulted in (A) were initiated.

(A) MEMORANDUM OF CONFERENCE BETWEEN THE ENGINEERING EMPLOYERS' FEDERATION AND 13 TRADE-UNIONS.¹

It is mutually agreed to recommend as follows:

REGULATIONS REGARDING THE APPOINTMENT AND FUNCTIONS OF SHOP STEWARDS.

With a view to amplifying the provisions for avoiding disputes it is agreed:

1. The workmen who are members of the above trade-unions employed in a federated establishment may appoint representatives from their own number to act on their behalf in accordance with the terms of this agreement.

2. The representatives shall be known as shop stewards.

3. The method of election of shop stewards shall be determined by the trade-unions concerned, and each trade-union parties to this agreement may appoint shop stewards.

4. The names of the shop stewards and the shop or portion of a shop in which they are employed and the trade-union to which they belong shall be intimated officially by the trade-union concerned in the management on election.

5. Shop stewards shall be subject to the control of the trade-unions, and shall act in accordance with the rules and regulations of the trade-unions and agreements with employers so far as these affect the relation between employers and workpeople.

6. In connection with this agreement, shop stewards shall be afforded facilities to deal with questions raised in the shop or portion of a shop in which they are employed. In the course of dealing with these questions they may, with the previous consent of the management (such consent not to be unreasonably withheld), visit any other shop or portion of a shop in the establishment. In all other respects they shall conform to the same working conditions as their fellow workmen.

7. Employers and shop stewards shall not be entitled to enter into any agreement inconsistent with agreements between the engineering employers' federation or local association and the trade-unions.

¹ Steam Engine Makers' Society, Society of Amalgamated Toolmakers, etc., United Kingdom Society of Amalgamated Smiths and Strikers, National Society of Amalgamated Brass Founders and Metal Mechanics, Associated Blacksmiths and Iron Workers' Society, Workers' Union, National Amalgamated Union of Labor, United Machine Workers' Association, Electrical Trades Union, United Journeymen Brass Founders, etc., Amalgamated Society of Core Makers, National Union of General Workers, and National Amalgamated Union of Enginemen, etc.

8. The functions of shop stewards, so far as they are concerned with the avoidance of disputes, shall be exercised in accordance with the following procedure:

(a) A workman or workmen desiring to raise any question in which he or they are directly concerned, shall in the first instance discuss the same with his or their foreman.

(b) Failing settlement, the question shall, if desired, be taken up with the management by the appropriate shop steward and one of the workmen directly concerned.

(c) If no settlement is arrived at, the question may, at the request of either party, be further considered at a meeting to be arranged between the management and the appropriate shop steward, together with a deputation of the workmen directly concerned. At this meeting the organizing district delegate may be present, in which event a representative of the employers' association shall also be present.

(d) The question may thereafter be referred for further consideration in terms of the provisions for avoiding disputes.

(e) No stoppage of work shall take place until the question has been fully dealt with in accordance with this agreement and with the provisions for avoiding disputes.

9. In the event of a question arising which affects more than one branch of trade, or more than one department of the works, the negotiations thereon shall be conducted by the management with the shop stewards concerned. Should the number of shop stewards concerned exceed seven, a deputation shall be appointed by them, not exceeding seven, for the purpose of the particular negotiation.

10. Negotiations under this agreement may be instituted either by the management or by the workmen concerned.

11. The recognition of shop stewards is accorded in order that a further safeguard may be provided against disputes arising between employers and their workpeople.

12. Any questions which may arise out of the operation of this agreement shall be brought before the executive of the trade-union concerned, or the federation, as the case may be.

(B) CLYDE SHIPYARDS JOINT TRADES' VIGILANT COMMITTEE,¹

RULES.

1. This committee shall consist of trade-unions representative of the workmen employed in the Clyde Shipyards.

2. Its object shall be to endeavor to adjust all complaints of a general character, endeavor to secure uniformity in the conditions of

¹ The first meeting was held on the 14th February, 1911. A similar organization in engineering—the west of Scotland locomotive and general engineering joint trades' vigilant committee—was instituted in September, 1914. It had been under consideration for some months.

employment of the members, and strengthen and perfect the organizations of the affiliated unions.

(a) By representatives of the society affected at once reporting the matter to the secretary of the yard vigilance committee.

(b) By insisting that all nonunion members of the respective trades shall become members of their trade-union.

(c) By dealing with any member of an affiliated union who fails to keep himself in compliance with the rules of his union.

YARD VIGILANCE COMMITTEE.

3. A vigilance committee shall be appointed in each yard or dock composed of one representative from each society affiliated. Societies having more than one section of workmen shall be entitled to one representative from each section.

4. The committee shall appoint a secretary to whom all complaints shall be lodged by members of the committee.

5. Each shop steward must examine the contribution cards of the members of their own societies on the first Wednesday of each month, and interview new starts immediately after starting.

6. The committee will meet at least monthly.

7. Representatives of each society must attend and report to the committee as to the condition of the members under his supervision.

8. On receipt of a complaint the committee shall endeavor to effect a settlement by interviewing the foreman or management. Failing adjustment the matter must then be reported to the secretary of the central board.

9. The machinery of each society for dealing with such questions must first be exhausted before reporting to the yard vigilant committee.

10. The secretary must send in his official report to the secretary of the central board on the second last Thursday of March, June, September, and December.

11. Should any member of the yard vigilant committee be penalized for taking part in the work of the committee such cases must be immediately reported to the secretary and taken up jointly.

12. Where the secretary of the committee has been changed, the name and address of his successor must be forwarded to the secretary of the central board.

13. Expenses incurred by the committee for room rent, stationery, and postage will be met by the central board. All such accounts must be sent quarterly to the secretary and submitted to the central board for approval.

14. Under no circumstances can the yard vigilant committee authorize a stoppage of work, either of a partial or general nature.

Arrears.—Members over 10s. [\$2.43] in arrears must reduce same at the rate of 2s. 6d. [60.8 cents] per week; 15s. [\$3.65], 5s. [\$1.22] per week; and 20s. [\$4.87], 10s. [\$2.43] for the first week and 5s. [\$1.22] per week thereafter.

CENTRAL BOARD.

15. A central board shall be appointed and shall consist of a responsible representative of each union affiliated. Societies having separate sections administered separately shall be entitled to one representative from each section.

16. Their duties shall be to see that a vigilant committee is appointed in each yard or dock, and deal with all complaints remitted to them by the yard committees.

17. They shall annually elect a chairman and secretary from among their number, the latter to act as treasurer.

18. The secretary on receiving a complaint from a yard committee may, after consultation with the chairman of the central board and the representative of the trade directly concerned, endeavor to get the matter adjusted, failing which the central board will be convened.

19. Before any stoppage of work takes place the consent of the central board of this committee must be obtained.

20. To meet expenses the central board shall make a call upon each society affiliated for such sum as may from time to time be agreed upon.

21. Meetings of the central board will be held on the last Friday of each quarter, or oftener if, in the opinion of the chairman and secretary, such is necessary.

(C) COVENTRY ENGINEERING JOINT COMMITTEE.¹

SHOP RULES AND INSTRUCTIONS FOR STEWARDS.

1. That the Coventry engineering joint committee shall be the executive committee over all shop stewards and works committees affiliated. Any change of practice in any shop or works must receive the consent of the joint engineering committee before being accepted by the men concerned.

2. That all nominees for shop stewards must be members of societies affiliated to the Coventry engineering joint committee.

¹The 21 societies affiliated are: Friendly Society of Iron Founders, Steam Engine Makers, United Machine Workers, Amalgamated Society of Engineers, Amalgamated Tool-makers, Smiths and Strikers, Brass Workers and Metal Mechanics, Coppersmiths, United Brass Finishers, Electrical Trades Union, Boiler Makers, Core Makers, Pattern Makers, United Coach Makers, Progressive Tin Plate Workers, National Federation of Women Workers, National Union of Clerks, Amalgamated Carpenters and Joiners, General Union of Carpenters and Joiners, London and Provincial Coach Makers, and Amalgamated Wood Cutting Machinists.

3. Stewards shall be elected by ballot for a term not exceeding six months, all retiring stewards to be eligible for reelection.

4. Each section shall be able to elect a steward, irrespective of society.

5. The stewards of each department shall elect a chief steward.

6. The chief stewards of departments shall constitute the works committee, who, if exceeding 12 in number, can appoint an executive committee of 7, including chairman and secretary.

7. All stewards shall have an official steward's card issued by joint committee.

8. Each steward on being elected, and the same indorsed by his society, the joint committee secretary shall send him an official card.

