

**CIHM
Microfiche
Series
(Monographs)**

**ICMH
Collection de
microfiches
(monographies)**



Canadian Institute for Historical Microreproductions / Institut canadien de microreproductions historiques

© 1996

Technical and Bibliographic Notes / Notes technique et bibliographiques

The Institute has attempted to obtain the best original copy available for filming. Features of this copy which may be bibliographically unique, which may alter any of the images in the reproduction, or which may significantly change the usual method of filming are checked below.

- Coloured covers / Couverture de couleur
- Covers damaged / Couverture endommagée
- Covers restored and/or laminated / Couverture restaurée et/ou pelliculée
- Cover title missing / Le titre de couverture manquant
- Coloured maps / Cartes géographiques en couleur
- Coloured ink (i.e. other than blue or black) / Encre de couleur (i.e. autre que bleue ou noire)
- Coloured plates end/or illustrations / Planches et/ou illustrations en couleur
- Bound with other material / Relié avec d'autres documents
- Only edition available / Seule édition disponible
- Tight binding may cause shadows or distortion along interior margin / Le reliure serrée peut causer de l'ombre ou de la distorsion le long de la marge intérieure.
- Blank leaves added during restorations may appear within the text. Whenever possible, these have been omitted from filming / Il se peut que certaines pages blanches ajoutées lors d'une restauration apparaissent dans le texte, mais, lorsque cela était possible, ces pages n'ont pas été filmées.
- Additional comments / Commentaires supplémentaires:

L'Institut a microfilmé le meilleur exemplaire qu'il lui a été possible de se procurer. Les détails de cet exemplaire qui sont peut-être uniques du point de vue bibliographique, qui peuvent modifier une image reproduite, ou qui peuvent exiger une modifications dans la méthode normale de filmage sont indiqués ci-dessous.

- Coloured pages / Pages de couleur
- Pages damaged / Pages endommagées
- Pages restored end/or laminated / Pages restaurées et/ou pelliculées
- Pages discoloured, stained or foxed / Pages décolorées, tachetées ou piquées
- Pages detached / Pages détachées
- Showthrough / Transparence
- Quality of print varies / Qualité inégale de l'impression
- Includes supplementary material / Comprend du matériel supplémentaire
- Pages wholly or partially obscured by errata slips, tissues, etc., have been refilmed to ensure the best possible image / Les pages totalement ou partiellement obscurcies par un feuillet d'errata, une pelure, etc., ont été filmées à nouveau de façon à obtenir la meilleure image possible.
- Opposing pages with varying colouration or discolourations are filmed twice to ensure the best possible image / Les pages s'opposant ayant des colorations variables ou des décolorations sont filmées deux fois afin d'obtenir le meilleur image possible.

This item is filmed at the reduction ratio checked below /
Ce document est filmé au taux de réduction indiqué ci-dessous.

	10X		14X		18X		22X		26X		30X	
	12X		16X		20X		24X		28X		32X	

(Note: A checkmark is present in the box corresponding to 20X reduction ratio.)

The copy filmed here has been reproduced thanks to the generosity of:

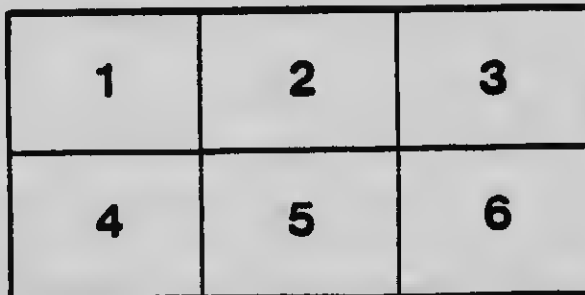
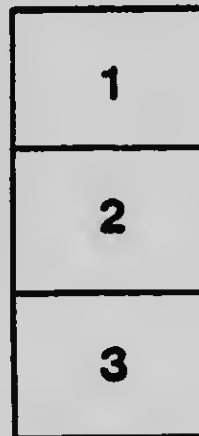
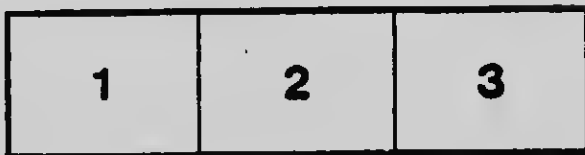
National Library of Canada

The images appearing here are the best quality possible considering the condition and legibility of the original copy and in keeping with the filming contract specifications.

