

“War Against Poverty.”

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THE LEGAL  
MINIMUM WAGE

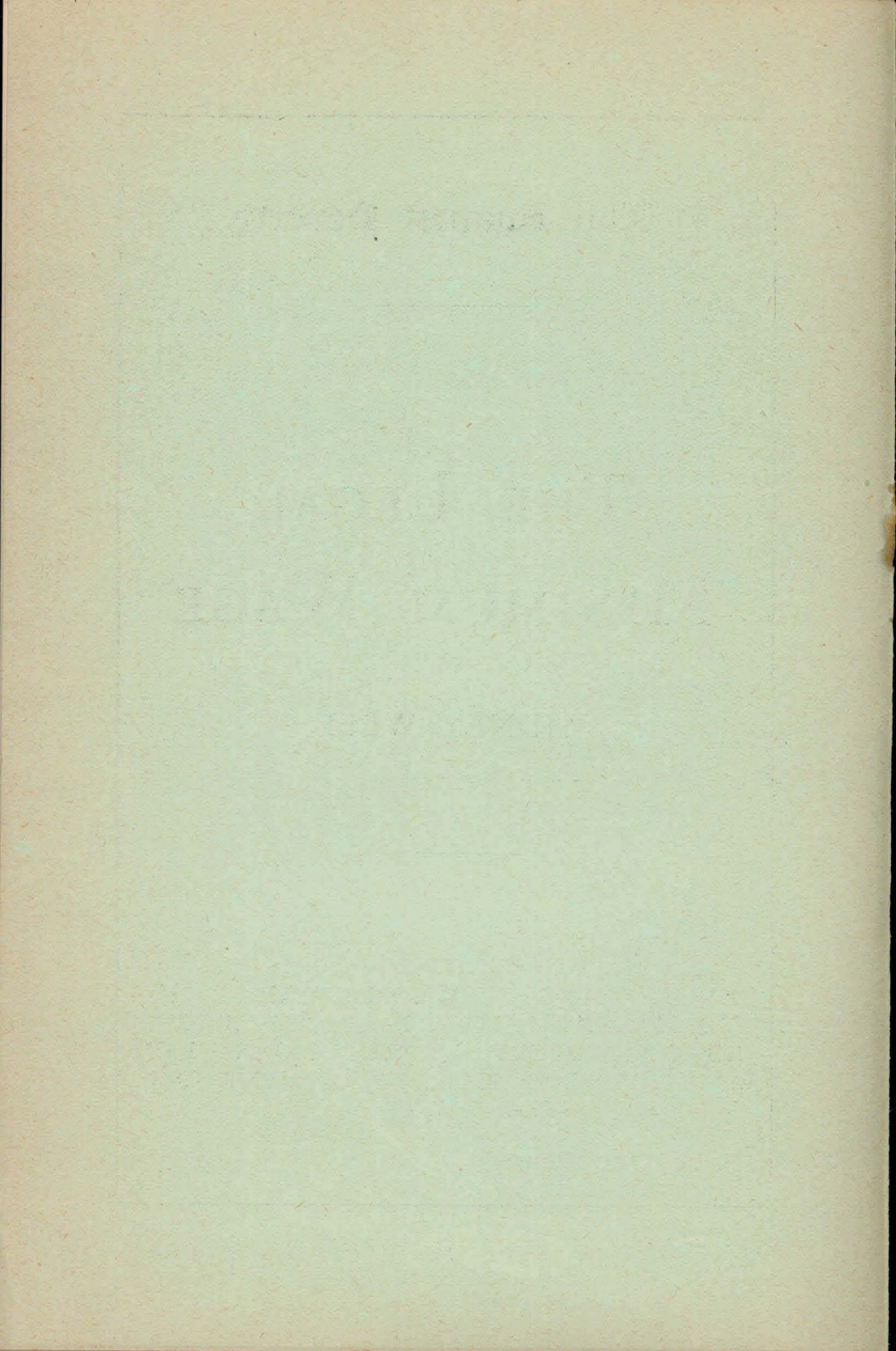
BY

SIDNEY WEBB

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PRINTED FOR  
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**Price One Penny**



"War Against Poverty."

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1912

"Clear Against Poverty."