9. The steward must examine any man's membership card who starts in the shop in his section. He should then advise the man to report to his respective secretary and give him any information required on rates and conditions, etc. There shall be a show of cards every month to ascertain if every member is a sound member, and if any member is in arrears (eight weeks) he must report same to the chief steward.

10. If there is any doubt of any man not receiving the district rate of wages, the steward can demand to examine pay ticket.

11. Any member accepting a price or time basis for a job must hand record of same to his section steward, who shall keep a record of times and prices on his section of any work and hand the same to chief shop steward.

12. The chief steward shall keep a record of all times and prices recorded to him by sections of his department. On a section being not represented he shall see to the election of steward for such section.

13. Any grievance arising on any section must be reported to chief shop steward, who shall, with steward on section and man concerned, interview foreman or manager. Failing redress, the chief steward then to report to the works committee.

14. The works committee shall be empowered to take any case of dispute before the management, not less than three to act as deputation.

15. On the works committee failing to come to any agreement with the management, they must immediately report to the engineering joint committee, who shall take up the matter with the firm concerned, a representative of the works committee to be one of the deputation. It is essential, pending negotiations, that no stoppage of work shall take place without the sanction of the engineering joint committee.

16. A full list of all shop stewards must be kept by the joint committee. Any change of stewards must be reported to the joint committee's secretary.

17. The joint committee shall be empowered to call meetings of stewards at any works, also meetings of all chief stewards in the district when the joint committee so decides, if necessary.

18. If at any time of dispute the engineering joint committee decides upon the withdrawal of its members from any firm or firms, the stewards shall be issued a special official badge from this committee with the idea of assisting to keep order, if necessary, in the interests of the members concerned.

APPENDIX VI.—SUPPLEMENTARY REPORT ON WORKS COMMITTEES.

[NOTE.—This report is printed in full on pages 32 to 35 and is therefore not repeated here.]

APPENDIX VII.—SCHEME OF LOCAL JOINT PITS COMMITTEES.

The following scheme has recently been introduced. It is particularly interesting as an attempt to apply the ideas of the Whitley report to part of the coal mining industry.

JOINT COMMITTEE OF REPRESENTATIVES OF THE LANCASHIRE AND CHESHIRE COAL ASSOCIATION, AND THE LANCASHIRE AND CHESHIRE MINERS' FEDERATION.

Resolved, That the joint committee recommend the establishment, with the least possible delay, of local joint pit committees at the various collieries in the two counties, and that the functions of the committees shall be those set out below, and that the rules of procedure also set out below should be adopted.

The functions exercisable by the local joint pits committees and the rules of procedure for the conduct of the business.

1. The title of the committee shall be "The Local Joint Pits Committee."

2. The committee shall exercise the following functions:

(a) To investigate and report to manager cases of shortage of tubs.

(b) To investigate and report anything interfering with the possibilities of output, such as poor haulage, blocked or congested roadways.

(c) To investigate and report to manager complaints of minimum wage and abnormal places allowances.

(d) To stimulate regular attendance and report to manager persistent absentees.

(e) Generally to investigate and report to the manager anything else which in their opinion is interfering with the satisfactory working of the mine.

(f) Any other functions which may from time to time be delegated to them by the joint committee.

3. The committee shall consist of not less than three nor more than five representatives of the employers, and an equal number of representatives of the workmen employed at the mine. The manager of the mine shall be the chairman.

4. Two members of each class of representative present shall form a quorum.

5. The respective representatives on the committee shall each appoint one of their number to act as secretary.

6. Meetings of the committee shall be held once a month, provided that a special meeting may be held at any time at the request of the whole of the members of either side given to the secretary of the other side. Five days' notice to be given of any meeting, ordinary or special, and the agenda of the business to be considered at the meeting to be submitted by the secretaries to each member of the board with the notice calling the meeting. No business to be transacted at any meeting other than that on the agenda. No matter shall be placed on the agenda without an opportunity having been previously given to the officials of the mine of dealing with it.

7. The proceedings of each committee shall be taken and transcribed in duplicate books, and each book shall be signed by the two secretaries at the meeting at which such minutes are read and confirmed. One copy of such minutes shall be kept by each of the secretaries. The secretaries shall also conduct the correspondence for the respective parties, and conjointly for the committee.

8. In the event of any matter arising which the committee can not agree upon, and failing agreement between the manager and the local federation agent, the difference shall be submitted to the joint district committee, whose decision shall be final.

9. Each party shall pay and defray the expenses of its own representatives and secretary.

Dated this 11th day of February, 1918.

LIONEL E. PILKINGTON,

*President of the Lancashire and Cheshire Coal Association,
and of the Joint Committee.*

THOMAS GREENALL,

*President of the Lancashire and Cheshire Miners' Federation,
and Vice President of the Joint Committee.*

THOS. R. RATCLIFFE-ELLIS,

*Secretary of the Lancashire and Cheshire Coal Association,
and of the Joint Committee.*

THOMAS ASHTON,

*Secretary of the Lancashire and Cheshire Miners' Federation,
and of the Joint Committee.*

INDUSTRIAL COUNCILS: THE RECOMMENDATIONS OF THE WHITLEY REPORT.¹

THE WHITLEY COMMITTEE.

Joint industrial councils were unanimously recommended by a committee appointed by Mr. Asquith to advise the cabinet on the future relations of employers and employed.

[NOTE.—The personnel of the committee as given at this point is the same as given on pages 5 and 6 of this bulletin.]

OBJECTS OF THE WHITLEY REPORT.

The committee were asked to advise the Government on two points:

(1) To make and consider suggestions for securing a permanent improvement in the relations between employers and workmen.

(2) To recommend means for securing that industrial conditions affecting the relations between employers and workmen shall be systematically reviewed by those concerned, with a view to improving conditions in the future.

The committee found that the best way to deal with the first point was to settle the second. They therefore recommended "means for securing that industrial conditions affecting the relations between employers and workmen shall be systematically reviewed by those concerned" as the best way of "securing a permanent improvement in the relations between employers and workmen."

THE RECOMMENDATIONS.

The means they recommended were the establishment of joint standing industrial councils. As joint councils these would bring employers and workpeople together; as standing councils they would insure regular meetings for discussion of matters of common interest; as industrial councils they would throw into relief the questions that concerned each industry as a whole, foster a common feeling for the industry, and help both sides to realize the social importance of the industry as distinct from their private interest. These regular meetings to discuss matters of common interest would, it was thought, produce an atmosphere in which disputes when they arose could be settled by an appeal to reason. The subjects from which disputes arise would come up for discussion before feeling had been excited.

¹ [Ministry of Labor] Industrial Councils. The recommendations of the Whitley report. H. Q. 7B. April, 1917. 4 pp. Portions of this leaflet were published in the MONTHLY LABOR REVIEW for July, 1918 (pp. 27, 28).—[Ed.]

Mutual misunderstanding and unnecessary suspicion would be reduced to a minimum.

INDUSTRIAL COUNCILS AND THE GOVERNMENT.

The primary object of industrial councils then is to regularize the relations between employers and employed. But they will serve another urgent need, and, in so doing, will give to workpeople a status in their respective industries that they have not had hitherto. There is a large body of problems which belong both to industry and to politics. They belong to politics, because the community is responsible for their solution and the State must act if no other provision is made; they belong to industry, because they can be solved only by the knowledge and experience of the people actually engaged in industry. Such problems are the regularization of employment, industrial training, utilization of inventions, industrial research, the improvement of design and quality, legislation affecting workshop conditions—all of them questions which have hitherto been left in the main to employers, but which in reality constitute an important common interest on the basis of which all engaged in an industry can meet. The termination of the war will bring with it a mass of new problems of this nature; for example, demobilization, the training of apprentices whose apprenticeship was interrupted by military service, the settlement in industry of partially disabled men, and, in general, the reconversion of industry to the purposes of peace. It is urgently necessary that the Government should be able to obtain without delay the experience and views of the people actually in industry on all these questions. It proposes, therefore, to treat industrial councils as standing consultative committees to the Government and the normal channel through which it will seek the experience and advice of industries. Further, many of these problems can be handled by each industry for itself, provided that it has an organization representative of all sections and interests within it. The establishment of industrial councils will therefore make unnecessary a large amount of "Government interference" which is at present unavoidable, and substitute for it a real measure of "self-government" in industry.

CONSTITUTION OF INDUSTRIAL COUNCILS.

The Whitley committee recognized as a condition of fundamental and governing importance that the circumstances of different industries vary and that the organization of each industry should be adapted to its special circumstances. They left, therefore, the initiative in establishing industrial councils and the settlement of all details as to representation and distribution of functions to the people in industry to settle for themselves.

