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MISCELLANEOUS SERIES

# MINIMUM WAGE LEGISLATION IN VARIOUS COUNTRIES

By

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## MINIMUM WAGE LEGISLATION IN VARIOUS COUNTRIES

### CHAPTER 1.—SUMMARY AND CONCLUSIONS

THE principal features of the minimum wage laws of the different countries which have enacted such legislation and the application of such laws have been studied with the view of ascertaining the results which have followed.<sup>1</sup> The following comparison brings together in a general way the more significant findings of the study. An analysis of the basic problem is given in Chapter 2 (p. 8); the particular development in the different countries is discussed in the subsequent chapters.

#### Principle of Wage Fixation

A USTRALIA and New Zealand, starting from various opportunistic considerations, have applied more and more the principle of the "living wage." The United States (for females and minors, and with some modifications in Massachusetts), Canada, South Africa, Mexico, Argentina, and Hungary apply, with varying precision, the same principle.

In France (somewhat similarly in Spain and Norway) and in the British coal mines mere equalization of certain classes of wages are sought for specific reasons, which does not make for general results. The ability of the trade to bear wage increases is a secondary consideration in Massachusetts (next to the main principle of the living wage); it seems to have decreased opposition and contributed to the stabilization of the law. This consideration seems preponderant in Austria and of strong importance in Germany.

Political considerations seem to be decisive in Uruguay and Tucuman (Argentina). The wish to increase the efficiency of the workers is embodied in the rules for British agriculture, and obviously in

<sup>1</sup> The author is indebted for assistance rendered to him in the preparation of this report to Albert Thomas, Director of the International Labor Office, and T. Waelbroeck, Doctor Frzibram, J. H. Richardson, and Leifur Magnusson, of the same office; Miss Ethel Johnson, assistant commissioner of labor of Massachusetts; welfare commissions in other American States; the Ministries of Labor of Canada, Mexico, South Africa, France, Germany, and Austria; the high commissioners of Australia and New Zealand in London; the Italian, German, and Spanish Embassies and the Austrian and Czechoslovakian Legations in Washington; Professor Wilbrandt, of Tuebingen; Engelbert Broda, of Vienna; Prof. William M. Leiserson, of Antioch College; Carl S. Joslyn, of Harvard University; and Miss Margaret Little. He has utilized particularly the materials collected and the methods developed by the International Institute for the Exchange of Social Experience (Paris, later Bern).

spires the Russian provisions for wages rising with the productivity of the enterprise. The point deserves attention.

Bargaining and opportunism rule in Great Britain, Czechoslovakia, and largely also in Germany. While in Great Britain it has worked well, elsewhere it may be dangerous to proceed without principles.

The historic starting point of minimum wage legislation was the wish to abolish sweating. Its basic justification remains the guarantee of a minimum of existence to all workers. This goal is attainable, by its very definition, only through fixation of a living wage.

Australia and New Zealand, in their systematic analysis of the principle of the living wage, have ascertained the fact of its relativity. Higher standards are legitimate in calculating the minimum of existence if the nation is prosperous.

The general productive power of the community must be one of the bases for determining a reasonable living wage. Is it indispensable also to take into account in determining the basic wage the particular prosperity of the industry for which a specific wage is to be fixed? Australia does not find it so, considering that industries which can not pay the basic living wage had better go out of business or depend on State aid.<sup>2</sup> But to allow for the different strength of the industries a basic living wage for all industries, calculated with greatest prudence, may be supplemented by a secondary wage for prosperous industries. This differentiating procedure seems to be the best the nations can apply.

### Machinery of Wage Fixation

**WAGES** boards administer the laws in Victoria, Great Britain, Germany, Austria, Czechoslovakia, Norway, Hungary, most Provinces of Canada, most States of the United States of America, Argentina, Mexico, and South Africa. Sometimes they are replaced or supplemented by central commissions with state-wide jurisdiction to make possible the application of national policies. They have proven a really efficient method for the abolition of sweating in all unorganized trades (particularly home work and female work).

Where strong unions can take care of the sweating problem through their own strength, and preservation of industrial peace is the purpose of the laws, industrial arbitration is preferred. New South Wales and several other Australian States, New Zealand, Italy, and Rumania have chosen that method. The example of Australia and New Zealand shows that this way also is practicable. But the purpose of elimination of strikes has been better attained by the wages boards of Victoria, which settle all matters prior to a conflict.<sup>3</sup>

Direct fixation of minimum wages by the central State authorities is, or has been, the rule in the American States of Arizona, South

<sup>2</sup> Richardson, J. F.: *The Minimum Wage*. London, 1927, p. 81. Mr. Richardson, weighing the various factors of the problem, arrives at the conclusion that the general productivity of industry (but not the particular conditions of a given industry) should be taken into account as a basic principle for the fixation of the minimum wage.

<sup>3</sup> In a subsidiary way (with courts or boards), collective agreements between organizations of employers and employees are sometimes declared binding (by State authority) for the whole industry. This method is applied in some Australian States, in Germany, Austria, and South Africa. In Great Britain also proposals have been put forward to apply that procedure.

Dakota, and Utah, in the Canadian Province of Alberta, in Uruguay, in Tucuman (Argentina), and in a particular way in the State trusts of Russia. It can be done that way in uniform communities, but useful flexibility is excluded by the method. It is less suitable for advanced industrial States than for a more primitive economy. No State which has reached high differentiation of its industries applies it.

### Enforcement

FRANCE (for home workers) and Norway (for commercial employees) have relied on civil suits for enforcement of minimum wage decisions, but this method has practically failed. All other States rely on their regular inspection forces and empower them to impose fines for violations. Enforcement has been very efficient in the various nations of the British Commonwealth.

Enforcement has been good in the United States and reasonably good on the Continent of Europe, except in Austria (where the critical economic conditions have been considered by the inspectors as necessitating the nonenforcement of the awards).

The particular experience of Massachusetts, relying on the disapproval of public opinion only as punishment for violations of the law (ascertained by inspectors), seems to have worked very well. The method can be recommended (for a transition period) in particular cases where political or legal difficulties render the regular way impracticable. Otherwise, enforcement of minimum-wage laws by the same methods by which other laws are enforced is the obvious method.

### Results

#### Abolition of “Sweating”

ALL reports from Australia, New Zealand, and England are positive on the point that sweating, among home workers particularly, has been eliminated. Reasonably good results have been obtained also in the home-work trades of Norway and Argentina. There was no “sweating,” to a similar extent, in the United States and Canada, since home work as the sole means of livelihood is rare in these countries, but the rather difficult economic status of female workers in shops and stores who do not live with their families has been much relieved.

The goal was insufficiently attained where application of the laws was defective (home-work trades in France, Germany, and Czechoslovakia), and nothing has been achieved in the home-work trades of Austria; neither do the agricultural laborers of Hungary seem to be much better off than before.

The abolition of sweating depends, experience has shown, on efficient application of the laws; strict enforcement of awards has even more practical importance than generous determination of the amount to be paid.

### General Increase in Wages

J. W. Macmillan, chairman of the Wages Board of Ontario, states that in that Province "the whole pillar of wage structure rises, although the top less than the bottom." Reports from Great Britain and the United States show that the minimum does not become the maximum. It is to the interest of the employer to attract more highly skilled workers to his shop, and for that reason he offers wages above the minimum to people who produce more than the less efficient workers in these unorganized trades do.

Reports from Australia and New Zealand give us a picture of a far-reaching standardization of wages; of slow increases, but stabilization, even in the face of industrial depression and falling prices, preventing thereby decreases of purchasing power of the laboring classes and further stringency of the crisis.

Australia and New Zealand offer, of course, minimum wages to a much wider range of workers—not only to women, as in the United States, or to unorganized trades, as in Great Britain, but to all trades. As in the case of collective bargaining generally, uniformity of wages seems to be favored by minimum wage legislation applied to highly organized trades, particularly where arbitration courts render decisions of a general binding character. The main factor on which the wage depends is not the importance the employer attaches to the hiring of an individual worker but the agreement between collective groups fixing wage scales valid for all. It remains, however, in the logic of the situation that foremen and workers of particular skill are compensated by higher wages.

Piecework achieves that frequently, in a quite automatic way. With the home-work legislation of France, Norway, Germany, Austria, and others, piecework also dominates and clever workers earn more than others. The statement that the minimum does not become the maximum remains therefore true for all these countries.

### Legitimacy of Such Increase in Wages

As to whether the increase in wages resulting from minimum wage fixation is legitimate the problem is of course relative, and the answer depends on our standards. On the basis, however, of the prevalent Christian and humanitarian standards of our civilization, increase of "sweated" wages (mainly of home workers) to living wages is imperative, and minimum wage legislation is highly valuable in that respect. The interests of public health and of the upbringing of healthy children influence public opinion in the same direction.

In Great Britain the increase of wages in the unorganized trades and in agriculture has been accepted by public opinion—by the mass of the consumers, although they have ultimately to pay the costs (increase of wages less economies by more efficient work) in the form of higher prices. Even on the Continent of Europe, impoverished by the war, no objection has been raised to the ultimate ratio: higher wages of home workers and slightly increased cost of living of the mass of the population, which buys the goods produced by home workers.

In Australasia, as in Russia, the problem is of another order—the proper proportion of incomes of the wage-earning classes (protected by minimum wage) to those of the other economic classes, the farmers and business men in Australasia and the peasants in Russia.

### Influence on Discharge of Slow Workers and Unemployment

Slow workers are sometimes discharged; the system of licenses, authorizing handicapped workers to accept wages below the minimum does not cover everywhere cases where defects are not of a tangible nature.

How important is the number of these cases in proportion to the number of workers benefiting by the laws? Reports from the United States and from Canada do not indicate that any great hardships have resulted for the women employed in stores and shops. The general situation of the labor market, the proportion of material resources to the human material, are so favorable to the workers that practically all are absorbed by the needs of industry.

The problem is different in Great Britain and in Australasia. Some home-work trades, the competitive strength of which was based on low wages, have been replaced by factories. Not all home workers have been absorbed in industry. No serious hardship, however, has resulted in Australasia, the general conditions of the labor market being favorable. Great Britain suffers from general unemployment, but most of the reports do not indicate a serious increase due to the shifting from home work to factory.

The slowness of the individual worker plays even a lesser rôle in the home-work trades of Australasia, Britain, and continental countries than with the shop and store workers in the United States and in Canada. Piece rates alone are possible for home work. The slow worker earns less, automatically, so there is no reason for the employer to discharge him.

The collective-employment problem of the home workers on the Continent is more serious. The increase of the French rates was too small to endanger the competitive strength of the home-work trades, but in Germany feeling prevailed that employment of home workers might be restricted by high minimum wages, and the home workers themselves do not insist thereon, for fear of unemployment.<sup>4</sup> In Silesia the rates have been kept low intentionally by the wages board. Actual loss of means of subsistence, however, is not reported—only prudent application of the law. Overprudent enforcement of the laws, for the same reasons, is reported from Austria.

The increase of unemployment through minimum wage legislation is not serious in most countries, though there is such a problem in Central Europe.

### Efficiency of Workers and Employers Under Minimum Wage Legislation

From Great Britain it is reported that workers are compelled to, and do, work harder in order not to be discharged. The Bureau of Labor of the State of Washington reports similar instances. The

<sup>4</sup> Soziale Praxis, Berlin, No. 49, 1926.

tendency is natural, but overemphasis would be out of place. The British minimum wage board for agriculture, in its explanation of the goal to be realized, recognizes that better nourished workers can also work harder.

More important yet is the European and Australasian situation as regards the shift from home work to factory work. The same worker is frequently put to work at an efficient machine, after having worked before without such a machine in his or her home. Obviously the worker is thereby enabled to produce more. The same applies also to the employer, who becomes more efficient by running a factory than by relying on home work.

The evidence of the British Cave Committee and the reports of the Minimum Wage Board of British Columbia show the tendency of some employers to make up for the higher wages by better supervision and application of better technique. The point has its importance because reducing the net cost of minimum wage to the industries.

### Protection of Fair Employers

The report of the Massachusetts Minimum Wage Commission (1919), the standpoint of the employers of the Pacific Coast States, the attitude of the employers of Victoria, Australia, the stand taken by the British employers (as described in the testimony of Miss B. M. Power, chief inspector, before the Cave Committee), all testify that the fair employers are grateful for the elimination of competition by "sweatshops."

The delegates of the British employers at the recent Geneva conference favored to a certain extent an international convention for minimum wage legislation. Great Britain has abolished sweating and wants to exclude competition from nations which have neglected to do so. From the same motives, employers who have abolished "sweating" in their own business welcome that protection against others who have not done so.

### Effect on Industries

The British and American experience furnishes no instance of any manufacturing industry or any mercantile trade hurt in any perceptible way by minimum wage, as the increase in cost of production which these limited laws bring about is too small proportionately. The prosperity of the women-employing industries of Massachusetts has grown since the introduction of minimum wage.

Australia applies far more general laws and is ready, on principle, to suppress an industry if it is unable to pay a living wage. In practice accommodations have been found and the country continues to prosper. The same is true of New Zealand.

While home industries have been frequently put out of business through the application of minimum wage laws (as explained in the course of this study), that is the natural course of industrial progress.

### Influence Toward Industrial Peace

There are three different situations covered by the laws, to be distinguished carefully in order to avoid confusion.

(a) Home-work trades and women's trades (as covered by the laws of the United States, Canada, and most countries on the European Continent, and by the British trade boards act of 1909) are practically immune against strikes; the industrial "peace of the cemetery" prevails. Minimum wage was introduced against sweating, not against strikes. In passing, reference will be made only to the statement of the chairman of the wages board of Ontario that the boards educate employers in a way favorable to industrial peace.

(b) The insufficiently organized trades covered by the British trade boards act of 1918 (protecting also men in factories) and by the British agricultural wages boards are more liable to be disturbed, but the danger has never been very great. The evidence before the Cave Committee shows that industrial relations have been bettered. In Victoria, boards were established first for unorganized and then for organized trades; the questions of both are settled before they grow into conflicts.

(c) The highly organized trades of New Zealand, of most States of Australia, and in Russia<sup>5</sup> and Italy, are covered by compulsory arbitration. In the experience of Australasia the fixation of basic wages of general application by the arbitration courts of New Zealand and of the Commonwealth of Australia has proved to be more practical than specific settlements of specific disputes between workers' and employers' unions.

The arbitration courts settle wages as Parliament settles general problems, without waiting for disputes. Victoria, however, gives autonomy to the different trades; the representatives of employers and workers feel that they have made the laws they will have to obey. Strikes have been practically eliminated. The preventive and autonomous system of the wages boards of Victoria practically guarantees industrial peace.

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<sup>5</sup> See restrictions, on p. 107.

## CHAPTER 2.—HISTORICAL ASPECTS OF LEGAL FIXATION OF WAGES

DETERMINATION of wages by free bargaining of the interested parties is of comparatively recent date. The guilds of the Middle Ages had great powers over the fixation of wages. The State later took over part of their functions. An Elizabethan statute enacted in 1563<sup>1</sup> instructed justices of the peace in England to determine laborers' wages and to take into account, as the basis of their decisions, the fluctuations of food prices. Contrary to the earlier custom of prescribing maxima only, in the interests of the employing class, protection of the laborers was specifically stated as the main objective of the law. That the justices of the peace, themselves belonging to the ruling class, were reasonably impartial is denied by most authorities on the subject;<sup>2</sup> also, the determinations frequently remained unapplied.

The law was in force, however, for over 150 years, and records of numerous decisions thereunder are preserved. They show a steady increase in the amounts of wages to be paid, although not in sufficient proportion to the rise of food prices. Different rulings were made for urban artisans and agricultural laborers for summer, winter, and harvest time.<sup>3</sup>

The application of the law ceased with the beginning of the industrial revolution in the early part of the eighteenth century. All governmental interference in industrial matters was swept away for a while by the new productive forces. When exploitation of labor, particularly of children and women, again brought interference by public authorities (since 1802), it was restricted to problems of child labor, sanitary conditions, and working hours. Wages in the British Empire remained unaffected until 1896—in England until 1909. Since that time minimum-wage legislation has become a more and more important part of protective labor legislation generally.

In 1896 wages boards were established in the Australian State of Victoria. They were empowered to fix minimum wages in order to abolish the sweating of home workers and to fix reasonable rates in unorganized trades as the trade-unions do in organized trades.

Two years earlier New Zealand had adopted compulsory arbitration, starting at the opposite end of the industrial ladder in the endeavor to substitute methods of industrial peace for the strike weapon of powerful trade-unions.

Canadian legislation for compulsory inquiry into disputes in public utilities services, in order to prevent stoppage of indispensable branches of national activity, dates from 1907. At about the same

<sup>1</sup> Act VI Eliz., ch. 4 (1563); see Gibbins, H. de B.: *Industry in England*, New York, Chas. Scribners Sons, 1920, p. 253.

<sup>2</sup> *Idem*, p. 255.

<sup>3</sup> *Idem*, p. 257, giving a table of some of these assessments compiled from Rogers, James E. T.: *Six Centuries of Work and Wages*, New York, 1884, pp. 387, 398.

time Victoria, inspired by the success of minimum wage legislation for home workers, extended this method of wage fixing more and more to its whole industrial life. In 1909 Great Britain, doing what Victoria had done in 1896, established wages boards for home workers. In 1912 she took a step somewhat similar to the one Canada had taken in 1907, wages boards for a semipublic service indispensable in the industrial life of the nation—coal mines—being established. Since that time the extension of minimum wage legislation from home workers to other insufficiently organized trades has made great progress in the British Isles, particularly since the new wages boards act of 1918. Minimum wages for agricultural laborers have been fixed in Great Britain, Hungary, and Uruguay. Home workers have been protected after the Anglo-Saxon model in Norway, Austria, and Czechoslovakia.

Canada has continued its endeavors for preserving industrial peace through compulsory arbitration, after the New Zealand model, but has also been inspired by the American laws to apply the benefits of minimum wage to female workers generally. But while the American legislation has been hampered by the veto power of the courts, Canada has become the standard bearer of the principle on the North American continent.

South of the United States, Mexico, in its Federal constitution, has endeavored to introduce minimum wages into its whole industrial life, and Argentina has adopted the minimum wage both for home workers and (in the Province of Tucuman) for shop and factory workers.

In Norway for a short time commercial employees generally benefitted by legal minimum wages. France has applied a prudent minimum wage law to female home workers since 1915, while Germany, since her revolution, has established wages boards for men and women in the home-work trades.

In 1925 South Africa applied minimum wages to all unorganized trades, both for white and colored workers, excepting only domestic service, agriculture, and allied activities.

The International Labor Organization, through its labor conference of 1927, endeavored to promote uniform and systematic minimum-wage legislation, and adopted in 1928 a general convention to establish minimum wage fixing machinery in the States.

The timid Australasian experiments of the nineteenth century have spread far and wide. A superficial view might induce one to believe that the new principle has been applied in rather a haphazard way. More careful observation, however, shows that its application proceeded not so much along the lines of least resistance but rather along the line of greatest need. Wherever the basic principle of fixation of wages through the free play of the law of supply and demand has led to the greatest inconvenience, legislation has begun to replace it by fixation of wages by competent authorities, after examination of workers' needs and of industrial possibilities.

That necessity appeared clearest in the home-work trades, where the workers, because of being so scattered, seemed to be helpless, and in public services which could not be left to unrestricted industrial war. From these two extremes minimum-wage legislation, from the bottom of the unorganized trades, and compulsory arbitration, from

the top of the highly organized trades, have spread toward the central spheres of industrial life, sometimes combining, sometimes overlapping.

To the question as to whether legal fixation of wages will ever supersede entirely the principle of free play of economic forces, the experience of these 34 years does not yet allow a decisive and unqualified answer. In Victoria wages are fixed everywhere by wages boards. In the other States of Australasia and in Great Britain a trend toward the same goal is clearly marked. Canada, South Africa, and Mexico follow along the same way, while Italy and Russia advance by different roads in a similar direction. Elsewhere, however, the movement toward legal wage fixation is slow.

The principle of legal fixation of wages seems to be particularly in keeping with the British tradition of continuous legal progress, of endeavor for harmony between the various branches of national life. Australasia, perhaps more purely British than Great Britain itself, has shown the way. Great Britain follows Australasia and Canada follows Great Britain. In the other countries there are more cross-currents, more diversity, less continuous development.

The object of this study is to examine the various systems of minimum wage fixing machinery and to ascertain the results, good or bad, which have followed.

Minimum wage *legislation* only will be discussed. The term "minimum wage" has sometimes been used also for fixation—by collective agreements or awards—of the lowest limit for wages in a given industry. These *private* minimum wage provisions, such as, for instance, the minimum wage for Japanese seamen, agreed upon on July 1, 1928,<sup>4</sup> have not been included in this study, which is devoted to provisions of *public* law only.

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<sup>4</sup> Industrial and Labor Information, Geneva, Aug. 13, 1928, p. 179.

## CHAPTER 3.—WAGE REGULATION IN AUSTRALIA

### Developments in Victoria

THE typical abuses of home work were, until 1895, as general in Australia as in Europe. Public attention concentrated on the problem first in Victoria, an Anti-Sweating League being formed in Melbourne, on whose committees were members of various classes and political parties. Its activities continued for a long period, even after initial successes whereby the sweating evil was materially decreased.

Many employers, in order to avoid the careful inspection of factories and the advanced labor laws governing workshops, had closed their factories and introduced home work. Many women working at home, particularly in the clothing industry, earned only about 2s.<sup>1</sup> a day or less in 12 to 15 hours' work. The Anti-Sweating League asked, therefore, for the introduction of wages boards which, in particularly culpable industries, would establish minimum wages, both for time and piece work, for home workers and factory workers. These proposals were realized in 1896 by an act of Parliament, initiated by Sir Alexander Peacock. Advocates of the measure claim as one of its particular advantages that it realizes the principle of the British jury system, that everyone has the right to be tried by his peers.<sup>2</sup>

The boards were composed in the beginning of five delegates elected by the employers and five delegates elected by the workers, presided over by an impartial chairman. Such committees were established for the clothing, underwear, and boot and shoe industries, where home work predominated, and for bakeries and furniture shops, where the shop workers were underpaid. Two electorate bodies of workers were formed, one of factory workers and one of home workers. The latter, wherever they had more than one-fifth of the total number of workers, had the right to special representation.<sup>3</sup>

The law of 1896 gave to the committees the following rights: (1) To fix minimum wages for time-work and piece-work; (2) to restrict the number of apprentices under the age of 18 years so that the law could not be evaded by the employment of apprentices in preference to adult workers. The desire to protect white Australian workers against lower-paid Chinese labor led to the extension of the boards to industries which employed a considerable number of Chinese workers, particularly the laundry trade.<sup>3</sup>

Since 1903 decisions of a wages board may be appealed to a tribunal composed of a judge of the supreme court assisted by representatives of employers and of workers. As early as 1898 the chamber of com-

<sup>1</sup> At par, £=\$4.8665; s.=24.33 cents; d.=2.03 cents.

<sup>2</sup> Victorian Year Book, 1925-26. Melbourne, 1927, p. 355.

<sup>3</sup> Broda, R.: Inwieweit ist eine gesetzliche Festlegung der Lohn u. Arbeitsbedingungen möglich? Erfahrungen Englands, Canadas, und Australiens. Berlin, Georg Reimer, 1911.

merce passed a resolution asking for the extension of the boards to cigar factory, steel, and glass workers.<sup>4</sup> The results of the law have led the Government since 1907 to extend the system to a great number of other industries where home work plays no rôle and where the workers are in no way exploited. The method of fixation of wages by wages boards became thereby the general basis for the regulation of conditions of labor and wages, a substitute for the method of strikes and lockouts.

In the beginning the wages boards had to fix minimum wages more or less in accordance with the wages already paid by good employers. Since 1907 they have had the right to fix wages for both factory and home workers higher than those paid by good employers.

The factory legislation of Victoria was consolidated in the act of September 6, 1915 (No. 2650). Article 49 thereof prescribes a minimum wage of 2s. 6d. per week for all factory employment. Articles 133 to 173 regulate the work of the wage boards. Articles 174 to 181 authorize appeals from the boards to a court of industrial appeals.

In 1919 and 1920 further acts were passed, based on practical experience, to render the application of the law smoother.<sup>5</sup> An act was passed December 21, 1922 (No. 3252), which authorized the boards to prescribe that persons working less than a full week's time might be paid at higher rates. This was to protect employees against the evils resulting from temporary part-time work.

At the end of 1925, 181 wages boards regulated the conditions of labor of 193,000 employees<sup>6</sup> (practically all the workers of the State, which in that year had a total population of 1,684,017).<sup>7</sup> The development of wages under the board system may be shown by the following figures for some of the main industries.<sup>8</sup>

TABLE 1.—*Average weekly wages paid to employees in specified trades before and subsequent to first determination by wages boards*

Trade	Average weekly wage paid to employees—					
	Before first determination			In 1914		
	£.	s.	d.	£.	s.	d.
Agricultural implements						
Boot	1	19	5	2	10	1
Bread	1	3	2	2	1	7
Carpenters	1	12	6	3	2	7
Clothing	2	7	6	3	3	10
Painters	1	0	0	1	6	9
Plumbers	2	0	9	2	14	11
Starch	1	12	8	2	14	4
Wicker	1	0	9	2	0	6
	1	2	11	2	2	4
				4	0	10

The table shows that wages in industries where women's work and home work predominated, for instance, in the clothing industry, have been raised out of the "sweating" sphere. The increases for

<sup>4</sup> Broda, R.: *La Fixation légale des Salaires*. Paris, Giard & Briere, 1912.

<sup>5</sup> Victorian Year Book, 1925-26. Melbourne, p. 361.

<sup>6</sup> *Idem*, p. 357.

<sup>7</sup> Australia. Bureau of Census and Statistics. *Quarterly Summary of Australian Statistics*. Melbourne, September, 1927, p. 3.

<sup>8</sup> Victorian Year Book, 1925-26, Melbourne, p. 359.

them were important even before the war, when the purchasing power of money did not change materially, and especially so in home work where earnings had been far below the averages listed above and frequently as low as 12 shillings a week.<sup>9</sup> But in other trades also the increases were important, even before the war. As to the later years, we find increases which make up for the decrease in the purchasing power of money.

In 1924 there were only 67 convictions for violations of determinations of wages boards.<sup>10</sup>

Many employers, unable to pay the home workers the relatively high wages fixed by the boards, substituted factory work for home work. Some employers gave up their industries, but these cases were very rare.<sup>11</sup>

The masses of the workers appear to have acquired a sense of security.<sup>12</sup> Scientific and humane considerations determine the minimum of existence, having replaced to a large extent the changing hazards of economic warfare and the hazards of blind fate. The worker, knowing this, feels safe, and this conduces to a general tranquillity of mind and interest in the prosperity of the nation as a whole.

## Developments in Other States of Australia

### Tasmania

THE island of Tasmania has followed the example of Victoria and regulated its industrial life by wage boards, which have general power to determine minimum wages as they deem fit, without waiting for any previous dispute.<sup>13</sup> There were 50 boards in 1927 for a total of only 9,171 workers.<sup>a</sup> The other four States of Australia, and later the Commonwealth itself, followed the example of New Zealand, which in 1894 established compulsory arbitration of industrial disputes. The results of that method are shown in detail in Chapter 4 (see p. 22), which analyzes its development in New Zealand, where it remained free from cross-currents and particularly from partial amalgamation with the wage-board system, as in Victoria; but the methods of the Australian States will be examined here briefly as a basis for considering Australian results.

### Western Australia

Western Australia has maintained relatively pure the New Zealand method. In the industrial arbitration acts, 1912-1925, unions and employers' associations are authorized to register (art. 6) and to make industrial agreements among themselves (art. 35). The arbitration court, composed of one member nominated by the industrial associations of the employers, one member nominated by the indus-

<sup>9</sup> See p. 11.

<sup>10</sup> Australia (Victoria). Department of Labor. Report of the Chief Inspector of Factories and Shops for the year ended Dec. 31, 1924, Melbourne, 1925, p. 33.

<sup>11</sup> Broda, R.: *La fixation légale des salaires*. Paris, 1912.

<sup>12</sup> This seemed particularly striking to the author during his stay in Australia in 1906.

<sup>13</sup> International Labor Office. Legislative series, 1924—Australia 1 (Tasmania): An act to amend "The wage-board act, 1920," dated Mar. 13, 1924. Geneva.

<sup>a</sup> Tasmania. Twelfth Annual Report of the Industrial Department for 1926-27.

trial unions of the workers, and a judge (art 43), may declare these industrial agreements common rules for the industry (art. 40). The court shall also decide all industrial disputes (art. 59), and is authorized to prescribe minimum wages. It may delegate to other tribunals or persons authority to issue licenses for work at lower wages for infirm, aged, or junior workers (art. 92).

The court may recommend to the governor the appointment of industrial boards and empower these boards to undertake inquiries and to make determinations and awards in industrial disputes. (Arts. 84 and 107.) In the first half of June of each year the court shall declare: (a) A basic wage for male and female workers; (b) wherever necessary, particular basic rates for special areas. A basic wage is to be considered "a sum sufficient to enable the average worker to whom it applies to live in reasonable comfort, having regard to any domestic obligation to which such average worker would be ordinarily subject." (Art. 121.) No minimum wage shall be fixed at less than the basic wage. (Art. 92.) No award or industrial agreement shall prescribe a lower minimum wage than the basic wage except for junior, infirm, or aged workers or apprentices. (Art. 121.)