# THE LEGAL MINIMUM WAGE

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1912

# The Legal Minimum Wage.

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How long are you going to put up with the present low wages?

What are the facts? In the United Kingdom to-day, in a time of great prosperity, out of the total of eight millions of adult male manual working wage earners, there are perhaps three or four millions who are getting, on an average throughout the year, more than thirty shillings a week. Three or four millions more are making between twenty and thirty shillings a week. One million grown men are getting less than a pound a week each. Two or three million adult women wage earners are getting even less than these men. More than a quarter of the whole population, numbering twelve million persons (including wives and children), are living in homes where the whole income of the family is *less than a Pound a Week*.

This means that, up and down the country, there are millions of homes in which—even when the man is in full work—there is not enough to eat. The father is badly fed, badly clothed and badly housed, so that his work is inefficient, and he is easily knocked over by illness. The mother stints herself for the husband and the children, and wears herself into an early grave in the vain struggle to make both ends meet. The babies get no fresh milk, and grow up rickety and weak.

And there seems no way out. Because their wives and

children are starving, men take work at any wages, and toil for any number of hours—thus making it impossible for their fellow-workers to keep up any standard rate fixed by Trade Unionism. The women undercut the men, and the girls and boys undercut both men and women. Even the skilled trades find their own standard rates undermined by the competition of these millions of workers at starvation wages, which is always tempting the employer to try a new machine, to be run by women or unskilled men; or to subdivide the trade, so as to replace men or women by boys.

It is plain to everyone that these

### LOW WAGES PREVENT ALL PROGRESS.

We can't get the tumble-down unhealthy cottages in the country condemned and shut up, because the farm labourer can't pay such a rent as would enable decent dwellings to be built. We can't put an end to the overcrowding of the town slums, because the sweated worker doesn't get enough to pay for more than one room. We can't stop the ill-treatment of children by cruel and drunken fathers and mothers, because magistrates won't convict a man for letting his child starve slowly to death, if he makes out that he gets only "starvation wages." We can't even make effective the schools that we provide at such great cost, because a third of all the children in the kingdom don't get enough to eat, don't get proper clothes to wear, and don't get a proper place to sleep in. Year after year, owing to these starvation wages, we manufacture new weaklings and paupers. Such wages

### MAKE SELF-HELP IMPOSSIBLE.

Where such evil conditions exist, effective Trade Unionism is impossible. To establish a Standard Rate, to enforce it on employers, to maintain it against "blacklegs," requires strength and will and devotion. It can be done by the men in the strong trades, where they are already lifted up above starvation level. It is impossible, as all experience proves, for the millions of farm and general labourers, for the sweated trades, for the women everywhere.

Where starvation wages prevail, saving is impossible. What decent mother will let her children go hungry and naked in order to save for her own old age? How can even an insurance premium be kept up, when the furniture has to be pawned to get bread? And thus, when Unemployment comes to such households, down goes the whole family into pauperism. One-fourth of all the funerals have to be paid for by the parish.

To households always on the edge of starvation, Co-operation is as impracticable as Trade Unionism or individual saving. No co-operative store can be established in a slum. The miserable sweated workers have to buy their tea in farthingworths and their bread in pennyworths; their wretched expenditure has no "margin" out of which they can draw co-operative dividends.

### THE ONLY WAY.

There is only one way by which these millions of low-paid workers can be saved from their present slavery; and that is **by the law**. Under a Minimum Wage Law, the employer is prevented from paying less than the fixed minimum wage.

This was tried first in Australia in 1896. In spite of the wealth, and the Trade Unionism, and the general good conditions of employment in Australia, there were, in 1896, sweated workers in Melbourne as there are still in London. The five or six worst trades were brought under a Minimum Wage Law. The result was that the worst paid workers gained a great increase of wages, and *sweating was stopped*.

Since then trade after trade has insisted on coming under the Minimum Wage Law. Men's trades as well as women's trades, artisans and mechanics as well as labourers; skilled workers as well as unskilled; the builders and the engineers, the compositors and the shop assistants, the makers of all sorts of clothes, and the servants in the hotels—all have secured a Legal Minimum Wage. Altogether no fewer than 110 different occupations have now been brought under the law, usually *at their own request*. They have found it work well in practice.