Original copies in printed paper covers are filmed beginning with the front cover and ending on the last page with a printed or illustrated impression, or the back cover when appropriate. All other original copies are filmed beginning on the first page with a printed or illustrated impression, and ending on the last page with a printed or illustrated impression.

The last recorded frame on each microfiche shell contain the symbol \rightarrow (meaning "CONTINUED"), or the symbol ∇ (meaning "END"), whichever applies.

Maps, plates, charts, etc., may be filmed at different reduction ratios. Those too large to be entirely included in one exposure are filmed beginning in the upper left hand corner, left to right and top to bottom, as many frames as required. The following diagrams illustrate the method:



L'exemplaire filmé fut reproduit grâce à la générosité de:

Bibliothèque nationale du Canada

Les images suivantes ont été reproduites avec le plus grand soin, compte tenu de la condition et de la netteté de l'exemplaire filmé, et en conformité avec les conditions du contrat de filmage.

Les exemplaires originaux dont la couverture en papier est imprimée sont filmés en commençant par le premier plat et en terminant soit par la dernière page qui comporte une empreinte d'impression ou d'illustration, soit par le second plat, selon le cas. Tous les autres exemplaires originaux sont filmés en commençant par la première page qui comporte une empreinte d'impression ou d'illustration et en terminant par la dernière page qui comporte une telle empreinte.

Un des symboles suivants apparaît sur la dernière image de chaque microfiche, selon le cas: le symbole \rightarrow signifie "A SUIVRE", le symbole ∇ signifie "FIN".

Les cartes, planches, tableaux, etc., peuvent être filmés à des taux de réduction différents. Lorsque le document est trop grand pour être reproduit en un seul cliché, il est filmé à partir de l'angle supérieur gauche, de gauche à droite, et de haut en bas, en prenant le nombre d'images nécessaire. Les diagrammes suivants illustrent la méthode.

MICROCOPY RESOLUTION TEST CHART

(ANSI and ISO TEST CHART No. 2)



4.5

3.0

2.5

2.0

1.8

1.6

1.5

1.4

1.25

1.1

1.0

0.9

0.8

0.7

0.6

0.5

0.4

0.3

0.25

0.2

0.18

0.16

0.15



APPLIED IMAGE Inc

1653 East Main Street
Rochester, New York 14609 USA
(716) 482-0300 - Phone
(716) 288-5989 - Fax



ECONOMICS



LESSON 15



By

SEDLEY ANTHONY CUDMORE, B.A. (Oxon.)

Lecturer in Economics, University of Toronto



∴ ∴ ∴ ∴ THE ∴ ∴ ∴ ∴
SHAW CORRESPONDENCE SCHOOL
TORONTO, . CANADA.

Copyright, Canada, 1913, by The Shaw Correspondence School.



sue
tin
rel
or
tho
ter
div
sup
labo
labo

dian
trod
form
of in
sphe
in su
were
thing
ally
advan
possi
stron
dustr
indus
pledg
the be

ECONOMICS

LESSON XV.

Labour Problems.

IN the present lesson it will be our business to consider the relations between the entrepreneur and the wage-earner—between the men who pay wages and the men who receive them. In order to do this it is necessary to glance briefly at the history of the two classes.

As we have already seen, in some industries such as our Canadian agriculture, there is no great distinction between the classes, and then no question of the relations between them need arise. Thus labour troubles or "strikes" are not heard of on the Canadian farm, though they arise on the English farm, because on the latter the functions of wage-earner and entrepreneur are divided. The English gentleman-farmer goes around supervising the work of his laborers, and does no manual labour himself—indeed he would lose the respect of his laborers if he did.

All industries were once in the same position as Canadian agriculture, but the industrial revolution and the introduction of modern methods of production brought the former state of things to an end so far as most branches of industrial activity were concerned, and divided off the sphere of the entrepreneur from that of the wage-earner in such a way that the great majority of wage-earners were forced to abandon all hope of ever becoming anything else. The division of the classes had arisen. Naturally many of the wage-earners, having lost the hope of advancement, tried to make themselves as comfortable as possible in their present position. In order to resist the strong tendency to reduction of wages in those hand industries which had to compete against the new machine industries, they organized combinations of wage-earners, pledged not to work under a certain price. Here we have the beginning of our modern trade unions.