Strikes and lockouts are forbidden. The penalty for noncompliance with this provision by employers or industrial unions of the workers is fixed at £100 and by others at £10. (Art. 129.)

In the year ending June 30, 1926, 26 industrial agreements were converted into general awards for the areas to which they applied. In 307 cases intervention to enforce awards was necessary, and payment of back wages amounting to £625 was ordered.<sup>14</sup> On June 11, 1926, a basic wage of £4 5s. was declared for adult men and £2 5s. 11d. for adult women.

The number of inspectors was found to be insufficient to check up on the application of all agreements and awards,<sup>15</sup> which is comprehensible when taking into account the size of the State, 976,000 square miles, and that it has a population of only 385,000 persons.<sup>16</sup>

### Queensland

Queensland also relies mainly on a central body which fixes basic wages<sup>17</sup> and determines conditions of labor. There have been frequent violations of arbitration awards. The prosecutions increased from 345 in the year ending June 30, 1925, to 441 in the year ending June 30, 1926.<sup>18</sup>

### South Australia

South Australia combines features of the court and the board system.<sup>19</sup> The act of January 6, 1926 (art. 144), provides for the

<sup>14</sup> Australia (Western Australia). Department of Labor. Annual report for the year 1925-26. Perth, 1926, p. 23.

<sup>15</sup> *Idem*, p. 30.

<sup>16</sup> Australia. Bureau of Census and Statistics. Quarterly Summary of Australian Statistics, Melbourne, September, 1927.

<sup>17</sup> International Labor Office. Legislative series, 1925—Australia 4 (Queensland): An act relating to the basic wage for employees who are governed by awards or industrial agreements, dated Sept. 28, 1925. Geneva.

<sup>18</sup> Australia (Queensland). Department of Labor. Reports for years ending June 30, 1925 and 1926. Brisbane, 1925, p. 4, and 1926, p. 5.

<sup>19</sup> International Labor Office. Legislative series, 1926—Australia 1 (South Australia): An act to amend the industrial acts 1920 to 1924, and for other purposes, dated Jan. 6, 1926. Geneva.

establishment of industrial boards for all industries considered suitable for the purpose by a central board of industry (arts. 253 to 255). This central board is to be composed of a judge as president, two representatives of employers, nominated by the South Australian Employers' Federation, and two representatives of employees, nominated by the United Trades and Labor Council of South Australia—these persons to be appointed by the governor. (Arts. 253-255.) An industrial arbitration court to settle disputes is provided. (Arts. 7, 17.)

The central function of the determination of a living wage is left to the board of industry. That board is instructed to inquire into the increase or decrease in the average cost of living and to make corresponding determinations. (Art. 264.) On that general basis the industrial boards fix minimum wages for time and piece work for particular industries. (Art. 167.)

Some friction has been caused through the inclusion in determinations of industrial boards of clauses dealing with matters outside their jurisdiction which are not, in consequence, legally enforceable.<sup>20</sup> There were also in 1924 an unusual number of cases in which employers were not paying the minimum wage, probably because of lapse of time between expiration and renewal of important awards.

### New South Wales

For a long time New South Wales has oscillated between the method of compulsory settlement of disputes (inaugurated by New Zealand) and the fixation of a minimum wage prior to any dispute (inaugurated by Victoria). The application was intrusted to a court of industrial arbitration and to wages boards, the system being completed later (through the amending industrial arbitration act of 1918) by the addition of the board of trade, whose main function was the declaration of basic living wages.<sup>21</sup> Three pounds per week was determined (on September 5, 1918) as the basic wage for adult male workers in Sydney; £4 2s. as the state-wide basic wage for other than rural workers (on October 8, 1921); and £3 6s. as the basic wage for rural workers (on October 20, 1921).<sup>22</sup> This system was rather similar to that of South Australia. Later simplifications were introduced, combining the central administrative and judicial functions in the hands of one body and thereby bringing the method nearer to that of Western Australia. (See p. 13.)

While this most populous Australian State has for so long pursued a merely eclectic course, in 1927 it inaugurated a new pioneer policy, differentiating strictly between the basic wage to take care (so far as men are concerned) of the needs of husband and wife, and a system of child allowances. An act was passed on April 11, 1927,<sup>23</sup>

<sup>20</sup> Australia (South Australia). Factories and Steam Boilers Department. Report for the year ending Dec. 31, 1924. Adelaide, 1925, pp. 4, 5.

<sup>21</sup> Australia (New South Wales). Board of Trade. Compendium of Living Wage Declarations and Reports Made by the New South Wales Board of Trade. Sydney, 1922, p. v.

<sup>22</sup> *Idem*, pp. 4, 37, 101.

<sup>23</sup> International Labor Office. Legislative series, 1927—Australia 2 (New South Wales): An act to amend the law with respect to the declaration of living wages; to amend the industrial arbitration act, 1912, as amended by subsequent acts, and the industrial arbitration (amendment) act, 1926; and for purposes connected therewith, dated Apr. 11, 1927. Geneva.

which provides (art. 2) that living wages for adult male employees shall be based on the requirements of a man and wife without children, but, in addition, a child endowment act was passed prescribing a weekly allowance of 5s. for children under 14 years of age. The total amount of wage plus allowances, however, shall not exceed the basic wage proclaimed under the act of April 11, 1927, plus £13 per year per child. The mother will receive the allowances.<sup>24</sup>

This legislation was further amended and consolidated by Act No. 45, 1927, which became effective on December 9, 1927.<sup>25</sup> The central feature of the legislation of this State remains the proclamation of "living wages" for the whole State. The figure for adult males which was 85s. per week in 1920 decreased to 78s. in 1922 and increased again to 85s. on June 27, 1927; the figures for adult females were 43s. in 1920; 39½s. in 1922, and 46s. in 1927.<sup>26</sup>

The rates in skilled male trades with strong unions are much higher; Bootmakers (69s. in Victoria in 1925, p. 12) are, in New South Wales, to receive 100s. a week; coach painters, 113s.; pattern makers, 123s.; bakers, 127 to 137s.<sup>27</sup>

### Commonwealth System

THESE State systems are completed by a Commonwealth system providing for compulsory arbitration of interstate disputes. This procedure is regulated by the Commonwealth conciliation and arbitration act passed in 1904 and amended frequently. It prohibits (art. 6) entirely strikes and lockouts in these interstate disputes. The punishment, even for individuals, may reach £1,000 for each violation. It also provides (art. 11) for the constitution of a Commonwealth court whose members shall be justices of the High Court. Both conciliation and arbitration are among the duties of the court. (Arts. 16, 18.) The court may make its awards binding, not only on the parties to the dispute, but also on other organizations. (Art. 29.) It is authorized to prescribe minimum wages and to issue rules as to licenses for workers unable to earn the minimum wage. (Art. 40.)

Amendments to that legislation are at present before the Commonwealth parliament, on proposal of the Prime Minister,<sup>28</sup> which, if adopted, will harmonize Federal and State legislation. The court will be directed to consider, when making its awards, the economic consequences of their stipulations upon industry in general and upon the particular industries affected. The penalty for violation is to remain at £1,000 for organizations or employers, but is reduced to £50 for other persons. Organizations when fined £1,000 may reduce the penalty to £100 by expelling the guilty officers. The procedure to ascertain the legal existence of a strike is to be made more efficient.

<sup>24</sup> Monthly Labor Review, August, 1927, p. 32.

<sup>25</sup> International Labor Office, Industrial and Labor Information, Geneva, Mar. 12, 1928, p. 354.

<sup>26</sup> An act to amend the constitution of the industrial commission, to amend the law with respect to the declaration of living wages and the granting of preference of employment to unionists; to amend the industrial arbitration act 1912, and certain other acts; and for purposes connected therewith. (Assented to Dec. 9, 1927.)

<sup>27</sup> New South Wales Quarterly Statistical Bulletin, June, 1927, p. 35.

<sup>28</sup> *Idem*, p. 33.

## Principle of Wage Fixation

THE main emphasis of all Australian laws has been on the guarantee of a living wage to all workers. A very general practice, however, has been to fix a basic wage for unskilled laborers, satisfying only the "normal needs of an average employee, regarded as a human being living in a civilized community," and a secondary wage to remunerate skill or other particular qualities (a practice established by the Commonwealth court of arbitration and defined by its president, Henry Bourne Higgins).<sup>26</sup> The court for a long time, in fixing a basic wage, started from cost-of-living figures ascertained in Melbourne in 1907 and applied an index number to take into account the decrease in the purchasing power of money.<sup>27</sup> The court declines to reduce that basic wage. The exigencies of competition, however, have been taken into account in fixing secondary wages.<sup>28</sup> The court has endeavored to maintain a certain margin between the wages of skilled and of unskilled labor in order to provide an incentive for properly learning a trade.

The basic wages under the jurisdiction of the Commonwealth court, effective February 1, 1927, were fixed as follows for the main centers:

	Basic wage per week		
	£	s.	d.
Melbourne	4	8	6
Sidney	4	11	6
Adelaide	4	4	6
Perth	4	0	0
Brisbane	4	3	0
Hobart	4	7	0

These figures are based on the cost of living in these six State capitals during the last quarter of 1926 ascertained by the Federal Bureau of Census and Statistics.<sup>29</sup>

In 1922 the Broken Hill Proprietary Co. appealed against a living wage "which left it no profits." The full court, on appeal, decided against the company. The reasoning of the judgment can be summed up approximately as follows: If works can not exist and pay a living wage, and if there is a national interest that the works should continue, the workers should not be required to shoulder a burden of the community, but a subsidy from the funds available by general taxation should solve the difficulty.<sup>30</sup>

South Australia has applied since 1916 the principle that the "reasonable needs of a worker in a community where the national income is high are greater than those of a worker in a community where the national income is low."<sup>31</sup>

While the dependence of the living-wage standard upon the total production of the country is admitted, that does not imply dependence of the minimum of existence to be guaranteed by the living wage upon the particular and temporary financial conditions of a

<sup>26</sup> Harvard Law Review, January, 1919, p. 192: "A new province for law and order," by Henry Bourne Higgins.

<sup>27</sup> *Idem*, p. 199.

<sup>28</sup> *Idem*, p. 201.

<sup>29</sup> Monthly Labor Review, May, 1927, p. 172.

<sup>30</sup> Burns, E. M.: *Wages and the State*. London, 1926, pp. 279, 280.

<sup>31</sup> Judge Jethro Brown, in *Australia, Economic and Political Studies*, p. 203. (Quoted by E. M. Burns, in *Wages and the State*, p. 307.)

particular industry. Exact methods have been applied to measure that general prosperity that has to be taken into account for the calculation of reasonable living standards. The New South Wales Board of Trade, from September, 1923, has taken into account the prosperity of companies, quotations of stocks and bonds, the balance of trade, and the quantities of staples produced.<sup>32</sup>

## Results

### Movement of Wages

THE increase of average nominal wages from 1911 to 1927 is shown in Table 2, differentiating for the six States so as to allow comparisons of the influence on wages of their various systems. The average wage for Australia in 1911 (51s. 3d. per week) is taken as the base, or 1000, in the index numbers.<sup>33</sup>

TABLE 2.—*Index numbers of average wages in the States of Australia, June 30, 1914, to March 31, 1927*

[Average wage in Australia in 1911=1000]

Date	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Commonwealth of Australia
June 30, 1914	1091	1059	1030	1060	1225	1026	1079
Dec. 31, 1914	1096	1065	1042	1062	1226	1028	1085
Dec. 31, 1921	1869	1826	1886	1745	1853	1788	1844
Dec. 31, 1922	1785	1783	1830	1708	1829	1726	1785
Dec. 31, 1923	1844	1865	1837	1770	1838	1802	1840
Dec. 31, 1924	1824	1862	1868	1791	1847	1805	1839
Dec. 31, 1925	1873	1897	1950	1841	1893	1823	1887
Dec. 31, 1926	1959	1941	1952	1867	1927	1851	1938
Mar. 31, 1927	1966	1952	1952	1861	1925	1843	1944

Retail price index numbers for food, housing, clothing, and miscellaneous items in the six States (weighted average of five towns in each State and for the six capital cities combined), taking the prices of November, 1914, as 1000, are shown in Table 3:<sup>34</sup>

TABLE 3.—*Index numbers of retail prices in the States of Australia and in the six capital cities combined, November, 1921, to June, 1927*

[November, 1914=1000]

State	November, 1921	November, 1922	Year 1924	Year 1925	Year 1926	January to March, 1927	April to June, 1927
New South Wales	1516	1471	1450	1472	1498	1490	1482
Victoria	1460	1397	1409	1422	1444	1420	1419
Queensland	1370	1271	1322	1339	1381	1357	1331
South Australia	1444	1378	1465	1485	1484	1473	1462
Western Australia	1484	1370	1434	1450	1446	1430	1437
Tasmania	1538	1419	1485	1458	1466	1432	1423
Average for 6 capital cities	1474	1420	1436	1451	1471	1453	1446

<sup>32</sup> Burns, E. M.: *Wages and the State*. London, 1926, p. 382.

<sup>33</sup> Australia. Bureau of Census and Statistics. *Quarterly Summary of Australian Statistics*, Melbourne, September, 1927, p. 70.

<sup>34</sup> *Idem*, p. 77.

A comparison of the two tables shows that the differences between the six States as regards the increase of nominal wages are small. South Australia and Tasmania, where the population is less concentrated in industrial areas than in New South Wales, Victoria, and Western Australia, show a slightly smaller increase of nominal wages, but an increase in prices as high as in the other States, and therefore a less favorable movement of real wages. But even in these States, and more so in the others, the increase in nominal wages is greater than the increase in prices. The real wages have risen considerably, but not in any extravagant way if we compare them with the movement during the same period in other countries without legal fixation of wages.

The system of wage fixation independently of disputes (in Victoria and Tasmania) and that of wage fixation more or less in connection with disputes (in the other States of Australia) had, as a whole, similar results.<sup>35</sup>

### Effect on National Prosperity

To ascertain how that moderate increase in the living standards of the working population has affected the bases of public prosperity, a comparison of bank assets may be instructive. The total assets of check-paying banks of Australia during the last six years were as follows.<sup>36</sup>

Quarter ending June 30—	Total assets
1922	£302, 185, 648
1923	327, 458, 496
1924	335, 452, 422
1925	347, 842, 100
1926	370, 844, 006
1927	395, 346, 098

Commercial capital has accumulated undisturbed by wage fixation.

The increase of wages also strengthened directly the financial basis of the country. The number of savings bank accounts and the total amount of deposits in the last six years have increased as follows:<sup>36</sup>

End of fiscal year—	Number of open accounts	Amount on deposit
1921-22	3, 413, 280	£162, 273, 233
1922-23	3, 598, 901	171, 643, 812
1923-24	3, 798, 662	176, 871, 477
1924-25	3, 992, 201	183, 035, 774
1925-26	4, 182, 566	195, 451, 540
1926-27	4, 461, 904	204, 159, 682

The number of accounts is about equal to the total adult population of Australia, the whole population on June 30, 1927, being 6,167,000; financial democracy proves to be a sound basis for accumulation of capital.

<sup>35</sup> Compare, on the other hand, the figures for certain highly organized trades in New South Wales (p. 16), which are somewhat higher than the corresponding figures for Victoria. The strength of unionism is, of course, of more importance in the former State than under the boards of Victoria; but the general state-wide figures are, nevertheless, very similar in both States.

<sup>36</sup> Australia. Bureau of Census and Statistics. Quarterly Summary of Australian Statistics, Melbourne, September, 1927, p. 58.

### Effect on General Level of Wages

The Commonwealth Court of Arbitration decided in 1915 that workers were not compelled to work at minimum rates and that refusal to do so was not a strike. The court declared expressly that an employer is quite at liberty "to seek by extra wages to attract men who, as he thinks, will give him extra speed and efficiency."<sup>37</sup>

The above-mentioned policy of distinction between the basic wage for unskilled labor and the secondary supplementary wage for skilled labor works in a parallel direction. The margin between the earnings of skilled and of unskilled workers is, however, only about 20 to 25 per cent as compared to a margin of from 65 to 75 per cent in Great Britain and an average margin of from 60 to 70 per cent in the United States.<sup>38</sup>

In an undeveloped country labor is generally scarce and insufficient for the development of great resources, and the unskilled laborer has a stronger position than in the better-developed countries. The wage-fixing legislation is credited with having a large part in bringing about this greater uniformity of earnings in Australia.

The prevalence of collective agreements and awards in the States where agreements or conflicts between associations come before the courts seems to have a particular influence on the standardization of wages, although it does not become complete.

### Influence on Discharge of Slow Workers and Unemployment

The percentage of unemployed among trade-union members in the last six years in Australia is as follows:<sup>39</sup>

Third quarter of—	Per cent of unemployed
1922	9.3
1923	7.1
1924	8.9
1925	8.8
1926	7.1
1927	6.7

These figures are in no way extravagant. The provision of the laws that licenses may be issued for slow workers authorizing them to work below the fixed rates seems to work.

### Influence on Industrial Peace

President Henry B. Higgins, of the Commonwealth Court, states<sup>40</sup> that from the establishment of the arbitration court up to 1915 there was no strike extending beyond the limits of a single State. From 1915 to 1918 there were two ordinary strikes and one sympathetic strike. One was settled by political influences. In the second case penalties were imposed on the strikers and the workers had to re-

<sup>37</sup> Harvard Law Review, January, 1919, p. 193: "A new province of law and order." by Henry Bourne Higgins.

<sup>38</sup> International Labor Office, International Labor Review, Geneva, December, 1924, p. 969: "Development of State wage legislation in Australia and New Zealand," by Dorothy McDaniel Sells.

<sup>39</sup> Australia, Bureau of Census and Statistics, Quarterly Summary of Australian Statistics, Melbourne, September, 1927, p. 64.

<sup>40</sup> Harvard Law Review, January, 1919, p. 206: "A new province for law and order," by Henry Bourne Higgins.

sume work on the conditions of the employers. In the third case the union was induced to change its by-laws in such a way as to prevent strikes without permission of executives.<sup>41</sup>

The extent of industrial disputes in the various States is given in Table 4:<sup>42</sup>

TABLE 4.—*Number of working-days lost through industrial disputes in Australia, 1922 to 1926, by States*

Year	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Commonwealth
1922	586,520	64,701	36,730	114,334	43,472	9,284	858,685
1923	892,306	98,880	55,131	25,971	72,274	1,093	1,145,977
1924	706,796	66,567	47,214	19,459	66,734	11,606	918,646
1925	649,840	131,737	219,826	19,463	98,941	2,989	1,128,570
1926	1,111,230	100,735	30,118	22,836	9,081	5,080	1,310,261

There is one striking fact reflected in this table. The method of Victoria in fixing wages prior to disputes has maintained the number of strike days at a small fraction of the number in the neighboring State of New South Wales, where legislation has laid the main emphasis on the settlement of disputes.<sup>43</sup> The particular conditions in the mining industry of New South Wales can scarcely be accepted as the sole cause of the enormous difference.

In Victoria, with approximately 200,000 workers under the boards and 156,000 employed by manufacturing industries,<sup>44</sup> there has been an average of only about 100,000 strike days per year, or, allowing for seasonal fluctuations, 1 day per 2 workers per year, although the legislation of this State does not prohibit strikes. This State settles the conditions of employment in a constitutional way by agreement of the parties and prevents disputes which otherwise would have to be taken care of afterwards under psychological difficulties. The results in Tasmania (population 208,000), with its wages boards, are analogous, there being a correspondingly low number of strike days.

Western Australia, with a population not quite double that of Tasmania—385,000—has on an average about ten times as many strike days. The population of Western Australia is more industrialized, but not to the extent indicated by the difference in the time lost through strikes. Western Australia bases its social legislation on the settlement of disputes by the arbitration court.

Queensland (population 894,000), with its mixed system, has fair results and South Australia (population 570,000), with its mixed system, even very good results.

Local circumstances, of course, play their rôle, but the outstanding fact is the great degree of industrial peace achieved in Victoria and Tasmania by wages boards alone, without need for court intervention and penalties against strikers.

<sup>41</sup> Howard Law Review, January, 1919, pp. 207-209: "A new province for law and order," by Henry Bourne Higgins.

<sup>42</sup> Australia. Bureau of Census and Statistics. Quarterly Summary of Australian Statistics, Melbourne, September, 1927, pp. 65, 66.

<sup>43</sup> The population of Victoria June 30, 1927, was 1,726,000, as compared with 2,370,000 in New South Wales. Australia. Bureau of Census and Statistics. Quarterly Summary of Australian Statistics, Melbourne, September, 1927, p. 3.

<sup>44</sup> *Idem*, p. 14. Victoria is a preponderantly industrial country.

## CHAPTER 4.—COMPULSORY ARBITRATION IN NEW ZEALAND<sup>1</sup>

**E**CONOMIC, social, and psychological conditions in New Zealand are similar to those of her larger sister dominion, the Commonwealth of Australia, but politically the two countries are as independent of each other as, say, Canada and South Africa. Other political conditions have led to the application of other methods for the solution of rather similar basic questions.

The labor movement, politically and economically, was much stronger in New Zealand when the first wage laws were passed than in Australia. The Labor Party was strongly represented in the government which drafted the first New Zealand laws, which was not the case in Australia.

New Zealand therefore based her procedure on the existence of a strong trade-union movement and concentrated her endeavors on compulsory arbitration—to better conditions of work and to better wages without strikes. Victoria, proceeding quite differently—through wages boards—ignored the trade-unions, as we have seen; but several other Australian States, particularly New South Wales, have followed the example of New Zealand, and the experience of both dominions has been interwoven for a number of years.

### Political Background

**A**T THE end of the nineteenth century ideas of evolutionist socialism, as propagated in England by the Fabian Society, spread in New Zealand and had a strong influence on the systematic development of State intervention in industrial life. Theory, as well as practical experimentation, has shaped these policies.<sup>2</sup> Parallel with the system of compulsory arbitration went the nationalization of railways, mines, and various industrial services. A coalition government, formed by the Liberal and Labor Parties, directed these enterprises. Later on the farmers demonstrated more and more their predominating influence in the economic and political life of the country. They had nothing against State-owned shipping services, coal mines, and railways, but they clung to private ownership of the land. While they had first accepted a system of leaseholds, granting to the State supervision of effective agricultural management, they endeavored more and more to convert leaseholds into freeholds, and finally succeeded in their object—if not in the letter, at least in effect.<sup>3</sup> They did not ask for repeal of the laws for compulsory

<sup>1</sup> This chapter is based both on observations of the author on the spot at the time following the strongest creative efforts (1906) and on documents collected thereafter.

<sup>2</sup> Letter of Mr. Edward Tregebar, secretary of labor in the ministry of Mr. Seddon, 1906.

<sup>3</sup> International Labor Office, International Labor Review, Geneva, March, 1924, p. 357: "Experiments in State control in New Zealand," by J. B. Condliffe.

arbitration but prevented their development in the direction of socialism.

While New Zealand in 1894 was by far the most advanced State in the world in regard to social legislation, Victoria now rivals her achievement, and even Great Britain does in some respects. Having succeeded in applying the organized national will in the field of distribution, New Zealand has not continued into the field of production her evolution toward socialism. The importance of her experience lies, perhaps, more in the fact that she showed the way to other countries than that she may assume leadership for the future.

### Development of Legislation

IN 1894 the original industrial conciliation and arbitration act was passed.<sup>4</sup> The primary purpose was the peaceful settlement of industrial disputes. To have responsible parties on both sides, provisions were enacted for formal registration of associations of employers and of employees. Boards of conciliation, and, in the last instance, a court of arbitration were intrusted with the settlement of conflicts.

Legislation came somewhat nearer to the particular problem of the minimum wage in 1898. In that year an amendment was enacted authorizing the court to prescribe minimum wages in its awards and to make special provision for lower rates to be paid to workers who were unable to earn the minimum. In 1905 provisions were enacted for the punishment of participants in strikes or lockouts in industries under awards. In 1911 authority was given to the court to convert agreements between the parties into official awards.<sup>5</sup>

The power conferred on the court in 1898 to prescribe minimum wages was originally only an incident to its power to settle disputes, but later the court more and more embarked on a policy to prescribe minimum wages as a way to prevent disputes arising. Section 8 of the war legislation act of 1918 gives the court power to change prescribed wage rates even during the term of the award, so as to adapt these rates to changes in the cost of living.<sup>6</sup> Minimum wages for the whole country were declared in 1919, the only differentiation being rates for skilled, for semiskilled, and for unskilled workers.<sup>7</sup> But at the end of 1923, conditions becoming more normal, the court decided to abandon changes of awards in relation to changes in the cost of living and when making new awards to take into account the conditions of the trade. National minimum rates were continued for a time. At present, however, the practice of the court is to fix different rates for each industry. The bricklayers' award rates, for instance, in force in 1927 were 2s. 3 $\frac{1}{4}$ d. and 2s. 4d. per hour; the bakers' rates were lower—2s. 1 $\frac{1}{2}$ d.; and the bootmakers' award rates even considerably lower—1s. 11 $\frac{1}{4}$ d.<sup>8</sup>

The industrial conciliation act as passed in 1894 and also in its present form does not imply real compulsory arbitration, as it

<sup>4</sup> New Zealand Official Year Book, 1928, Wellington, p. 802.

<sup>5</sup> *Idem*, p. 803.

<sup>6</sup> *Idem*, p. 804.

<sup>7</sup> International Labor Office. *Studies and Reports, Series D (wages and hours of work)*, No. 17: Minimum Wage-Fixing Machinery. Geneva, 1927, p. 129.

<sup>8</sup> New Zealand. Department of Labor. Report for 1926-27. Wellington, 1927, p. 5.

applies only to unions which have registered of their own accord,<sup>9</sup> and agreements and awards are binding only in these cases. Disputes arising between parties which have not registered come under the labor disputes investigation act of 1913, which provides only for a cooling-off period before strikes may be declared. In practice, however, up to 1924, only 50 disputes had been filed by 23 unions under that act; the remaining 415 unions preferred the conditions of the industrial conciliation and arbitration act. Only 12 awards were in force at the beginning of 1925 under the voluntary labor disputes investigation act and 551 under the other compulsory conciliation and arbitration act.<sup>10</sup>

As the legislation in New Zealand is frequently considered the most complete attempt to achieve industrial peace and legal fixation of wages and is the endeavor of longest duration, it may be advisable to refer more in detail to the main provisions of the two acts as they now stand on the statute books. The industrial conciliation and arbitration act and its various amendments, in so far as they have not been repealed, were consolidated on October 1, 1925. Unions of at least 15 members and employers' associations with at least 3 members may be registered under the act. (Art. 5.) By registration such associations become subject to the jurisdiction of the councils of conciliation and the court of arbitration established under the act. (Art. 12.) Only registered associations can be parties to the agreements under the act. (Art. 28.) These agreements are binding not only on the associations which have concluded them but also on their members. (Art. 30.) If the court accepts it as proved that an industrial agreement binds employers who employ a majority of the workers in the industry in the district for which the agreement is made, the court may, on the application of any party to the agreement or of any person under the agreement, extend the operation of the agreement to all employers in the industry in the district, and the agreement shall thereby have binding force for them. (Art. 32.) The court shall convert the agreement into an award, unless it finds the provisions are against the public good or in excess of its jurisdiction. (Art. 33.) No disputes shall be submitted to the court unless they have first been referred to a council of conciliation. These councils are formed of commissioners appointed by the Governor General and assessors from the parties to the disputes appointed by the commissioners. (Art. 40-41.) The council may make recommendations for the amicable settlement of disputes. (Art. 54.) These councils may, however, on their own initiative, transmit disputes to the court (art. 56), and parties may appeal from the advice of councils to the court (art. 57).

The court of arbitration consists of three members appointed by the Governor General, two of them nominated by the associations of employers and of employees. (Arts. 63-65.) Awards of the court shall bind not only the parties to the dispute but all employers and trade-unions in the industry and in the district in which the award has been made. (Art. 89.) The court may even extend the binding force of its awards to the whole of the particular industry in the country. (Art. 92.) The court may, in its awards or by orders,

<sup>9</sup> New Zealand. *Précis of the Labor Laws of New Zealand*, administered by the Department of Labor. Compiled March, 1925. Wellington, p. 1.

<sup>10</sup> *Idem*, p. 5.

make, on application of the parties, a minimum rate of wages and provide lower rates for workers unable to earn the minimum. These lower rates are to be fixed by tribunals determined by order of the court. (Art. 99.) Workers striking, although bound by an award, are liable to be fined £10. (Art. 123.) Employers who, under the same conditions, declare a lockout may be fined £500. (Art. 123, sec. 2.) Trade-unions or employers breaking an award or an agreement may be fined £100 (art. 129), and if they instigate an unlawful strike or lockout, £200 (art. 124).

The working of the machinery may best be illustrated by citing the main provisions of a typical award rendered by the court. The award chosen for this purpose is an award still in force—award No. 8868, in the shipbuilding industry in the district of the capital, Wellington.<sup>11</sup> The week's hours are fixed at 44 (sec. 1) and wages at 2s. 4½d. per hour (sec. 2). If a worker has to work elsewhere than at his usual place of work, expenses are to be paid by the employer. (Sec. 7.) For work aloft above the main rigging, 1s. 6d. per day extra shall be paid. (Sec. 8.) If employers and workers do not agree on the particular pay for salvage work, the matter shall be decided by the inspector of awards. (Sec. 9.) Employers shall dismiss workers not members of the union and not becoming members after a fortnight if the union requests them to do so, and if there is a member of a union qualified for the work and willing to undertake it. The provision shall operate only as long as the union freely admits new members. (Sec. 14.)