Two conditions, however, they lay down as essential to any satisfactory arrangement:

(1) That industrial councils shall consist exclusively of *representatives of organizations*, i. e., trade-unions and employers' associations; where organization is insufficient on either side, the scheme is inapplicable. Joint industrial councils must not displace, but be built on the existing organization; those individuals who will not be represented under this provision have their remedy in joining their appropriate employers' association or trade-union.

(2) Industrial councils must work through decentralized machinery. Where an industry is distributed over the country district joint councils will be found necessary, which would work within lines laid down by the national joint council and undertake all district business. Further, where the circumstances of an industry permit, further decentralization is provided for in the recommendation that works committees be established. Similarly, provision can be made for sectional questions, such as the wages of a small craft or of a grade of workers not confined to one industry, to be dealt with by sectional joint committees, or even excluded from the purview of the council.

WORKS COMMITTEES.

In large firms satisfactory relations between employers and employed and an extension to workpeople of any real control over the conditions of their work are possible only through works committees, or some equivalent organization based on the workshop. But works committees in many industries would be an innovation, and the existing trade-union organization does not always contain provision for them. The Whitley committee, therefore, recommend that where works committees are made a part of the scheme they should be established only *on lines agreed upon by the employers' organizations and trade-unions* represented on the national councils. The question of establishing works committees will naturally form one of the first subjects for consideration by a national council in an industry where they are not already the rule.

THE NEED FOR INDUSTRIAL COUNCILS.

While there is no doubt that every industry has problems which can be solved only if the experience of every grade and section of the industry is brought to bear on them, hitherto the tendency has been for every grade and section to go its own way. Whenever the Government wishes to ascertain the needs and opinions of an industry, instead of one organization speaking with a single voice, a dozen organizations speak with a dozen voices. The different sections and interests are organized and can put their point of view; the industry as a whole has no representative organization, so that the general

interest of the industry may be overlooked. Sectional interests often conflict; there is no need for example to disguise the conflict of interests between employers and employed; and the Whitley report proposes nothing of the nature of compulsory arbitration, nothing that will limit or interfere with the right to lockout or strike. But no one in industry wants an unnecessary stoppage; these can be prevented only by the representatives of conflicting interests meeting to thrash out their differences; and all the problems that will face industry after the war call for continuous consultation and cooperation of all sections, grades, and interests. For every reason, therefore, industrial councils fully representative of all sections and interests in each industry are an urgent necessity.

In some industries there exist already joint conciliation boards performing some of the functions of industrial councils. These are, however, as a rule, limited either in the work they undertake or in the sections of the industry which they represent. Although, therefore, existing joint boards will in many cases provide the basis for industrial councils, they can not handle the problems, referred to above, with which the industries of the country will be faced after the war. What is needed is an organization representing the whole industry and capable of speaking for all the firms and all the work-people employed in it. The Government's adoption of the Whitley report is simply an *invitation to the industries of the country to organize themselves* in this way, for their own benefit and for the benefit of the community.

PROCEDURE.

The Government has adopted the Whitley report and instructed the Ministry of Labor to put it before the trade-unions and employers' associations of the country. Its principle has been approved by the parliamentary committee of the trade-union congress and by a large number of representative employers' associations and trade-unions. The establishment of industrial councils is quite voluntary; but the Ministry of Labor is prepared to give any assistance in its power. All inquiries on the subject should be addressed to the Ministry of Labor, Montague House, Whitehall, SW. 1.

The Whitley report itself, with the letter of the Minister of Labor, explaining the Government's policy in regard to it, has been published as a pamphlet (Industrial Reports, No. 1),¹ which can be obtained through any bookseller, or directly from H. M. Stationery Office, Imperial House, Kingsway, London, WC. 2, or from the chief book-stall, price 1d., post free 1½d. [3 cents]. A report on works committees containing the results of an inquiry by the Ministry of Labor (Industrial reports, No. 2) will be published shortly.²

¹ See pp. 45-49.—[Ed.]

² This report was subsequently published. See pp. 50-170.—[Ed.]

CONSTITUTION AND FUNCTIONS OF A JOINT INDUSTRIAL COUNCIL.¹

PREFACE.

The Whitley report on joint standing industrial councils, in discussing the constitution and functions of such councils, recommended that it should be left to the trades themselves to constitute schemes suitable to their special circumstances. The object of the following memorandum is not to lay down any hard and fast rules as to the constitution and functions of an industrial council, but to put forward certain suggestions which may serve as a basis for discussion and help in concentrating attention upon some outstanding points in the relations of employers and workpeople which must be taken into consideration in the actual formation of a council. Many of the clauses which follow are drawn from constitutions already drafted.

In a letter sent out by the Minister of Labor to the chief associations of employers and workpeople on October 20, 1917, the minister announced that "the Government desires it to be understood that the councils will be recognized as the official standing consultative committees to the Government on all future questions affecting the industries which they represent, and that they will be the normal channel through which the opinion and experience of an industry will be sought on all questions with which the industry is concerned." In order to secure such official recognition the Minister of Labor will require to be satisfied that the composition of the joint industrial council is such that it will be regarded by the industry as being truly representative of the industry. The associations of employers and workpeople in any given industry should therefore, either directly or through a joint committee, if such a body has been established by them to carry out the necessary preliminary negotiations, send in to the Ministry of Labor an application for official recognition at some time during the negotiations and before the council is actually formed.

(A) FUNCTIONS OF A JOINT INDUSTRIAL COUNCIL.

1. To secure the largest possible measure of joint action between employers and workpeople for the development of the industry as a part of national life and for the improvement of the conditions of all engaged in that industry.

¹ Ministry of Labor. Suggestions as to the constitution and functions of a joint industrial council. H. Q. 7A. May, 1918. 4 pp. This leaflet was published in full in the MONTHLY LABOR REVIEW for August, 1918 (pp. 76-79).—[ED.]

It will be open to the council to take any action that falls within the scope of this general definition. Among its more specific objects will be the following:

N. B.—It is not possible and it is not the intention of the minister to suggest any hard and fast policy as to what should constitute the functions of an industrial council. This is a question which the employers and workpeople in each industry must settle for themselves in their preliminary conferences in the light of their special needs and conditions.

2. Regular consideration of wages, hours, and working conditions in the industry as a whole.

N. B.—In some cases a joint industrial council will contain representatives of a number of trades which have been accustomed in the past to deal with such questions as wages, hours, etc., through their already existing organizations. To meet such cases the following clause has been inserted in one of the draft constitutions: "*Provided*, That where any such matters have in the past been dealt with separately by any organization, such matters shall not be dealt with by the council as far as that organization is concerned without the consent of the representatives of that organization."

3. The consideration of measures for regularizing production and employment.

4. The consideration of the existing machinery for the settlement of differences between different parties and sections in the industry, and the establishment of machinery for this purpose where it does not already exist, with the object of securing the speedy settlement of difficulties.

5. The collection of statistics and information on matters appertaining to the industry.

6. The encouragement of the study of processes and design and of research, with a view to perfecting the products of the industry.

7. The provision of facilities for the full consideration and utilization of inventions and any improvement in machinery or method, and for the adequate safeguarding of the rights of the designers of such improvements, and to secure that such improvement in method or invention shall give to each party an equitable share of the benefits financially or otherwise arising therefrom.

8. Inquiries into special problems of the industry, including the comparative study of the organization and methods of the industry in this and other countries, and, where desirable, the publication of reports.

9. The improvement of the health conditions obtaining in the industry, and the provision of special treatment where necessary for workers in the industry.

10. The supervision of entry into, and training for, the industry, and cooperation with the educational authorities in arranging education in all its branches for the industry.

11. The issue to the press of authoritative statements upon matters affecting the industry of general interest to the community.

12. Representation of the needs and opinions of the industry to the Government, Government departments, and other authorities.

13. The consideration of any other matters that may be referred to it by the Government or any Government department.

14. The consideration of the proposals for district councils and works committees put forward in the Whitley report, having regard in each case to any such organizations as may already be in existence.

NOTE.—The following have also been included among the functions in some of the provisional constitutions which have been brought to the notice of the Ministry of Labor:

(i) The consideration of measures for securing the inclusion of all employers and workpeople in their respective associations.

(ii) The arrangement of lectures and the holding of conferences on subjects of general interest to the industry.

(iii) Cooperation with the joint industrial councils for other industries to deal with problems of common interest.

(B) THE CONSTITUTION OF A JOINT INDUSTRIAL COUNCIL.

1. MEMBERSHIP.

The council shall consist of ——— members, appointed as to one half by associations of employers and as to the other half by trade-unions.

Associations of employers:

	Number of representatives.
(1) -----	-----
(2) -----	-----
(3) -----	-----
etc. -----	-----
Total -----	-----

Trade-unions:

(1) -----	-----
(2) -----	-----
(3) -----	-----
etc. -----	-----
Total -----	-----

2. REAPPOINTMENT.

The representatives of the said associations and unions shall retire annually, and shall be eligible for reappointment by their respective associations and unions. Casual vacancies shall be filled by the asso-

ciation concerned, which shall appoint a member to sit until the end of the current year.