The Early Trade Unions.

The early trade unions came into existence at a time which was, in some respects, very inopportune—the time of the French Revolution. In the prevailing alarm they were erroneously regarded as being political rather than economic in their objects; they were thought to be aiming at the subversion of the existing institutions of England and the establishment of a republic similar to that of the French. Since this was the case, it was not to be wondered at that they encountered the violent hostility of the government. In 1799 an act was passed which, under heavy penalties, prohibited all combinations of working men for any purpose whatever. This act remained in force for twenty-five years. Trade unions contrived to exist in spite of it, but were necessarily much handicapped in their attempts to negotiate with their employers, who could always make use of the law to coerce their refractory employees. Even after it was repealed in 1824, trade unions were still liable to prosecution under the common law and were frequently prosecuted as “combinations in restraint of trade.”

Thus the activities of the trade unions were restricted at a time when wages were at their lowest and food prices and taxation at their highest. The result was, perhaps, the most miserable period in the whole industrial history of England. So long as all production had been carried on under the domestic system, prices of commodities had to be sufficient to insure a living wage to the average worker; when the cheap machine product came into the market, the hand workers had to compete, and, as we have said, were practically starved out in the process.

The Resort to Political Action.

The more intelligent workers, goaded by their sufferings, threw themselves into political agitation, first for the Reform Bill of 1832, and later for the People's Charter. On the failure of the latter movement they resorted once more to purely economic action and organized in the various trades large national unions such as the Amalga-

nated Society of Engineers. These had their central offices in London. The conservative, law-abiding policy of these unions gradually dispelled from the minds of the public the suspicions of revolutionary designs on the part of trade unions in general. The second Reform Bill of 1867 gave the vote to the skilled workers, among whom the trade unions had at that time practically their whole membership, and the new political importance of the labour vote no doubt was a factor in securing the full legal recognition of trade unions which up to that time were quasi illegal, and had no legal protection for their funds.*

The Act of 1871 Makes Unions Legal.

The act of 1871, as completed by the legislation of 1876, embodied two principles: (1) that no act of a workman should be illegal, if when performed by anyone else the act were legal; (2) that no act of a trade union should be illegal, if when performed by an individual it were legal. Peaceful picketing was expressly permitted, but any attempt at the intimidation of workers to prevent them from working at a shop where a strike existed, was forbidden. The law held (it could not do otherwise) that the right of the strike-breaker to work was just as sacred as that of the striker to refrain from working.

A serious depression which took place about 1880 and caused great suffering showed the trade unionists of England that although they had received everything for which they asked, they had not yet attained the millennium. Accordingly a considerable number threw themselves into political agitation and organized a Labour Party whose platform included nationalization of the land, mines and minerals. This party rose into political consequence at the elections of 1906 and through its independent support of the present Liberal Government of Great Britain has exercised a very considerable influence over legislation.

*That is, the treasurer of a trade union who absconded with the funds, could not, before 1871, be prosecuted under existing laws. The union had no legal redress, just as to-day a man cannot compel another to pay a gambling debt.

Trade Unionism in Other Countries.

As the industrial revolution and factory industry spread gradually to the other countries in Europe and to the United States and Canada, trade unions were organized in these countries also, and after conflicts with the law similar to those which occurred in Great Britain, they have succeeded in achieving a considerable though varying degree of freedom of action in all the countries of the modern industrial world. The fact of their universality, even in more despotic countries than ours, is a clear proof of the essential naturalness of their existence under present industrial conditions, and a clear proof of how impossible it is to destroy them altogether. The trade union of the present has evidently come to stay and cannot be eliminated; some of its activities may be harmful to the body politic and may be discountenanced. Some unions founded on anti-social principles may even be entirely suppressed. But the union itself is a necessity of modern industrial life.

To show the extent of the trade union movement, we may copy from the Labour Gazette, published by the Dominion Government, the figures of trade union membership in the leading industrial nations:

Great Britain	3,010,347
France	1,029,238
Germany	3,061,002
Italy	709,943
Austria-Hungary	591,443
United States	2,282,361

Total 10,684,334

In these six leading industrial countries, trade unions have thus a membership of between ten and eleven millions.