Workers may apply for permission to work below the award rates. The union must be notified. The local inspector of awards or such person as may be appointed by the court for that purpose accepts or rejects the application. That person must take into account the worker's capability, his past earnings, and other circumstances of importance. Workers may, however, agree with the president or secretary of the union for permission to work below the award rates without such a decision, on condition that notice is given to the inspector of awards. Employers must examine these permits before employing workers at such lower wages. (Sec. 15.) Certain operations are enumerated and classed as "dirty work." Extra pay for them is 1s. 6d. per day. (Sec. 16.)

Disputes are to be submitted to the inspector of awards and appeals to the court. (Sec. 18.) Workers may be discharged at the port where they first joined the ship, on 24 hours' notice. (Sec. 21.)

Overtime rates are fixed at 2s. 9d. per hour. (Sec. 23.) The award is valid from December 23, 1926, to December 31, 1928. (Sec. 30.)

The labor disputes investigation act of December 15, 1913 (No. 75) applies, as already explained, to associations which have not voluntarily registered under the other act. Societies which are not bound by the other act may, by article 4 of this act, give notice to the minister of any dispute, specifying the parties thereto and formulating their claims. The minister shall refer the matter either to conciliation under the other act or to investigation by a labor dispute committee composed of an equal number of representatives of each party

<sup>11</sup> New Zealand. Department of Labor. Awards, recommendations, agreements, etc., made under the industrial conciliation and arbitration act. Wellington, 1926, vol. 26, p. 1394.

to the dispute, under an impartial chairman. (Arts. 4, 5.) If no settlement is arrived at within 14 days, the authorities shall take a secret ballot of the workers concerned, to determine whether they wish to accept the recommendation of the council of conciliation or, if the case has been submitted to a labor dispute committee, whether they wish to strike or not. The results of the ballot shall be published in the press. (Art. 7.)

Strikes are forbidden if they take place before seven days after the ballot, or before expiration of the agreement. Every striker in that case may be fined £10. (Art. 9.) Employers have to wait a similar time before declaring a lockout (arts. 11 and 12), and may be fined £500 if they break the rules. (Art. 13.) Unions inciting to unlawful strikes may be fined £1,000, or £10 for each of their members. (Art. 15.)

### Principle of Wage Fixation

AFTER the above-cited war-time legislation, the cost of living was one of the essential considerations for the fixation of minimum wages by the court. In November, 1922, however, careful inquiries into the movement of prices, trade balance, banking facilities, etc., were undertaken, particularly to ascertain the net wealth of the country as one of the factors to be considered in visualizing the "fair standard of living" as a relative entity. Since 1923 trade conditions have been declared to be one of the main considerations to be taken into account in fixing the minimum wage.

Different rates, as we have seen, have been fixed for workers of different skill, even when the system of national wage minima was employed, and more so, of course, to-day after the reestablishment of different rates for different industries. The present system, therefore, combines the living-wage principle (as a general minimum of existence), the fair-wage principle (differentiation by skill), and the principle "wages the trade can bear," in the adaptation of the rates to trade conditions.<sup>12</sup> This synthesis seems to combine more systematically than that in any other country the cardinal interests of all parties concerned.

### Application of the Laws

AWARDS are in force, based on one or the other of the two acts, for all important industries, except for agricultural and pastoral employees and for railway employees, the working conditions of the last-named group being settled directly with the railway department.<sup>13</sup> In 1927 there had been filed under the industrial conciliation and arbitration act 20 industrial agreements, 134 recommendations of councils of conciliation, and 126 awards of the court of arbitration. The great majority of disputes submitted to councils of conciliation were substantially settled by them, there being failure in only 9 cases.<sup>14</sup>

<sup>12</sup> Classification, which seems to take into account the main principles applied in the laws of various countries, proposed in Burns, E. M.: *Wages and the State*, London, 1926, p. 268.

<sup>13</sup> New Zealand Official Year Book, 1928, Wellington, p. 785, and *Précis of the Labor Laws of New Zealand*, administered by the Department of Labor. Compiled March, 1925. Wellington, p. 5.

<sup>14</sup> New Zealand. Department of Labor. Report for 1926-27, Wellington, p. 4.

During the year 1927, 3,229 complaints of violations of awards and industrial agreements were investigated. There were 381 prosecutions for violation of agreements or awards not referring to stoppages of work—55 against workers and 326 against employers—and 327 convictions. There have been only two prosecutions for strikes; one of them, covering 35 workers, led to conviction.<sup>15</sup>

Thirteen industrial disturbances of any importance occurred during the year.<sup>16</sup>

## Results

### Stabilization of Real Wages

THE increase of money wages in the main industries from the beginning of the war to the end of 1926 is shown by Table 5:<sup>17</sup>

TABLE 5.—*Index numbers of nominal wages in New Zealand, 1914 and 1917 to 1926, by industry groups*

[Average wages for all industry groups, combined, in 1909=1000]

Industry group	1914	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926
Food, drink, and tobacco.....	1074	1169	1193	1228	1498	1624	1643	1628	1711	1778	1817
Clothing, boots, etc.....	737	815	855	936	1113	1215	1182	1145	1162	1191	1178
Textiles and weaving.....	972	1083	1094	1225	1309	1466	1490	1553	1555	1558	1569
Building and construction.....	1236	1312	1357	1491	1764	1888	1835	1773	1799	1804	1802
Wood manufacture.....	1111	1204	1286	1378	1617	1896	1816	1754	1810	1837	1910
Printing, etc.....	1274	1373	1373	1552	1879	2008	1895	1813	1822	1967	1991
Metal working and engineering.....	1161	1236	1309	1430	1721	1825	1805	1779	1780	1784	1813
Other manufactures.....	1087	1177	1231	1322	1592	1820	1743	1694	1702	1731	1739
Mining.....	1145	1236	1305	1334	1482	1774	1766	1754	1799	1820	1820
Agricultural and pastoral.....	1011	1305	1374	1458	1541	1550	1461	1492	1486	1491	1494
Land transport.....	1076	1186	1238	1371	1644	1739	1684	1644	1702	1736	1773
Shipping and cargo working.....	1249	1507	1556	1642	1826	2126	2087	2015	2064	2106	2114
Hotel, restaurant, and other personal service.....	955	1057	1103	1145	1269	1528	1526	1469	1497	1502	1532
Miscellaneous.....	1021	1128	1179	1254	1593	1669	1590	1519	1553	1587	1636
All industry groups combined.....	1073	1225	1278	1368	1570	1703	1654	1625	1651	1679	1699

The corresponding movement in real wages (purchasing power) for the same industry groups is given in Table 6:<sup>18</sup>

TABLE 6.—*Index numbers of real wages in New Zealand, 1914 and 1917 to 1926, by industry groups*

[Real wages in all industry groups, combined, in 1914=1000]

Industry group	1914	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926
Food, drink, and tobacco.....	1001	846	778	729	784	853	959	962	997	1022	1041
Clothing, boots, etc.....	687	591	558	555	583	633	690	677	677	685	675
Textiles and weaving.....	906	784	714	727	685	770	870	918	906	896	895
Building and construction.....	1152	950	885	885	924	992	1071	1048	1048	1037	1031
Wood manufacture.....	1035	872	839	818	847	995	1060	1037	1054	1056	1095
Printing, etc.....	1187	995	896	921	984	1054	1107	1072	1061	1131	1144
Metal working and engineering.....	1082	895	854	849	901	958	1054	1051	1037	1028	1039
Other manufactures.....	1013	852	803	785	834	955	1018	1001	991	995	996
Mining.....	1067	895	851	792	776	931	1031	1037	1048	1046	1042
Agricultural and pastoral.....	942	945	896	866	807	814	853	881	866	857	856
Land transport.....	1003	859	808	814	861	913	983	971	992	998	1015
Shipping and cargo working.....	1164	1091	1015	975	956	1116	1219	1191	1203	1211	1211
Hotel, restaurant, and other personal service.....	890	765	719	680	665	802	891	868	872	863	878
Miscellaneous.....	952	817	769	745	834	876	929	898	904	912	937
All groups combined.....	1000	887	833	812	822	894	966	960	959	965	973

<sup>15</sup> New Zealand. Department of Labor. Report for 1926-27, Wellington, p. 5.

<sup>16</sup> *Idem*, p. 6.

<sup>17</sup> New Zealand Official Year Book, 1928, Wellington, p. 786.

<sup>18</sup> *Idem*, p. 791.

It can be seen that nominal wages rose during the war but that the jurisprudence of the court did not adapt them fully to the increase in the cost of living, even after the provision made therefor by war-time legislation, although there was some effort in that direction. On the other hand, there has been only a slight decrease in nominal wages and rather an increase in real wages during the post-war depression. The influence of the legislation has been rather conservative, retarding somewhat adaptation to industrial conditions. The war-time rise in prices was rather lessened through not increasing the wages to the same extent, thereby avoiding a further corresponding rise in prices. The decrease in nominal wages during the depression was less than the decrease in prices. The purchasing power of the workers was thereby maintained and an influence exerted against aggravation of the crisis. The jurisprudence of the court had a stabilizing influence.

### Effect on General Level of Wages

The report for 1926-27 of the Department of Labor (p. 5) gives a comparison of minimum rates under the awards and average rates paid to workers (other than foremen) in the four chief centers of New Zealand:

TABLE 7.—*Minimum rates under awards and rates generally paid in specified occupations in New Zealand, 1926-27*

Occupation	Award rates	Rates generally paid
Bricklayers	2s. 3½d. and 2s. 4d.	2 6 -3 0
Carpenters and joiners	2s. 3d. and 2s. 3½d.	2 4 -2 6
Electrical workers	2s. 2d. and 2s. 3d.	2 3 -2 6
Painters	2s. 3d.	2 3 -2 6
Plasterers	2s. 3½d., 2s. 4d. and 2s. 4½d.	2 6 -3 0
Plumbers	2s. 2d. and 2s. 3d.	2 2 -2 6
Stonemasons	1s. 9d., 2s. 1½d., 2s. 3½d., and 2s. 4½d.	2 1¾ -2 6
Bakers	2s. 1½d.	2 1½ -2 4½
Boiler makers, molders, engineers, motor engineers, sheet-metal workers, and tinsmiths.	2s. 3d.	2 3
Boot makers	1s. 11½d.	1 11½ -2 2
Cabinetmakers	2s. 3d.	2 3 -2 6
Engine drivers	2s. ½d. and 2s. 1½d.	2 1½ -2 6
Tailors	1s. 8½d. and 2s. 2d.	1 10½ -2 6
Waterside workers	2s. 2½d.	2 4

It can be seen that there is some difference in the rates, as employers have an interest in attracting more clever workers through higher wages, but the difference is very slight. Individual wage contracts have been superseded by agreements and awards, and there is practically no room for individual differentiation. In countries where individual contracts prevail, for instance in the United States in the women's trades, the development is quite different, as will be seen later.

### Influence on Industrial Peace

The small number of strikes has been shown above. They do not invalidate the claims for such legislation, as strikes are prohibited only for registered associations. The 13 important disputes in the

year 1926–27 arose in three trades only—coal miners, freezing-works employees, and waterside workers. They resulted from various causes and in only one case from a conflict as to wages.<sup>19</sup> That the New Zealand legislation seems to be efficacious may be gathered from the following statement of the average number of days lost per year per 1,000 population by strikes and lockouts in the various countries during the period 1919 to 1923.<sup>20</sup>

Great Britain -----	819	South Australia -----	270
Sweden -----	795	France -----	259
New South Wales -----	661	Victoria -----	<sup>21</sup> 234
Germany -----	591	Queensland -----	223
Western Australia -----	461	Canada -----	194
Australia -----	411	Tasmania -----	121
Italy -----	352	New Zealand -----	84

A further step to promote industrial peace through cooperation of all groups of the population was undertaken on December 5, 1927, when a committee was appointed by Parliament, at the instance of the Prime Minister, composed of two members chosen by the Labor Party and six members by the other parties to arrange for a conference of all interested in the industrial situation to study the Dominion's industrial problems.<sup>22</sup>

### Effect on Business

The number of registered factories increased from 13,469 in 1913–14 to 16,619 in 1926–27, and the number of factory workers from 87,517 to 103,404, the movement being approximately in accord with that of the general population.<sup>23</sup> There was no rapid industrialization, but taking the New Zealand policy of imperial preference into consideration it can not be concluded that this legislation has hampered industry. As the average of real wages in 1926 was slightly below the pre-war figure (see Table 6, p. 27), the costs of production do not seem to have been increased by the minimum wage awards; indeed, the much smaller number of strike days as compared with other countries, would tend to decrease the cost of production. There is apparent no adverse influence on the development of industry from this legislation, but rather a slight beneficial influence.

### Influence on Discharges and Unemployment

The average number of unemployed filing applications at the Government employment bureaus in 1926–27 was between 1,000 and 2,000.<sup>24</sup> These figures are considered by the Department of Labor as showing a certain depression of trade. When compared with the total number of factory workers (exceeding 100,000), however, they

<sup>19</sup> New Zealand. Department of Labor. Report for 1926–27. Wellington, 1927, pp. 6, 7.

<sup>20</sup> Idem, p. 8, quoting from a compilation by the International Labor Office.

<sup>21</sup> But the figures of the latest years are infinitely better (see p. 21).

<sup>22</sup> International Labor Office. Industrial and Labor Information, Geneva, Feb. 27, 1928, p. 360.

<sup>23</sup> New Zealand. Department of Labor. Report for 1926–27, Wellington, 1927, p. 2.

<sup>24</sup> Idem, p. 1. But compare the New Zealand Statistical Report, 1926. Wellington, 1928, p. 15, stating that not all persons register at the employment bureaus. The real figures are, therefore, somewhat higher.

seem to be rather below the usual figure of the "industrial reserve army" and to show that no considerable number of workers is excluded from employment through the awards.

The industrial conciliation and arbitration act provides (arts. 145, 146) that workers may apply for permission to accept a wage below that prescribed for ordinary workers and the method of doing so. There is no express stipulation restricting licenses to defective workers. The secretary of the trade-union is to be heard, but decision rests with the tribunal designated by the court.<sup>25</sup> From the low figures of unemployment it may be supposed the case of slow workers has been taken care of under this provision of the law and that no great hardship has been caused in that respect.

There has been no evidence pointing to any unfavorable consequence of the New Zealand legislation. Its main consequence lies in the direction of industrial peace, and in the preponderance of far-reaching wage and labor policies, dictated by considerations of general interest, over industrial strife and the "right" of the stronger party.

<sup>25</sup> Award 8868, summarized on p. 25 gives further permission for agreement between workers and unions to work below the fixed rates even without express licenses from the authorities, and thus renders it easier for the slow workers to obtain employment.

## CHAPTER 5.—THE BRITISH TRADE BOARDS

### Beginnings, Development, and Machinery

THE Australian methods became known in England in the first years of the nineteenth century. The evils to be remedied were the same, as sweating, particularly in the home-work trades, prevailed even more in London and the great industrial centers of England than in Australia. The British were much inclined to apply the method for abolishing sweating which in Australia had stood the test of practical life,<sup>1</sup> and therefore a trade boards act was promulgated on October 20, 1909, establishing wages boards for industries where home work predominated—tailoring, paper-box making, lace work, and chain making.<sup>2</sup> The Minister of Labor was given the right to extend the law, and by 1913 the results in the above-named industries appeared so successful that he extended the law to four other industries—cutlery, pottery, candy, and metal boxes—employing a total of 419,000 persons, among them 310,000 women.

On August 8, 1918, the sphere of minimum wage legislation was further extended. The first law authorized the constitution of wages boards for only those industries with very low wages. The new law<sup>3</sup> (art. 1) extended them to all industries where (in the opinion of the Minister of Labor) there is no adequate machinery for the effective regulation of wages and the rate of wages makes it expedient to apply the act. Boards have the right to fix minimum wages for ordinary shopwork and for overtime, and so they can also fix the number of hours after which the right to overtime begins. These boards have the right to appoint district commissions and to secure information on local conditions.<sup>4</sup> Each board is composed of delegates of employers and of employees and persons appointed by the Government. The Government appointees decide in case of nonagreement of the other representatives, thus guaranteeing that wages will be fixed. Home workers have the right to special representation.

The boards fix, first, minimum wages for timework, and afterwards minimum rates for piecework but are under no obligation to do so. If no piecework rates are fixed, the employers must prove that their piecework rates allow workers of average force and ability to earn the time rates fixed by the committee.

Trades where conditions have become satisfactory can be excluded by the Minister of Labor from further application of the acts.

If a worker believes he has been wronged, he may present a complaint to the board, which may go to the court, or he may go directly to the court himself. The inspectors of factories also supervise the application of the law. Sometimes they have to prevent pressure on workers to act in collusion with their employers. Miss Dorothy

<sup>1</sup> See for first proposals, *The International Records of Progress*, London, December, 1907, p. 5: "Sweating and minimum wage," by Sir Charles Dilke.

<sup>2</sup> Pub. Gen. Acts 9 Edw. VII, p. 91.

<sup>3</sup> Pub. Gen. Acts 8 and 9 Geo. V, p. 101.

<sup>4</sup> Willis, W. Addington: *Trade Boards—A practical guide to the operation of the trade boards act*. London, 1920, pp. 14, 31, 51.

M. Sells reports on such a use in Cradley Heath, the workers there giving overweight in chain—i. e., more than a hundredweight for the weight of a hundredweight, or returning part of their earnings in the form of a rebate.<sup>4</sup>

Following the passing of the more extensive act of 1918, there was a large increase in the number of trades covered by the legislation. At the end of 1921 the legislation was applied to 63 trades, 70 per cent of the workers employed therein being women.

At the end of 1926 there were 44 boards,<sup>5</sup> on which were sitting 132 impartial members, 748 employers' representatives, and the same number of workers' representatives. One and a quarter million workers in 39 trades were covered by the work of these boards.<sup>6</sup> On April 1, 1928, the orders of 45 boards were in force, some of them restricted to England and Wales and some for Scotland only, but most of them for the whole of Great Britain (but not referring to Northern Ireland).<sup>7</sup>

A general view of the increases brought about by the wages boards may be gained from Table 8, taken from the report of the survey of industrial relations undertaken by the committee on industry and trade, submitted in 1926:<sup>8</sup>

TABLE 8.—*Minimum hourly wages in specified occupations in June, 1914 and 1925, and per cent of increase*

Occupation	Hourly wages				Per cent of increase	
	June, 1914		June, 1925		Males	Females
	Males	Females	Males	Females		
Tailoring	6	3½	8.	11½	17	96
Paper-box making	6	3	2 1	0	2 7½	79
Chain making	5½	2½	10½	7½	65	164
Lace finishing		2½	14½	6½		127
				6½		

<sup>1</sup> Ready-made and wholesale bespoke tailoring.

<sup>2</sup> Retail bespoke tailoring.

These increases have been greater than those in other industries.

### Principle of Wage Fixation

**G**REAT BRITAIN has followed a more empirical, less methodical way than Australia as regards wage fixing. Practically no definite instructions are given by the law as to the principle for the establishment of the minimum wage. The act of 1909 (art. 4) leaves the boards entirely free in the fixing of minimum rates. It referred (art. 1, sec. 2) to rates "exceptionally low in comparison with other employments" as a condition for the establishment of new boards and

<sup>4</sup> Sells, Dorothy M.: *The British Trade Boards System*. London, 1923, p. 42.

<sup>5</sup> The decrease since 1921 was due partly to the fact that both North Ireland and the Irish Free State had in the meantime established independent systems and the Irish board figures were no longer included in the British figures.

<sup>6</sup> League of Nations Union. *Toward Industrial Peace* (report of Conference of the League of Nations Union, London, February, 1927). London, 1927, p. 29.

<sup>7</sup> List received from H. M. Stationery Office, London, dated Apr. 4, 1928.

<sup>8</sup> Great Britain. Committee on Industry and Trade. *Survey of industrial relations*. London, 1926, p. 93.

thereby implied the desirability of equalization, but the act of 1918 (art. 1, sec. 2) eliminated that provision.

Each board has elaborated its own policy in conformity with trade conditions and the individual strength of its members. No trouble has been taken to establish cost-of-living budgets or to investigate their items in a scientific way. E. M. Burns says:<sup>9</sup>

No board has ever proclaimed that if its members could not pay a living wage they had better retire from business. And there is no reason why it should. It represents the trade itself; the ordinary members, probably because of their numerical strength, play a much greater part in the deliberations than is elsewhere the case; and both employers and workers are alive to the importance of maintaining the existence of the trade.

The evidence before the official investigation commission headed by Viscount Cave, at present Lord Chancellor of England,<sup>10</sup> showed, quite in line with these points of view, that most boards based their awards on their opinion as to what the trade could bear. But the final decision was generally a compromise between this and other considerations. Sir A. Hopkinson describes the procedure of the cotton waste board as follows: "We consider the fact of the cost of living; we consider the rates which are paid in similar employments as near as may be, and all the other elements of the case; and then the parties talk it over, and in the result, after talking it all over together, we have in that case arrived at what we thought was the fairest minimum rate ultimately adopted by agreement of employer and employed."

## Results

THE awards have profoundly and in various directions influenced the fate of considerably over a million workers and the development of many highly diversified industries. To visualize these influences from various angles, some of the main conclusions of the most representative experts who have examined the subject are here given.

Sydney Webb, in an article in the *Journal of Political Economy* for December, 1912 (p. 973), entitled "The economic theory of a legal minimum wage," gives it as his general opinion that the legal minimum wage increases the productivity of the nation's industry, as the surplus of unemployed is recruited from the least efficient workers. The employer (such is Webb's experience) selects the best men; the better wages improve the physical condition of the workers, and the desire to be kept in work, notwithstanding the employers' obligation to pay minimum wages, stimulates the workers to do their best. All these phases of evolution—selection of the fittest men and women; better physical condition and mental stimulus—are therefore brought into force by application of the minimum wage. Webb finds that industries in which sweating formerly prevailed have not disappeared.

The public has been compelled to pay more for the products and has thereby enabled the employers to pay higher wages. The range of the unemployables has been increased, as workers not earn-

<sup>9</sup> Burns, E. M.: *Wages and the State*. London, 1926, p. 274.

<sup>10</sup> Great Britain, Ministry of Labor, Minutes of evidence taken before the committee of inquiry into the working and effects of the trade board acts, London, 1922, p. 765; National Consumers' League, the Cave report on the British trade board acts 1909-1922, New York, 1923.

ing for the employer the amount of the minimum wage are not employed. Public charges can thereby increase to a certain extent. Webb believes, however, that this is preferable to half-hearted employment of unclean workers at low wages. Weak bargainers who formerly accepted less than they were worth now receive what they are worth.

Examining the question whether businesses close down on account of the obligation to pay minimum wages, Webb finds that in five sweated trades from 1907 to 1912, while wages increased from 12 to 35 per cent, the number of workers employed by these industries relatively to the general population of the country also increased.

Webb shares in no way the fear expressed by Samuel Gompers, late president of the American Federation of Labor, that the State, having fixed minimum wages, may compel workers to work at that rate.

According to Miss Sells<sup>11</sup> there seems to be slightly less unemployment in trades regulated by the trade boards act than in other trades, which does not seem to confirm the opinion of Webb as to the extension of the range of the unemployable. A need for administrative improvement, so she states, is rather generally admitted, but the feeling in favor of repealing the act has been insufficient for its realization.

While most students of the subject examine it from long-range viewpoint and are mainly interested in general class or community interests, Mildred E. Bulkley investigated tangible results from a short-range viewpoint and helps to visualize the influence of the law on the feeling and well-being of the people immediately concerned. In a summary of some of her observations may be found basic material for a more concrete formulation of general considerations.

Miss Bulkley, in a study of legal minimum rates in the box-making industry<sup>12</sup> explains the arguments of employers against the law. In particular, the employers in small cities were against a uniform standard for the whole country. They claimed that they had greater general costs than their competitors in the big cities, who were established near the industries to which they delivered the boxes. They claimed also that working women in the small cities have fewer opportunities to spend their money, and that if a high minimum wage were fixed, they would have no incentive to earn more. The wages board did not consider these complaints justified. The board was of the opinion that the slightly more difficult situation of the manufacturers in the small cities (a difficulty exaggerated by the complaints) in no case justified sweating of the girls, as the wages boards are established for the very purpose of making these abuses impossible. Other employers claimed that the working girls who were less well paid were the ones who were not clever. Miss Bulkley believes that lack of efficiency is caused by poor nourishment, resulting from too low wages. Increases in salaries should enable the girls to do better work. The board was not overactive. Time wages had been fixed, but no data had been prepared to show, for particular boxes made less frequently, whether the piece-rate wages really made it possible for the workers to earn the time rates.

<sup>11</sup> Sells, Dorothy M.: *The British Trade Boards System*. London, 1923, p. 222.

<sup>12</sup> Bulkley, Mildred E.: *The Establishment of Legal Minimum Rates in the Box-Making Industry under the Trade Boards Act of 1909*. London, 1915.

In the inquiry by Miss Bulkley it was found that about one-half of the manufacturers in the trade studied had granted increases of wages to the women. The salaries of qualified workers had remained unchanged, while the nonqualified workers had profited by the minimum wage. Increases had been particularly good in southern England where wages had been very low. In the north about 3 pence per hour had always been paid, and by the fixation of the boards this figure simply became a general rule of the country. In one place (Ipswich) the workers had protested against a proposition to increase the minimum wage to  $3\frac{1}{4}$  pence per hour, being afraid that slow workers would be dismissed. Experience showed that some manufacturers had endeavored to compensate the higher wages by compelling the workers to work more quickly and to produce more. Some workers, interrogated by Miss Bulkley, even replied that they preferred the old system of work, saying, "It is slavery getting the minimum."

On the other hand, the employers had given their attention to greater regularity of work; they were no longer lenient toward workers who came late in the morning.<sup>13</sup> They had introduced labor-saving machinery, improved their methods of work, and thereby, to a large extent, had compensated the new costs. For a long time they were able to maintain the prices at the old level, and it was only during the years immediately preceding the inquiry by Miss Bulkley that they had been compelled to increase their prices; but this corresponded to the general increase of prices in England (and the rest of the world) during the second half of the war and immediately thereafter.

Sixty-six per cent of the female home workers whom Miss Bulkley interrogated replied that their earnings had increased. The number of home workers had decreased, while that of factory workers had increased. The fixation of time rates had been insufficient in the case of home workers, as it was too difficult to determine the length of time needed for making the various products.

Miss Bulkley found that in the beginning the trade-unions were strengthened by the introduction of the law, but that phenomenon was of rather short duration. On the other hand, the employers, who formerly had not been organized, formed in 1910 the British Paper Box Manufacturers' Federation, the better to defend their interests. Other difficulties arose, not so much from this legislation as from the increase of prices in raw materials. In Northampton, for instance, the employers were compelled to increase their prices by 10 per cent although the salaries of workers, which had always been rather high, had in no way been changed by the introduction of the minimum wage legislation. Business in general had not been decreased by the increase in prices. More boxes were used than before, and export was larger than import.

These inquiries seem to show that the British law has increased in a modest way the lowest salaries of working men and women, particularly as regards home workers. Some of the less capable have been dismissed, but, as in Australia, special licenses have been granted to old workers and defective workers authorizing them to work at

<sup>13</sup> But the women also no longer lost their time, without pay, when waiting for work, for they had to be paid the minimum wage even while waiting.—League of Nations Union. *Toward Industrial Peace* (report of Conference of League of Nations Union, London, February, 1927). London, 1927, p. 40.

lower rates. It is in the interest of the employers to engage clever workers at prices higher than the fixed minimum. No real disadvantage seems to have resulted from this amelioration of the workers' conditions, and the English law of 1909 appears to have been a success.

The Cave Committee report on the working of the British trade boards acts from 1909 to 1922<sup>14</sup> states that during the trade depression in 1920 there were many complaints because the reduction of wages, parallel to the reduction of prices and the decreased earning power of industry, had been too slow. This statement agrees with that made in Australia that the wage boards resisted the decrease of wages after the war. The boards make for stabilization, however, and it is questionable whether the disadvantage in the competitive power of the industry which may result from resistance to wage adjustments is not compensated, in the whole of the national industries, by the maintenance of the purchasing power of the workers.

The inquiry on which that report is based showed that both employers and workers are for maintenance of trade boards for sweated industries, as provided in the act of 1909. A strong minority of the employers was also for the maintenance of the act of 1918, providing for its application to more skilled and organized workers. All workers favor maintenance of the provisions of the law for these groups of employees.

The commission advocated that the minister alone apply the law and that he establish new boards when unduly low wages are paid and no adequate machinery exists in the industry for the regulation of wages. It opposed a national minimum wage. "Where minimum rates are required they should be determined with reference to the circumstances of each trade affected and not on a national basis."<sup>14</sup>

Miss B. M. Power, chief of the inspectorate to prevent noncompliance with the act, stated in testimony given on February 15, 1922, that employers welcomed the act of 1909 on account of its influence toward eliminating competition from sweating employers.<sup>15</sup>

Cooperative societies have been unanimous in support of the laws of 1909 and 1918. Representatives of the Farmers' Union, on the other hand, were of the opinion that the law is too rigid in industries where there are no antisocial conditions.