3. COMMITTEES.

The council may delegate special powers to any committee it appoints.

The council shall appoint an executive committee and may appoint such other standing or sectional committee as may be necessary. It shall also have the power to appoint other committees for special purposes. The reports of all committees shall be submitted to the council for confirmation except where special powers have been delegated to a committee.

4. COOPTED MEMBERS.

The council shall have the power of appointing on committees or allowing committees to coopt such persons of special knowledge not being members of the council as may serve the special purposes of the council, provided that so far as the executive committee is concerned: (a) The two sides of the council shall be equally represented and (b) any appointed or coopted members shall serve only in a consultative capacity.

N. B.—It is desirable to take power to appoint representatives of scientific, technical, and commercial associations upon committees and subcommittees of the council, and the above clause would give this power.

5. OFFICERS.

The officers shall consist of a chairman or chairmen, a vice chairman, a treasurer, and a secretary or secretaries.

(1) The chairman.

- N. B.—The Whitley report suggests that the appointment of a chairman or chairmen should be left to the council, who may decide that there should be (i) a chairman for each side of the council, (ii) a chairman and vice chairman selected from the members of the council (one from each side of the council), (iii) a chairman chosen by the council from independent persons outside the industry, or (iv) a chairman nominated by such persons or authority as the council may determine, or, failing agreement, by the Government.

(2) Secretary.

The council shall be empowered to maintain a secretary or secretaries and such clerical staff as it may think fit.

All honorary officers shall be elected by the council for a term of one year.

6. MEETINGS OF THE COUNCIL.

The ordinary meetings of the council shall be held as often as necessary and not less than once a quarter. The meeting in the month

of —— shall be the annual meeting. A spécial meeting of the council shall be called within —— days of the receipt of a requisition from any of the constituent associations or from the executive committee. The matters to be discussed at such meetings shall be stated upon the notice summoning the meeting.

7. VOTING.

The voting both in council and in committees shall be by show of hands or otherwise as the council may determine. No resolution shall be regarded as carried unless it has been approved by the majority of the members present on each side of the council.

8. QUORUM.

The quorum shall be —— members of each side of the council.

9. FINANCE.

The expenses of the council shall be met by the associations and trade-unions represented.

10. RELATIONS OF A JOINT INDUSTRIAL COUNCIL TO THE GOVERNMENT.

It is desirable that there should be intimate and continuous touch between the industrial councils and the various Government departments interested, not only to secure prompt attention from the right officials, but also to obtain information as to what other councils are doing. To meet this need, the Ministry of Labor has, at the request of the Government, set up a special section dealing with industrial councils.

Where any industrial council so desires, a civil servant with the necessary experience will be assigned the duties of liaison officer by the Ministry of Labor. He will act only as and when required and in a purely advisory and consultative capacity, and will be available when desired for any meetings of the council.

By this means similarity of method and continuity of policy in the various industrial councils will be assured, and the experience and proposals of one council will be available for all the others.

11. DISTRICT COUNCILS AND WORKS COMMITTEES.

It will be necessary for the council when formed to consider the necessary arrangements for district councils and works committees if the conditions of the industry are such as to require them. Obviously existing local conditions and existing organizations will have to be taken into account and the variety of such conditions make it difficult to suggest any draft constitution which would be of value. The Ministry of Labor will, however, be glad to supply examples of existing schemes and other information at their disposal.¹

¹ See pp. 50 to 170 for report of an inquiry into works committees made by the Ministry of Labor and published as "Industrial Reports No. 2."

INDUSTRIAL COUNCILS AND TRADE BOARDS.¹

JOINT MEMORANDUM BY THE MINISTER OF RECONSTRUCTION AND THE
MINISTER OF LABOR.

1. The proposals contained in the first report on joint standing industrial councils of the committee on relations between employers and employed have been adopted by the Government. The steps which have been taken to establish industrial councils have enabled the Government to consider the proposals of the second report on joint standing industrial councils in the light of experience. This report, which deals with industries other than those which are highly organized, follows naturally upon the first report of the committee and develops the line of policy therein proposed. It has not been found possible from the administrative point of view to adopt the whole of the recommendations contained in the second report, but such modifications as it seems desirable to make do not affect the principles underlying the committee's proposal for the establishment of joint industrial councils. They are designed to take advantage of the administrative experience of the Ministry of Labor with regard to both industrial councils and trade boards. In view of the growing interest which is being taken in the establishment of industrial councils and of the proposed extension of trade boards, it appears desirable to set forth the modifications which the Government regard as necessary in putting into operation the recommendations of the second report, and also to make clear the relations between trade boards and industrial councils.

2. The first report on joint standing industrial councils referred only to the well-organized industries. The second report deals with the less-organized and unorganized trades and suggests the classification of the industries of the country into three groups:

Group A.—Consisting of industries in which organization on the part of employers and employed is sufficiently developed to render their respective associations representative of the great majority of those engaged in the industry. These are the industries which we had in mind in our first interim report.

Group B.—Comprising those industries in which, either as regards employers and employed, or both, the degree of organization, though considerable, is less marked than in group A.

¹ Ministry of Labor. Industrial councils and trade boards. Joint memorandum of the Minister of Reconstruction and the Minister of Labor, explaining the Government's view of the proposals of the second Whitley report, together with text of the report. June 7, 1918. Industrial Reports, No. 3. Cd. 9085. 4 pp. Price, 1d. This pamphlet was printed in full in the MONTHLY LABOR REVIEW for September, 1918 (pp. 58-64). The text of the second report which is included in this pamphlet appears on pages 24 to 31 and is therefore not repeated in this connection.—[Ed.]

Group C.—Consisting of industries in which organization is so imperfect, either as regards employers or employed, or both, that no associations can be said adequately to represent those engaged in the industry.

The proposals of the committee on relations between employers and employed are summarized in paragraph 20 of their second report, as follows:

(a) In the more highly organized industries (group A) we propose a triple organization of national, district, and workshop bodies as outlined in our first report.

(b) In industries where there are representative associations of employers and employed which, however, do not possess the authority of those in group A industries, we propose that the triple organization should be modified by attaching to each national industrial council one or at most two representatives of the Ministry of Labor to act in an advisory capacity.

(c) In industries in both groups A and B we propose that unorganized areas or branches of an industry should be provided, on the application of the national industrial council, and with the approval of the Ministry of Labor, with trade boards for such areas or branches, the trade boards being linked with the industrial council.

(d) In industries having no adequate organization of employers or employed, we recommend that trade boards should be continued or established; and that these should, with the approval of the Ministry of Labor, be enabled to formulate a scheme for an industrial council, which might include, in an advisory capacity, the "appointed members" of the trade board.

It may be convenient to set out briefly the modifications of the above proposals which it has been found necessary to make:

(1) As regards (b), it has been decided to recognize one type of industrial council only, and not to attach official representatives to the council except on the application of the industrial council itself.

(2) As regards (c) and (d), the relations between trade boards and industrial councils raise a number of serious administrative difficulties due to the wide differences in the purpose and structure of the two types of bodies. It is not regarded as advisable that a trade board should formulate a scheme for an industrial council, nor is it probable that trade boards for unorganized areas will be set up in conjunction with a joint industrial council.

3. It is necessary at the outset to emphasize the fundamental differences between industrial councils and trade boards. A joint industrial council is voluntary in its character and can only be brought into existence with the agreement of the organizations of employers and workpeople in the particular industry, and the council itself is composed exclusively of persons nominated by the employers' associations and trade unions concerned. The industrial council, is moreover, within very wide limits, able to determine its own functions, machinery, and methods of working. Its functions in almost all cases will probably cover a wide range and will be concerned with many matters other than wages. Its machinery and methods will

be based upon past experience of the industry and the existing organization of both employers and employed. Industrial councils will, therefore, vary in structure and functions as can be seen from the provisional constitutions already submitted to the ministry of labor. Financially they will be self-supporting and will receive no monetary aid from the Government. The Government proposes to recognize the industrial council in an industry as the representative organization to which it can refer. This was made clear in the minister of labor's circular letter of October 20, 1917,¹ in which it is said that—

The Government desires it to be understood that the councils will be recognized as the official standing consultative committees to the Government on all future questions affecting the industries which they represent, and that they will be the normal channel through which the opinion and experience of an industry will be sought on all questions in which the industry is concerned.