Trade Unionism in Canada.

In Canada, as elsewhere, trade unions have grown with the rise of modern manufacturing industries and modern transportation systems. While a few local trade

unions in highly-skilled trades have existed for some seventy years, the trade union movement has become a great force in Canada only within the past thirty or forty years. It has grown greatly in strength during the past ten or fifteen years. This growth and the increasing importance of labour problems have been recognized by the action of the Dominion Government in 1899 in creating a sub-department of labour which was raised in 1908 to the rank of a full department. The department publishes an annual report and issues an important monthly periodical, the Labour Gazette, besides many reports on special problems, such as the cost of living.

One of these reports, that on Labour Organization in Canada, 1912, shows the extremely rapid growth of trade unions in years of prosperity. At the end of 1911 there were 1741 local branches of trade unions with 133,132 members; at the end of 1912 there were 1883 such branches with 160,120 members. Thus a single year showed an increase of nearly 27,000 members, or more than twenty per cent.

The great majority of Canadian local trade unions are branches of international unions of their various trades, the word "international" implying that branches of the union exist in both Canada and the United States. Most of these great international unions are themselves joined in a federal union known as the American Federation of Labor. The American Federation of Labor and the constituent international unions (e.g. the International Typographical Union) hold annual conventions for the discussion of problems relating to labour—wages and hours, immigration, apprenticeship, labour legislation, etc.

Definition of "Trade Union."

The trade union, as defined by the most celebrated student of such societies, Sydney Webb, is "a continuous association of wage-earners for the purpose of maintaining or improving the conditions of their employment." It aims, then, to secure an increase in wages, or at least to

prevent their reduction, to reduce the hours of labour, or at least to prevent their increase.

Collective Bargaining.

The union tries to do this mainly by what is known as "collective bargaining," i.e., bargaining for a group of men at once, putting the men on an equality with the purchaser of their labour by enabling them to put what is called a reserve price on their labour—a price below which they refuse to work. The employer formerly had a great advantage in bargaining on account of the urgent necessity of the employee for work in order to get food.* The scheme of the union is to counterbalance this advantage by guaranteeing to support the employee if he cannot find work at the reserve wage. It also prevents the employer from taking advantage of the ignorance of the employee, since the trade union officer who does the bargaining is usually a skilled bargainer, and probably knows the state of the labour market quite as well as the employer. He is under no obligation to the employer, and is thus able to meet him on equal terms.

The Reserve Fund.

How can the union support men who cannot get work at the reserve bid? Through its reserve funds, into which every member who is actually at work must pay so much weekly or monthly. The bargaining strength of any union lies very largely in its reserve fund. Without this it is likely to find itself almost as powerless as the individual worker; with this it is able to call out its men and to play a waiting game until the employer, who sees his rent and his interest bills piling up, and important orders perhaps

*The hungry workman who sells his labour for half its normal market value in order to get something to eat, is in practically the same position as the buyer of eatables who has to pay extraordinary prices for food, or go without.

going unfilled and customers getting impatient, finds it worth his while to come to terms with the union. On the other hand, an employer who finds himself stronger financially than the union may "look out" his employees in order to exhaust the union funds and smash the union.

The Restriction of Numbers.

The employer is more likely to give way in the case of a skilled trade where the number of men engaged is limited, and where new men cannot be easily trained to take the place of the strikers. Almost every union, therefore, does what it can to restrict the number of those entering the trade by limiting the number of those learning the business.* For instance the Dominion Labour Gazette for February, 1913, gives the following clause of an agreement between the Master Plasterers and the Plasterers' Union of Montreal:

III. Apprentices.—Master plasterers who have been one year in the business will be allowed one apprentice, said apprentice to serve two years before another one is taken on. . . . All apprentices are to be bound before a notary for four years.

This union evidently realizes that an artificial limitation of supply of labour, while demand presumably remains constant, is likely to mean higher prices paid for labour.

The Alien Labour Law.

Employers, on the other hand, often complain of the scarcity of labour in the skilled trades, and try to induce mechanics from the United Kingdom and the Continent of Europe to emigrate to the United States and Canada.