Many employers went on record as stating to the commission that they welcomed the protection of decent employers against underselling by sweaters afforded by the acts, particularly the act of 1909.

The National Women's Advisory Committee of the National Federation of General Workers stated before the committee on December 14, 1921,<sup>16</sup> that in the match industry, formerly one of the strongholds of sweating, the workers were then organized 100 per cent. A match joint industrial council had been established which fixed rates higher than the trade board rates. A movement was therefore launched for the exemption of the trade from the trade boards act under the clause of the act which provides for application to cancel provisions of the act which have become unnecessary.

Various instances were brought to the knowledge of the committee where machines were overhauled and commercial organizations per-

<sup>14</sup> Great Britain. Ministry of Labor. Report of the committee appointed to inquire into the working and effects of the trade boards act. London, 1922.

<sup>15</sup> Great Britain. Ministry of Labor. Minutes of evidence taken before the committee of inquiry into the working and effects of the trade boards acts. London, 1922, p. 911.

<sup>16</sup> *Idem*, pp. 451, 452.

fected, in order to increase the productivity of the workers and to make higher piece rates possible. There was much testimony that industrial relations had been bettered.<sup>17</sup> The employers and workers were on better terms. For instance, W. H. Stoker, former attorney general and chairman of some of the boards, and Foster G. Robinson, employers' representative on the paper-bag trade board, stated that relations between employers and employees had been bettered through their meeting on the boards. The boards created a mutual and helpful spirit.<sup>18</sup> After the board was formed there were no more disputes of any consequence in that industry.

The cooperation of all classes of Great Britain in the development of minimum wage legislation again manifested itself at the conference called by the League of Nations Union, which took place in London, February, 1927, to stimulate the interest of British public opinion as to the treatment of the minimum wage problem at the International Labor Conference of June, 1927.<sup>19</sup>

At the international conference in Geneva the representatives of the British employers voted for the motion to put the question of an international convention on minimum wage fixing machinery on the agenda of the conference of 1928.<sup>20</sup>

Evidence before the Cave Committee was to the effect that the minima do not tend eventually to become maximum wages. John Carr, director of Peek, Frean & Co. (Ltd.), biscuit makers, stated that when trade boards increased the rates, the rates of all better paid workers were automatically increased.<sup>21</sup>

Several representatives of employers, however, complained to the committee of inquiry that high minimum rates and sometimes also lack of differentiation to meet local conditions have disturbed some trades, forcing the employers to close their shops or to reduce their staffs, and so added to the prevailing unemployment.

This important question of the relation between unemployment and minimum wage was referred to also by Prof. L. T. Hobhouse, who admitted the danger of replacing underpayment by unemployment, but claimed for the board system the advantage of flexibility in handling the matter.<sup>22</sup> It was treated also by Humbert Wolfe, assistant secretary at the Ministry of Labor in charge of trade boards, who stated on the witness stand before the Cave Committee on October 12, 1921, that the general industrial unemployment on September 16, 1921, was 12.4 per cent; unemployment in industries under trade boards, 10.2 per cent; and unemployment in industries without boards, 13.3 per cent. Mr. Wolfe deduced, not that boards decrease unemployment, but that nothing tended to show that they increase it.<sup>23</sup> He admitted, however, that rural employers in the dressmaking trade

<sup>17</sup> Exactly the same phenomenon has been found in the industry of the Canadian Province of Ontario (see p. 66).

<sup>18</sup> Great Britain. Ministry of Labor. Minutes of evidence taken before the committee of inquiry into the working and effects of the trade boards acts. London, 1922, pp. 771, 993.

<sup>19</sup> League of Nations Union. *Toward Industrial Peace* (report of the Conference of the League of Nations Union, London, February, 1927). London, 1927, conclusions analyzed in South Africa, Department of Labor, Social and Industrial Review, October, 1927, p. 323.

<sup>20</sup> They did not vote at that conference of 1928 for adopting the convention. Differences of opinion as to the scope of the convention seem to have influenced this vote, like that of the employers' delegates from other countries. (See ch. 9, p. 118.)

<sup>21</sup> Great Britain. Ministry of Labor. Minutes of evidence taken before the committee of inquiry into the working and effects of the trade boards acts. London, 1922, p. 118.

<sup>22</sup> *Idem*, p. 690.

<sup>23</sup> *Idem*, p. 43.

had obtained a lowering of rates by a threat, considered as real and not as a bluff, otherwise to discharge their workers.<sup>24</sup> Mr. Wolfe gave the case as exceptional.

The problem of whether efficiency of production has been influenced by the board system was discussed by T. B. Harmer, representing the Eastern Counties Wholesale Clothing Manufacturers' Association. When questioned by the Cave Committee on December 6, 1921, he stated that—

The trade-board regulations determined employers in the country districts to introduce the team system which was prevalent in the larger centers, with the consequence that production became very much more rapid. Each person, instead of doing the whole process, does a very small part.<sup>25</sup>

Another angle of the same question was examined by E. H. C. Wethered, chairman of various trade boards. He stated, when questioned by the committee on February 1, 1922, that "old-fashioned and badly managed shops in an industry may find it impossible to come up to the standard of wages imposed," but that he had "never heard a suggestion of an industry being stopped as such."<sup>26</sup>

In summing up this evidence, several points seem to be practically uncontested:

1. "Sweating" has been very considerably reduced, and much misery has disappeared.
2. Minimum wages do not tend to become the maximum.
3. There is a tendency to make up for the higher wages by forcing the workers to work harder and by using better machinery, thereby increasing the efficiency of production.
4. The cooperation on the trade boards works for industrial peace (a point more significant in Great Britain, as compared with the United States and Canada, as Great Britain has established numerous wages boards for male workers).
5. Good employers welcome the acts, particularly that of 1909, as protection against "sweaters."
6. Industries have not been destroyed by the minimum wage legislation.
7. There have been no particular complaints from the public as to the increase of prices, an indirect consequence of the higher wages. As the laws refer to unorganized trades where wages in general were unduly low, the public was generous enough to accept the burden without protest. The votes in Parliament were not a partisan issue, and the representatives of the wealthy classes agreed. These statements are, however, more unreservedly exact for the law of 1909, referring to sweated trades, than for the law of 1918, referring to unorganized trades generally.
8. The only point on which the evidence is inconclusive and the opinions rather contradictory is the question as to what extent slow workers have been thrown out of employment and as to whether or not general unemployment has been increased. The question is, of course, vital for Great Britain. The conclusion seems justified, however, that neither the individual hardships nor the increase in unemployment have been very great.

<sup>24</sup> Great Britain. Ministry of Labor. Minutes of evidence taken before the committee of inquiry into the working and effects of the trade boards acts. London, 1922, p. 29.

<sup>25</sup> *Idem*, p. 324.

<sup>26</sup> *Idem*, p. 426.

## CHAPTER 6.—MINIMUM WAGE FOR WOMEN IN THE UNITED STATES<sup>1</sup>

### Forces For and Against Minimum Wage

HUMANITARIAN impulses for relieving conditions of underpaid workers have made themselves felt in the United States in the same way as in Australasia and England. The humanitarian character of the movement has been even more accentuated and more isolated from other factors than elsewhere, and has practically played an exclusive rôle in bringing about minimum wage. The initiative came after the action of the International Conference of Consumers' Leagues which took place in Geneva in 1908, when the American Consumers' League put minimum wage on its program.<sup>2</sup> While the Women's Trade Union League cooperated in the agitation for the pioneer law in Massachusetts, enacted in 1912, the influence of organized labor generally was not strongly in favor of the legislation. Minimum wage for men was opposed by the American Federation of Labor as interfering with the rôle of the trade-union movement. It is excluded also by constitutional provisions, as interpreted by the courts. That being so, minimum wage as a factor for industrial peace in the organized men's trades, which aroused so much public opinion in other Anglo-Saxon countries, was not advocated in the United States from any responsible quarter.

Humanitarian minimum wage legislation in Australia, England, and on the Continent of Europe was directed first, both in time and attention, toward conditions of home workers. But in the United States industrial home work as an exclusive basis of subsistence does not play anywhere near the important rôle that it does in the above-mentioned countries. As wage legislation for males was generally opposed, there remained only one fairly numerous group of workers whose difficult struggle for existence attracted wide public attention, and where efforts for a minimum wage were not precluded by the above-named influences—self-supporting women in shops and stores. As it seemed difficult to care for them without at the same time caring for women living with their families, female workers generally became the object of minimum-wage legislation. The economy of the family unit, which largely relieves such difficulties for women living with their families, has been strongly emphasized by opponents of

<sup>1</sup> The subject of minimum wage legislation in the United States was treated by the writer in an article written in 1927 and published in the January, 1928, number of the International Labour Review (Geneva, pp. 24-50). While many facts of the American situation, familiar to students of the problem in this country, had to be explained to the foreign readers, the emphasis of the present article is rather on interpretation of the facts to American readers. A great number of recent documents, rendered available in the meantime, has made it possible to base conclusions mainly on the new material, though some cardinal points, indispensable for the understanding of the problem, had, of course, to be reiterated.

<sup>2</sup> National Industrial Conference Board. Minimum Wage Legislation in Massachusetts. New York, 1927, p. 11.

the legislation.<sup>3</sup> The wages for minors have been included in the efforts for minimum wage, although the arguments against the necessity of making them self-supporting could also be advanced for that group of workers.

Massachusetts, with its strong idealistic traditions from Puritan and abolitionist times, paved the way as to minimum wage legislation in 1912; California, Colorado, Minnesota, Nebraska, Oregon, Utah, Washington, and Wisconsin followed the next year; Arkansas, Kansas, Arizona, Texas, North Dakota, the District of Columbia, and South Dakota, later. Efforts in Ohio in 1925 were combated by the employers' interests<sup>4</sup> and failed. Generally, however, the adverse decisions of the courts proved to be the strongest obstacle to further extension or even maintenance of the laws. The fifth and fourteenth amendments to the Constitution of the United States, as interpreted by the courts, prohibit interference with liberty of contract unless justified by legitimate police power. Proof of furtherance of the general welfare was sometimes considered sufficient, but at other times it was necessary to prove tangible dangers to public health or morals. The question of the unconstitutionality of minimum wage laws, because of interference with liberty of contract, was first passed on by the United States Supreme Court in 1917, in regard to the Oregon law, the decision of the State court upholding the law being sustained by an evenly divided court, one judge not voting. In 1923, however, the Supreme Court held the District of Columbia law unconstitutional by a 5 to 3 decision, 1 judge not voting, and in 1925 and 1927, on the basis of that decision, held the Arizona and Arkansas laws, respectively, unconstitutional. The supreme courts of Kansas and Porto Rico decided the same way.

The laws of the District of Columbia, Arizona, Arkansas, Kansas, and Porto Rico have thereby been eliminated through express court action. The laws of Texas and Nebraska were repealed, while the attorney general of Minnesota ruled that the law of that State, except for females under 18, is not enforceable.<sup>5</sup> Wisconsin endeavored in 1925 to meet the constitutional difficulty by passing an "oppressive wage" act, and there seems to be no disposition to start a test case against that law so long as the industrial commission of the State does not attempt to issue new or higher rates.<sup>6</sup>

One law, that of Massachusetts, is of a recommendatory rather than a mandatory character and its constitutionality is not questioned. The situation in the other States is rather ambiguous. Orders frequently remain in force by tacit agreement of the employers, while real enforcement is restricted to minors. In order to clarify this twilight situation the writer has asked the responsible officials of these States and the departments of economics of their universities to give precise first-hand information, and has received numerous letters, extracts of which are given in the following pages.

<sup>3</sup> Quarterly Journal of Economics, Boston, May, 1916, p. 411: "Minimum wages for women," by F. W. Taussig, of Harvard University.

<sup>4</sup> American Labor Legislation Review, New York, June, 1925, p. 114: "Employers' agents at work against minimum-wage legislation," by Amy E. Maher.

<sup>5</sup> National Industrial Conference Board. Minimum Wage Legislation in Massachusetts. New York, 1927, p. 3.

<sup>6</sup> Letter of Prof. John R. Commons, of the University of Wisconsin, dated Sept. 27, 1927.

Mrs. Millie R. Trumbull, secretary-inspector of the Industrial Welfare Commission of Oregon, writes under date of March 19, 1928:

Oregon still carries on through the industrial welfare commission the wage regulations established in 1919. We do not have any prosecutions, however, as that would precipitate the determination as to the unconstitutionality of the clause under the United States Supreme Court decision. We have been very fortunate in being able to settle most of the cases in the office through informal hearings. We emphasize the expense of going into courts and also point out that all prosecutions in violation of the order result in the fine money going into the treasury, a civil suit being necessary to collect the overtime for the complainant. We suspect, however, the fact that the wages are so low (\$13.20 a week for an experienced adult woman) has much to do with the situation.

The position of the Division of Industrial Welfare of California is similar but seems somewhat stronger. Mrs. Katharine Philips Edson, chief of the division, writes on March 24, 1928:

We are enforcing the law with considerable success. There has been practically no break in the minimum wage legislation of the State in any industry except the canning industry in southern California. They are paying a higher piece rate than those fixed by this department but they have refused to conform to the audit system. They obey the overtime regulations and conform to all the requirements of the department but have not cooperated with the commission in reference to this audit system.

This commission issued an order for the motion-picture industry, effective March 16, 1926, making rules for working conditions and hours, and proportionate rates for overtime, but not prescribing any express minimum wage.<sup>7</sup> Influential groups of employers cooperate with the commission and are disinclined to undertake a legal fight, although their chances might be good. The Merchants and Manufacturers' Association of Los Angeles on March 20, 1928, writes:

Although there is some legal doubt as to the constitutionality of this law in the face of recent Supreme Court decisions, no test case has been brought in the State of California and so long as the operations of this law appear to be successful to industry as we now view them, I doubt if any such legal action will be taken.

The limits of the present compromise are, however, narrow. Prof. W. G. Beach, of Stanford University, in his letter of March 20, 1928, states:

The California commission is at present working upon what may be called a cautious policy because of adverse court decisions in regard to laws of this character. Thus far it has been able to obtain the approval of manufacturers in the State, and as a consequence there is apparently no immediate likelihood of the law itself being attacked. The result is that minimum wage conditions are much better in most occupations than before the operation of the law. However, it is altogether probable that if the commission were to attempt any more radical measures than it has used thus far, the manufacturers would in all probability attack the law itself. The result is that the commission does as much as it can and still retain the general approval of the manufacturers—particularly the larger ones. On the whole these manufacturers seem to feel that the law itself has many advantages from their own point of view in so far as it regulates the basis of competition for all of them alike.

The situation in the State of Washington is similar. The employers cooperate. Prof. Theresa McMahon, of the University of Washington, in Seattle, writes in a letter received in March, 1928:

Under the new régime no conferences have been called, so the old wage remains undisturbed. It is really lower than the minimum fixed by bargaining conditions for women workers in department stores and laundries, etc. \* \* \*

<sup>7</sup> American Labor Legislation Review, New York, June, 1926, p. 123.

There is no opposition on the part of employers in Seattle to the minimum wage law. This changed attitude, it seems to me, is due to the fact, as I stated above, that the fixed wage is really the marginal wage, and often below it. \* \* \*

The laundry workers are almost a hundred per cent organized. They are organized in a type of industrial unionism which places the strength of the men's organizations behind the women's demands.

When I was on the minimum wage commission the laundry workers were among the poorest paid. Now they are among the best.

The women who can clean by the day get 45 cents and 50 cents an hour, car fare and lunch at noon. \* \* \*

Since I served on the board—I was on the first one—employers have changed their attitude in this State. Then, they were looking for cheap labor, which was inefficient labor. Now, the employers use, for the most part, a higher type of labor, pay them more while their returns, I suspect, are really higher. This does not apply to the 10-cent stores or mail-order houses.

A test case was in process in California in 1924 and a brief was prepared by the National Consumers' League, but the complaint was withdrawn by the plaintiff before the decision of the court.<sup>8</sup>

In Colorado there has been no effort to enforce the legislation.<sup>9</sup> In Utah the law is practically inoperative because the rate of \$1.25 per day, fixed in 1913, has been exceeded by wage developments in that time. Carolyn I. Smith, secretary of the industrial commission, in her letter of March 15, 1928, writes:

The minimum wage allowed women workers under our law is so ridiculously low that, especially in the larger cities and towns, it is almost without effect. Almost any woman of any experience can demand in excess of \$1.25 per day at almost any sort of employment, and for this reason the average wage is much more than that provided by law.

We have but very few complaints, and these are usually from the more thinly populated districts where the cost of living is low and the wages correspondingly so.

North Dakota continues to enforce its minimum-wage orders. Miss Alice Angus, secretary of the workmen's compensation bureau, writes in a letter dated March 28, 1928:

The fourth biennial report contains the minimum wage rulings as they were adopted in 1922, and they are in full force and effect without change at this time. We do not have difficulty in enforcing the minimum wage rulings in the State, as most employers seem to be in favor of them and comply as a matter of course. We do meet with a great deal of opposition, however, in our attempted enforcement of the eight-hour law for women. At the present time the question of the constitutionality of the law is up on appeal before the North Dakota Supreme Court, and we are awaiting their decision.

In Minnesota, as explained above, application of the law is restricted to minors. Miss Louise E. Schutz, superintendent of the Industrial Commission of Minnesota, writes on March 15, 1928:

The Industrial Commission is enforcing the minimum wage law in the case of minors in Minnesota—i. e., males under 21, females under 18. An attempt was made at the last meeting of the legislature in 1927 to have the law amended, which amendment defined a minor for the purposes of the minimum wage law as a person under the age of 21, thereby bringing women under the age of 21 as well as men under the protection of the law. This amendment was defeated.

We are constantly securing wage adjustments in Minnesota. Our record for the calendar year 1927 totals \$2,695.77. We are able to secure more adjustments for males than females naturally, due to the fact that a larger number of males are protected under the law.

<sup>8</sup> Letter from Mrs. Florence Kelley, general secretary of the National Consumers' League, dated Mar. 26, 1928.

<sup>9</sup> Letter from J. G. Johnson, of the University of Colorado, received in March, 1928.

Some employers now refuse to take in females under the age of 18 because of the minimum wage law. In so far as the males are concerned the law has had this effect that it has resulted in the employment of older boys, since boys 15 years of age must be paid as much as boys 17 years of age.

In Texas no law is applied at present, but Mr. Charles McKemy, commissioner of labor, writes in his letter of March 22, 1928, that "it is contemplated to present to the next session of the State legislature a proposition looking to the enactment of a minimum wage law."

In Arizona also there is no law at present. Mr. J. C. Sanders, the industrial agent, under date of March 16, 1928, writes:

A number of the larger employers of women are not opposed to a minimum wage law, and probably would support it if properly drafted.

As to the District of Columbia law many legal arguments have been brought forward against the validity of the reasoning of the Supreme Court.<sup>10</sup> Constructive proposals for the drafting of a measure to avoid the constitutional difficulties have also been elaborated.<sup>11</sup> No positive action, however, has been taken to date.

The present status and the character of the minimum wage laws which have not been repealed or have not been declared unconstitutional by the courts are summarized in the following chart:

<sup>10</sup> New Republic, New York, November, 1925, p. 271.

<sup>11</sup> Letter from Prof. Felix Frankfurter, of Harvard University, dated Mar. 19, 1928.

*Summary of minimum wage*

State	Legal status	Scope	Exemptions
California-----	Constitutional amendment, 1914; act of 1913; amended 1915. Legally in force. Test case of 1924 not carried through as complaint was withdrawn before decision of court. Application by compromise with employers.	Women and minors under 18 years of age.	Special licenses to women physically defective by age; also to apprentices and learners.
Colorado-----	Act of 1917 (earlier law, 1913). No appropriation for carrying out provisions of act; inoperative.	do	Special licenses to substandard workers (not to exceed one-tenth of workers in establishment); rates for learners to be graded on rising scale.
Massachusetts--	Act of 1912; amended 1914, 1915, 1916. Constitutionality not questioned.	do	Special licenses to women physically defective; board recommends suitable wages for learners.
Minnesota-----	Act of 1913; amended 1921. Legal for minors only.	Women and minors (males under 21, females under 18), but enforced for minors only.	Licenses to physically disabled women (licenses not to exceed one-tenth of workers in establishment), but provision inoperative.
North Dakota-----	Act of 1919. Constitutionality not expressly questioned.	Women and minors under 18 years of age.	Special licenses to females defective physically by age or otherwise and to apprentices.
Oregon-----	Act of 1913; amended 1915. Legally in force although constitutionality could be questioned because of decision of U. S. Supreme Court as to similar laws. Application by compromise with employers.	do	Licenses to women physically defective or crippled by age or otherwise.
South Dakota-----	Act of 1923. Constitutionality not expressly questioned.	Women and girls over 14 in factories, workshops, laundries, restaurants, etc.	Permits to substandard workers and learners.
Utah-----	Act of 1913. Constitutionality not expressly questioned.	Females	None for substandard workers; lower rate for learners.
Washington-----	Act of 1913; amended 1917. Legally in force although constitutionality could be questioned because of decision of U. S. Supreme Court as to similar laws. Application by compromise with employers.	Women and minors under 18 years of age.	Special licenses to women physically defective or crippled by age or otherwise, and to apprentices.
Wisconsin-----	Act of 1913; amended 1925. Portion of original act relating to minors legal; amendment relates to "oppressive wage" instead of minimum wage.	Women and minors	Special licenses to women or minors unable to earn the minimum set.

*laws of the United States*

Machinery	Principle of wage fixation	Method of enforcement
Industrial welfare commission; wage boards representing employers and employees.	Wage adequate to supply women and minors the necessary cost of proper living and to maintain the health and welfare of such women and minors.	Fines or imprisonment for violations. Workers may recover amounts due by civil action.
Industrial commission; wage boards representing employers, employees, and the public, with member of commission.	Necessary cost of living and maintenance of health of employed women. Avoidance of unreasonably low wages for minors.	Workers may recover amounts due by civil action, commission to assist.
Division of minimum wage in department of labor and industries; wage boards representing employers, employees, and the public.	Needs of the employees, the financial condition of the occupation and the probable effect thereon of any increase in the minimum wages paid.	Inspection; publication of names of employers violating decrees.
Industrial commission; advisory boards, representing employers, employees, and the public.	Living wages-----	Workers may recover amounts due by civil action.
Workmen's compensation bureau; conferences, representing employers, employees, and the public.	Necessary cost of living and maintenance of health; piece rates to guarantee the necessary cost of living to women of average ordinary ability and to maintain them in health.	Fines or imprisonment for violation; workers may recover amounts due by civil action.
Industrial welfare commission; conferences representing employers, employees, and the public.	Necessary cost of living and maintenance of women in health.	Do.
Rate fixed by State law—\$12 per week, except for apprentices and learners.	Not stated in law-----	Workers may recover amounts due by civil action.
Rate fixed by State law—\$1.25 per day for experienced adults; 90 cents per day for adult learners and apprentices; 75 cents per day for minors under 18 years of age.	do-----	Administration by industrial commission. Violations prosecuted as misdemeanors, punishable by fine or imprisonment.
Industrial welfare committee in department of labor and industries; advisory conferences, representing employers, employees, and the public.	Adequacy, in the particular industry, to supply the necessary cost of living and maintain the worker in health.	Fines for violations; workers may recover amounts due by civil action.
Industrial commission; advisory wage boards, representing employers, employees, and the public, in the case of minors.	For minors, living wage; for women, reasonable and adequate compensation—wage not to be oppressive. Licenses for employers to employ adult women at lower wage if he can establish that he is unable to pay wage fixed, but inefficiency of employer no reason for granting licenses.	Fines.

## Application of the Laws

THE laws of the different States have stood in different ways the test of practical application, and a brief examination of that experience may shed some light on their comparative usefulness and on the outlook for further development. The analysis in the preceding chart serves as a framework for the following extended comment on the present status of the laws.

### Legal Situation

The compromise reached in most of the States with mandatory laws has been heretofore described (see pp. 40 to 43). The only law which remains on firm legal ground is the recommendatory law of Massachusetts. The supreme judicial court of that State has twice sustained it—in 1918 and in 1924—after the decision in the District of Columbia case.<sup>12</sup> The court, while rendering somewhat more difficult the application of the law through the medium of public opinion by declaring that newspapers could decline to publish the list of noncomplying firms, stated, on the other hand, that the adverse decision of the United States court in the District of Columbia case does not affect the Massachusetts law, as that law is not mandatory but recommendatory.

This judicial situation has attracted the attention of Governor Smith in New York. In his message to the New York Legislature this year he proposed the enactment of a minimum wage law of a recommendatory nature, as this will meet the objections of the Supreme Court.<sup>13</sup>

### Scope of the Laws

The great controversies over minimum wage laws in other countries, such as those regarding the scope of the laws, do not seem to touch the United States. Minimum wage legislation for men has never been attempted. There is therefore no problem as to whether to apply it to "insufficiently organized" trades only or to "all" trades. The women's trades to which the law applies practically all fall into the first group—that of incomplete unionization. The distinction between enumeration of trades to come under the law, as in South Dakota, and the more general wording of the laws elsewhere has no great importance, as the authorities are empowered to select for practical application only those women's trades where conditions seem particularly to warrant it. Massachusetts decrees, for instance, apply to only 19 trades, employing about 90,000 women,<sup>14</sup> while there are about 500,000 women gainfully employed in the State.

The only controversy involving considerations of principle refers to the question whether or not home-work trades, which have been the starting point of Australian, European, and British legislation,

<sup>12</sup> "Fifteen Years of Minimum Wages in Massachusetts," by Ethel M. Johnson, assistant commissioner, Massachusetts Department of Labor and Industries. Boston, 1928, p. 12. (Typewritten.)

<sup>13</sup> *Idem*, p. 2.

<sup>14</sup> "Massachusetts Minimum Wage Law: Recommendations and Outlook for the Future." Submitted by Ethel M. Johnson, assistant commissioner, Massachusetts Department of Labor and Industries, for annual report, 1928. Boston, 1928, p. 5. (Typewritten.)

should be brought under the minimum wage laws of the United States. Home work is less extensive and its evils are less developed in this country than elsewhere, but it does exist. An inquiry of the Consumers' League of Eastern Pennsylvania and of various child-labor organizations in the spring of 1924 showed that in 599 families where children were illegally employed the family earnings in about 62 per cent of the cases were less than \$6 a week.<sup>15</sup> An inquiry in Massachusetts under the joint direction of the Massachusetts Bureau of Statistics and Miss Amy Hewes, in 1915,<sup>16</sup> brought to light that 50 per cent of the home workers investigated earned less than 8 cents an hour.

A committee appointed in 1925 by the Association of Governmental Labor Officials of the United States and Canada reported at the 1926 meeting of the association that it had not given serious consideration to the establishment of minimum wage legislation, expressly for home workers, because of the constitutional difficulties. It recommended that home workers should not be excluded from general minimum wage provisions. The association approved these recommendations.<sup>17</sup>

In Massachusetts, home work is carried on in several industries covered by decrees, particularly in the manufacture of jewelry, stationery, toys, games, sporting goods, and knit goods, and in the garment trades.<sup>18</sup> The assistant commissioner of labor states, however, that "the decrees have never been applied to home workers, although the rates for home work are generally much below those for factory workers." The result is a tendency to depress the factory rates and to make more difficult the acceptance of the decrees. The report states that nothing in the Massachusetts law prevents such application and that the necessity of establishing piece rates, although somewhat difficult, does not constitute a valid argument against application of the law. The very fact that shop work and home work are carried on in the same industry and that shop workers are protected by fixed minimum wages and home workers are not, creates irregular conditions of competition.

Even application of the above-cited resolution of the committee of the Association of Governmental Labor Officials would imply acceptance of the proposals of the assistant commissioner of labor for Massachusetts.

The only State from which an express minimum-wage order for home work is reported is Wisconsin. The order was enacted in 1921. An investigation showed that of 28 cases inspected 4 women depended entirely on home work for subsistence and 9 depended partly thereon. The board of health found that out of 166 cases examined 14 workers depended entirely upon home work for subsistence and 139 were partially dependent thereon.<sup>19</sup> An investigation into the increase of earnings after the minimum wage law was applied showed that in the plant of a pearl-button company, for instance, wage rates were raised from 6 cents an hour to a minimum of 22 cents;

<sup>15</sup> Monthly Labor Review, January, 1927, p. 129.

<sup>16</sup> Massachusetts. Bureau of Statistics. Industrial Home Work in Massachusetts. Boston, 1915, p. 48.

<sup>17</sup> International Labor Office. International Labor Review, Geneva, April, 1927, p. 599.

<sup>18</sup> "Massachusetts Minimum Wage Law: Recommendations and Outlook for the Future." Submitted by Ethel M. Johnson, assistant commissioner, Massachusetts Department of Labor and Industries, for annual report, 1928, Boston, 1928, p. 4. (Typewritten.)

<sup>19</sup> Frankfurter, Felix; Dewson, Mary W.; and Commons, John R.: State Minimum Wage Laws in Practice. New York, National Consumers' League, 1924, p. 120.

in a concern making baby clothes, from 7, 12, and 19 cents an hour to a minimum of 22 cents. The Industrial Commission of Wisconsin admits that its decree has contributed to keep an industry out of the State. Prospective manufacturers petitioned the commission for permission to employ home workers below the minimum wage in the manufacture of hand-knitted wear for babies, to compete with New York shops manufacturing the same article. The commission, however, felt that it was in the public interest to exclude such "parasitic" industries.<sup>20</sup> The experience of Victoria (Australia) also tends to show that home work has been restricted by elimination of facilities to keep down production costs by wages below the general average of industry. No tendency of so marked a degree is reported from England. But the possibility of consequences similar to those in Victoria has to be faced when considering the advisability of extending American wage legislation to home-work trades.