A trade board, on the other hand, is a statutory body established by the minister of labor and constituted in accordance with regulations made by him in pursuance of the Trade Boards Act; and its expenses, in so far as authorized by the Minister of Labor and sanctioned by the Treasury, are defrayed out of public money. The regulations may provide for the election of the representatives of employers and workers or for their nomination by the minister of labor, but in either case provision must be made for the due representation of home workers in trades in which a considerable proportion of home workers are engaged. On account of the comparative lack of organization in the trades to which the act at present applies, the method of nomination by the minister has proved in practice to be preferable to that of election, and in nearly all cases the representative members of trade boards are now nominated by the minister. The employers' associations and trade-unions in the several trades are invited to submit the names of candidates for the minister's consideration, and full weight is attached to their recommendation, but where the trade organizations do not fully represent all sections of the trade, it is necessary to look outside them to find representatives of the different processes and districts affected.

A further distinction between trade boards and industrial councils is, that while industrial councils are composed entirely of representatives of the employers' associations and trade-unions in the industry, every trade board includes, in addition to the representative members, a small number (usually three) of "appointed members," one of whom is appointed by the minister to act as chairman and one as deputy chairman of the board. The appointed members are unconnected with the trade and are appointed by the minister as impartial

¹ See pp. 45-49.

persons. The primary function of a trade board is the determination of minimum rates of wages, and when the minimum rates of wages fixed by a trade board have been confirmed by the minister of labor, they are enforceable by criminal proceedings, and officers are appointed to secure their observance. The minimum rates thus become part of the law of the land, and are enforced in the same manner as, for example, the provisions of the factory acts. The purpose, structure, and functions of industrial councils and trade boards are therefore fundamentally different. Their respective areas of operation are also determined by different considerations. An industrial council will exercise direct influence only over the organizations represented upon it. It will comprise those employers' associations with common interests and common problems; similarly its trade-union side will be composed of representatives of organizations whose interests are directly interdependent. An industrial council therefore is representative of organizations whose objects and interests, while not identical, are sufficiently interlocked to render common action desirable. The various organizations represent the interests of employers and workers engaged in the production of a particular commodity or service (or an allied group of commodities or services).

A trade board, on the other hand, is not based on existing organizations of employers and employed, but covers the whole of the trade for which it is established. As the minimum rates are enforceable by law, it is necessary that the boundaries of the trade should be precisely defined; this is done, within the limits prescribed by statute, by the regulations made by the minister of labor. Natural divisions of industry are, of course, followed as far as possible, but in many cases the line of demarcation must necessarily be somewhat arbitrary. In the case of industrial councils difficult demarcation problems also arise, but the considerations involved are somewhat different, as the object is to determine whether the interests represented by given organizations are sufficiently allied to justify the cooperation of these organizations in one industrial council.

4. The reports received from those who are engaged in assisting the formation of joint industrial councils show that certain paragraphs in the second report of the committee on relations between employers and employed have caused some confusion as to the character and scope of joint industrial councils and trade boards, respectively. It is essential to the future development of joint industrial councils that their distinctive aim and character should be maintained. It is necessary, therefore, to keep clearly in mind the respective functions of the joint industrial council and the trade board in

considering the recommendations contained in the following paragraphs of the second report:

(a) Paragraphs 3, 4, and 5, dealing with the division of joint industrial councils into those that cover group A industries, and those that cover group B industries.

(b) Paragraph 7, dealing with district industrial councils in industries where no national council exists.

(c) Paragraphs 10, 13, 15, and 16, dealing with trade boards in relation to joint industrial councils.

(d) Paragraphs 11 and 12, dealing with trade boards in industries which are not suitably organized for the establishment of a joint industrial council.

5. *Distinction drawn between joint industrial councils in group A industries and group B industries.*—In paragraph 9 of the second report it is implied that the ministry of labor would determine whether the standard of organization in any given industry has reached such a stage as to justify the official recognition of a joint industrial council in that industry. It is clear, however, that it would be impossible for the ministry to discover any satisfactory basis for distinguishing between an industry which falls into group A, and one which falls into group B. It is admitted in paragraph 9 of the second report that no arbitrary standard of organization could be adopted, and it would be both invidious and impracticable for the ministry of labor, upon whom the responsibility would fall, to draw a distinction between A and B industries. The only clear distinction is between industries which are sufficiently organized to justify the formation of a joint industrial council and those which are not sufficiently organized. Individual cases must be judged on their merits after a consideration of the scope and effectiveness of the organization, the complexity of the industry, and the wishes of those concerned.

The experience already gained in connection with joint industrial councils indicates that it would be inadvisable in the case of industries in group B to adopt the proposal that "there should be appointed one or at most two official representatives to assist in the initiation of the council and continue after its establishment to act in an advisory capacity and serve as a link with the Government." It is fundamental to the idea of a joint industrial council that it is a voluntary body set up by the industry itself, acting as an independent body and entirely free from all State control. While the minister of labor would be willing to give every assistance to industrial councils, he would prefer that any suggestion of this kind should come from the industry, rather than from the ministry.

The main idea of the joint industrial council as a joint body representative of an industry and independent of State control has now

become familiar, and the introduction of a second type of joint industrial council for B industries would be likely to cause confusion and possibly to prejudice the future growth of joint industrial councils.

In view of these circumstances, therefore, it has been decided to adopt a single type of industrial council.

6. *District industrial councils.*—Paragraph 7 of the second report suggests that in certain industries in which a national industrial council is not likely to be formed, in the immediate future, it might none the less be possible to form one or more “district” industrial councils.

In certain cases the formation of joint bodies covering a limited area is probable. It would, however, avoid confusion if the term “district” were not part of the title of such councils, and if the use of it were confined to district councils in an industry where a national council exists. Independent local councils might well have a territorial designation instead.

7. *Trade boards in relation to joint industrial councils.*—The distinction between trade boards and joint industrial councils has been set forth in paragraph 3 above. The question whether an industrial council should be formed for a given industry depends on the degree of organization achieved by the employers and workers in the industry, whereas the question whether a trade board should be established depends primarily on the rates of wages prevailing in the industry or in any part of the industry. This distinction makes it clear that the question whether a trade board should or should not be set up by the minister of labor for a given industry must be decided apart from the question whether a joint industrial council should or should not be recognized in that industry by the minister of labor.

It follows from this that it is possible that both a joint industrial council and a trade board may be necessary within the same industry.

In highly organized industries the rates of wages prevailing will not, as a rule, be so low as to necessitate the establishment of a trade board. In some cases, however, a well-defined section of an otherwise well-organized industry or group of industries may be unorganized and ill paid; in such a case it would clearly be desirable for a trade board to be established for the ill-paid section, while there should at the same time be an industrial council for the remaining sections, or even for the whole, of the industry or industrial group.

In the case of other industries sufficiently organized to justify the establishment of an industrial council the organizations represented on the council may nevertheless not be comprehensive enough to regulate wages effectively throughout the industry. In such cases a trade board for the whole industry may possibly be needed.

Where a trade board covers either the whole or part of an industry covered by a joint industrial council, the relations between them may, in order to avoid any confusion or misunderstanding, be defined as follows:

(1) Where Government departments wish to consult the industry the joint industrial council, and not the trade board, will be recognized as the body to be consulted.

(2) In order to make use of the experience of the trade board, the constitution of the industrial council should be so drawn as to make full provision for consultation between the council and the trade board on matters referred to the former by a Government department and to allow of the representation of the trade board on any sub-committee of the council dealing with questions with which the trade board is concerned.

(3) The joint industrial council clearly can not under any circumstances override the statutory powers conferred upon the trade board, and if the Government at any future time adopted the suggestion contained in section 21 of the first report that the sanction of law should be given on the application of an industrial council to agreements made by the council, such agreements could not be made binding on any part of a trade governed by a trade board, so far as the statutory powers of the trade board are concerned.

The minister of labor will not ordinarily set up a trade board to deal with an industry or branch of an industry in which the majority of employers and workpeople are covered by wage agreements, but in which a minority, possible in certain areas, are outside the agreement. It would appear that the proposal in section 21 of the first report was specially designed to meet such cases. Experience has shown that there are great difficulties in the way of establishing a trade board for one area only in which an industry is carried on, without covering the whole of a trade, though the trade boards act allows of this procedure.

8. *Trade boards in industries which are not sufficiently organized for the establishment of a joint industrial council.*—Section 3 of the trade boards act, 1909, provides that “a trade board for any trade shall consider, as occasion requires, any matter referred to them by a secretary of state, the board of trade, or any other Government department, with reference to the industrial conditions of the trade, and shall make a report upon the matter to the department by whom the question has been referred.”

In the case of an industry in which a trade board has been established but an industrial council has not been formed the trade board is the only body that can claim to be representative of the industry as a whole.