*It must be said that trade unionists are not the only people who try to restrict the number of those who enter their occupation. The learned professions in Canada have done the same thing, and the vexatious provincial regulations which prevent those who have graduated in one province from practising in another are, in the main, due to a similar spirit.

The unions, which have considerably political influence, have therefore secured the passage of an Alien Labour Law (Revised Statutes of Canada, 1906, Chap. 97), which forbids employers to make definite contracts agreeing to employ workmen coming from other countries on their arrival here. Thus, we may conclude, the number of mechanics in certain trades in the United States and Canada is less than it would have been if the Alien Labour Law did not exist, and therefore their wages are higher, demand presumably remaining constant. One must not, however, overestimate the power of these unions in restricting admission to their trades. They cannot prevent immigrant mechanics who are not under contract from entering the country. Also, while they are able to restrict the taking of apprentices in the cities where branches exist, they cannot reach out into the country towns and villages and prevent apprentices from learning the trade there. Thus, while their attitude is somewhat selfish, they have not sufficient power to make it affect very greatly the public weal.

The Union in Unskilled Trades.

In comparatively unskilled work, easily learned, such as that of a street railway motorman or conductor, the position of the union is more precarious than in the case of highly skilled trades, since the supply of labour is practically unlimited. The work can be fairly well learned in a few weeks, and so the company can easily replace strikers. Under such circumstances the union's plan is to make strike-breakers understand that their position is not "healthy" for them; at least, the union will point the finger of scorn at them. Public opinion, too, will usually favour the employee against his employer; and as public opinion is a matter of importance to a street railway company, the trade union often gains a vicarious strength in bargaining on account of the reluctance of the street-car company to quarrel with the public.

Why do the bulk of the people tend to sympathize with employee against employer? Because the bulk of the

p
is
n
el
th
in
do
en
to

th
tro
ma
uns
sin
pov
stro

I
part
stru
fact,
wins
the
sible
empl
expe
consu
it mig
N
Minis
The C
work
take
not w
an un
subjec

people in a city are themselves employees. Their action is determined by what the Socialists call "class-consciousness"—the feeling that every gain to a member of their class is in some measure a gain to them, and every defeat their defeat. Apart, also, from any consideration of self-interest, most people tend to sympathize with "the under-dog" and the wage-earner, especially the unskilled, when engaged in a struggle with his employer, is only too likely to be "the under-dog."

In conclusion, then, trade unions of the skilled trades, through their collective bargaining and their partial control of admission to their trade, have succeeded in raising materially the wages paid in those trades. Unions in unskilled trades have had a lesser degree of success in this, since the strength of these unions lies rather in their power of appealing to the public than in a naturally strong economic position.

The Public Interest in Labour Conflicts.

In all conflicts between laborer and employer, three parties are interested—the two participants in the struggle, and last, but not least, the general public. In fact, it has been said with great truth that no matter who wins in a strike or lockout, the public loses. In some cases the loss to the public is out of all proportion to any possible gain which could come to either employers or employees. The public, therefore, might naturally be expected to feel that it had a right to be considered and consulted whenever these disputes arose, and this right it might properly enforce by legislation.

Now, there would be little use in Parliament or the Ministry peremptorily forbidding all strikes or lockouts. The Government cannot well insist that such a man must work for such an employer, or that an employer must take or keep in his service a man or men whom he does not want. Such an action would, among us, be considered an unwarrantable interference with the liberty of the subject. What then can the Government do to protect

the public from loss or serious inconvenience by the interruption of any of the great public services?

Industrial Disputes Investigation Act.

The Government has made an attempt to deal with the question. Under the Industrial Disputes Act of 1907, neither employers nor employees may declare a lockout or a strike in an industry which is of great public importance, such as the railways and the coal mines. If one party has a grievance against the other, it may ask for arbitration. This will result in the appointment of a commission of three (one nominated by each party and one by the Government) to consider the complaints and draw up a programme for a settlement. This programme may be rejected by either party, and a strike or a lockout then begun; but, as a matter of fact, this occurs in a very small percentage of cases. Usually the representatives of the two sides arrive at some fairly satisfactory compromise between the views of their clients, and in so doing they are aided by the Government representative. On the whole, the Industrial Disputes Investigation Act has been a great success, and many people hope that it will speedily be extended to all industries.