### Machinery of the Laws

The laws fixing a state-wide general minimum wage have proved to be lacking in flexibility and have not given the same facility for adaptation to change of conditions as other laws.<sup>21</sup>

The Industrial Welfare Commission of Oregon presents an original feature, being composed of one representative of the public, one representative of the employers, and one representative of the employees.<sup>22</sup> Where the central commissions are simply part of the bureaucratic system of the States, cooperation of employers and employees is guaranteed by public hearings and by conferences or boards in the particular industries. A report of the Women's Bureau of the United States Department of Labor<sup>23</sup> shows that States where women have served on the commissions have been the most active.

### Exemptions

Regulations as to licenses to handicapped workers are practically identical everywhere. More characteristic is the exemption provision of the present Wisconsin law in favor of employers who show that they can not maintain their industry if they pay the minimum wage.<sup>24</sup> A similar rule exists in Massachusetts, but so far no employer has applied for such exemption at the statehouse in Boston. In Wisconsin it is stipulated expressly that exemptions may be granted only if the inability to pay the wage is not caused by the inefficiency of the employer. Even so, the rule is contrary to the policy of Australia—that industries unable to pay the minimum wage should be discouraged.

### Principle of Wage Fixation

The "living wage" predominates as the principle used in wage fixation. There are only two significant exceptions. In Massachu-

<sup>20</sup> Frankfurter, Felix; Dewson, Mary W.; and Commons, John R.: *State Minimum Wage Laws in Practice*. New York, National Consumers' League, 1924, p. 121.

<sup>21</sup> Letter from Carolyn I. Smith, secretary to the Utah Industrial Commission, dated Mar. 15, 1928.

<sup>22</sup> Oregon, Industrial Welfare Commission. *Seventh biennial report, 1925-26*. Salem, 1927, p. 3.

<sup>23</sup> U. S. Department of Labor. *Women's Bureau Bul. No. 61: The development of minimum wage laws in the United States, 1912 to 1927*.

<sup>24</sup> *American Labor Legislation Review*, New York, December, 1925, p. 325.

sets the boards have to take into account, besides the needs of the employees, "the financial condition of the occupation and the probable effect thereon of an increase in the minimum wages paid"<sup>25</sup>—a combination of the principle of "living wage" and of the "wage the trade can bear."

Wisconsin, in its original law of 1913, stated that the minimum wage should be "sufficient to enable the employee receiving it to maintain himself or herself under conditions consistent with his or her welfare."<sup>26</sup> The amendment of 1925, enacted to meet the constitutional difficulties, states:<sup>27</sup>

No wage paid or agreed to be paid by an employer to any adult female shall be oppressive. Any wage lower than a reasonable and adequate compensation for the services rendered shall be deemed oppressive and is hereby prohibited.

Considered in conjunction with the authority given for exemption of employers financially unable to meet the requirements, this rule constitutes a combination of the "living wage" principle with the principle of "the wage the trade can bear."

In Massachusetts in the men's clothing and raincoat trade in 1917 the cost of living was estimated at \$10 a week, while \$9 was fixed as the minimum wage.<sup>28</sup> In the men's furnishings trade the same year the difference was greater—cost of living, \$10.45; minimum wage, \$9. The cost of living for workers in the retail millinery trade in 1918 was estimated at \$11.64 while the minimum wage was \$10.

These differences arose both from the stipulation of the law and from the necessity, in the deliberations of the boards, of reaching compromises, but the differences are small. More hardship was created through the fact that the rates remained behind the cost of living in times of increasing prices. But that refers more to the period of rapidly fluctuating prices during and immediately after the war than to the present more stable conditions. While the Massachusetts law has been criticized as not guaranteeing a real living wage, yet improvement in conditions in recent years is admitted.<sup>29</sup>

### Enforcement

In Massachusetts the names of firms which do not pay the prescribed minimum wage are published, in order to awaken public opinion. That method proved more effective for shopkeepers, who need the public good will, than for industries which resell to other industries—for instance, paper-box manufacturers—or for superintendents of office buildings. From a very detailed study of the number of violations in the different trades, Prof. Arthur F. Lucas<sup>30</sup> concludes, however, that the total number of failures to comply with the minimum wage reached only 3 or 4 per cent. He claims that enforcement was made rather too easy by the fact that only low rates were prescribed. We have already seen (above) to what extent

<sup>25</sup> U. S. Bureau of Labor Statistics Bul. No. 370: *Labor Laws of the United States*, Washington, 1925, p. 527.

<sup>26</sup> *Idem*, p. 1143.

<sup>27</sup> *American Labor Legislation Review*, New York, December, 1925, p. 302.

<sup>28</sup> National Industrial Conference Board: *Minimum Wage Legislation in Massachusetts*, New York, 1927, p. 73.

<sup>29</sup> *Idem*, p. 104.

<sup>30</sup> *American Economic Review*, New Haven, March, 1924, p. 40: "A recommendatory minimum-wage law: The first decade of the Massachusetts experiment," by Arthur Fletcher Lucas.

minimum wages remained below the figures ascertained to be the cost of living. But within its restricted limits the recommendatory law has been operative.

Conditions in the States with mandatory laws have become somewhat similar, through the necessity of working in harmony with the employers, in order to avoid appeals to the courts which might lead to judgments declaring the laws to be unconstitutional. Even in California, where application of the law, based on the outspoken support of the principal employers' associations, has been more active than elsewhere, prosecutions seem to have been systematically avoided. The industrial welfare commission states that during four years 1,526 complaints have been filed with the commission, including complaints on nonpayment of the minimum wage, bad working conditions, and failure to provide a day of rest. These complaints were all investigated and conditions adjusted to conform to the orders of the commission.<sup>31</sup> During the four years under consideration about \$36,000 of unpaid minimum wages were collected for the workers, but no application of fines is mentioned. Careful inspection and regular audits enabled the commission to obtain these results, which show in a singular way the possibilities of law enforcement without judicial pressure. Enforcement in other States was really efficient and complete for minors only, as that part of the law was not touched by the decisions of the courts.

## Results

TO obtain as complete and impartial a picture as possible of the advantages and disadvantages resulting from minimum wage legislation, statistical, documentary, and testimonial evidence on the various claims as to the results of such legislation in the United States is here presented. It may be in the interest of clearness to present separately the evidence as to advantages and disadvantages. The claims made by the supporters of the legislation are in the main the following: (1) Removal or lessening of unfair depression of lowest wage levels of woman workers;<sup>32</sup> (2) stimulation of efficiency of employers and employees;<sup>33</sup> (3) benefit to competitive employers;<sup>34</sup> (4) influence toward industrial peace;<sup>35</sup> (5) influence on general increase of women's wages and living standards.<sup>36</sup>

Other arguments have been advanced for such legislation; for instance, that the raising of women's wages will decrease their competition with men; and that the requirement of higher wages for minors will cause their replacement by adults and keep children longer in school. The first of these seems identical with one of the main arguments against the minimum wage—the fear that women will lose their employment—and will be considered with such arguments (see p. 55). No evidence has been produced to support the claim as to the influence of the minimum wage on school attendance.

<sup>31</sup> California. Industrial Welfare Commission: *What California Has Done to Protect the Women Workers*. Sacramento, 1927, p. 12.

<sup>32</sup> District of Columbia Minimum Wage Cases. *Brief for Appellants*. Supreme Court of the United States, October term, 1922. New York, 1923, p. 1.

<sup>33</sup> *Idem*, p. 301.

<sup>34</sup> *Idem*, p. 334.

<sup>35</sup> *Idem*, p. 362.

<sup>36</sup> National Industrial Conference Board. *Minimum Wage Legislation in Massachusetts*. New York, 1927, p. 5.

The main claims as to disadvantages resulting from the law are: (1) Higher wages will result in higher production costs and prices and no greater real wages than before. This obviously combines two entirely different claims: (a) That minimum wages increase costs of production and prices; (b) that increases of prices will be so great as to bring down real wages to the starting level. (2) Industries burdened by minimum wage will be handicapped in interstate competition and move away from the State. (3) Substandard workers will lose their employment. (4) The minimum wages will become the average or even maximum wages.

### Removal of Unfair Depression of Lowest Wages of Female Workers

The reports of officials administering minimum wage legislation in the various States all give the same picture of the lowest wage levels being materially raised by the wage orders. In the mercantile industry of California the percentage of women and female minors receiving wages under \$16 a week has, under the influence of the minimum wage order, decreased radically, while the percentage of women receiving higher wages has increased correspondingly,<sup>37</sup> as may be seen in Table 9.

TABLE 9.—*Minimum wage and the per cent of women receiving each classified wage in specified industries in California, 1919, 1920, and 1922*

#### MERCANTILE INDUSTRY

Min- imum wage award	Date of pay roll	Num- ber of estab- lish- ments	Per cent of women and female minors (time workers) receiving—												
			Under \$5	\$5 and under \$8	\$8 and under \$10	\$10 and under \$11	\$11 and under \$13.50	\$13.50	Over \$13.50 and under \$16	\$16 and under \$17	\$17 and under \$20	\$20 and under \$25	\$25 and under \$30	\$30 and over	Total
\$10.----	Mar. 8, 1919	1,336	4.3	5.7	8.3	10.2	23.5	1.6	18.7	4.3	9.7	7.5	4.2	2.0	100
\$13.50.----	July 12, 1919	1,605	4.0	4.5	7.3	5.8	13.6	12.1	22.4	5.2	11.1	8.1	3.9	2.1	100
\$16.----	Aug. 7, 1920	1,710	3.1	3.3	3.5	2.5	6.6	.8	9.7	22.8	20.1	15.5	6.3	5.8	100
\$16.----	Mar. 11, 1922	2,543	1.7	1.6	1.7	1.4	4.8	.2	7.4	19.8	25.3	20.4	8.1	7.6	100

#### LAUNDRY INDUSTRY

\$10.----	May 24, 1919	481	3.5	6.2	11.9	14.8	33.6	3.3	14.0	3.4	5.7	2.9	0.6	0.1	100
\$13.50.----	Aug. 30, 1919	568	3.1	3.4	3.3	5.5	14.1	19.6	22.5	7.3	13.1	6.1	1.8	.2	100
\$16.----	Aug. 7, 1920	504	2.1	2.4	2.3	1.6	7.3	1.0	11.1	23.6	28.9	14.9	4.0	.8	100
\$16.----	Mar. 11, 1922	591	1.8	2.1	2.3	1.7	6.8	.4	9.6	24.5	30.8	14.9	4.3	.8	100

#### MANUFACTURING INDUSTRY

\$10.----	Jan. 18, 1919	656	7.3	10.5	16.6	16.8	23.7	2.8	10.6	3.6	4.7	2.2	0.8	0.4	100
\$13.50.----	Sept. 20, 1919	915	4.2	5.0	6.7	7.8	19.4	14.0	19.0	5.6	9.5	5.4	2.4	1.0	100
\$16.----	Oct. 2, 1920	1,015	2.8	2.5	2.6	2.1	9.7	2.9	14.9	25.2	17.6	12.5	4.2	3.0	100
\$16.----	Mar. 11, 1922	-----	2.9	3.3	3.3	2.2	10.1	1.4	14.0	22.3	19.1	13.6	4.3	3.5	100

The above table shows the influence of the minimum wage on the development of particular industries. Such influence on elimination of sweating wages is general but not quite uniform. The slower percentage decrease in the low-wage groups in Wisconsin is shown in

<sup>37</sup> California. Industrial Welfare Commission. Report for the biennial periods 1919-20 and 1921-22. Sacramento, 1924, pp. 66, 98, 108.

Table 10, giving, on the basis of inquiries covering from 32,000 to 56,000 female employees in Wisconsin, the proportion of women receiving certain hourly wages in 1921 (the year of the wage award), 1922, and 1923:<sup>38</sup>

TABLE 10.—*Per cent of female employees in Wisconsin receiving each classified hourly wage, 1921 to 1923*

Hourly wage	Per cent of women receiving each classified wage		
	1921	1922	1923
Under 22 cents	5.1	4.2	3.0
22 and under 25 cents	13.3	7.1	5.0
25 and under 30 cents	23.4	33.5	31.2
30 cents and over	58.2	52.9	57.9

In Massachusetts 9 out of every 10 female workers in laundries inspected by the State officials in 1919 (a year when general wages, particularly of organized workers, were high) received less than \$13 a week. Four out of every five in retail stores worked for less than \$14 a week.<sup>39</sup> Minimum rates of \$13.50 and \$14 improved these conditions very radically. Miss Ethel M. Johnson, assistant commissioner of labor, reports that "in one retail store alone 180 women received increases of \$2 a week each as a result of the retail-store decree. From the inspection returns for a group of stores in a single city more than 1,300 women received weekly increases ranging from around \$1 to \$4 a week, the majority receiving increases of \$2 a week."

The increase of wages in the major occupations of Massachusetts in consequence of the wage orders is shown in Table 11:<sup>40</sup>

TABLE 11.—*Minimum wage rates in Massachusetts and the per cent of women whose earnings were above, at, and below the rate in specified years*

Occupation	Minimum wage decree		Date of investigation	Per cent of women whose earnings were—		
	Rate set	Year effective		Below rate	At rate	Above rate
Laundry	\$8.00	1915	1913	82.2	9.6	8.2
	13.50	1922	1922	53.7	9.4	36.9
			1924	37.3	13.5	49.2
Retail stores	8.50	1916	1914	66.4	12.1	21.5
	14.00	1922	1916	28.8	37.0	34.2
			* 1922	36.1	17.1	46.8
			* 1924	62.8	11.8	25.4
Women's clothing	8.75	1917	1915	78.1	9.8	12.1
	15.25	1920	1920	4.2	9.1	86.7
	14.00	1922	1922	29.5	6.7	63.8
			1925	20.1	3.5	76.4
Candy	12.50	1920	1918	91.3	(e)	(e)
			1920	46.1	11.9	42.0
			* 1921	39.7	12.4	47.9
			* 1921	36.5	11.5	52.0
			1922	41.1	10.6	48.3
			1923	33.9	11.5	54.6
	13.00	1926	1924	31.1	7.3	61.6

<sup>a</sup> In cities of over 10,000 population.

<sup>b</sup> Includes small towns and stores in larger cities not complying with decree at time of previous investigation.

<sup>c</sup> No data available.

<sup>d</sup> February.

<sup>e</sup> November.

<sup>38</sup> Frankfurter, Felix; Dewson, Mary W.; and Commons, John R.: *State Minimum Wage Laws in Practice*. New York, National Consumers' League, 1924, p. 119.

<sup>39</sup> "Fifteen years of minimum wage in Massachusetts," by Ethel M. Johnson, assistant commissioner, Department of Labor and Industries of Massachusetts. Boston, 1928, p. 8. (Typewritten.)

<sup>40</sup> National Industrial Conference Board. *Minimum Wage Legislation in Massachusetts*. New York, 1927, pp. 94, 95.

The development is practically the same everywhere. The rates increase and the percentage of women earning less than the rates decreases. The percentage, not only of women earning the rates, but particularly of those earning more than the rates, increases.

The fifth report of the Industrial Welfare Commission of California gives general figures for quite a number of years, based on many thousand pay-roll reports in the mercantile, laundry, and manufacturing industries,<sup>41</sup> in which the increase of earnings above the minimum wage of \$16 a week appears clearly. Figures from this report are shown in Table 12:

TABLE 12.—*Per cent of women and of learners in mercantile, laundry, and manufacturing industries in California receiving specified wage in specified years, 1920 to 1925*

Year	Women		Learners	
	Number	Per cent whose actual weekly earnings were \$17 and over	Number	Per cent whose rates of wages were under \$16 a week
1920.	55,922	46.4	50,704	14.3
1922.	58,734	54.3	52,326	8.3
1923.	68,728	58.6	61,007	7.3
1924.	71,664	62.7	63,966	5.4
1925.	76,566	63.2	68,228	5.8

From the data shown in the preceding tables it may be concluded that: (1) The wage orders relieve the depression of the lowest wage levels; (2) there is no tendency on the part of the employers to reduce the wages of the better-paid employees to make up for the increase of the lower levels, or to replace experienced workers by lower-paid learners; (3) minimum wages tend in no way to become standard or maximum wages, but help toward an increase in general wages.

### Effect on Efficiency and Industrial Relations

The effect of minimum wage on conditions in the industry may be gathered from the following statements by representatives of employers' associations.

Preston McKinney, vice president of the Canners' League, of California, makes the following statement:<sup>42</sup>

The minimum wage has served to standardize the compensation paid by all canners to their woman workers, and it has also served to keep the woman workers contented, with the result that the canneries have operated with the minimum of friction and discord.

Richard Neustadt, vice president and managing director of the Retail Merchants' Association of San Francisco, states<sup>43</sup> that in 1920 the board of directors of that association passed strong resolu-

<sup>41</sup> California. Industrial Welfare Commission. Report for the Biennial Periods July 1, 1922, to June 30, 1924, and July 1, 1924, to June 30, 1926. Sacramento, 1926, p. 14.

<sup>42</sup> Letter dated Mar. 30, 1928.

<sup>43</sup> Letter dated Mar. 26, 1928.

tions approving the work of the State minimum wage commission, and that the merchants are to-day of the same attitude of mind:

They are convinced that while the \$16 a week minimum did slightly increase the cost of operation, it was a cost that could properly, as readily, be passed to the public and that it has accomplished the elimination of the necessity of competition with the worst employer on his own grounds in a way that no other method could accomplish. In other words, were there no law—with competition as keen as it is—the merchants would be forced against their own wishes to maintain the price levels of the least conscientious stores by holding wages down to their level.

The law has had none of the effects feared by those who originally regarded it as a radical venture. There has been no limitation on the earnings of the better workers, nor, directly as a result of the law itself, any dismissal of the poorer workers. \* \* \* No business interests have suffered through the existence of the law.

On behalf of the Merchants and Manufacturers' Association of Los Angeles, Calif., Edgar R. Perry makes the following statement:<sup>44</sup>

It has been our observation that the minimum wage law for women has been uniformly beneficial to business and industry in California. It has had the support of this association from the beginning, and we have not observed any serious conditions which would indicate the necessity for its repeal.

These statements seem to show that application of minimum wage laws in cooperation with employers' associations helps to standardize industries and to eliminate unfair competition and contributes to the maintenance of industrial peace.

### Increases of Prices

Taking up the disadvantages claimed to result from the laws, it is claimed first that there is an increase of prices. This is undoubtedly true. While a certain part of the higher wages may be made up by greater efficiency of the employees or by a reduction of the profit margin of the employers, it is obviously in the nature of things that the greater part of the increase in wages is passed on to the public in the shape of increased prices, as Mr. Neustadt, speaking for the Retail Merchants' Association of San Francisco, expressly states. In poor countries such an increase of prices may necessitate serious thought, but in the United States this does not seem to be a matter of great importance. As to the contention that the higher prices will prevent any increase in real wages of the beneficiaries of the laws, the disproportion in the United States between the number of beneficiaries and the general population makes it obvious that the increase of nominal wages of such a small percentage of the American wage earners can not possibly lead to such an increase of prices as to prevent an advance of the real wages of the beneficiaries.

### Effect on Interstate Competition

Another argument against minimum wage legislation is that of injury to business—particularly the danger that industries working under minimum wage awards may be handicapped in interstate competition. While the restriction of the minimum wage to certain States to the exclusion of others in the same customs area may render

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<sup>44</sup> Letter dated Mar. 20, 1928.

it somewhat difficult to increase the prices to the full extent of the increasing wages, on the other hand, the increase in these wages constitutes only a very small percentage in the cost of production in important industries.

As to whether the minimum wage has created any serious hardship to important industries the situation as reported by some of the States having such a law is as follows:

The industries of Massachusetts employing women have since the establishment of the minimum wage law in 1912 increased their invested capital from \$1,308,013,171 in 1912 to \$2,853,590,206 in 1924. The value of the product increased from \$1,596,734,445 in 1912 to \$3,126,137,145 in 1924.<sup>45</sup>

The Industrial Welfare Commission of California, in its annual report for 1922-1924 (p. 15), shows that the number of establishments in the mercantile, laundry, and manufacturing industries of that State increased nearly 100 per cent in six years, the figures being as follows:

	Establishments		Establishments
1919	3,077	1923	5,041
1920	3,244	1924	5,174
1922	4,350	1925	5,597

The number of woman workers in these industries has increased from 44,373 in 1919 to 76,566 in 1925. The Industrial Welfare Commission concludes that industry has "not been throttled in California."

The Industrial Commission of Wisconsin<sup>46</sup> states that in homework manufacture industry was forced or kept out of the State (see p. 48), but makes no similar observation for any other industry.

The statements of the representative employers' associations of California, quoted above, in general, do not indicate that business has been handicapped in any serious way through the minimum wage. A qualifying statement, however, is made on behalf of the Los Angeles Chamber of Commerce, by S. C. Simons, manager of the domestic trade department:<sup>47</sup>

It is our opinion that the general level has been materially advanced by the minimum wage law, although it has undoubtedly operated to retard or hamper certain industries here.

The minimum wage law has been generally credited with being one of the principal hurdles in the way of successful textile development here because of the competition with other sections where this law is not in effect.

The conclusion follows that the minimum wage in States competing with others which do not apply it creates a certain amount of difficulty for particular industries, a difficulty, however, which does not seem to be very considerable.

### Loss of Employment by Slow Workers

The deduction that employers would dismiss employees whose work is not valuable enough to justify the payment of the minimum wage seems logical. The provision of practically all States that

<sup>45</sup> International Labor Office, International Labor Review, Geneva, January, 1928, p. 27; "Minimum Wage Legislation in the United States," by R. Broda.

<sup>46</sup> Frankfurter, Felix; Dewson, Mary W.; and Commons, John R.: State Minimum Wage Laws in Practice. New York, National Consumers' League, 1924, p. 121.

<sup>47</sup> Letter dated Mar. 19, 1928.

licenses may be issued to aged or otherwise handicapped workers eliminates, however, the main difficulty, and there remains only the question whether the issuance of these licenses is broad enough to meet all worthy cases.

Miss Ethel M. Johnson, assistant commissioner of labor of Massachusetts, has stated that in that State there has been only a small percentage of dismissals. In other cases workers could be put on piece rates and the slow workers earning less kept their jobs. From the experience of Massachusetts, Minnesota, and the District of Columbia it appears that discharges have happened but were not frequent.<sup>48</sup>

Statements from the employers' associations of California diverge rather seriously on this point. Preston McKinney, the vice president of the Canners' League of California, says:<sup>49</sup>

The canning industry operates under a pay-roll audit system which provides that at least 50 per cent of the adult women working upon piece rates receive not less than 33½ cents an hour. Elderly and infirm canners are classed as "slow workers" and work under permits issued by the industrial welfare commission. These "slow workers" are eliminated from the audit. Due to the fact that most of the women employed in the canneries work on a piecework scale, the more competent ones may earn more than the same class of workers in other industries.

On the other hand, S. C. Simons, of the Los Angeles Chamber of Commerce, makes the following statement:<sup>50</sup>

We are informed that it has been necessary to dismiss a large number of slow employees, frequently those who would be perfectly satisfied to work at a lower wage than the minimum established.

Mrs. Catherine Philips Edson, chief of the division of industrial welfare of California, states<sup>51</sup> that slow workers have not become unemployed because of the law, as the commission is generous in meeting the demands of employers to employ these women at less than the minimum wage. These demands, however, have not been great, and the commission has been generally able "by discretion and a little persuasion" to keep all such types of women employed.

Whether there are any who refuse employment to them because of age we have no means of knowing, although no such complaint has ever been made to us.

In the canning industry, which is the industry to which the largest number of unskilled workers gravitate, we have a much larger number of slow workers or "infirm workers," as we call them. We have a very elaborate system of defining what is a fair minimum piece rate. It requires that a piece rate to be fair must yield to 50 per cent of the woman workers not less than 33½ cents an hour. To prevent the nonemployment of these elderly and infirm workers we give a permit to have them eliminated from the audit, so the audit is made up of more nearly normal workers. However, if an adjustment is necessary to make the piece rates yield 33½ cents an hour to 50 per cent of the women working upon it, that adjustment is given to the slow workers as well as to the normal workers in the establishment.

In Wisconsin in 1923 863 establishments answered an inquiry whether any minors and women had been discharged on account of the minimum wage law, 37 firms answering "yes," and 826 answering

<sup>48</sup> International Labor Office, *International Labor Review*, Geneva, January, 1928, p. 42; "Minimum Wage Legislation in the United States," by R. Broda.

<sup>49</sup> Letter dated Mar. 30, 1928.

<sup>50</sup> Letter dated Mar. 19, 1928.

<sup>51</sup> Letter dated Mar. 24, 1928.

“no.”<sup>52</sup> Replies to a similar inquiry undertaken in Massachusetts in the same year, by the National Industrial Conference Board, showed that of 7 knit-goods concerns and 17 concerns making minor confectionery and miscellaneous food preparations not one had discharged any women because of the minimum wage decrees.<sup>53</sup> From the evidence it appears that there have been discharges of slow workers, but only to a very limited extent, and that no serious hardship was created.

In general, it may be said that there have been no evil consequences of any importance caused by American minimum wage legislation. On the other hand, the positive influence of the legislation on the relief of misery has not been very important either. Home work, so far, has been generally left untouched by this legislation. Woman workers living with their families were possibly not in great distress, but serious hardship has been relieved among female workers living alone. The evidence shows that that is true even in Massachusetts (notwithstanding the fact that the law there does not give authority to fix a living wage if that might lead to consequences detrimental to industry), where enforcement was only partial on account of the recommendatory nature of the law. In the States where the law is of a mandatory character, and its principle that of the living wage, particularly on the Pacific coast and especially in California, the benefits to the workers appear to have been great, and many employers state that the law has been beneficial to their own interests.

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<sup>52</sup> Frankfurter, Felix; Dawson, Mary W.; and Commons, John R.: *State Minimum Wage Laws in Practice*. New York, National Consumers' League, 1924, p. 122.

<sup>53</sup> National Industrial Conference Board. *Minimum Wage Legislation in Massachusetts*. New York, 1927, p. 130.

development, in particular, in the field of minimum wage legislation. In Great Britain, the first minimum wage legislation was passed in 1908, and in Canada in 1911. The first minimum wage legislation in Canada was passed in 1907, and in 1926, the Canadian government passed a minimum wage law for the first time.

## CHAPTER 7.—STATE INTERFERENCE WITH WAGES IN CANADA

### Legislation for Settlement of Industrial Disputes

THE recent minimum wage legislation for Canadian women was inspired, it has been said, more by the example across the southern border than by that of Great Britain or Australasia. But this does not apply to the first great Canadian experiment in the field of State interference with industrial evils (although not in the field of specific wage regulation), the law of 1907, instituting commissions of inquiry for the settlement of conflicts in public utilities services. The act was declared unconstitutional in January, 1925, by decision of the House of Lords, acting for the British Empire; the Dominion was declared incompetent to enact laws on these matters, which are reserved to the provincial authorities. But since that time new laws have been passed concurrently by the Federal Parliament and by several provincial legislatures to reestablish application of the provisions of the 1907 law.<sup>1</sup> Under that law both parties are compelled to postpone a strike or lockout until publication of the commission's report. Public opinion is thereby enabled to exercise its influence against the party to the conflict which might be inclined to resist the decision.<sup>2</sup> Strikes have been greatly restricted; more so, however, during the first 10 years than later. There were strikes in 1918 and 1919 in railway services covered by the law.<sup>3</sup>

Compulsory arbitration in New Zealand and the above-cited Canadian act have for a long time been considered by many as superior to minimum wage administration by wage boards, it being frequently argued that only arbitration or inquiry methods are applicable to industries with strong trade-unions, though Victoria had included these industries in the scope of its wages boards legislation. The Canadian experiment retains, therefore, its importance for any comparison of minimum wage legislation.

The Province of Nova Scotia endeavored, after a strike in the coal-mining industry of the Province, to go beyond the scope of the general law and to establish compulsory arbitration in services of public necessity, but the law was repealed on March 15, 1926, by a new law respecting the investigation of industrial disputes within the Province.<sup>4</sup> The new act legalizes for the Province the provisions of the Dominion act of 1907 as to investigation of industrial disputes.

<sup>1</sup> Labor Legislation in Canada, 1926. Ottawa, 1927, p. 6.

<sup>2</sup> See Broda, R.: *La Fixation Légale des Salaires*. Paris, 1912, ch. 13.

<sup>3</sup> Broda, R.: *Les Résultats de l'Application du Salaire Minimum Pendant et depuis la Guerre*. Bern, 1921.

<sup>4</sup> Letter from the Deputy Provincial Secretary of Nova Scotia, dated Mar. 21, 1928.

## Minimum Wage Legislation

### Beginnings and Development

FROM entirely different motives and from entirely different examples has sprung up, since 1917, minimum wage legislation for women in various Canadian Provinces. Such laws have been passed in Nova Scotia, Quebec, Ontario, Manitoba, Saskatchewan, Alberta, and British Columbia. Women alone are protected, except in British Columbia and Alberta.