It is already under a statutory obligation to consider questions referred to it by a Government department, and where there is a trade board but no industrial council in an industry it will be suggested to Government departments that they should consult the trade board as occasion requires in the same manner as they would consult industrial councils.

On the other hand, for the reasons which have been fully set out above, industrial councils must be kept distinct from trade boards, and the latter, owing to their constitution, can not be converted into the former. If an industry in which a trade board is established becomes sufficiently organized for the formation of an industrial council, the council would have to be formed on quite different lines from the trade board, and the initiative should come, not from the trade board, which is a body mainly nominated by the minister of labor, but from organizations in the industry. Hence it would not be desirable that trade boards should undertake the formation of schemes for industrial councils.

7TH JUNE, 1918.

CONSTITUTION AND FUNCTIONS OF DISTRICT COUNCILS.¹

PREFACE.

The Whitley report states that—

The National Joint Industrial Council should not be regarded as complete in itself; what is needed is a triple organization—in the workshops, the districts, and nationally. Moreover, it is essential that the organization at each of these stages should proceed on a common principle and that the greatest measure of common action between them should be secured. With this end in view, we are of opinion that the following proposal should be laid before the national joint industrial councils: That district councils representative of the trade-unions and of employers' associations in the industry should be created or developed out of the existing machinery for negotiation in the various trades.

It is clear that the Whitley report contemplates wherever possible that the joint industrial council should be established in the first instance and that this national council should as soon as possible consider the question of the formation of district councils. In almost all the constitutions of joint industrial councils hitherto submitted to the minister of labor, the following appears among the more specific objects of the joint industrial council:

The consideration of the proposal for district councils as put forward in the Whitley report, having regard in each case to any such organization as may already be in existence.

At the request of several of the joint industrial councils already formed, the ministry of labor has drawn up the following memorandum on the constitution and functions of district councils, which is to be regarded as putting forward not hard and fast rules but suggestions which may serve as a basis for discussion when the question of district councils is being considered by joint industrial councils. The underlying principle of the Whitley report is that the constitution and functions not only of the joint industrial council but also of the district councils should be left to be determined by the industries themselves in accordance with their special conditions and circumstances.

(A) FUNCTIONS OF DISTRICT COUNCILS.

The main functions of district councils would be as follows:

1. To consider any matters that may be referred to them by the National Joint Industrial Council and to take executive action within

¹ Ministry of Labor. Suggestions as to the constitution and functions of district councils of national joint industrial councils. H. Q. 7L. September, 1918. 4 pp. Printed in full in the MONTHLY LABOR REVIEW for May, 1919 (pp. 116-119).—[Ed.]

their district in connection with decisions arrived at and matters deputed to them by it.

2. To make recommendations to the National Joint Industrial Council.

3. To consider any matters of interest to their district, including matters referred to them by works committees and to take executive action with regard to matters that affect only their particular district, subject to the right of the national council to veto any such action if it be found to involve the interests of other districts.

The following may be regarded as among the more specific functions falling under this head (No. 3) :

(a) The regular consideration of hours, wages, and working conditions, including the codification, unification, and amendment of working rules relating to holidays, juvenile labor, overtime, the shift system, etc.

(N. B.—Special attention is called to the fact that no executive action should be taken upon these matters if such action is likely to involve the interests of other districts. In any cases of doubt, the district council should consult the national council before taking action.)

(b) The coordination of local workshop practice.

(c) General district matters relating to welfare work.

(d) The provision of facilities for the full consideration and utilization of inventions and any improvement in machinery or method, and for the adequate safeguarding of the rights of the designers of such improvements, and to secure that such improvement or invention shall give to each party an equitable share of the benefits (financially or otherwise) arising therefrom.

(e) The improvement of health conditions obtaining in the industry and the provision of special treatment, where necessary, for workers in the industry.

(f) The supervision of entry into, and training for, the industry and cooperation with the educational authorities in arranging education in all its branches for the industry.

(g) The arrangement of lectures and the holding of conferences in the district on subjects of general interest to the industry.

4. Cooperation with the district councils for other industries to deal with problems of common interest.

5. Where no adequate machinery exists for the settlement of differences between different parties and sections of the industry, to consider any such differences as can not be settled within an individual factory or workshop, and to refer to the national council any such matters upon which the district council fails to come to a decision.

(B) CONSTITUTION OF DISTRICT COUNCILS.**1. AREAS OF DISTRICT COUNCILS.**

It would clearly be the work of the National Joint Industrial Council, in consultation with the existing local associations, to define the suitable areas to be covered by district councils. It is suggested that a district council should not cover a larger area than is compatible with decentralized action.

2. MEMBERSHIP.

The council shall consist of — members, appointed as to one-half by associations of employers, and as to the other half by trade-unions. Members of the national council shall be ex-officio members of the district council in their area.

Association of employers.	Number of representatives.
(1)-----	-----
(2)-----	-----
(3)-----	-----
etc.	-----
Total -----	-----
Trade-unions.	
(1)-----	-----
(2)-----	-----
(3)-----	-----
etc.	-----
Total -----	-----

(N. B.—When the question of membership is under consideration the national council will have to consider carefully the question of linking up district councils with works committees, if, and when, such exist. Provision might be made in the constitution for a certain proportion of members of the district council to be representatives elected from a conference of works committees if and when a sufficient number of works committees are set up within the area of the district council. The national council should also consider the advisability of linking up the district councils with the local advisory committees appointed by the Ministry of Labor to advise the local employment exchanges, especially on matters connected with demobilization.)

3. REAPPOINTMENT.

The representatives of the said associations and trade-unions shall retire annually and shall be eligible for reappointment by their respective associations and unions. Casual vacancies shall be filled

by the association concerned, which shall appoint a member to sit until the end of the current year.

4. COMMITTEES.

The district council may delegate special powers to any committee it appoints. The reports of all committees shall be submitted to the district council for confirmation, except where special powers have been delegated to the committee, and the district council shall have power to appoint on committees or to allow committees to coopt such persons of special knowledge, not being members of the council, as may serve the special purposes of the district council.

5. OFFICERS.

It might be advisable under this head to follow the method adopted in the constitution of the corresponding national joint industrial council.

6. MEETINGS OF THE DISTRICT COUNCIL.

The ordinary meetings of the district council shall be held as often as necessary, and not less than once a quarter. The annual meeting shall be held at least 14 days before the annual meeting of the national joint industrial council. A special meeting of the council shall be called within — days of the receipt of a requisition from one-third of the members of the council. The matters to be discussed at such meetings shall be stated upon the notice summoning the meeting.

7. VOTING.

The voting, both in council and in the committees, shall be by show of hands or otherwise, as the district council may determine. No resolution shall be regarded as carried unless it has been approved by a majority of members present on each side of the district council.

8. QUORUM.

The quorum shall be — members on each side of the council.

9. FINANCE.

It might be advisable to adopt the method laid down in the constitution of the corresponding national joint industrial council.

10. MINUTES.

Copies of the minutes of all meetings of district councils shall be forwarded to the joint secretaries of the national council within one week of the meeting.

THE RELATION OF DISTRICT COUNCILS TO THE NATIONAL JOINT INDUSTRIAL
COUNCIL AND TO THE GOVERNMENT.

The functions and constitution of district councils shall be submitted to the national council for their approval, and copies of such constitutions and the membership of the various district councils should be sent by the national joint industrial council to the ministry of labor.

Any communications addressed to Government departments by district councils must not be sent direct, but through the national industrial council.

CONSTITUTION AND FUNCTIONS OF WORKS COMMITTEES.¹

The differing circumstances of different industries make it impossible to devise any scheme suitable to every industry. Again the type of works committee suitable will vary with the size of the firm and the form taken by organization among the employees. In preparing a scheme, therefore, the machinery outlined in the following suggestions may require to be adapted in greater or less degree if the general objects for which works committees are recommended are to be attained. These general objects are:

1. That the workpeople should be given a wider interest in and greater responsibility for the conditions under which their work is performed.
2. That the regulations contained in collective agreements drawn up by district and national authorities be enforced in the works.
3. That friction and misunderstanding be prevented so far as possible.

The attainment of these objects demands the establishment of recognized means of consultation between management and workpeople. At the same time, anything that is done, whether or not it is embodied in the works rules drawn up by the works committee, must be consistent with the principles of the collective agreements accepted by the district and national authorities. For this reason steps should be taken to secure the closest possible connection between the works committee and the district and national councils.

CONSTITUTION.

(1) The works joint committee shall be composed of (*a*) representatives of the workpeople, and (*b*) representatives of the management.

In considering questions of membership, it will be found more convenient to treat (*a*) and (*b*) separately:

(a) WORKERS' SIDE OF JOINT COMMITTEE.