Bulk of Workers Not in Trade Unions.

The number of trade unionists in Canada at the end of 1912 has been already stated at 160,000, approximately 2 per cent. of the population, and according to The Labour Gazette, about 12 per cent., or one-eighth of the total number of wage-earners. What about the rest, the people who must carry on their own bargaining about hours and payment with their employer? They get, on the whole (with some exceptions in the case of unusual workmen) less than union workmen; also, they work longer hours, and it is asserted—though this is hard to prove—that they live under poorer sanitary conditions. They are, on the whole, less educated than the unionists, and are less able to resist the employer in whose hands their fate rests.

What external protection have they against a possibly tyrannical and extortionate employer?

For a long time they had practically none. The employing class was the law-making class, and the workers, though in the majority, were ill-organized, had no journals of their own, and no means of appealing to the justice or the generosity of the upper classes. The extension of the suffrage to the laboring classes, the spread of popular education, the establishment of a working-class press have made the workers a power in the land. Public opinion is now, in very large measure, the opinion of the working class, and that public opinion has tended, as it always does, to crystallize into legislation.

The Force of Public Opinion.

The public opinion of to-day holds in a vague general sort of way that the laborer who has passed the stage of apprenticeship, in or out of unions, is oppressed if he does not get a wage sufficient to support, in some degree of comfort, himself, a wife and a family of average size; if he does not get reasonable time for rest and recreation, and if he does not have reasonably healthy conditions in the place where his work is carried on. Various people have tried to estimate what wage is needed to satisfy the first of these conditions, and one American investigator claims that \$600 a year in the country, \$700 a year in the smaller cities, and \$800 in New York—the lowest wage which will maintain an average family in a fair degree of efficiency. As the cost of living is very similar in the two countries, one might take this estimate as applying to Canada. It should be remembered, of course, that these figures are used merely to illustrate our point and not in any dogmatic way.

Similarly, in regard to hours of labor, public opinion looks forward to the eventual adoption of the eight-hour day, and tends to look askance upon an employment which keeps its employees busy for more than ten hours per day—for example, the twelve-hour day in the United

States Steel Corporation. Especially are long hours a menace where women and children are employed.

Again, public opinion requires that the workers be provided with decent places in which to work. The working day for most men includes one-half of their waking hours, and they have a right to expect that they will not be forced to spend those hours in conditions inimical to health, dangerous or unduly unpleasant. Reasonable attention on the part of the employer to the questions of ventilation, the elimination of unnecessary dust, the prevention, in so far as that is possible, of occupational diseases,* the use of safety appliances on dangerous machinery—is coming to be recognized as the right of the employees.

The Public Interest in Labour Questions.

The public is also interested in this latter point. If men work in unsanitary shops and use unsanitary methods, their product—especially if it be food or clothes—will tend to spread disease among those into whose hands it comes. Unsanitary conditions of labor will result in an unsanitary product. Even if the workers were not enlightened or educated enough to demand decent conditions of labour for themselves, it would still be in the vital interest of the great body of the public to see that such conditions prevailed. Workers in dairies, for instance, milkers on the farms, may be satisfied to work under unsanitary conditions, but such unsanitary conditions constitute a menace to the health of the general public, and consequently the authorities are justified in demanding laws requiring better sanitation, and in enforcing those laws when made. This is done under what the Americans call the "police power" of the state.

Labour Legislation—I. Sanitation.

Labour legislation touches the worker at many points. One of the most easily comprehensible is the case of sani-

*A law forbidding the use of a certain poisonous form of phosphorous in the manufacture of matches was passed in the United States in 1912.

tary legislation referred to above. Since it is of importance that factory buildings shall be sanitary, and that machinery shall be rendered as safe as possible, the governments in almost all civilized countries have made laws providing for these things, and they attempt to enforce these laws by sending around factory inspectors.* The workers are thus, without any action of their own, protected against some of the risks of industry.

Labour Legislation—II. Hours of Labor.