## THE TRADE BOARDS ACT.

The first Minimum Wage Law was passed for Great Britain in 1909, under the name of the Trade Boards Act. This applies at present only to the chain and nail makers, the paper box-makers, and the lace workers, and the slop tailors; but it may be extended (like the Australian law) to other trades *if they ask for it*.

So far it has come fully into force only in one trade, that of the chain and nail makers in the Midlands. Here the workers have gained a great rise in wages, and all undercutting of rates has been stopped. "It is heaven compared to what it used to be," said one "nailer." And, as soon as they were protected by the Minimum Wage Law, the workers were able to form a strong Trade Union to look after their rights. *A Legal Minimum Wage leads to Trade Unionism.*

## WHAT A MINIMUM WAGE LAW SECURES.

A Legal Minimum Wage does not cure all evils, but it makes a firm ground for the worker to stand upon. He cannot be driven to accept starvation wages. Sweating is stopped. The Minimum Wage Law helps the worker to help himself—to help himself by Trade Unionism, by Co-operation, and by joining with his fellows in political action so as to secure further good laws.

A Legal Minimum Wage makes a firm footing for the employer also. It enables the decent employer to maintain the Standard Rate. Like the legal factory day, or the legal fencing of machinery, the Legal Minimum Wage is a condition enforced equally on all employers. It thus protects the good employer, from being undercut by the bad employer, who would otherwise take advantage of the workers' necessities to "nibble" at wages.

The worker is not compelled to go to work at the Legal Minimum Wage, any more than he is required by the Factory Act to work for the full factory day. He can ask for higher wages if he likes, and go on strike to get them. The one thing the Minimum Wage Law prevents his doing is ever accepting *less* than the Minimum.

The employer is not compelled to open his factory or his mine, or to engage any workmen at all. But if he chooses to carry on business, he is bound by the Minimum Wage Law *not to pay less* than the Minimum; just as he is bound by the Factory Acts not to let his factory fall *below* the minimum of sanitation and safety required by these Acts. He may go as much higher as he chooses.

A Legal Minimum Wage does not prevent competition either among employers or among workpeople, but it *blocks the downward path*. No employer is allowed to compete downward by nibbling at wages. No worker is allowed to compete downward, by underselling his comrades. The upward path is left open to both of them. Any employer is left free to draw to himself the most skilful, the most regular, and the best conducted workers, by offering higher rates of wages, shorter hours, and more agreeable conditions of work, than the minimum that the law prescribes. Thus, wages have an upward tendency. *This is what is found to happen under a Minimum Wage Law*. The most energetic employers strive to attract to themselves the most efficient workpeople.

## PIECEWORK VERSUS TIMEWORK.

Under a Minimum Wage Law it is usual to fix either a rate per hour, or else a list or "log" of piecework rates, according to the custom of the trade. In one trade the Legal Minimum might be 9d. per hour; in another trade it might be a shilling per dozen. In Victoria (Australia) there are Legal Minimum Wages for timeworkers (as for the building and engineering trades, shop assistants, carmen, etc.); and also Legal Minimum Wages for pieceworkers (as for the shirt-makers and dressmakers, etc.). Where piecework rates are desired, it is usual to decide first the proper Minimum Wage per hour's work, and then to translate this time wage into a detailed list of minimum rates to be paid for each article or piece of work, according to its nature and extent. The preparation of such a Standard Piecework List sometimes involves many meetings of the Joint Board of employers and workers, and much discussion as to particular kinds of work; but no real difficulty has been found in any piecework trade in drawing up the list of piecework rates.

## HOW THE LEGAL MINIMUM WAGE IS ARRIVED AT.

Those who have never themselves gone through the process of settling wages often wonder how it is possible for any Joint Board to arrive at a Legal Minimum Wage which gives general satisfaction. All sorts of difficulties seem to arise. It is asked, Shall the wage be the same for a man and a woman? Shall it be the same for an unmarried man and the father of a large family? How about the old man, the weak man, the man with only one eye or one arm?

It is remarkable how easily all these theoretical difficulties are solved in practice. The Legal Minimum Wage does not, in itself, create an ideal state of society; but it has the great merit that it is found, by experience, actually to work.