The Province of Alberta provided in 1917 for the appointment of an advisory committee to propose minimum wages for females and minors. The lieutenant governor is authorized on the basis of that information to issue one or several minimum wage orders for the Province.<sup>5</sup>

The Province of British Columbia established in 1918 a minimum wage board of three members, one of them the deputy minister of labor and the other two to be appointed by the lieutenant governor of the Province. The board was empowered to call conferences of representatives of employers, of employees, and of the public for industries where female workers are employed at unduly low wages. The board may ask for recommendations from these conferences as to proper minimum wages, and then fix such minimum wages as it deems fit.<sup>6</sup>

The Province of Manitoba in 1918, made provision for a minimum wage board, composed of two representatives of employers, two representatives of employees, and one disinterested person, all to be appointed by the lieutenant governor of the Province. The board is authorized to issue minimum wages for female workers.<sup>7</sup>

The Province of Saskatchewan also provided for the fixation of minimum wages.<sup>8</sup> Nova Scotia took the same step<sup>9</sup> but omitted to appoint a minimum wage board. There are no minimum wage provisions in force in that Province.<sup>10</sup> Ontario promulgated in 1920 a minimum wage act.<sup>11</sup> The minimum wage board of that Province may take the advice of representatives of employers and of employees but remains free to establish minimum wages for female employees of the Province as it deems fit. In practice the wage board has established cost-of-living budgets as the main basis of its orders.<sup>12</sup> The Province of Quebec enacted in 1919 a women's minimum wage act.<sup>13</sup> That legislation, however, was effectively applied only in 1926.

<sup>5</sup> Canada. Department of Labor. Labor Legislation in Canada as existing Dec. 31, 1920. Ottawa, 1921, p. 648.

<sup>6</sup> *Idem*, p. 791. A law of 1919 (*idem*, p. 720) provided for the establishment of a coal miners' minimum wage board, but that board has not actually operated.

<sup>7</sup> Canada. Department of Labor. Labor Legislation in Canada as existing Dec. 31, 1920. Ottawa, 1921, p. 513.

<sup>8</sup> *Idem*, p. 575.

<sup>9</sup> *Idem*, p. 234.

<sup>10</sup> Letter from Prof. S. H. Prince, of Dalhousie University, Halifax, dated Mar. 24, 1928.

<sup>11</sup> Canada. Department of Labor. Labor Legislation in Canada as existing Dec. 31, 1920. Ottawa, 1921, p. 448.

<sup>12</sup> Canada (Ontario). Minimum Wage Board. Fifth annual report, 1925. Toronto, 1926, p. 6.

<sup>13</sup> Canada. Department of Labor. Labor Legislation in Canada as existing Dec. 31, 1920. Ottawa, 1921, p. 331.

In 1922 the Province of New Brunswick prescribed minimum salaries for school teachers.<sup>14</sup> Different rates were determined for different districts, the rates to include the minimum income the teacher has to earn from all sources, including the Government grant to teachers. In 1923 minimum wage legislation was in force in Alberta, British Columbia, Manitoba, Ontario, and Saskatchewan. No proclamation was issued for putting into force the Nova Scotia act for 1920 and no commission was appointed under the Quebec act.<sup>15</sup> In 1924 Nova Scotia replaced its inoperative minimum wage act of 1920, applicable to factories and shops, by a new act applicable to all female occupations, but no board was actually established.<sup>16</sup>

In 1925 British Columbia<sup>17</sup> passed a minimum wage act for male employees for all trades except farm laborers, fruit pickers and packers, fruit and vegetable canners, and domestic servants.

The application of the act was not intrusted to the minimum wage board for women but to a board of adjustment constituted under an act of 1923 for taking care of reduction of working hours. Employers who violate the provisions of the act are punished by fines and also have to pay to the worker the difference between the minimum wage and the wage paid. In 1926 the Province of Alberta enacted a law that male workers shall not be employed at lower wages than the minimum wages for female employees in the same trade.<sup>18</sup>

### Principle of Wage Fixation

The majority of the Canadian Provinces apply the "living-wage" principle, either expressly or in an implied way. Manitoba falls into the first group and empowers its board to declare minimum wages "adequate to supply the necessary cost of living to employees and maintain them in health."<sup>19</sup> Quebec falls into the second group. The law states that the commission intrusted with the application of the act is to intervene if it is of the opinion that "the wages or salaries paid in an industrial establishment coming within the purview of this act are insufficient."<sup>20</sup> In Ontario no instructions as to the basis of wage fixation are given by the law, except a similar provision that the board may act if wages paid to any class of employees are "inadequate or unfair." But the board may, after verification, act as it deems fit. The principle of entire freedom for the board holds in the case of the male workers in British Columbia.<sup>21</sup> Rather radical viewpoints are reported from that Province. The wage board for female employees argues<sup>22</sup> that enterprises which are unable to

<sup>14</sup> Canada. Department of Labor. Labor legislation in Canada for the calendar year 1922. Ottawa, 1923, p. 12.

<sup>15</sup> Canada. Department of Labor. Labor Legislation in Canada, 1923. Ottawa, 1924, p. 9.

<sup>16</sup> Canada. Department of Labor. Labor Legislation in Canada, 1924. Ottawa, 1925, p. 9.

<sup>17</sup> Canada. Department of Labor. Labor Legislation in Canada, 1925. Ottawa, 1926, p. 10.

<sup>18</sup> Canada. Department of Labor. Labor Legislation in Canada, 1926. Ottawa, 1927, p. 9.

<sup>19</sup> Canada. Department of Labor. Labor Legislation in Canada as existing Dec. 31, 1920. Ottawa, 1921, p. 513.

<sup>20</sup> Idem, p. 332.

<sup>21</sup> Canada. Department of Labor. Labor Legislation in Canada, 1925. Ottawa, 1926, p. 54.

<sup>22</sup> Canada (British Columbia). Department of Labor. Annual report for 1919. Victoria, 1920, p. 86.

pay legitimate wages frequently have come to that point because they are badly administered. Attempts to make up for such a situation by underpayment of workers are rejected as "hopeless."

### Administrative Provisions

In Ontario 79 permits were in force in 1926—53 for handicapped workers, 24 for others, and 2 for special apprentices.<sup>23</sup> Another method for preventing the discharging of slow workers consists in the provision that the law is considered as fulfilled if 80 per cent of the workers working at piece rates earn the minimum rates for time-work provided by the law. Slow workers are guaranteed the same piece rates, but since they earn less, if they work more slowly, there is no reason for the employer to discharge them.

Home work has not yet been touched by the new legislation, but in its report for 1922 the Wage Board of Ontario promised to turn its attention in this direction, recognizing that home work is increasing in the large cities. So far only the regulations for sanitation tend to protect home workers.<sup>24</sup> Employers who pay wages lower than those fixed by the board are liable to be fined.<sup>25</sup>

### Application of the Laws

While Nova Scotia has not yet implemented its law by the appointment of a minimum wage board,<sup>26</sup> the laws of Ontario, Manitoba, Alberta, Saskatchewan, British Columbia, and since 1927 also that of Quebec, are being fully applied. The Ontario board collects each year from all factories and many other firms wage sheets for their female employees.<sup>27</sup> These wage sheets furnish the proof as to the payment of minimum wages. Forty-two orders had been made up to the end of 1926. Most of them distinguished between wages in Toronto, where costs of living are particularly high and where minimum wages of \$12 or \$12.50 are prescribed, and other cities and rural communities, where minimum wages from \$12 down to \$8 are established. Maximum percentages for employment of inexperienced employees are also stipulated. Order No. 26, for instance, prescribes that not more than 25 per cent of such inexperienced women or young girls shall be employed.<sup>28</sup>

The Minimum Wage Board of Manitoba reports that, acting on practical complaints from the hotel industries, it issued new regulations for that trade.<sup>29</sup> All in all, 13 employers have been prosecuted for nonpayment of wages and conviction was obtained in all cases. Thirty-nine other claims for wages were adjusted without prosecu-

<sup>23</sup> Canada (Ontario). Minimum Wage Board. Sixth annual report, 1926. Toronto, 1927, p. 37.

<sup>24</sup> International Labor Office. International Labor Review, Geneva, April, 1924, p. 532: "Minimum wage legislation in Canada," by J. W. Macmillan, chairman of Minimum Wage Board of Ontario.

<sup>25</sup> For instance, by stipulation of article 22 of the Ontario law: Canada. Department of Labor. Labor Legislation in Canada as existing Dec. 31, 1920. Ottawa, 1921, p. 449.

<sup>26</sup> Letter from Prof. S. H. Prince, of Dalhousie University, Halifax, dated Mar. 24, 1928.

<sup>27</sup> Canada (Ontario). Minimum Wage Board. Sixth annual report, 1926. Toronto, 1927, p. 36.

<sup>28</sup> Canada (Ontario). Minimum Wage Board. Orders regarding the employment of women in the Province of Ontario. Toronto, 1926, p. 12.

<sup>29</sup> Canada (Manitoba). Bureau of Labor. Eleventh annual report, May 1, 1925, to Apr. 30, 1926. Winnipeg, 1927, p. 5.

tion. Procedure was equally empirical for problems of a tangible nature in the Province of Alberta. The minimum wage board reports<sup>30</sup> that requests and decisions as regards overtime, apprentices, etc., made necessary only one meeting of the board in the year. One application was received for an employee to work at lower than fixed rates and the application was granted. Application of the law in the Province of Quebec was begun in 1926 by dividing the Province into several zones, in accordance with the differences in the costs of living. The first order (laundries) was issued in November, 1926.<sup>31</sup>

British Columbia has remained the pioneer Province of comprehensive minimum wage legislation. Minimum wages for female workers were applied in 1925 in nine industries. The minimum wage act of 1925 for males was first applied in the lumber industry, an order being issued fixing a minimum wage of 40 cents per hour, to be effective November, 1926.<sup>32</sup> The order was sustained by the court of appeal on December 2, 1926.<sup>33</sup> It meant an increase of pay for 24 per cent of the workers in the industry, according to figures available to the board.<sup>a</sup> An order for the catering industry, fixing minimum wages of 40 cents per hour for straight shifts and 42½ cents per hour for split shifts, went into force on April 1, 1928.<sup>b</sup> Many Chinese are employed in this industry and the intention is "to fix a rate that will make it possible for white labor to be employed, and in this way reduce the number of Asiatics."<sup>c</sup> This order is the only one to introduce into legislation on the American continent a motive which plays a decisive rôle in the minimum-wage legislation of South Africa (see ch. 8) and has been of importance also in the legislation of Australia (see ch. 3) as a protection of white labor against cheap colored labor and (unlike, of course, South Africa) as a partial substitute for prohibition of immigration of laborers liable to endanger the wages and standards of living of the native-born workers of the country.

The House of Commons of Canada passed in March, 1926, a resolution in favor of a legal minimum wage based on a reasonable standard of living. The resolution was referred to its Select Standing Committee on Industrial and International Relations.<sup>34</sup> The committee recommended a conference of representatives of the Dominion and of the Provinces to consider methods of putting this resolution into effect, particularly as it is in accord with the social provisions of the peace treaties. The report stated that the minimum wage legislation for women has worked out satisfactorily and pleads for its extension to some classes of men.

<sup>30</sup> Canada (Alberta). Bureau of Labor. Annual report for the year 1926. Edmonton, 1927, p. 15.

<sup>31</sup> Canada (Quebec). Department of Public Works and Labor. General report for the year ending June 30, 1927. Quebec, 1927, p. 131.

<sup>32</sup> Monthly Labor Review, September, 1926, p. 35.

<sup>33</sup> *Idem*, April, 1927, p. 31.

<sup>34</sup> Canada. Parliament. House of Commons. Select Standing Committee on Industrial and International Relations. Minutes of proceedings and evidence, session 1926. Ottawa, 1926, x, 122 pp.

<sup>a</sup> Province of British Columbia. Annual Report of the Department of Labor for the year ended Dec. 31, 1926, p. 41.

<sup>b</sup> The government of the Province of British Columbia male minimum wage act order establishing a minimum wage in the catering industry.

<sup>c</sup> Letter from the general superintendent, British Columbia office, Employment Service of Canada.

## Results

EXPERIENCES of the Canadian Provinces as a whole elucidate various questions connected with the results of minimum wage laws, but the experience of the different Provinces is not equally instructive. The application of the law in Quebec is of too recent a nature, and application in the prairie Provinces (as we have seen above) is too empirical and sporadic, to shed light on complicated problems. The most instructive experience is that of British Columbia where the law has been consistently applied for 10 years and that of Ontario which refers to highly diversified industry and conditions of advanced civilization.

### Effect on General Level of Wages

The report of the Minimum Wage Board of Ontario for 1925 states that in 1920 a fifth of the women employed in several industries earned less than \$6 a week. Such conditions have been entirely eliminated. Not only have the lowest wages been raised, but also the wages of the skilled employees. "The underpinning of the basic wages has strengthened the entire column of the wage sheet" (p. 5). The report of the minimum wage board for 1926 (p. 5) states that a big charitable institution in Toronto where girls unable to pay commercial rates of board were living had to be closed as they no longer needed such help.

Not only did the wage increases up to the amount of the minimum wage orders but the increase was important also in the higher earnings of the more skilled employees. Employers obviously had an interest in paying somewhat more for a skilled employee than just the minimum for a slower employee. The minimum had in no way tended to become the maximum. These results are shown in the following figures as to wages in retail and department stores and textile factories under minimum wage orders:

Order No. 6.—*Retail stores in cities of 30,000 or over (except Toronto)*<sup>25</sup>

Number of women reported as earning per week:	1921	1926
Under \$7	37	1
\$7 and under \$8	31	2
\$8 and under \$9	127	36
\$9 and under \$10	78	26
\$10 and under \$11	185	71
\$11 and under \$12	77	39
\$12 and under \$13	188	351
\$13 and under \$14	67	73
\$14 and under \$15	65	118
\$15 and under \$16	115	138
\$16 and under \$18	49	82
\$18 and under \$20	34	45
\$20 and under \$22	29	49
\$22 and over	41	76
Total	1,123	1,107

<sup>25</sup> Canada (Ontario). Minimum Wage Board. Sixth annual report, 1926. Toronto, 1927, p. 9.

The minimum wage prescribed by order No. 6 for experienced female employees of 18 years or over was \$12 per week.<sup>36</sup> The number of women earning that amount about doubled, but there were large increases also among the women earning higher salaries.

*Order No. 29.—Department stores in Toronto having more than 150 employees.<sup>37</sup>*

Number of women reported as earning per week:	1921	1926
Under \$7		4
\$7 and under \$8	10	2
\$8 and under \$9	178	128
\$9 and under \$10	171	99
\$10 and under \$11	101	100
\$11 and under \$12	71	91
\$12 and under \$13	309	281
\$13 and under \$14	324	453
\$14 and under \$15	393	535
\$15 and under \$16	398	554
\$16 and under \$18	428	508
\$18 and under \$20	181	271
\$20 and under \$22	111	153
\$22 and over	107	251
Total	2,782	3,430

Order 29 prescribed a minimum wage for experienced female employees of 18 years or over of \$12.50.<sup>38</sup> The number of women earning the ranges of wages not touched directly by the order increased to a considerable extent.

*Order No. 14.—Textile factories in cities of 30,000 or over (except Toronto).<sup>39</sup>*

Number of women reported as earning per week:	1922	1926
Under \$7	30	5
\$7 and under \$8	77	17
\$8 and under \$9	156	147
\$9 and under \$10	194	211
\$10 and under \$11	284	360
\$11 and under \$12	215	365
\$12 and under \$13	293	427
\$13 and under \$14	216	446
\$14 and under \$15	202	364
\$15 and under \$16	189	841
\$16 and under \$18	180	396
\$18 and under \$20	89	309
\$20 and under \$22	28	126
\$22 and over	20	88
Total	2,173	4,102

Order No. 14 prescribed a minimum wage of \$11.50.<sup>40</sup> The greatest increase was for the range between \$15 and \$16 per week, \$4 above the minimum prescribed by the board.

The fear that the minimum might become the maximum has been entirely disproved by the actual experience.

<sup>36</sup> Canada (Ontario). Minimum Wage Board. Orders regarding the employment of women in the Province of Ontario. Toronto, 1926, p. 4.

<sup>37</sup> Canada (Ontario). Minimum Wage Board. Sixth annual report, 1926. Toronto, 1927, p. 11.

<sup>38</sup> Canada (Ontario). Minimum Wage Board. Orders regarding the employment of women in the Province of Ontario. Toronto, 1926, p. 6.

<sup>39</sup> Canada (Ontario). Minimum Wage Board. Sixth annual report, 1926. Toronto, 1927, p. 12.

<sup>40</sup> Canada (Ontario). Minimum Wage Board. Orders regarding the employment of women in the Province of Ontario. Toronto, 1926, pp. 8, 9.

The report of the Minimum Wage Board of the Province of Saskatchewan for the 12 months ending April 30, 1927 (p. 44), agrees with the experience of Ontario. Of 314 female employees in laundries and factories 84 received more than the minimum rate, while of 333 employees in mail-order houses 228 received more than the minimum. In hotels and restaurants, 382 out of 662 employees received wages above the minimum. From these figures the wage board concludes that the fear that the highest paid workers might be reduced to equalize the additional wages paid to the lower paid workers has been disproved by experience.

The Department of Labor of the Province of British Columbia states in its annual report for the year 1919 (p. 85) that the fear that the minimum wage might become the maximum has proved groundless, since "more than an average of \$2 a week per employee is being paid over and above the legal minimum." In 1926 the average paid was \$17.05, while the minimum wages ranged from \$12.75 to \$15.50. Taking \$14 as the average of the rates established by the orders, the wages actually paid exceeded the minimum by \$3. The margin has increased considerably. The report for 1919 (p. 85) states also that the "constantly reiterated assertion that a greater number of girls under 18 years of age were being employed since the introduction of the minimum wage appears also to be disproved by a comparison of the returns, which indicates practically no change." The same report states that coupled with the general rise in wages "there is a perceptible decrease in the hours of labor."

### Influences on Discharges and General Conditions of Employment

There have been some discharges of women in Ontario who were considered not worth the minimum by their employers, but these women have generally been able to get employment in another occupation and there to earn more than the minimum, by putting more energy into their work.<sup>41</sup> The chairman of the Minimum Wage Board of Ontario, J. W. Macmillan,<sup>42</sup> states that there has been no deleterious effect on employment, and also that the law has tended to reduce the hours of work and to improve the relations between employers and employees.

### Increase of Efficiency

The Department of Labor of British Columbia states in its annual report for the year 1919 (p. 85) that many employers had bettered their methods of work; they "became more careful in the selection of new hands and demanded greater efficiency not only from these but from their executives and heads of departments."

### Influence on Industrial Peace

In the conferences of the Minimum Wage Board of Ontario with the employers the right of every employee to a living from his own

<sup>41</sup> Letter from Prof. J. G. Jackson, of the Department of Political Science, University of Toronto, dated Mar. 16, 1928.

<sup>42</sup> International Labor Office. *International Labor Review*, Geneva, Apr., 1924, p. 507: "Minimum Wage Legislation in Canada," by J. W. Macmillan.

work has been admitted by all. Employers were much impressed by the declarations of other big employers of high standing, which defended that point of view and were either eager to show that their own wages were in agreement with that general principle or else that they would try to adjust them accordingly. The legal department of the employers' associations helped in the framing of the act.<sup>43</sup>

### Public Opinion

Professor Mackintosh, of the department of commerce of Queens University, states<sup>44</sup> that "there is widespread satisfaction with the operation of minimum wage laws in Canadian Provinces." Professor Jackson, of the University of Toronto, states<sup>45</sup> that the Minimum Wage Board of Ontario has "functioned successfully."

Questions have been raised as to the degree of obedience to its orders on the part of certain individual firms. There are labor men in this Province who would tell you that there is a good deal of evasion. I have followed carefully the only public hearing of this question which there has been and have gone into the matter personally with the chairman of the minimum wage board, Doctor Macmillan, and his staff, and have come to the conclusion that this complaint is not well founded.

The resolution of the Canadian House of Commons in March, 1926 (see p. 62), received its impetus from the satisfaction as to the application of the minimum wage laws.

Summing up the Canadian minimum wage legislation it appears that such legislation has eliminated sweating of female employees, helped skilled employees further to increase their wages, has not led to any serious unemployment, and has been a factor for industrial peace and for greater efficiency in industry. There are no apparent efforts from responsible quarters opposing its maintenance or the extension of the legislation from women's to men's trades. The latter development began in British Columbia and is on the point of being extended by efforts of the Federal Parliament. Canada follows the same general trend which has manifested itself in her sister dominions, Australia and New Zealand, toward minimum wages for all workers.

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<sup>43</sup> International Labor Office. *International Labor Review*, Geneva, April, 1924: "Minimum wage legislation in Canada," by J. W. Macmillan.

<sup>44</sup> Letter dated Mar. 23, 1928.

<sup>45</sup> Letter dated Mar. 16, 1928.

## CHAPTER 8.—WAGE REGULATION IN SOUTH AFRICA

### Development and Coverage

THE Union of South Africa has since 1918 followed the example set 30 years ago by Australia and later by Great Britain. An act was passed in 1918 providing for the establishment of wage boards to regulate wages of women and minors in certain trades.<sup>1</sup> The Minister of Labor was authorized to establish the boards, each composed of representatives of employers and employees in equal numbers, under an impartial chairman, such representatives to be chosen in consultation with employers' and employees' organizations. Twenty-one boards were functioning in 1923. The application of the law, however, encountered several difficulties.<sup>2</sup> The representatives proposed by the employees were frequently unsatisfactory. Employers discriminated against employees chosen as members of the boards. In 1925, there were only 14 wage boards in existence.<sup>1</sup> An industrial conciliation act was passed in 1924 for organized trades to facilitate agreements between employers and employees and the settlement of disputes.<sup>3</sup> As a counterpart for unorganized or less organized trades, an act for the legal fixation of minimum wages was passed by the Union Parliament in 1925 called the "wage act 1925," to supplement the law of 1918 for women and minors.<sup>2</sup>

Agricultural and forestry workers, domestic servants, and railway employees are exempted from the law, and also employers and employees covered by collective agreements or awards under the above-mentioned industrial conciliation act, on condition that the wages fixed by these agreements or awards are at least equal to the minimum wage to be fixed under the wage act for the same trade and area. (Art. 1.) By this last provision preference is given to collective bargaining over legal fixation of minimum wages.

### Machinery of Wage Fixing and Enforcement

THE Governor General is empowered to appoint a wage board of three members, which for specific investigations may be enlarged by two more members—representatives of employers and of employees. (Wage act 1925, art. 2.)

Either the Minister of Labor, trade-unions, employers' associations, or, in case no registered employees' or employers' association exists, a number of employees or of employers deemed by the board to be

<sup>1</sup> Union of South Africa. Office of Census and Statistics. Official Year Book of the Union, 1925. Pretoria, 1927, p. 241.

<sup>2</sup> Union of South Africa. Department of Labor. The South African Labor Gazette, Pretoria, October, 1925, p. 189.

<sup>3</sup> Union of South Africa. Department of Labor. The Social and Industrial Review, November, 1927, p. 396: "Principles of industrial legislation," by A. T. Roberts.

sufficiently representative of their class can take the initiative and request the board to investigate conditions in a given industry, and to make recommendations as to minimum wages. (Art. 3.) The final decision is with the Minister of Labor or other minister designated by the Governor General. The minister can not, however, fix rates contrary to those determined by the majority of the board. (Arts. 7 and 18.) The proposed determination must be published in the press, in order to enable any interested party to formulate objections. (Art. 7.) If such objections are formulated by representative parties, the board may be instructed by the minister to make a new report, as a basis for the final decision of the minister. (Art. 7.) Exemptions from the minimum wage may be granted for persons suffering from physical disability, who are capable of doing only part of the work required of an able-bodied person (art. 10b) or when the minister feels that for special reasons such exemptions are in the interest of the employees concerned (art. 10c).

The inspectors of factories and special officers appointed under the act enforce the provisions of the law. (Art. 11.) Employers are bound to pay the minimum rates fixed by the board and are fined up to £100 in case of violation of this rule. Agreements between the parties contrary to the determinations of the minister are void. (Art. 8.)

### Principle of Wage Fixation

THE wage act 1925, instructs the board (art. 3, subsec. 2) to take into consideration three major points—conditions in the trade, burdens the trade can bear, and cost of living in the area. The law had, however, to take into account a side of South African conditions which is utterly different from that in all other countries of the world—the wide gap which exists between the wages of skilled white workers and those of unskilled black workers. The report of a commission instituted to investigate these problems<sup>4</sup> gives extraordinary data in that respect. For the miners at Witwatersrand working underground the average wage per shift for adult European males is 23s. 8d.; the average wage for native underground workers at the same place is only 2s. 3d. per shift. The wages of unskilled “colored” (mulattoes) workers in towns range from 3s. to 5s. per day. This discrepancy seems to have been a major consideration for the passing of the act. [Compare the more limited, yet clearly marked, parallel tendency to use minimum wage legislation as a protection of white workers against competition of low-paid colored workers in Victoria, Australia (see ch. 3), and in British Columbia, Canada (see ch. 7).] Employers obviously were and are tempted to replace white workers by semiskilled blacks because of the immense economy in labor costs. When, however, a wage minimum sufficient to attract white workers was established for a trade, employers were inclined to employ whites. The tendency of the act, therefore, seems to be to create two groups of employment—guaranteed well-paid employment for white workers and lower-paid employment for black and colored workers. These

<sup>4</sup> Union of South Africa. Economic and Wage Commission (1925). Report. Cape Town, 1926, pp. 257, 263.

facts have to be kept in mind to understand the following provision (art. 3, subsec. 3) of the act:

When in the course of any investigation under this section the board, having regard to any consideration mentioned in subsection (2), finds that it can not recommend in respect of the employees in any trade or section thereof a wage or rate upon which such employees may be able to support themselves in accordance with civilized habits of life, it shall make no recommendation in regard to such wages or rates but shall report to the minister on the conditions in such trade and the reasons for its decision. On consideration of such report the minister may direct the board to make such recommendation as it may deem fit.

The principle of wage fixation for those trades and skilled employments which can support high wages is therefore mainly "a living wage" in accordance with civilized standards of life. Trades and occupations unsuited to be paid such a wage are to be left to black and colored workers, and no living wage calculated by civilized standards is to be fixed.

But even for these trades minimum wages can be fixed if the minister deems fit. He is given a free hand in that respect. (Art. 3, subsec. 3.) Far-seeing circles in South Africa are well aware of the danger to the general welfare which may result from the coexistence of widely different standards of labor and from the low purchasing power of the majority of the workers. They desire that the wage act reduce the gap between wages for skilled white and unskilled black and colored workers.<sup>5</sup> They also desire it in order to prevent white men who are not skilled enough to earn the high wages of skilled white workers from falling to the bottom. They want to establish for that purpose intermediary grades. That aim is facilitated by the fact that the act only indirectly and not specifically distinguishes between the wages for white and black workers. The wage board in its first decision, in connection with an application as to unskilled laborers in the Orange Free State, refused expressly to consider any distinctions of color or race. It stated that its duty under the act was to assess the value of the work and to recommend a wage in accordance with that value.<sup>6</sup> In the same spirit the Minister of Posts and Telegraphs defended on May 17 in the South African Parliament the payment of 8s. to unskilled laborers for an 8-hour day. He explained it to be his policy that payment be made for work and not for color.<sup>7</sup>

### Application of the Act

THE wage act 1925 went into effect on February 12, 1926, and a wage board of three members was appointed on that date.<sup>8</sup> The opposition to the act centered mainly on the feature of legal compulsion, and the wage board, to meet that objection, emphasized from the beginning its preference for voluntary effort—that is, for free agreements under the conciliation act—so far as feasible. F. A.

<sup>5</sup> International Labor Office. *International Labor Review*, Geneva, March, 1926, pp. 336-339: "The new wage act in South Africa."

<sup>6</sup> Union of South Africa. Department of Labor. *Social and Industrial Review*, Pretoria, December, 1927, p. 518: "Principles of industrial legislation," by A. T. Roberts.

<sup>7</sup> International Labor Office. *Industrial and Labor Information*, Geneva, July 11, 1927, p. 41.

<sup>8</sup> Union of South Africa. Department of Labor. *Social and Industrial Review*, Pretoria, November, 1927, p. 399.

W. Lucas, chairman of the board, stated that policy to a gathering of the representatives of the Cape clothing industry,<sup>9</sup> and explained that the department of labor would welcome the formation of an industrial council.