In legislation with regard to hours of labour, Canada and the United States are much more conservative than other English-speaking countries, such as Australia and New Zealand. Where such legislation exists in the United States, it applies mainly to the labor of women and young persons, who, according to the American Constitution, as interpreted by the Supreme Court, are in some sense wards of the state, for whom regulations may be made, while grown men are considered as needing no such protection. Still, under the "police power," State governments have fixed the hours of labour in designated employments, as in smelters, underground mines, on railroads, street railways, drug stores, bakeries, and brickyards. Hours of labour on public works are limited in a number of States and by the Federal Government. For instance, the constitution of the State of Ohio has been amended so as to make eight hours per day and forty-eight hours per week the maximum for laborers on public works in that State.

In Canada, legislation follows a similar course. There is, for instance, a law in Ontario forbidding night-work for women and children; there is a law that no child under fourteen years of age shall be employed in a factory, etc. Similar legislation exists in most, if not all, of the provinces of Canada. In the different states of Aus-

*If the student is eager for further information, he should apply to his Provincial Government for the last report of factory inspectors.

tralia, the 48-hour week for factory workers is fairly well established by public opinion, even where there is no law; in New Zealand it is enforced by law.

Labour Legislation—III. Rate of Payment.

Less interference with rate of payment takes place in Canada than in most countries. Contractors tendering for contracts to the Dominion Government must do so on the understanding that they are to pay wages at fair and reasonable rates, the minimum of which is decided by the Government itself. The minimum rates to be paid on each job are published in The Labour Gazette, so that any employee who is paid less than the "fair" rates is able to complain to the Labour Department, which will make up the deficiency out of money in its hands due to the contractor.

The British and the Australian Governments have in this, as in other labour legislation, gone far beyond us. In the United Kingdom there was passed in 1909, with the approval of all parties in Parliament, an act providing for a minimum wage in what are known as the "sweated trades." These trades employ unskilled laborers, many of them women. Owing to their ignorance of the value of their own labour, and the state of the labour market in general, they were often the victims of the greed of their employers, and worked long hours for the merest pittance. In 1909 the Minimum Wage Law alleviated this condition of affairs by stating a figure below which wages must not go.

In 1912, as a result of the English coal strike, the minimum wage system was extended to the coal miners; different rates of wages were fixed as minima for different districts on account of the different cost of living. So, too, our "fair wages" on government contracts differ widely between Atlantic and Pacific.

The State of Victoria, in the Commonwealth of Australia, and the Dominion of New Zealand have carried minimum wage legislation further than any other countries. In both these countries the minimum wage is fixed

by a trade board in each industry. The rates are about what would be considered here as average wages, considering the grade of labour employed. Old employees, no longer able to earn the general minimum wage, may come before the Trade Board, which is composed of representatives appointed by the employers, the employees and the Government, and have a special minimum, proportional to their efficiency, set for them.

The Results of Minimum Wage Legislation.

All this minimum wage legislation has, up to the present time, aimed rather at standardizing current rates of wages than at fixing new and higher rates. This leads us to the conclusion that, contrary to a widespread belief among workingmen, minimum-wage legislation, if it should come, would by no means introduce an ideal scale of wages. And this conclusion is supported by the results of minimum-wage legislation in England, so far as we can at present determine. The probable consequence would be that certain workers, largely of the unorganized type, who, on account of their inexperience and their ignorance of the market, are now employed at unduly low rates, would, provided the law were enforced, receive a higher rate of wages, and that certain employers who make a part of their profit out of this sort of labour, would lose it. Such legislation, if indeed it is practicable in so individualistic a country as ours, would confer its greatest benefit when applied to the labour of women and young persons of both sexes. Unlike the adult male laborer, such persons usually know little about current rates of wages and the cost of living, and are only too likely to accept whatever wages an employer offers. They are in no position to carry on bargaining for themselves, and in such a case it does not seem to the writer that any economic principle is violated by allowing the state to fix a minimum wage in their behalf. The low wages paid to working-girls are due partly to the fact that many girls living at home do not have to support themselves on their wages. The supply of such labour makes it difficult for the

girl who has to live by her work to secure a living wage. The state could mitigate the great social evils which are partly due to these conditions by enforcing the payment of a minimum living wage.

Labour Legislation—IV. Workmen's Insurance.