The important thing is that each trade is dealt with by itself, and by employers and workers' representatives belonging to the trade. These practical men don't want, for their own sake, to fix any "fancy" wages, either so high that the trade would be entirely upset, or so low that the existing workers would lose by the change. They do not bother about theoretical inequalities and unfairnesses, as between bachelors and fathers of large families, or between men and women. What happens, in practice, is just this. They take the rates of wages, either piecework or timework, which are being paid by the mass of good employers, and agree upon these for a start. Then the little employers, and those working under special disadvantages, the hard grinders of the poor and the sweating firms, protest that such rates are too high. Any necessary correction or addition is then made. But the customs of the good employers, and of the "fair shops" are always sustained, and made to apply throughout the whole trade, on the basis of "equal rates for equal work," wherever and by whomsoever performed.

Once a Legal Minimum Wage has been fixed in any trade, it is open to the workers, by their Trade Union or otherwise, to give notice that they want the Minimum raised. They then support their case by the usual arguments, such as the increased cost of living, the greater speed or intensity of the work, the fact that other trades have had their wages raised, the difficulty of inducing young people to enter the trade,

and so on. Or the employers may equally give notice that they want the Minimum reduced. Their argument usually is that they can't make a profit at the existing wages. But as the best firms in the trade can always be shown to be doing much better than the worst firms, the argument is not convincing. Experience shows that, under a Minimum Wage Law, the wages tend always to be raised—not lowered.

## HOW A LEGAL MINIMUM WAGE IS FIXED.

There are four different ways in which a Legal Minimum Wage is, or might be fixed.

(1) By a clause in a Factory Act, or other Act of Parliament, simply enacting that no employer shall under any circumstances, engage any adult worker at less than a specified sum per week. This sounds simple, but it is undesirable and impracticable. Any universal Minimum of that sort, applying to all districts and to all sorts of occupations, would certainly be fixed at a very low level, so as not to throw out of employment the millions of men and women workers in different parts of the country who are at present getting much less than a pound a week. But what use would be a National Minimum Wage of say, 3d. per hour? This would only encourage low wages. We don't want the sweated trades to drag down the Minimum for the rest. We don't want the scandalously low wages of the West of Ireland, of the North of Scotland or of rural England to lower the level of London and Manchester. It is far better to proceed *trade by trade* so as to let each trade obtain whatever Legal Minimum it can.

(2) By the awards of Courts of Conciliation or Boards of Arbitration acting for particular localities, and for all the occupations in those localities. Such Local Courts or Boards have the advantage of being able to take into account local conditions. They would certainly fix different Minimum Rates for different districts. On the other hand it is very important to secure real equality in the cost of labour throughout the whole of each trade, so as to prevent the low paid districts from undercutting those in which better rates prevail. And it is almost impossible to secure proper representation, on such Local Courts or Boards, of the different Trade

Unions or even of all the different industries of the district. For these reasons Courts of Conciliation or Boards of Arbitration, acting for particular localities, are not usually good bodies to fix a Legal Minimum Wage. It is better to get this fixed,

(3) By Trade Boards, each acting for one industry only, but for the whole of that industry, from one end of the kingdom to the other. This is the method which has worked so successfully in Victoria (Australia), where there are now 110 such Boards for 110 different industries. This is the method too, of our own Trade Boards Act of 1909, under which Legal Minimum Wages have been practically fixed in the chain and nail trade, in the lace finishing trade, in the paper box-making trade, and in the slop tailoring trade. These Trade Boards are composed of equal numbers of representatives of the workers and employers in each trade, under an impartial chairman, care being taken that different localities and different grades of workers and different Trade Unions (if such exist) are fairly represented. Local Committees, acting under the Trade Board for the country as a whole, can be appointed to look after particular localities. The Legal Minimum Wage is thus fixed for the trade as a whole, whilst it is possible (without departing from the principle of National Uniformity in the cost of labour) to include, as exceptions, special rates for particular localities, particular methods of working, or particular classes of workers, where the circumstances require it.