The first recommendations were published in July, 1926, and met with some objections from the commercial world. Some provisions were not understood, but the board was able, in conference with the objectors, to discuss in detail the determinations and to remove many misunderstandings.<sup>10</sup> The first industries for which recommendations were made were various branches of the candy industry, the clothing industry, and the baking industry. Diversified rates were promulgated for various operations and provisional recommendations made in September, 1926,<sup>11</sup> which led to final recommendations for the candy and baking industries on May 6 and 20, 1927, respectively,<sup>12</sup> but they were made effective only for that part of the country where no industrial council could be established.<sup>13</sup> The board had to contend also with the disparity between wages in different parts of the country and attempted to solve the difficulty by allowing for centers with low wages a reasonable period of adjustment.<sup>14</sup> The board also found it useful to promulgate ascending scales of wages based on length of experience in the industry in order to give an incentive to employees to do their best and thereby avoid dismissal before attainment of the higher grades of wages.<sup>15</sup> The board endeavors, particularly, to decrease the gap between skilled and unskilled employees. In the biscuit industry, for instance, it recommended for biscuit makers £6 per week, for ovenmen and brakemen £4 1s., and for their assistants £2 2s. 6d., while theretofore the wages of ovenmen and brakemen had been much lower. A biscuit maker who can not obtain employment in his line may be enabled thereby to find work as an ovenman at a reasonable wage.<sup>16</sup> The specific provisions of the act (art. 7) as to objections to provisional determinations of the board came into play, for instance, in the procedure relating to the leather industry in June, 1927. The wages board amended somewhat its original proposals to meet to a certain extent the objections formulated.<sup>17</sup> More difficult was the situation in the hat and cap industry and certain groups of clothing manufacture. The board heard representatives of manufacturers who raised objections and was satisfied that there would probably soon be set up an industrial council for the clothing industry. It agreed to postpone its final determination on condition that an industrial council agreement be submitted for the approval of the board by March 15, 1927, but decided to make an interim recommendation. This recommendation was published as a determination on December 30, 1926, but was invalidated by judgment of the Transvaal provincial division of the supreme court on April 25, 1927.<sup>18</sup> The effect of the judgment was to invalidate the determination in respect of the sweet manufacturing, clothing, bak-

<sup>9</sup> Union of South Africa. Department of Labor. Social and Industrial Review, Pretoria, July, 1927, p. 72.

<sup>10</sup> Idem, December, 1927, p. 517.

<sup>11</sup> Idem, special ed., September, 1926.

<sup>12</sup> Idem, July, 1927, p. 69.

<sup>13</sup> Idem, November, 1927, p. 452.

<sup>14</sup> Idem, December, 1927, p. 518.

<sup>15</sup> Idem, December, 1927, p. 519.

<sup>16</sup> Idem, second special ed., June, 1927.

<sup>17</sup> Idem, first special ed., November, 1927, p. 31.

ing, and confectionery industries. The judgment is based on the ground that the procedure laid down by sections 5 and 7 (i. e., time limits for publication of determinations in the press) was not complied with.<sup>18</sup> The judgment, based on these technical points, does not foreshadow any steps against the law itself on grounds of unconstitutionality.

### General Conclusions

THE procedure under wage act 1925 is still in its formative period. The experience obtained so far emphasizes, however, the flexible nature of the legislative provisions, which adapt themselves to different stages of organization of industry. Sweated and entirely unorganized trades are provided for by boards consisting of appointed officers only. Where there are rudimentary trade-unions their delegates are added to the board; where the trade-unions are fairly strong they can cooperate further by requesting the board to issue minimum-wage legislation. Where the trades are well organized collective bargaining, regulated by the industrial conciliation act, is preferred to minimum-wage legislation, with which this study is concerned.

South Africa, more so even than Australia, had to face the competition of white and colored workers. Australia, confronted particularly with the work of the Chinese in the laundry industry, has expressly applied minimum wages to the Chinese, in order to prevent their lowering, by competition, the standard of living of the white workers. In South Africa minimum wages have been declared, partly for the same reason, for colored and black workers, but no effort has been made to amalgamate their standards entirely with those of the whites. Various callings have been potentially reserved for them, by abstaining from making the wage rates attractive for whites, but a serious effort is being made to decrease the gap gradually. Education, especially among the mulattoes, is spreading rapidly; color and degree of skill no longer coincide and the vast gap between the wages of skilled and of unskilled labor comes more and more into contradiction with general economic laws. The South African minimum wage law not only ministers to the necessities of humanity and industrial peace, as in other countries, but also plays a great rôle in the gradual growth of an economically homogeneous nation. The South African experience is therefore unique as an extension of the minimum wage principle to an essentially aristocratic society, divided into a dominating racial minority and a servile racial majority.

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<sup>18</sup> Union of South Africa. Department of Labor. Social and Industrial Review, Pretoria, June, 1927, pp. 607 and 612; January, 1928, pp. 63 and 64.

## CHAPTER 9.—GENERAL MINIMUM WAGE LEGISLATION IN MEXICO

### Federal Legislation

THE Constitution of Mexico<sup>1</sup> provides (art. 123, Par. VI) that every worker shall be entitled to a minimum wage sufficient, according to the conditions of the region, to satisfy the normal needs of life of the worker, his education, and his lawful pleasures, considering him as the head of a family; besides which the workman shall have the right to participate in the profits of the agricultural, commercial, manufacturing, or mining enterprise which employs him.

The constitution specifies that special commissions shall be appointed in each municipality to determine the minimum wages and the rate of profit sharing. (Art. 123, Par. IX.) These commissions shall be subordinate to a central board of conciliation to be established in each State.

### State Legislation

CONGRESS and the State legislatures are called upon to enact laws in conformity to the general principles of the constitution as regards labor; i. e., minimum wage, the legal eight-hour day, limitation of night work, regulation of child labor, and protection of female labor. (Art. 123, preamble.) In 1925 the Federal Chamber of Deputies passed a minimum wage bill relating to the Federal District, but it has not yet been approved by the Senate.<sup>2</sup> On the other hand, the States of Nayarit, Puebla, Sonora, Tamaulipas, Vera Cruz, Yucatan, Zacatecas, Sinaloa, Queretaro, San Luis Potosi, Nuevo Leon, Michoacan, Mexico, Jalisco, Guanajuato, Coahuila, Campeche, Colima, Chihuahua, and Durango have enacted laws to establish the commissions prescribed by the Federal constitution. These commissions, which are composed of an equal number of representatives of capital and of labor, with a representative of the Government as chairman, fix the minimum wage.<sup>3</sup> The State of Yucatan was the first to enact such a law—on July 28, 1917—the State of Vera Cruz following on January 14, 1918.

*Vera Cruz.*—The law of Vera Cruz was amended in 1925.<sup>4</sup> It states (art. 116) a wage-fixing principle in accord with that prescribed in the Federal constitution. The minimum wage shall be

<sup>1</sup> Annals of the American Academy of Political and Social Science, Philadelphia, May, 1917, p. 94: "The Mexican constitution of 1917 compared with the constitution of 1857."

<sup>2</sup> Letter of Guillermo Palacios, of the Mexican Department of Labor, dated Feb. 4, 1928.

<sup>3</sup> International Labor Office, International Labor Review, Geneva, February, 1928, p. 217: "Labor legislation in Latin America," by Moises Poblete-Troncoso.

<sup>4</sup> Ley del Trabajo del Estado Libre y Soberano de Veracruz-Llave y sus Reformas. Jalapa-Enriquez, 1925.

sufficient, according to the conditions of the region, to satisfy the normal living requirements of the worker, individually and as head of the family.

The local commissions are to convene at the call of the central board of conciliation and arbitration but not more than twice in one year. (Art. 119.) A local commission is to consist of representatives of employers and of employees under the chairmanship of a public official. (Art. 120.) Inquiries as to the cost of living are to be made by such commissions. (Art. 122.) The commissions are authorized to determine by a majority vote the minimum wages for each industry.

*Jalisco.*—A similar law was enacted on August 13, 1923, in the State of Jalisco.<sup>5</sup> The provision (art. 55) of that law embodying the wage-fixing principle corresponds to that of the law of Vera Cruz but expressly includes education and reasonable amusements among the necessities of life, while the law of Vera Cruz does not mention them.

The employers and the employees of each of the agricultural, mining, or manufacturing industries in the municipality shall be represented on the local boards (art. 57, Par. III), but the law provides for the free election of a chairman, differing in that respect from the law of Vera Cruz. The minimum wage may be modified at any time. (Art. 60.) Appeals may be taken to the central board of conciliation and arbitration.

*Queretaro.*—The law of the State of Queretaro, enacted in 1922, is somewhat more radical.<sup>6</sup> It establishes a wage-fixing principle and enumerates the same necessities of life as the law of Jalisco, but provides that in no case shall the wage be lower than 40 centavos<sup>7</sup> per day for agricultural workers and domestic servants, 60 centavos for other laborers, or 75 centavos for office employees (art. 61).

The law enumerates the powers of the local commissions and states not only their power to fix minimum wages, as in the laws of the three States previously noted, but also to regulate the participation of the workers in the profits of the agricultural, commercial, manufacturing, and mining enterprises, in conformity with the provisions of the Federal constitution. It states expressly, however, that the minimum wages fixed by these commissions must in no case be lower than the state-wide minimum fixed by the law. (Art. 190.)

*San Luis Potosi.*—The minimum wage law of the State of San Luis Potosi, enacted on January 22, 1925,<sup>8</sup> is similar to those of the other States. The local commissions shall also have arbitrary powers if there are disputes as to the minimum wage. The minimum wage shall not deprive the workers of privileges accorded to them voluntarily before the determination of the minimum wage. If an employer closes his establishment during the deliberations of the commission, with the intention of opposing the rate, he shall be required to pay three months' wages to each of his employees.

<sup>5</sup> International Labor Office. Legislative series 1923—Mexico 1 (Jalisco): Decree No. 2308 respecting the labor act of the State of Jalisco, dated Aug. 13, 1923.

<sup>6</sup> Ley del Trabajo del Estado de Queretaro Arteaga. Queretaro, 1922, forwarded Mar. 23, 1928, by Agapito Pozo, Secretary General of Queretaro.

<sup>7</sup> At par, peso = 49.85 cents; centavo = 0.4985 cent.

<sup>8</sup> Monthly Labor Review, May, 1925, p. 110.

## Application of the State Laws

**I**N AN inquiry conducted by the writer on the spot in the States of Nuevo Leon, San Luis Potosi, Queretaro, Vera Cruz, and in the Federal District in June and July, 1928, accumulated evidence showing that the State of San Luis Potosi alone applies the law fully, and checks up on its observance, both in the city and in the country districts, by competent inspectors. The State of Queretaro applies the state-wide minimum but has not yet established the local commissions. To date the laws of Nuevo Leon and of Vera Cruz have not yet been put into effect. The bill for the Federal District has not yet been passed by the senate. However, a strong feeling prevailed in the circles interested in this legislation that once the bill is accepted by the senate and becomes a law its provisions will be applied with more force than the provisions of the State laws have been enforced.

## General Conclusions

**T**HE Federal constitution (art. 123, Par. XVIII) states the limits of legal strikes. A Federal law enacted on December 30, 1925,<sup>9</sup> prohibits (art. 6) the replacement of strikers during a legal strike or an attempt by a minority of the workers to resume work or to go on working if the majority has lawfully declared a strike. Thus the Mexican minimum wage law does not tend, as in Australasia, toward prohibition of strikes, but it does give additional guaranties to workers.

The Federal constitution prescribes submission of all disputes to a board of conciliation and arbitration for settlement. (Art. 123, Pars. XX, XXI.) Employers who refuse to do so, or to accept the awards rendered, shall be bound to pay three months' wages to the workers in addition to any liability incurred in the dispute, while the workers may reject the award. Stipulations apparently so lacking in impartiality toward the different industrial classes can be understood only when there is kept in mind the conditions of employment they were destined to modify. Some examples may be given. A strike of agricultural workers in Michoacan in November, 1924, was settled through mediation of the department of industry, commerce, and labor, and daily wages of 35 centavos for a 16-hour day were increased to 1 peso for an 8-hour day.<sup>10</sup> In 1924 a minimum wage of 1.50 pesos per day was proclaimed by the municipality of Mexico City,<sup>11</sup> although in an inquiry by the Department of Industry, Commerce, and Labor of Mexico in 1923 (a year before this fixing of the minimum wage) into the cost of living of 4,100 families in the Federal District it had concluded that 2.81 pesos per day were needed for a family of five persons.<sup>12</sup>

As an example of rather moderate opposition to minimum wage laws on behalf of employers, it may be noted that the National Chamber of Mining in Chihuahua in 1923 called upon the municipal com-

<sup>9</sup> International Labor Office, Geneva, Legislative series 1925—Mexico 2: Act under article 4 of the constitution respecting liberty to work, dated Dec. 30, 1925.

<sup>10</sup> Bulletin of the Pan American Union, Washington, February, 1925, p. 200.

<sup>11</sup> *Idem*, July, 1924, p. 741.

<sup>12</sup> *Idem*, May, 1923, p. 521.

misions to proceed carefully and judiciously in order to avoid the necessity of revision.<sup>13</sup>

Reviewing the Mexican situation as regards minimum wages, both the facts and the law are extreme, but in opposite directions. Wages are extremely low, but the law adds guaranty to guaranty for the workers—a minimum wage for all classes of workers without exception; obligatory profit sharing; arbitration, compulsory for the employers but not for the workers; right of a majority of workers in each enterprise to declare a strike, and prohibition for a minority to break the strike. The one-sided character of these legal stipulations can not be denied; when their rôle—that of eliminating the extremely low wages—is fulfilled, public opinion may be expected to bring about new provisions. The point of interest here is whether the minimum wage for all occupations is to be counted among the merely provisional rules of a revolutionary period, destined to correct evils recognized as such by public opinion.

Examination of the State minimum wage laws shows that they do not contain one-sided stipulations like those in the Federal constitution as to awards or those of the Federal law of December 30, 1925, on "liberty to work," prohibiting the replacement of strikers (see p. 74). The minimum wage laws of all the States are bilateral in character; they are very similar, both in machinery and scope, to those of Victoria, Australia, which have remained in operation for many years, approved by all portions of public opinion. The passage of such laws in one Mexican State after another and the passage in the Federal Chamber of Deputies of a minimum wage bill relating to the Federal District many years after the Federal constitution of 1917 show that public opinion is steadily, though slowly, growing toward more practical application of general principles. There seems evidence for the assumption that the general minimum wage laws of Mexico will be of a permanent character.

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<sup>13</sup> Bulletin of the Pan American Union, Washington, July, 1923, p. 92.

## CHAPTER 10.—PROTECTION OF HOME WORKERS THROUGH MINIMUM WAGE

**S**WEATING of home workers was a general evil throughout Europe until minimum wage legislation restricted it in Great Britain and, to a lesser extent, on the Continent. Women have been most affected but not exclusively. The evil is greatest in the slums of big cities, such as those in Great Britain, but home industries in country districts also, struggling against the competition of machine work in factories (on the Continent more than in Great Britain), show the typical evils of home work—low earnings, long hours to make up for these low earnings, and lack of supervision of hygienic conditions, such as is provided for workshops by factory legislation. Home workers have not the same facilities for meeting fellow workers, discussing their common fate, and forming trade-unions as factory workers have. Female home workers, to a large extent housewives or widows and (on the Continent of Europe) unmarried mothers, find it difficult on account of these home ties to go to the factory. They are generally timid and afraid to ask for higher piecework rates than are paid them. As the supply of this kind of labor is large the employers can keep the rates down; frequently they are compelled to do so, as handwork or work with primitive machinery in the homes is less productive than perfected machine labor in the modern factories with which it has to compete. Men also, clinging desperately to the home work done by their fathers, frequently accept wages much below those paid similar workers in the workshop. (The typical case of the hand weavers of Silesia has been immortalized by the dramatic play, "The Weavers," by Gerhart Hauptmann.)

The case of dying home industries presents peculiar conditions which have parallels in other continents, for instance, in India; but no parallels exist in younger countries, starting industrial life with modern methods, such as Australia, Canada, or the United States. It is hardly likely that this problem will be solved otherwise than by the gradual replacement of technically defective home industries by modern factories.

Matters are different as regards the more general problem of the sweating of isolated home workers, who are mostly women occupied in various trades, generally in the large cities. In Victoria since 1896 remedies have been found. (See p. 11.) Since the first news of this achievement reached Europe, endeavors to proceed along similar lines, establishing wage boards empowered to fix minimum wages for home workers, have taken place in many countries.

When the International Institute for the Exchange of Social Experience was established in Paris in 1907 the propagation of the minimum wage legislation of Victoria was one of the foremost re-

forms advocated.<sup>1</sup> Through this and various other channels this example, which in 1909 led to parallel legislation in England (trade boards act), became widely known throughout the countries of the Continent.<sup>2</sup> As a result, France, Germany, and Austria began to consider similar provisions for abolishing the sweating of home workers. Resistance, though serious, was overcome—in France, after the outbreak of the war, when State interference in industrial affairs became general; in Germany, Austria, and Czechoslovakia, after their revolutions. Norway and Argentina also established in 1918 wage boards for home workers; Spain passed a legislative decree to that effect in 1926.

A small-scale Swiss experiment, however, was discontinued after 5 years, and so far the laws of Austria and Czechoslovakia have not been consistently applied.

In this chapter the actual application of minimum wage laws for home workers in France, Norway, Argentina, and Germany (and the new Spanish legislation) will be studied. In the next chapter the unsuccessful or yet inconclusive experiments undertaken in the same field by Switzerland, Austria, and Czechoslovakia, and the causes of the temporary failure, will be examined.

## FRANCE

THE French law of July 10, 1915, evolved from deliberations in various commissions and in Parliament lasting for several years, was finally accepted by unanimous vote of both chambers. Combining different projects and counter-projects of divergent tendencies it established wages boards for female home workers in the clothing and allied industries. The range of protected persons is therefore much more restricted than in the Anglo-Saxon countries.<sup>3</sup>

The French family allowances (compulsory for contractors working for the National Government and granted also by many firms) affect a larger range of persons, but, unlike the parallel Australian proposition, they are not connected with any basic wage granted to the wage earner; they are related rather to the French system of social insurance (embracing also old-age pensions, etc.) than with minimum wage legislation, and are therefore only mentioned here.

### Principle of Wage Fixation

THE boards do not possess one essential attribute which those in most Anglo-Saxon countries do, as they are not authorized to consider principles of social justice as a basis for their decisions—they have no right to establish a living wage on the basis of general principles, and they may not even investigate whether or not the trade can bear any rate the fixation of which is desirable for humanitarian reasons. They are formally bound to apply a particular combination of the “fair-wage” principle with some consideration for a “living

<sup>1</sup> Burns, E. M.: *Wages and the State*. London, 1926, p. 15.

<sup>2</sup> See for details Broda, R.: *Inwieweit ist eine gesetzliche Regelung der Lohn und Arbeitsbedingungen möglich?* Berlin, Georg Reimer, 1911.

<sup>3</sup> See for critical examination of the first draft of law submitted to Parliament and for proposed amendments, *Les Documents du Progrès, Revue Internationale*, Paris, January, 1902, p. 1: “Le salaire minimum jour des Ouvrières en chambre, by R. Broda.

wage." They are called upon to equalize the earnings of the home worker with those of the shopworker in order to suppress the particularly gross form of sweating from which female home workers suffer.

The local boards, composed of delegates of employers and of employees, presided over by the justice of the peace of the district, are called upon to ascertain the prices per hour which are prevalent for the women employed in workshops of the same industry in the same district. The average wages of women working in the workshops become the minimum wages of women working at home, thereby protecting them against exaggerated exploitation.

Committees of experts, established in a different way, are then called upon to verify the length of time necessary for the production of the different articles; there remains then the simple task of multiplying the minimum wage per hour, fixed by the wages board, by the number of hours indicated as necessary by the commission of experts, in order to arrive at the minimum wage for the particular piece. These rates are published and become legally binding if no complaint is made during three months. In case of complaint a central commission in Paris, presided over by a member of the supreme court, renders final judgment.

The machinery of the French law is rather ingenious. It avoids the necessity of excursions into the realm of social justice and enables the two kinds of committees established to remain within the limits of verification of facts—on unquestioned logical ground.

### Rules of Enforcement

THE law at first proposed by the Government and as passed had a rather serious shortcoming. The inspectors of factories who, in the Anglo-Saxon countries, supervise the application of similar laws were not vested with any authority to do so in France, beyond the verification of certain formal rules (posting of the minimum wage figures in the office where the work is handed over to the workers, etc.). They had no right to act against employers not paying the minimum wages prescribed.

One reason given was that the inspectors of factories were overburdened with other duties. The real reason, however, for avoiding enforcement of the law by public authority seems to have been the desire to make the application of the law less rigid, less official, less bureaucratic; but opinions were divided even among the high officials of the Ministry of Labor.

A circular letter of the Minister of Labor to the inspectors dated July 24, 1915, reminds them that the law does not intrust them with verification and enforcement as to the actual payment of the minimum wages; but to help toward that end the minister suggests that the inspectors "remind the employers unofficially that they act incorrectly and put themselves in danger of civil suits." Practical experience from 1915 to 1928 seems to have further modified the original viewpoint of the authorities. The answer of the French Government to the questionnaire of the International Labor Office

as to the new international convention to be concluded,<sup>3</sup> expressly favors supervision by the factory inspectors as to the actual payments made and favors proceedings for penal and civil penalties in case of infringement of the rules.

The only method of material redress offered by the first Government proposal consisted in the right of home workers to sue their employers who had not paid them the minimum wage fixed by law, and to obtain by civil suit payment of the back wages.<sup>4</sup> Common sense, however, seemed to indicate that these women working at home, afraid of being dismissed in case of dispute, and being by nature rather timid and inexperienced, would not dare to sue their employers.

An inquiry of the French Ministry of Labor in the beginning of 1925,<sup>5</sup> brought to light some practical instances confirming these suppositions. Several workers who were not paid the minimum wage preferred to suffer rather than to take the risk of losing their jobs. Not one of them was prepared to bring suit for recovery of the difference in wages.

The law finally voted by Parliament, modifying the original proposal of the Government, authorizes the trade-unions and certain associations concerned with the welfare of home workers to bring suit in their own right to prevent underpayment of the workers.

### Application of the Law

THE June-July, 1917, and the August-September, 1918, issues of the Bulletin of the Ministry of Labor, while mentioning no suit brought by the women, report several litigations undertaken by trade-unions and by the French Office for Home Work. Several employers were compelled to pay supplementary salaries to the women, and to pay damages to the associations which had sued them. For instance, a firm was found guilty on November 23, 1917, the litigation being brought by the Office for Home Work, pleading in the name of 15 woman workers. The women had lost courage while the litigation progressed and abandoned it. Nevertheless the tribunal, giving its reasons for the judgment, stated that associations like the Office for Home Work are authorized by the law to plead in their own name and in their own right, to act independently of the demand of the working women, for payment of back wages.

In 1916, 5,576 employers were affected by the law; in 1917, 6,455. The number of woman workers affected by the law was, in 1916, 208,000; in 1917, 215,000.<sup>6</sup>

The law of 1915 applies to female home workers in the clothing trades, but paragraph 33m of the law provides that male home workers receiving wages below the minima established for the women may bring suit for payment of the same minima.

A ministerial order of August 10, 1922, based on another provision of the above-mentioned section 33m of the law, extended the protection to several other industries, and an order of July 30, 1926,

<sup>3</sup> International Labor Conference, eleventh session, Geneva, May, 1928. Report on Minimum Wage-Fixing Machinery. Geneva, International Labor Office, 1928, p. 70.

<sup>4</sup> Broda, R.: *La Fixation légale des Salaires*. Paris, 1912.

<sup>5</sup> Bulletin du Ministère du Travail, Paris, July-September, 1925, p. 243.

<sup>6</sup> *Idem*, August-September-October, 1918, p. 363.

adds numerous other branches of work. A project for amending and extending the law was submitted to Parliament in November, 1926, but has not yet been acted upon.<sup>7</sup>

The Bulletin of the Ministry of Labor (July-September, 1925) states that wage boards as well as committees of experts have been established in practically all administrative districts of France, and they have established wage minima as provided for by the law. They have been slow, however, particularly since 1920, in regularly revising their figures (p. 230) to adapt them to the rise in the cost of living. A circular letter of the ministry dated August 26, 1924, resulted, however, in numerous revisions of obsolete rates.

Madame Duchêne, the founder of the French Office for Home Work, states her opinion on the application of the law during the first year<sup>8</sup> as follows:

The wages boards called upon to ascertain the current time-work rates of the district have functioned without great difficulties. The commissions of experts, on the other hand, called upon to determine the time needed for the production of the various articles and to give thereby the basis for the establishment of the rates for piecework, had a more difficult task, necessitating considerable technical knowledge and rather intense work. These commissions have not proved to be equally competent everywhere.

Application of the law soon succeeded in eliminating rates of about 15 centimes<sup>9</sup> per hour, which before the promulgation of the law had been frequent, and in eliminating also, in urban centers, rates of 20 centimes per hour. That would have meant an approach to a living wage if at the same time prices had not risen. Under the circumstances, however, it merely prevented (coupled with war-time allowances to dependent women) a further aggravation of the misery of the home workers. On the other hand, a court decision in 1918 expressly interpreted the law as not allowing reference to a living wage (as in Anglo-Saxon countries), but as tending only toward equalizing the rates for home work and shop work.

The following opinion, based on comparison of various testimonies and observations, was given in 1921:<sup>10</sup>

The application of the law had some favorable influence on the organization of female workers. Trade-union action has led to some notable successes. The working women have been reimbursed by sums of some importance and their income has been increased to a moderate but noticeable extent. The tendency to harmonize incomes with living costs has manifested itself in a fairly strong way.

Prof. Roger Picard, president of the French Office for Home Work, writing in 1926,<sup>11</sup> shows that the enforcement of the law depended on the French Office for Home Work, which opened offices in various working-class quarters of Paris, for attention to complaints by workers, engaged in lawsuits to secure the enforcement of the act, and created judicial precedents. The Bulletin of the Ministry of Labor for July-September, 1925 (p. 243), states also that no other organization authorized by the minister to intervene in the public interest has taken any action.

<sup>7</sup> Letter from M. Maguenard, councillor of state, dated Mar. 16, 1928.

<sup>8</sup> Duchêne, G.: *Les Progrès de la Législation sur le Minimum de Salaire*. Paris, 1918.

<sup>9</sup> At par, franc=19.3 cents; centime=0.193 cents; exchange rate much below par.

<sup>10</sup> Broda, R.: *Les Résultats de l'Application du Salaire Minimum Pendant et Depuis la Guerre*. Berne, 1921.

<sup>11</sup> International Labor Office. *International Labor Review*, Geneva, August, 1926, p. 236: "The legal minimum wage of women home workers in France," by Roger Picard.

Outside of Paris, however, the action of the French Office for Home Work could not make itself felt in a strong way, and there was practically no other controlling influence. The lack of official enforcement was therefore particularly felt in the Provinces. Practical increases in wages were brought about by the new legislation, but when considering such increased wages, particularly those of the later years, there must be kept in mind the increase in the cost of living resulting from the depreciation of the franc. In 1914 the average wage of female home workers was below 1.50 francs per day. The first decisions made in 1915 by the committees raised these rates substantially, but, as explained above, not nearly in proportion to the rapid increase of prices during that period of the war. The most liberal rates amounted to from 3 to 3.50 francs per day.

During 1916 the hourly wage of 25 centimes showed a tendency to become general, but in the same period the average wage of an agricultural laborer living out was about 5 francs per day, and in small workshop industries the average wage varied between 4.50 and 7.50 francs per day.

The rates in 1919 and 1920 rose to an average of between 40 and 95 centimes per hour.<sup>12</sup> The variations were still very great. While 1.51 francs per hour was prescribed for machine work in the clothing industry in Paris and vicinity, similar work was to be paid only 25 centimes per hour in the Vendée district on the Atlantic coast. The wages for this kind of work for 1925 were 1.51 to 1.87 francs per hour in Paris, and 75 centimes in the Vendée; a general comparison of the rates in 1920 and 1925 shows that the local differences have decreased and that the worst sweating wages have disappeared but that real wages have remained very low, even in urban centers.<sup>13</sup>

Professor Picard<sup>14</sup> calculates that in general home workers' earnings have increased 600 to 700 per cent, while the general average of wages in France has increased barely fivefold and the cost of living not quite sixfold. But in periods between revisions very low "real wages" reappeared. The legislator could not foresee that nominal wages would radically change inside of one year or even less—that a nominal wage of 40 centimes per hour might mean something quite different in real purchasing power in January than in November. This shortcoming, however, may lose its gravity with the next revision of time and piece rates, after final stabilization of the franc.

## Results

TO ascertain the permanent value of a law of the French type, the working of its more general provisions must be studied.

1. Is it sufficient to equalize home workers' pay with shop workers' pay? Is it permissible to discard the principle of the living wage to such an extent as the French law does? The first obvious answer is that limited results only can be achieved in that way. Not only will

<sup>12</sup> See *Bulletin du Ministère du Travail*, Paris, August–October, 1920, pp. 348–357, for a complete survey of rates fixed.

<sup>13</sup> See *Bulletin du Ministère du Travail*, Paris, August–October, 1920, pp. 348–357, and July–September, 1925, pp. 346–352.

<sup>14</sup> International Labor Office. *International Labor Review*, Geneva, August, 1926, p. 243: "The legal minimum wage of women home workers in France," by Roger Picard.

it be impossible to relieve in any way the situation of female factory workers—the large area covered by the American minimum wage laws for female help in workshops and stores remains entirely uncovered—but the home workers also, to which the attention of the legislator has been confined, can at best earn only as much as the female help in factories. Frequently, however, they earn much less, as the factory workers' wages may have risen during the three years' interval between the determinations of the wages boards.

Professor Picard proposes certain amendments to make acceptable the mere equalization of factory workers' and home workers' earnings, summarized as follows:

First. In fixing the minimum applicable to home workers, account should be taken of the supplementary remuneration, in cash or in kind, that the factory worker may receive over and above her principal wage.

Second. Account should be taken of the expenses to be met by the home worker in carrying out her work (heating, lighting, tools, etc.) and of the fact, for example, that she does not benefit from insurance against accidents due to her work, to which she is not less exposed than her sister in the workshop.