Workmen's insurance, as provided by law, is found in its most highly developed form in Germany. There are four classes of insurance provided: accident insurance, sickness insurance, invalidity and old age insurance, and unemployment insurance. Legislation somewhat similar to that of Germany has also been adopted in England, except in regard to accident insurance. The German system, established among a people who have always been accustomed to a Government which has watched over them in a fatherly way, and controlled their actions, has proved, on the whole, a success; it is as yet too soon to pass judgment on the English system, which exists among a people who bitterly resent any interference with their liberty of action on the part of the state.

No doubt the time will come when all these great questions of workmen's insurance will have to be considered in Canada and the United States. At present, however, our workmen are so much better off and have so much greater opportunities of getting on in the world than those of European countries, that the problem of workmen's insurance has not come into practical politics. The heavy mortality and the long list of casualties due to industrial accidents have, however, brought to the front the question of industrial accidents, and the brief space that can be given to the subject will be devoted to the question of practical interest, that of Workmen's Compensation for accidents, which is now, or has been within recent years, a subject of legislation in most of our provinces.

In past years a few workmen have insured themselves against accident with accident insurance companies; others were insured by their employers, who paid a cer-

tain percentage of their pay-roll to some employers' liability company, in return for which the company undertook to pay claims arising out of the death or injury of the workman while in the service of the employer. But most workmen were not insured at all, and when they had to sue for damages in court, the damages they received, even when they were successful, were, in many cases, hardly more than sufficient to pay the lawyer. The majority of workers had no protection against accidents not directly due to the negligence of the employer. The result was that the families of killed and injured workmen were often thrown upon the charities for support, which resulted in loss to the public and in the degradation of their own character.

Finally, someone said: "Why should not the industry bear the cost of its killed and injured workmen, just as it bears the cost of its damaged and worn-out machinery, as a part of its cost of operation? Why should it be able to throw off this cost upon the public or upon the family of the worker?"

"But in many cases," was the reply, "the accident was due to the negligence of the worker. Why should the industry be penalized for that?"

The statistics show, however, that some 70 per cent. of the accidents occurred without any negligence on the part of the person injured, and very little of the remaining 30 per cent. was due to wilful or gross misconduct, but rather to some momentary carelessness or inattention, such as we all display from time to time. In such cases, too, the slight offence of the workman was already punished by his death or by the suffering due to his injury. Why exact a further penalty from his wife and children? children?

The whole trend of opinion is to-day setting in favor

*It has been impossible to discuss Workmen's Compensation adequately within the narrow limits of a couple of paragraphs. Students interested will find much valuable material in the Interim Report of the Ontario Workmen's Compensation Commission, published by the Ontario Government.

of making the compensation, in the cases where a workman is killed or injured in the course of his employment, a charge upon the industry in which he was engaged. Thus the family will not, in such cases, be pauperized any more than is the family of a citizen who has died soon after taking out a life insurance policy. The children will be able to get an education, and will be industrially more efficient than if compelled to leave school and resort to unskilled labor at an early age. More and more it is felt that some such provision is demanded by economic expediency no less than by social justice.

co
an

un

po

gro

it t
ally

wit

whi
lock
pute

8
to sa
the
publ

'9
Engl

EXAMINATION QUESTIONS

ECONOMICS.

LESSON XV.

1. Under what circumstances did trade unions first come into existence? Why did they arise in some trades and not in others?
2. What was the attitude of the law toward trade unions? When and why was that attitude changed?
3. Why have modern English trade unions resorted to political methods and organized a Labour Party?
4. Write a note on the causes of the recent rapid growth of Canadian trade unionism.
5. What are the aims of the trade union? How does it try to realize those aims? How would employers naturally oppose it?
6. Compare the success of unions in the skilled trades with that of those in the less skilled occupations.
7. Show (from local cases, if possible) the interest which the public has in the prevention of strikes and lockouts. State the main principle of the Industrial Disputes Investigation Act, and comment on its working.
8. Give instances of Canadian legislation with regard to sanitation, rates of pay, and hours of labour. (Refer to the Statutes of your Province at any lawyer's office or public library.)
9. Discuss minimum wage legislation as it exists in England and Australia. Where does it seem most needed?

10. What economic principle lies behind the idea of Workmen's Compensation? What social benefits would probably accrue?

N.B.—The student who is fortunate enough to have access to a public library will be aided in answering these questions by the files of The Labour Gazette.