There is still another method, which may possibly be convenient in certain cases, namely :

(4) By giving the force of law, and extending to the whole industry, the collective bargains made by the Trade Union and the Employers' Association. A Trade Union may sometimes be able to secure an advantageous agreement with an Employers' Association, but neither of them can control any but their own members. There are usually firms which stand outside the Employers' Association, and which refuse to be bound by its agreements, just as there are workmen who are not members of the Trade Union, and who offer to work "under-rate." In the well-organised and strong trades, it would nearly always be of great advantage

to get the Collective Bargain, if it is properly drawn up, extended so as to cover the whole trade, and to get it enforced by law. But though this method of getting a Legal Minimum Wage has advantages of its own as regards the strongly organised trades, we must not rely on it in all cases. To begin with, it has the drawback that it is available only for the industries in which Trade Unionism exists. But just in the industries in which the workers are most oppressed, and most need the Legal Minimum Wage, there is no Trade Union to bargain for them. And even where Trade Unionism exists, it is often so feeble that the employers won't recognise the Trade Union, or won't make any Collective Bargain at all; or else the Trade Union is so weak that the employers get the better of it in bargaining, and impose a Collective Agreement so unfair and one-sided—perhaps a permanent one, or one lasting for many years, or one which deprives the workers of all power to strike—that it would be disastrous to have it ratified and enforced by law.

Hence, what we want is both Trade Boards (where the workers in the trade wish to have them), and giving the force of law to Collective Agreements (where the Trade Unions are strong enough to get satisfactory ones.)

## HOW A LEGAL MINIMUM WAGE IS ENFORCED.

When a Legal Minimum Wage has been fixed under the Trade Boards Act, it becomes the duty of the Factory Inspectors to see that the law is enforced. This means that it is not left solely to the worker (who may be afraid of being discharged, or otherwise victimised), or solely to the Trade Union (which may be too weak), to complain to the employer that some workers are being underpaid. Any such underpayment is a criminal offence, which it is the duty of the Factory Inspector to prevent. If the Factory Inspector discovers any case of underpayment, or is informed of any such case, he will prosecute the employer in the police court, just as he does for any breach of the Factory Acts. This is a great advantage of a Minimum Wage Law. The worker runs practically no risk of being discharged for complaining of low wages. All that need be done is to send an anonymous

postcard to the Factory Inspector, stating the exact particulars of the underpayment; and *the Factory Inspector will visit the factory and make his own complaint to the employer.* If the employer goes on committing the offence he will be prosecuted and fined. Thus, even the weakest Trade Union can get the law enforced without injury to the workers. The Coal Mines (Minimum Wage) Act of 1912 is badly drafted in this respect. Unlike the Trade Boards Act, it does not make the payment of wages less than the Minimum a penal offence, and it does not make it the duty of the Mines Inspector to enforce the law. A miner who is being cheated out of his Minimum Wage has himself to complain to his employer, and can only sue for what is due to him in the County Court. This is not a Legal Minimum Wage at all.

### DANGERS TO BE AVOIDED.

We must not forget, with regard to the Legal Minimum Wage, as with every other proposal, that "two can play at that game." The workers must take care that the employers don't turn the new law to their own advantage, and to the harm of those whom they employ.

### WE MUST NOT FIX WAGES BY LAW.

What we want to do is to fix a *Minimum* below which the employer may not go. We must not let the employers juggle this Minimum (which ought to be exceeded by all the best workers) into a fixed rate which every worker in the trade must accept. We ought to stick close to the example of the Factory Acts. These only prescribe a minimum of sanitary precautions, a minimum of safeguards against accidents, and a minimum of leisure and rest (in the provisions as to hours of labour, meal times, etc.). This legislation does not in any way prevent or hinder the employer from giving more than the Minimum, or prevent or discourage the workers (or their Trade Unions) from demanding more than the Minimum. So it must be with the Legal Minimum Wage. *This is vitally important.*

## WE MUST NOT DEPRIVE THE WORKERS OF THEIR RIGHT AND THEIR POWER TO STRIKE FOR BETTER CONDITIONS.

The workers must be on their guard against the pretence that, by accepting a Minimum Wage Law, they in any way promise not to strike for better terms than the law secures to them. A Legal Minimum is not a bargain between the employers and the workers whom they engage; it is a condition imposed on both parties, in the interests, not of themselves, but of the community as a whole. The workers are not required to go to work at merely the Legal Minimum—just as the employers are not required to guarantee them employment. The workers (and specially the Trade Unions) must take care, first that the model of the Factory Acts and of the Victorian Law, and of the English Trade Boards Act, is followed in the new law; and, secondly, that they announce to the world their intention of continuing to demand, and to press for, wages above the minimum, wherever and whenever they can do so.