(i) The number of representatives will vary with the size and the complexity of the particular works. Some number from 5 to 12 is suggested as likely to suit most circumstances.

¹ Ministry of Labor. Suggestions prepared by the Ministry of Labor as to the constitution and functions of works committees in industries in which national joint industrial councils are established. September, 1918. H. Q. 7K. Printed in full in the MONTHLY LABOR REVIEW for May, 1919 (pp. 119-122).—[Ed.]

(ii) The members of the workers' side should be trade-union representatives.

The national and district councils are based solely upon the representation of organizations. In the case of the works, in order to secure cohesion of policy as between the works committee and the district and national councils, it is advisable that the works committee should normally be based on a recognition of the workpeople's organizations.

But in particular factories where the workmen are not strongly organized, or where the functions of the works committee are such as to require the presence of workers who are not organized, it may be found necessary to depart from the principle laid down above. In these circumstances, however, the shop stewards, or other trade-union representatives in the works, should be consulted on all questions affecting district or national agreements. Any deviation from the general scheme should be adopted only after approval by the industrial council on a consideration of the merits of the case.

(iii) The representation should normally be on the basis of departments, due allowance being made for the various sections of workers engaged in any department.

In order that this may not sometimes necessitate a committee of unwieldy size, it is suggested that for large or complex works the workers' side of the joint committee should be appointed by and from a larger body of workers' representatives elected from the various departments.¹

(iv) The representatives should be appointed for a definite term of office—6 or, at most, 12 months—and should be eligible for reelection.

(v) The election should be by ballot, or by departmental (or sectional) meetings especially convened for the purpose.

(v.) The workers' side should appoint a chairman and a secretary.

(vii) On any representative leaving the employment of the firm or resigning his position as member, a successor shall be appointed in the ordinary way by the department or section concerned, to hold office for the remainder of the term.

(b) MANAGEMENT SIDE OF JOINT COMMITTEE.

(i) Certain members of the managerial staff should form a constant nucleus of the management side. (See (4) below.)

(ii) The number required for (i) will vary, but 2, 3, or 4 is suggested as a suitable number.

¹ See also notes (1) and (2), p. 195.

To have an equal number of members on the two sides would in most works be impracticable and, in view of the suggested procedure, is unnecessary. (See, in particular, par (11) under Procedure, below.)

(iii) This number should be made up of such individuals as a managing director, the works manager, and, where there is such an official, the labor or welfare superintendent.

(2) The joint committee will be composed of the individuals in (a) (i) and (b) (i) coming together in joint meeting.

(3) The joint committee should appoint a chairman and a vice chairman (one from each side). Each side should appoint its own secretary.

(4) Either side shall have the right to add to its number representatives of the particular departments or sections of departments affected by a question under discussion and not directly represented on the committee. The addition shall be made only for the period during which the question affecting the particular departments or sections of departments is before the committee.

(5) The recognized district official of any trade union or employers' association concerned may attend any meeting in an advisory capacity.

NOTE (1).—It may be found necessary to leave certain questions to be settled not by the whole works committee, but by a subcommittee of it, on which the workers' representatives are drawn only from the particular department or section directly concerned; for example, a piecework question in one department of a works which is mainly on time-work. The size of the works, also, is a factor which must be taken into account in considering the need for subcommittees. In some instances departmental subcommittees and in others functional subcommittees (e. g., a "safety" committee or a welfare committee) may best suit the circumstances. Even where definite subcommittees are not arranged for, work of the same kind as these would perform may often be carried out by consultation between the representatives of the management and the secretary of the workers' side, along with the representatives of a department.

NOTE (2).—In large works it will probably be found desirable to establish departmental committees, with a works committee representative of all the departments chosen from the departmental committees. In such cases the functions of the departmental committees will be confined to matters affecting the department only, while the works committee will consider questions affecting more than one department or the whole works. The workers' side of a departmental committee should be so elected as to give representation to each of the various sections of workers engaged in the department.

PROCEDURE.

(1) Meetings of the joint committee shall be held at regular intervals of two or four weeks. The meetings shall be held during working hours.

(2) Special meetings of the joint committee shall be called at — hours' notice on a request on behalf of one side by its secretary to the secretary of the other side.

(3) The agenda of business shall be submitted by the secretaries to each member of the committee at least — hours before a meeting, except in the case of special meetings.

(4) No business other than that appearing on the agenda shall be transacted at any meeting unless both sides agree to its introduction.

(5) When an individual workman desires to bring any question before the committee he should report to his departmental or sectional representative, who, in the case of grievance, shall endeavor to reach a settlement. Failing a settlement, the representative shall inform the workers' secretary. The latter shall endeavor to arrange a settlement. Failing a settlement, the question shall come before the joint committee.

(6) In the course of his duties the secretary of the workers' side should have the right to enter any department in the works, and the representative of any department or section the right to enter the department in which the secretary is at work.

(7) Facilities should be provided for meetings of the workers' side of the committee in the works, normally after working hours or during meal hours.

(8) The workers' representatives should be paid at their ordinary rate for time spent at meetings of the joint committee.

(9) Duplicate books of minutes should be kept, one by the secretary of each side.

(10) Copies of the minutes of all meetings of the joint committee must be sent to the secretaries of the district council within seven days of the date of meeting.

(11) Decisions shall be arrived at only by agreement between the two sides.

(12) In the event of any matter arising which the committee can not agree upon, the officials of the trade-union or unions concerned shall negotiate with the firm or, if desired, with the officials of the employers' association. The question may thereafter be referred by either side to the district council.

(13) The works committee shall not have any power to come to an agreement inconsistent with the powers or decisions of the district or national councils or with any agreement between a trade-union and the employers' association. Further, any agreement come to by

a works committee may at any time be superseded by the district or national council or by agreement between a trade-union and the employers' association.

FUNCTIONS.

The list of functions outlined below is not meant to be exhaustive. Almost every industry has rules or customs which arise from the particular conditions under which the work of the industry is carried on (e. g., the payment of "dirty money," provision of tools, allowances for working away from the works or from home, allowances on standard district piece prices for deficiencies in material or machinery, etc.). In a well-regulated industry many such matters will be subject to district or national agreements, and the powers of a works committee will be limited in the same manner as they will be in regard to the more general questions of district or national agreement (standard rates, piece prices, normal hours, overtime, etc.). No attempt has been made to include such questions as arise only in some industries, for which each national council concerned will have to decide upon a method of regulation, including the powers to be vested in works committees.

In regard to any function, the powers of a works committee will be controlled in accordance with paragraph 13 under "Procedure."

(1) The issue and revision of works rules.

(2) The distribution of working hours; breaks; time recording, etc.

(3) The payment of wages (time, form of pay ticket, etc.); explanation of methods of payment; the adjustment of piece prices, subject to district or national agreements; records of piece prices; deductions, etc.

(4) The settlement of grievances.

(5) Holiday arrangements.

(6) Questions of physical welfare (provision of meals, drinking water, lavatories and washing accommodations, cloakrooms, ventilation, heating and sanitation; accidents, safety appliances, first aid, ambulance, etc.).

(7) Questions of discipline and conduct as between management and workpeople (malingering; bullying; timekeeping; publicity in regard to rules; supervision of notice boards, etc.).

(8) Terms of engagement of workpeople.

(9) The training of apprentices and young persons.

(10) Technical library; lectures on the technical and social aspects of the industry.

(11) Suggestions of improvements in method and organization of work; the testing of suggestions.

(12) Investigation of circumstances tending to reduce efficiency or in any way to interfere with the satisfactory working of the factory.

(13) Collections (for clubs, charities, etc.).

(14) Entertainments and sports.

(15) The provision of facilities for the workers' side of the joint committee (or of a departmental committee, if any) to conduct its own work.

APPENDIX A.

NATIONAL COUNCIL OF THE POTTERY INDUSTRY.

The first industry to give effect to the recommendations of the Whitley report is the pottery industry. The first meeting of the national council of the pottery industry was held on January 11, 1918, and was attended by the minister of reconstruction (Dr. Addison) and the minister of labor (Mr. G. H. Roberts), both of whom addressed the council.

As this is the first of these councils to be formed, the statement of its objects and constitution is given in full, as published in the Labor Gazette (London) for February, 1918 (p. 49) :

OBJECTS.

The advancement of the pottery industry and of all connected with it by the association in its government of all engaged in the industry.

It will be open to the council to take any action that falls within the scope of its general object. Its chief work will, however, fall under the following heads :

(a) The consideration of means whereby all manufacturers and operatives shall be brought within their respective associations.

(b) Regular consideration of wages, piecework prices, and conditions, with a view to establishing and maintaining equitable conditions throughout the industry.

(c) To assist the respective associations in the maintenance of such selling prices as will afford a reasonable remuneration to both employers and employed.

(d) The consideration and settlement of all disputes between different parties in the industry which it may not have been possible to settle by the existing machinery, and the establishment of machinery for dealing with disputes where adequate machinery does not exist.

(e) The regularization of production and employment as a means of insuring to the workpeople the greatest possible security of earnings.

(f) Improvement in conditions with a view to removing all danger to health in the industry.

(g) The study of processes, the encouragement of research, and the full utilization of their results.

(h) The provision of facilities for the full consideration and utilization of inventions and improvements designed by workpeople and for the adequate safeguarding of the rights of the designers of such improvements.

(i) Education in all its branches for the industry.

(j) The collection of full statistics on wages, making and selling prices, and average percentages of profits on turnover, and on materials, markets, costs, etc., and the study and promotion of scientific and practical systems of costing to this end.

All statistics shall, where necessary, be verified by chartered accountants, who shall make a statutory declaration as to secrecy prior to any investigation, and no particulars of individual firms or operatives shall be disclosed to anyone.

(k) Inquiries into problems of the industry, and where desirable, the publication of reports.

(l) Representation of the needs and opinions of the industry to Government authorities, central and local, and to the community generally.

CONSTITUTION.

1. MEMBERSHIP.

The council shall consist of an equal number of representatives of the manufacturers and the operatives; the manufacturers' representatives to be appointed by the manufacturers' associations in proportions to be agreed on between them; the operatives' representatives by the trade-unions in proportion to be agreed on between them. The number of representatives on each side shall not exceed 30. Among the manufacturers' representatives may be included salaried managers, and among the operatives' representatives some women operatives.

2. HONORARY MEMBERS.

The council to have the power to cooperate honorary members with the right to attend meetings or serve on committees of the council, and to speak but not to vote.

3. REAPPOINTMENT.

One-third of the representatives of the said association and unions shall retire annually, and shall be eligible for reappointment.

4. OFFICERS.

The officers of the council shall be—(a) A chairman and vice chairman. When the chairman is a member of the operatives, the vice chairman shall be a member of the manufacturers, and vice versa. The chairman (or in his absence, the vice chairman) shall preside at all meetings, and shall have a vote, but not a casting vote. It shall always be open to the council to appoint an independent chairman, temporary or otherwise. (b) Such secretaries and treasurers as the council may require.

All honorary officers shall be elected by the council at its annual meeting for a term of one year, and, subject to the conditions that a chairman or vice chairman from the said associations shall be succeeded by a member of the said unions, shall be eligible for reelection. The council may from time to time fix the remuneration to be paid to its officers.

5. COMMITTEES.

The council shall appoint an executive committee and standing committee representative of the different needs of the industry. It shall have power to appoint other committees for special purposes and to cooperate such persons of special knowledge, not being members of the council, as may serve the special purposes of these committees. On all committees both manufacturers and operatives shall be equally represented. The minutes of all committees shall be submitted to the national council for confirmation.

Each committee shall appoint its own chairman and vice chairman, except in the case of the finance committee, over which committee the chairman of the national council shall preside.

6. FINANCE.

The ordinary expenses of the council shall be met by a levy upon the manufacturers' associations and the trade-unions represented. Special expenditure shall be provided for by the finance committee.

7. MEETINGS.

The ordinary meetings of the council shall be held quarterly. The annual meeting shall be held in January. A special meeting of the council shall be held on the requisition of 10 members of the council. Seven days' notice of any meeting shall be given. Twenty members shall form a quorum. Committees shall meet as often as may be required.

8. VOTING.

The voting upon all questions shall be by show of hands, and two-thirds majority of those present and voting shall be required to carry a resolution: *Provided*, That when at any meeting the representatives of the unions and the associations respectively, are unequal in numbers, all members present shall have the right to enter fully into discussion of any matters, but only an equal number of each of such representatives (to be decided among them) shall vote.

The membership of the council consists of 30 manufacturers' representatives and 30 operatives' representatives * * *.

APPENDIX B.

CONSTITUTION OF JOINT INDUSTRIAL COUNCIL OF THE RUBBER MANUFACTURING INDUSTRY.

The following is the text of the constitution adopted at the first meeting of the joint industrial council of the rubber manufacturing industry on July 16, 1918:

OBJECTS.

To secure the largest possible measure of joint action between employers and workpeople for the safeguarding and development of the rubber manufacturing industry as a part of national life and for the improvement of the conditions of all engaged in that industry.

It will be open to the council to take any action that falls within the scope of its general objects. Among its more specific objects will be the following:

1. The consideration and adoption of the proposals for district councils and works committees as put forward in the Whitley report, having regard in each case to any such organizations as may already be in existence.

2. The consideration of measures for securing the inclusion of all employers and operatives in their respective organizations and for securing the loyal observance by them of collective agreements.

3. Regular consideration of wages, hours, and working conditions in the industry as a whole.

4. The consideration of the existing machinery for the settlement of differences between different parties and sections in the industry, and the establishment of machinery for this purpose where it does not already exist.

5. The consideration of measures for securing maximum production and regular employment.

6. The encouragement of research and inventions with a view to perfecting the products of industry.

7. The adequate safeguarding of the rights of operatives inventing or designing improvements.

8. Inquiries into special problems of the industry, including the comparative study of the statistics, organization, and methods of the industry in this and other countries, and, where desirable, the publication of reports.

9. The improvement in conditions with a view to removing danger to health in the industry, and the provision of special treatment where necessary for workers in the industry.

10. The supervision of entry into and training for the industry, and co-operation with the educational authorities in arranging education in all branches for the industry.

11. Cooperation with the industrial councils of other industries to deal with problems common to them and the rubber manufacturing industry.

12. Representation of the needs and opinions of the industry to Government departments and other authorities.

13. The consideration of any other matters that may be referred to it by Government departments or other authorities.

CONSTITUTION.

1. MEMBERSHIP.

The council shall consist of 12 representatives of the employers and 12 representatives of the operatives, appointed by the following organizations:

Associations of employers.

	Number of representatives.
India Rubber Manufacturers' Association (Ltd.)-----	} 12
British Rubber Tire Manufacturers' Association (Ltd.)-----	
Rubber Shoe Manufacturers' Association-----	

Trade-unions.

Amalgamated Society of India Rubber, Cable, and Asbestos Workers---	4
Waterproof Garment Workers' Trade-Union-----	1
National Amalgamated Union of Labor-----	2
National Union of General Workers-----	2
Workers' Union-----	2
Amalgamated Society of Gas, Municipal, and General Workers-----	1
Total -----	12

2. REAPPOINTMENT.

One-third of the representatives of the said associations and unions shall retire annually and shall be eligible for reappointment. Members of the council shall retire at the end of the first and second year, in an order to be determined by lot, and thereafter on the expiration of three years' membership.

3. COMMITTEES.

The council may appoint such committees for special purposes as it may consider necessary, and define their powers.

4. COOPTED MEMBERS.

The council shall have the power of appointing on committees or allowing committees to coopt such persons of special knowledge, not being members of the council, as may serve the special purposes of the council, provided that on such committees (a) the two sides of the council shall be equally represented, and (b) any appointed or coopted members shall serve only in a consultative capacity.

5. OFFICERS.

The officers shall consist of a chairman, a vice chairman, a secretary or secretaries, and a treasurer or treasurers.

When the chairman is a representative of the operatives, the vice chairman shall be a representative of the employers, and vice versa. The chairman (or, in his absence, the vice chairman) shall preside at all meetings and shall have a vote, but not a casting vote.

The council shall be empowered to appoint and maintain a secretary or secretaries and such clerical staff as it may think fit. It shall be empowered to pay them such remuneration as it may think fit.

All honorary officers shall be elected by the council at its annual meeting for a term of one year and, subject to the condition that a chairman or vice chairman from the employers' side shall be succeeded by a representative from the operatives' side, shall be eligible for reelection.

6. MEETINGS OF THE COUNCIL.

The ordinary meeting of the council shall be held as often as necessary and not less than once a quarter. The meeting in —— shall be the annual meeting. A special meeting shall be called on the requisition of eight members of the council. Seven days' notice of such meeting shall be given and the business of the meeting stated in the notice.

7. VOTING.

The voting shall be by a show of hands or otherwise, as the council may determine. No resolution shall be regarded as carried unless it has been approved by a majority of the members present on each side of the council.

8. QUORUM.

Seven members from each side shall constitute a quorum of the council.

9. FINANCE.

The expenses of the council shall be met by the two sides of the council in equal proportions.

10. ALTERATION OF CONSTITUTION.

The council shall have power from time to time to amend or add to the above constitution in such way as it may think fit, provided that notice of such amendment or addition be submitted to all the members of the council at least one month before the next meeting of the council.

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