There is a special danger where the Legal Minimum Wage is sought by the method of giving the force of law to Collective Agreements. Here we have, not merely a decision of the community as a whole, but also a deliberate bargain and agreement by the workers themselves, through their own Trade Union. *They are therefore bound in honour to abide by the terms they have agreed to*; bound in honour not to ask for wages higher than the rates they have agreed to; bound in honour not to strike so long as the agreement stands and is fulfilled by the employers. Thus, it is vitally important that any such Trade Union Agreement or other Collective Bargain should be *terminable on suitable notice being given by either party*; and that the men's individual engagements should be terminable by notice *all on the same day*. Otherwise the workers may find that they have lost their power to strike, and that they have practically sold themselves for ever at the wage of to-day!

## BEWARE OF COMPULSORY ARBITRATION.

And the workers (especially Trade Unionists) ought to have nothing to do with Compulsory Arbitration, whether

by a single arbitrator or by a neutral chairman of a Joint Board. This has no connection with a Legal Minimum Wage, and no resemblance to it. The arbitrator's award does not prescribe merely a Minimum. It dictates the terms on which work shall be resumed, and practically fixes the exact wages which employers shall pay, and which the workers shall accept. To continue to stand out against an arbitrator's award is practically impossible. To strike against it, even after an interval, is difficult. And if the arbitrator's award is in any way connected with the law, any such strike might easily be *punishable as contempt of court*, with imprisonment for any one who dared to ask for better terms.

Moreover, an arbitrator's award is not enforced by the Factory Inspectors. The employers are not bound to pay the rates prescribed. They may (and often do) refuse to abide by the Award as regards particular workers, who are afraid to complain from fear of being discharged.

None of these things happens under the Trade Boards Act, even when the final decision on disputed points is given to the neutral chairman by a casting vote. A Minimum Wage Law does not pretend to be a decision of what wages *shall be accepted*. It merely prescribes a Minimum below which they shall not fall, and it avowedly leaves the workers free to demand more, and the employers free to keep their works closed. It is therefore no disobedience of a Minimum Wage Law for workers individually or jointly to refuse to accept the Minimum, and to strike for better terms, any more than it is for the employer to give up the business.

## HOW TO GET A LEGAL MINIMUM WAGE FOR YOUR TRADE.

The most practical way to get a Legal Minimum Wage in Great Britain is to get the Trade Boards Act of 1909 extended to your own trade. This can be done by the Board of Trade, by what is called a Provisional Order, which has to be laid before Parliament. A resolution should be moved at every branch of your Union, and the Executive Committee should make formal application to the Board of Trade.

But there are some occupations in which there is practically no Trade Unionism, and whole districts where it does

not prevail. Moreover, it will probably be necessary to get an amending Act passed before we can secure a Legal Minimum Wage for the farm labourer, or for the sailor. Hence you must insist on the Government taking the matter up. Press your Member of Parliament to promise to secure, for every worker in the Kingdom,

## A LEGAL MINIMUM WAGE.

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...you say we have a minimum wage in fact, and it is a question of when it will be made a law, and not of whether it is a law or not. It is a question of when it will be made a law, and not of whether it is a law or not.

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None of these things happens under the Trade Boards Act, even when the final decision on disputed points is given to the Arbitral chairman by a casting vote. A Minimum Wage Law does not pretend to be a dictate of what wages shall be accepted. It merely prescribes a minimum below which they shall not fall, and it powerfully leaves the workers free to demand more, and the employers free to keep their own wages as they see fit. It is therefore a Minimum Wage Law for workers to demand or jointly to refuse to accept the Minimum, and to work for better terms, any more than it is for the employer to give up the business.

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But there are some occupations in which this is not possible, as in the case of the domestic servant, the agricultural labourer, the fisherman, and the whole district of the