Third. The benefits of any increases in wages gained by factory workers should be guaranteed to home workers.

2. The other main problem of the French situation refers to the enforcement of the minimum wage decisions. Does civil action suffice to create respect for the law? All hope from the beginning was placed on action by trade-unions and associations, but this action has been singularly reduced by the judgments of the courts since the end of the war. The Civil Court of Paris (March 7, 1919) and the Supreme Court of France (July 28, 1919) decided that the associations could not act for the workers; that they could not claim on their behalf the payment of back wages. The mere authority to claim damages has not in practice proved to be a sufficient deterrent to employers inclined to pay lower wages than prescribed by law.

The French law resembles in a way—by its lack of official enforcement and by its flexibility—the "recommendatory" minimum wage law of Massachusetts (which, however, refers to shops and stores, not to home work), but enforcement by civil suits in France has proved to be even less effective than the enforcement by publication of the names of recalcitrant employers in Massachusetts and far below enforcement by inspectors of factories, authorized to impose fines, in the various parts of the British Empire.

Continuing the comparison, there will be applied to the French type of law three questions discussed frequently in England and in the United States.

Does the minimum tend to become the maximum? The French law, providing in the last resort only minima for piece rates, offers no loophole for the above-mentioned danger. If the less clever worker earns the minimum, the clever and fast worker, with the same piece rates, will earn correspondingly more.

Are slow workers deprived of employment? They are not discharged as they earn less, being paid piecework rates.

Were home workers generally deprived of employment? The increase of rates was obviously too moderate to bring about that danger. As we have seen, home-work rates remained, in practice, below factory rates. If the factories can (in the French clothing industry only in a limited way) apply more progressive methods

of production, the employer of home workers, on the other hand, saves rent, expenses for heating, social insurance, etc. Home work continues to stand the test of competition.

The French law, limited in its beneficial results, had no detrimental effects. The experience of these 12 years shows, however, that the French type of law will never have any very extensive results comparable to those obtained by minimum wage legislation in the British Empire. It is true that home-work conditions have been infinitely worse than factory conditions, and that equalization (if realized) would in itself be an important step forward, and especially so when stabilization of currency and of nominal wages of factory workers renders that stabilization effective and lasting for a reasonable time.

The French type of law does not seem to present those characteristic qualities which in England and Australia have led to the spontaneous and gradual extension of the sphere of these laws to new groups of workers. At the best the French law, if not thoroughly modified, will become a useful regulation to eliminate some anomalies of the industrial system in the restricted sphere of home workers, but it will not become the starting point for a new conception of industrial relations, for the substitution of "needs of the worker" for "offer and demand" as a basis for the fixation of wages.

## NORWAY

THE Central Statistical Office of Norway investigated in 1904-5 the conditions of home workers<sup>15</sup> and found average weekly wages of 7.21 kroner<sup>16</sup> for married women and 8.67 kroner for widows, and 8.83 kroner for unmarried women. The working-day of housewives was very long—for most of them 14 to 16 hours a day—the insufficiency of the earnings and the absence of any control inducing some of these women to work 18 hours a day.

War conditions raised the pay to a certain extent, but as prices of the necessities of life doubled and later even tripled<sup>17</sup> the misery of the home workers remained practically unchanged. Popular compassion for their fate led in 1918 to the passing of a law establishing wage boards for home workers.<sup>18</sup>

These boards set up in 1918 a minimum wage, ratified by the Central Home Work Council in Oslo and in Fredrikstad, of 1 krone per hour. In 1922, when trade became depressed and prices also declined, the hourly wages were reduced to 0.80 krone. Piece rates (alone of practical value for home workers) were fixed in accordance, although detailed practical adjustments proved to be difficult. In some instances the length of seams sewed was chosen as a measurement for the amount of work accomplished and the basis for the wage to be paid.<sup>19</sup>

<sup>15</sup> International Labor Office. *International Labor Review*, Geneva, December, 1925, p. 804: "Minimum wage legislation in Norway," by Fredrik Voss.

<sup>16</sup> At par krone=26.8 cents.

<sup>17</sup> International Labor Office. *Studies and reports*, series D (wages and hours of work), No. 16: *Wage changes in various countries, 1914 to 1925. Comparison of nominal and real wages in Norway, 1914 and 1920.* Geneva, 1926, p. 110.

<sup>18</sup> International Labor Office. *Bulletin*, Vol. XIII, No. 1-10, London, 1918: *Act respecting industrial home work*, dated Feb. 15, 1918.

<sup>19</sup> International Labor Office. *International Labor Review*, Geneva, December, 1925, p. 803.

## Principle of Wage Fixation

**EQUALIZATION** of home-workers' earnings with factory wages (the "fair-wage" principle, as in France, but with greater freedom of the boards to consider also the general necessity of a living wage) was the principle used in wage fixation.

### Results

**FREDRIK VOSS**, chairman of the Home Work Council, reports<sup>20</sup> that two wage boards—one set up in Oslo and one in the second main center of home work, Fredrikstad—worked well. The inspection of conditions, intrusted to the health councils of these cities and exercised with northern thoroughness, partly through house-to-house inspection, proved that the wages prescribed were really paid, practically without exception. Elsewhere, setting up wage boards for small numbers of home workers proved to be too complicated and too costly, and so no minimum rates were fixed. Efforts of the Home Work Council and of local health councils, however, to persuade the few employers in the smaller cities and towns where underpayment was observed to raise wages voluntarily often succeeded. High wages of home workers in Oslo and in Fredrikstad and low wages elsewhere created unequal competitive conditions for employers in different parts of the country. While generally the employers' associations favored renewal of the law (which had first been voted for five years only and was renewed by unanimous vote of Parliament), there were serious complaints of employers about the unequal application of the law. The Central Home Work Council (composed, like the wage boards themselves, of representatives of employers and of employees and presided over by an impartial chairman) asked therefore for an amendment to the law empowering it to fix wages directly in places where the establishment of wage boards had been found impracticable. Parliament, however, refused, the chief reason being that it was undesirable to give so much power to a central authority in Oslo. The application of the law continues without change.

The Norwegian Ministry of Social Affairs reported on March 15, 1927, to the International Labor Office<sup>21</sup> that home-workers' rates are generally slightly lower than those paid to similar classes of workers in factories, and that inspection seems to have insured observance of the rates. The whole experience seems to prove the usefulness of minimum wage legislation for home workers but points also to the necessity of overcoming difficulties of administrative machinery.

These difficulties have been much greater in the other sphere (commercial employees) regulated by minimum wage legislation during seven years, as will be seen later in a survey of unsuccessful minimum wage experiments (p. 112). These difficulties seem to have much impressed the Ministry of Social Affairs. It ranged itself with the very small minority of Governments opposing an international con-

<sup>20</sup> International Labor Office. *International Labor Review*, Geneva, December, 1925, p. 805: "Minimum wage legislation in Norway."

<sup>21</sup> International Labor Office. *Studies and reports, series D (wages and hours of work)*, No. 17: *Minimum Wage-Fixing Machinery*. Geneva, 1927, p. 149.

vention on minimum wage-fixing machinery, while the Home Work Council by majority vote (1928) favored the conclusion of such a convention. Opinions remain sharply divided.<sup>22</sup>

## ARGENTINA

### Minimum Wage for Home Workers

ON OCTOBER 8, 1918, a law was passed in Argentina<sup>23</sup> to protect home workers in the capital and in the Federal Territories. It empowered the National Labor Department to appoint wage boards for every industry employing home workers if 50 workers therein ask for it. These boards are to fix minimum hourly rates and piece-work rates in conformity with the national laws fixing maximum hours per day. (Art. 13.) The boards are composed of an equal number of representatives of employers and of employees, and an independent chairman, appointed by the National Labor Department.

#### Principle of Wage Fixation

The wage boards are to take into account (art. 17) the nature of the work; the price of the articles in the locality; the sums necessary for the existence of the workers; the lowest salaries earned by shop workers; local customs; the price of articles of prime necessity in the locality; and finally, the value of accessories needed for the work. Thus the "living-wage" principle and "fair-wage" principle after the French fashion (adaptation of the earnings of home workers to the earnings of shop workers) are combined.

#### Administration

Employers who are found not to have paid the minimum wage are liable to a fine of 300 pesos.<sup>24</sup> (Art. 20.) Any worker can bring civil suit against the employer at fault. (Art. 21.) The inspectors of labor, the wage boards, the National Labor Department, and the judicial authorities are intrusted with supervision of the application of the rules. (Art. 22.)

Home work prevails particularly in the city of Buenos Aires, and the main steps for enforcement have been taken there.<sup>25</sup> Some trade organizations, particularly the unions of the tailoring trades, co-operated with the National Labor Department and with its inspectors and facilitated the establishment of minimum wages for that industry. The disinclination of the trade-unions in the boot and shoe trade, on the other hand, rendered it impossible to accomplish satisfactory work for that industry.

<sup>22</sup> International Labor Conference, eleventh session, Geneva, May, 1928. Report on Minimum Wage-Fixing Machinery. Geneva, International Labor Office, 1928, p. 24.

<sup>23</sup> International Labor Office. Legislative series 1919—Argentina 1 and 2: Act No. 10505, respecting home work, dated Oct. 8, 1919.

<sup>24</sup> At par peso=gold, 96.48 cents; paper, 42.45 cents.

<sup>25</sup> Argentina. Department of Labor. *Cronica Mensual*, various numbers; International Labor Office, Studies and reports, series D (wages and hours of work), No. 17: Minimum Wage-Fixing Machinery, Geneva, 1927, p. 97. For general background see also *Boletin del Museo Social Argentino*, Buenos Aires, various numbers.

## Results

Inquiries by the statistical division of the National Labor Department<sup>26</sup> ascertained that, as regards women's trades, the earnings of the home workers yet remain considerably below those of factory workers in the same industry. For instance, dressmakers working at home earned 3.43 pesos per day, while those working in shops earned 4.55 pesos; for embroiderers the daily wage of the women working at home was 3.12 pesos, and in shops 5.12 pesos. Two men's trades may also be indicated: Chairmakers working at home earned 4 pesos a day and those in shops 5.77 pesos; tinsmiths working at home earned 4 pesos a day and those in shops 6.04 pesos.

Equalization of shop and home workers' earnings has so far not been realized, but the daily earnings seem, even with the cost of living of Buenos Aires, to come near a living wage. As in Victoria, Australia, appreciation of the results of the minimum wage in the home-work trades has led to its extension to industry generally. Minimum wage legislation has been extended to shop work in the Provinces of Tucuman and San Juan. The conclusion seems justified, therefore, that in Argentina, as in Australia, results obtained in the limited field of home work have given satisfaction.

## Minimum Wage for Shop Workers

A CTS in the Provinces of Tucuman and San Juan, both passed in 1923, provided for minimum wages, fixed by the legislature itself.<sup>27</sup> The scope of the law in Tucuman was more general, as all adult factory workers are to receive 4.20 pesos (national currency) per day, while the act of San Juan makes provisions for particular classes of workers.

## Principles of Wage Fixation

The situation in Tucuman and San Juan seems to be about the same as that in Uruguay (see p. 101). The principle, "wages the trade can bear," might enter into account as an upper limit, as the industries of Tucuman and San Juan have to compete, in the inland market, with imported articles, just as Uruguayan agriculture, exporting its products, has to compete with other agricultural countries in the world market.

The sphere of application of the law in Tucuman particularly is too extensive to allow for useful comparisons of the protected branches of labor with similar unprotected branches. The "fair-wage" principle in the French sense therefore can scarcely apply. As in Uruguay, the "living-wage" principle and, more especially, political factors seem to have been the main considerations involved.

<sup>26</sup> Asociacion del Trabajo. Boletin de Servicios, Buenos Aires, Feb. 5, 1927, pp. 50-52; Monthly Labor Review, May, 1927, p. 171.

<sup>27</sup> International Labor Office. Studies and reports, series D (wages and hours of work), No. 17: Minimum Wage-Fixing Machinery. Geneva, 1927, p. 95.

## Outlook

ARGENTINA, like Mexico and Uruguay, has begun to apply minimum wage legislation to vast groups of its population outside of the sweated trades—to men as well as to women. These laws in scope rival those of the Australian States and exceed those of most other countries.

## GERMANY

GERMANY passed a law in 1911 for the protection of home workers. Trade boards were set up to provide for the health and safety of workers, to combat child labor, and to eliminate delay in the giving out of materials and the receiving of the finished work. The proposal to give power to these boards to fix minimum wages was, however, lost in committee of the Reichstag by one vote, that of the chairman. The boards were authorized only to encourage the voluntary conclusion of collective agreements fixing rates of pay.<sup>28</sup> Experience has proved that no effective protection is thereby afforded to the workers.

Dr. Kaethe Gaebel reviews the results of the law in an article in *Soziale Praxis* (Berlin) for May 26, 1920 (p. 801), as follows:

(1) In some enterprises the loss of time, when work was handed over to the workers and given back by them, was diminished.

(2) In other enterprises hygienic defects have been eliminated, but the number of these enterprises compared to the total was small. The trade boards created in 1919 had no power to fix minimum wages.

The movement for social reform stimulated by the revolution has filled the gap. A new law was passed on June 27, 1923, giving trade boards the power to establish compulsory minimum wages.

## Machinery of Present Law<sup>29</sup>

THE Federal authorities, or in their default those of the State, are authorized to establish the boards, to consist of equal numbers of representatives of employers and of home workers with an impartial chairman and two assessors possessing technical knowledge (secs. 19 and 22). The State authorities appoint chairman and assessors and the representatives of both sides, these latter having been nominated by employers' and employees' associations (par. 23). The boards ascertain the usual wages and are called upon to promote the conclusion of collective contracts. They may declare the stipulation of such a collective contract to be generally enforceable if the home workers within the district "are obviously paid inadequate wages" (par. 20). If that proves to be impossible, they may fix minimum wages for home workers in the branch of the industry and area concerned (par. 32). The German law thereby goes to extremes to give preference to the encouragement of voluntary agreements over legal-wage fixa-

<sup>28</sup> Broda, R.: Inwiefern ist eine gesetzliche Regelung der Lohn-und Arbeitsbedingungen möglich? Berlin, 1912; see for critical examination of the first draft of the law and proposed amendments; *Documente des Fortschritts*, Berlin, September, 1911, p. 557: "Das Problem der Heimarbeit," by R. Broda.

<sup>29</sup> International Labor Office. *Legislative series 1923—Germany 4: Promulgation of the home work act as amended, dated June 30, 1923.*

tion.<sup>30</sup> For the definite fixation of wages a two-thirds majority of the representatives, plus the vote of the chairman and one assessor, is required. If there is only a simple majority, the decree must be confirmed by the State authority (par. 34). Piece rates are to be fixed whenever possible (art. 29). As to the enforcement of the rates, the German law takes a middle course between the provision in the Anglo-Saxon laws that employers not paying the rates fixed are liable to be fined and the provision of the French laws leaving the whole matter to civil suits. In Germany the trade board is called upon to require the employer to pay the rate fixed, and if the employer fails to do so within a fortnight, a fine is imposed (par. 37).

### Principle of Wage Fixation

**N**O specific instructions are given to the boards as to the principle to be used in wage fixation (paragraph 20 of the law refers to "inadequate wages" paid in the district as a condition for fixation of minimum wages but does not define what wages are "inadequate"). As the law has for its object the abolition of the sweating of home workers, the upper limit seems to be equalization of earnings with the average earnings of shop workers. The scope of the law is therefore similar to that in France, with important differences: (1) Men as well as women are protected; (2) the boards are not restricted to the application of formalistic rules; (3) payment of minimum wages is as a last resort enforced by fines; (4) representatives of the interested parties decide the amount to be set up as minimum wages.

In practice bargaining has been the cornerstone of wage fixation. Trade-unions have played a decided rôle in that respect.<sup>31</sup> The workers' representatives obviously start with their conception of a living wage and their conception of fairness (comparison with wages paid in shops). The employers' representatives naturally start with the view of what the trade can bear. Even the home workers themselves take that point into consideration, being afraid to lose their jobs otherwise.<sup>32</sup> All the three main principles of wage fixation (somewhat similar to the practice of the boards under the British trade boards act of 1909) enter into the act in Germany; the final determinations are based on a compromise between the parties.

### Application of the Law

**E**LABORATE rules have been issued by the Imperial and the State authorities to enforce strict and methodical execution of the law.<sup>33</sup>

In an inquiry undertaken by the Ministry of Labor in 1926 to ascertain the practical accomplishments, it was found that in Prussia and, to a large extent, in Bavaria and several other States, a

<sup>30</sup> Somewhat similar to the wage act of South Africa, which excludes workers having voluntary agreements under the industrial conciliation act of that country from the fixation of minimum wages.

<sup>31</sup> Letter from the Bureau für Sozialpolitik, Berlin, dated June 9, 1927.

<sup>32</sup> Reichsarbeitsblatt, Berlin, Dec. 9, 1926, p. 819: Durchführung des Heimarbeiterlohnge-  
setzes.

<sup>33</sup> Elsners Betriebs-Buecherei, 29. Band. Das Hausarbeitgesetz, by Wilhelm Rohde, president of the trade board for manufacture of underwear in Berlin.

tendency prevailed to consider the work of the trade boards as a part of the legal protection of labor and therefore to appoint high officials, intrusted with general work in that respect, as chairmen of the boards. In Saxony, Wurtemburg, and various other States the obligations of the trade boards were rather considered as connected with problems of industrial conciliation, and the chairmen of industrial conciliation committees were appointed as chairmen of the trade boards.<sup>34</sup>

Public officials have in some States been appointed as assessors, while in Prussia one employer and one employee, possessing technical knowledge, have been appointed. The report indicates that this choice had the advantage of introducing persons of particular knowledge of trade conditions, but the disadvantage that the assessors were inclined to vote with the representatives of their class, so that the impartial decision was with the chairman alone. Up to March 28, 1925, 43 boards had been established, but up to the time of the inquiry only 19 had acted on wages. Three were still in the stage of preliminary inquiry in that respect. Two boards had concentrated their activity on conciliation, five boards had made generally enforceable the stipulations of collective agreements, and nine boards had fixed straight minimum wages for home workers. The five decisions as to collective agreements had been unanimous. Five of the minimum wage determinations had also been unanimous, or with a qualified majority. In four cases there was only a simple majority, and the decisions had gone into force only by confirmation of the superior authority. The minimum wages fixed in 1926 by the board in Dresden for artistic and general knitting, sewing, and similar work were 20 pfennigs<sup>35</sup> per hour for simple work after a given pattern, and 30 pfennigs per hour for more difficult work.<sup>36</sup> Piece rates were to be fixed in such a way that workers of normal capacity could earn, on an average, these amounts.

The trade board for hosiery for women and children in Berlin fixed, on November 10, 1927, the following rates: Fifty-three pfennigs per hour, to be increased on January 1, 1928, to 54 pfennigs.<sup>37</sup> The board for home work in the furniture industry in Saxony, on September 1, 1927,<sup>38</sup> fixed elaborate piece rates, which in the calculation of the boards are about equal to between 17 and 22 pfennigs. The board for embroideries in Wurtemburg, on September 28, 1927, declared the collective agreement of the industry, concluded between employers' and employees' organizations, to be generally enforceable.<sup>39</sup>

## Results

THE Bureau für Sozialpolitik comments on the results of the law as follows:<sup>40</sup>

The trade depression, which took place soon after the passage of the law, has hampered the work of the committees. At the exhibition of home work which took place in Berlin in 1925 we have ascertained that there was success

<sup>34</sup> Reichsarbeitsblatt, Berlin, Dec. 9, 1926, p. 818.

<sup>34</sup> <sup>a</sup> Idem, p. 819.

<sup>35</sup> At par mark=23.82 cents; pfennig=0.2382 cent.

<sup>36</sup> Reichsarbeitsblatt, Berlin, Aug. 1, 1926.

<sup>37</sup> Idem, Dec. 1, 1927, p. 533.

<sup>38</sup> Idem, Sept. 20, 1927, p. 411.

<sup>39</sup> Idem, Oct. 20, 1927, p. 474.

<sup>40</sup> Letter dated June 9, 1927.

only where strong trade-unions backed the determinations of wages made by the committees; that no minimum wages were determined or that the determinations were not observed in practice whenever the workers were not organized. But the organization fails where the pressure of poverty is too great.

Elisabeth Landsberg<sup>41</sup> refers to the difficulty resulting from the fact that in Germany home work is distributed through middlemen. A minimum is fixed for the wages of the home workers but not for the prices to be paid by the employers to the middlemen. That made the law sometimes inapplicable, and in the apron branch in Berlin middlemen and female home workers had to organize a combined strike, in order to compel the employers to pay to the middlemen the workers' wages plus a reasonable supplement. Miss Landsberg also states that the trade depression, with the specter of unemployment, hampered the application of the law. The home workers themselves seemed not to insist, in order to avoid unemployment.

Nevertheless there have been considerable increases of home workers' wages.<sup>42</sup> In the women's clothing industry in Berlin the earnings of women working in shops (50 pfennigs) have been fixed as the minimum for home workers, and their piece rates have been determined accordingly.

In Silesia the hourly earnings have been increased by 50 per cent—to 15-29 pfennigs. The committees have preferred to fix these minima (too low, of course, from a humanitarian standpoint, but corresponding to the capacity of the industry to pay) rather than to abstain from action entirely.

The results of the German law so far are limited, but extraordinary economic circumstances are responsible for this fact. There has been some useful work inside the limits of prudence. Many signs tend to show that under normal industrial conditions the German law will do much good.

## SPAIN

A ROYAL legislative decree of July 26, 1926,<sup>43</sup> provides for the establishment of a home workers' protection board, which is authorized to create wage boards for home industries, to be composed of representatives of employers and of workers, under an impartial chairman. These boards shall have authority to equalize home workers' wages with the wages of shop workers in the same industry in the same district. More comprehensive steps, obviously inspired by the example of the Italian Corporate State, have been taken by two royal decrees of November 26, 1926, and June 18, 1927.<sup>44</sup> Local boards, composed of delegates of employers and employees, shall be called upon to determine wages and conditions of labor and to settle industrial differences.<sup>45</sup>

<sup>41</sup> Soziale Paraxis, Berlin, 1926, No. 49.

<sup>42</sup> Idem, Nos. 27, 28, 49.

<sup>43</sup> International Labor Office. Studies and reports, series D (wages and hours of work), No. 17: Minimum Wage-Fixing Machinery, Geneva, 1927, p. 152; and Spain. Ministerio de Trabajo, Comercio e Industria, Direccion General de Trabajo: Trabajo, a Domicilio. Madrid, 1927.

<sup>44</sup> Ministerio de Trabajo, Comercio e Industria, Direccion General de Trabajo y Accion Social: Organizacion Corporativo Nacional, Madrid, 1927.

<sup>45</sup> Ministerio de Trabajo, Comercio e Industria. Direccion General de Trabajo: Reglamento-tipo a que han de sujetarse los comites paritarios. Madrid, 1927, p. 5.

## Principle of Wage Fixation

**W**AGE fixing is based on the "fair-wage" principle, as in neighboring France, but while in France one group of committees ascertains statistically the usual wages of workers of the district and another group of committees calculates the best rates on the basis of these time rates, in Spain both functions are in the hands of the wage boards.

## Method of Enforcement

**S**UPERVISION is by inspectors. Employers infringing rules are liable to be fined.

The application of the decree is to depend on publication of more detailed administrative regulations.

## CHAPTER 11.—UNSUCCESSFUL OR INCONCLUSIVE ATTEMPTS TO FIX MINIMUM WAGES FOR HOME WORKERS

### SWITZERLAND

**I**N THE eastern cantons of Switzerland textile work is done largely in the homes of the workers, and various shortcomings have led to Federal regulations as to wages and prices. Sweating in the big cities led to popular agitation, investigations of home work, and exhibitions of home-work products showing the public the low earnings of the workers, mostly women. A provision for the establishment of wage boards was finally embodied in a general labor law, passed by the Federal Parliament in 1919.

This law provided establishment of wage boards to fix minimum wages. The Federal Council was empowered to declare collective agreements affecting home work generally applicable; it was authorized also to extend by decree these minimum wages and collective agreements to industry and commerce generally. The criticism directed against this last-named provision led to a referendum and to a rejection of the act by the people, although only by a very small majority.<sup>1</sup> Since that time the Federal authorities have been considering the possibility of submitting to Parliament a new law referring exclusively to home workers, but nothing, however, has been done up to the present date. There are some difficulties. Home work and factory work in various trades, particularly in the embroidery industry, are so interwoven that minimum wages for home workers might be prejudiced by lower payment to factory workers in the same trade. Application of minimum wages to factories, however, seems to be excluded by the popular feeling as expressed in the referendum referred to. Future advance of Swiss minimum wage legislation seems to hinge on the proposed international convention which is favored by the Swiss Government.<sup>1</sup>

Viewpoints on minimum wage legislation are divided, even among sincere friends of the home workers. The "Frauencentrale" of Zurich in agreement with the Swiss Consumers' League published the results of an inquiry (1928) into the conditions of female home workers in Zurich.<sup>2</sup> The misery of the workers is described and the need for a minimum wage law expressly admitted, but the fear is expressed that only the most skilled workers would keep their jobs under minimum wage and that the majority would lose their work. This fear is similar to that expressed by Austrian home workers

<sup>1</sup> International Labor Conference, eleventh session, Geneva, May, 1928. Report on Minimum Wage-Fixing Machinery, Geneva, International Labor Office, 1928.

<sup>2</sup> Summed up in the Neue Zürcher Zeitung, May 15, 1928.

(see p. 94), but has even less foundation in Switzerland because general employment conditions are not so unfavorable; it is also rather disproved by the British experience (see p. 37).

## AUSTRIA<sup>8</sup>

### Beginnings and Development

POPULAR agitation for the establishment of wage boards began about 1910. Government proposals were made to establish boards, composed of separate chambers of employers and of employees, in each of which a majority of two-thirds would be needed to fix minimum wages. Obtaining such a two-thirds majority of the employers' section seemed to be hopeless, and no harm was done when the upper chamber rejected even that weak measure. After the revolution things changed, and on December 19, 1918, a law was adopted establishing wage committees composed of impartial persons and representatives of employers and of home workers, all appointed by the Government. Two-thirds of the members must be present at a meeting to make material decisions, but votes are by simple majority.<sup>a</sup>

### Machinery of Wage Fixing and Enforcement

THE law provides that central home-work commissions shall be established for each industry in which goods are made by home work. (Par. 16.) Their members are appointed by the Minister of Social Administration; a part of them are nominated equally by associations of employers and of employees. (Pars. 20 and 21.) Local home-work commissions may be established in the various districts (par. 33), to cooperate with the central commissions. (Par. 36.) These central commissions are authorized to fix minimum wages for home and shop workers and minimum prices for goods delivered by the home workers and middlemen. (Par. 26.) The determinations must be ratified by the minister. (Par. 28.) Collective agreements between associations of employers and of employees remain valid even when contrary to determinations of the commissions. (Par. 31.) If employers do not pay the minimum wages in force, they are liable to fine or imprisonment (par. 47) and the workers or middlemen can claim compensation of damages they have suffered thereby (par. 45).

### Principle of Wage Fixation

NO binding instructions are given to the wage committees. The problem is similar to that in Germany; but the consideration of "what the trade can bear" was brought to the forefront by the industrial crisis in Austria. As will be seen later that principle—"what the trade can bear"—was twice applied—first in the fixation

<sup>8</sup> As to the problem of family allowances, which are a feature of Austrian legislation, see p. 77 as to the same question in France.

<sup>a</sup> Austria. Staatsgesetzblatt, Vienna, Dec. 27, 1918. No. 32: Gesetz vom 19. December, 1918, über die Regelung der Arbeits-und Lohnverhältnisse in der Heimarbeit.

of the minimum wage and then in the nonapplication of decrees seeming to endanger the existence of particular trades, in order not to deprive the home workers of their tangible means of subsistence and not to throw them into unemployment. But there are also tendencies in the deliberations of the home-work commissions toward comparatively high minimum wages.<sup>4</sup>

The interests of the home workers are not presented by the home workers themselves but by secretaries of trade-unions who desire to equalize earnings of home and shop workers in order to free the last-named group of workers from oppressive competition. They ask for important increases of wages. Most of the employers' representatives are executives of companies of standing who pay wages above the average and can not well afford, for reasons of prestige, to defend wages so low as to distress human feelings. They are inclined to agree with considerable increases of wages over the customary level.

### Application of the Law

PERSONAL inquiries in 1920, 1921, 1922, 1923, and again in 1927, of the home workers' trade-union in Vienna and from individual home workers elicited the information that the letter of the law has been fulfilled; central home work commissions for the main industries and numerous regional committees have begun fixing minimum wages, but these wages are not paid in actual practice.

This information is confirmed by an inspector, Miss Hedwig Lemberger.<sup>4</sup> She states that the inspectors did not see their way to enforce the awards of the commissions on a broad basis because of the economic crisis. Enforcing the rules in particular cases, so she states, would have meant throwing the particular workers out of their employment; enforcing them generally would have destroyed the ability of the Austrian industries to compete with foreign competitors. Even Chinese competition is mentioned in that respect.

These views are strongly criticized even in Central Europe. The point is made that industries should be allowed to disappear rather than that the workers' standards should be lowered to those of the Chinese. But the economic crisis obviously fetters all parties concerned, and the inspectors evidently believe themselves to be acting in accordance with humanitarian considerations when disregarding the letter of the law. The Austrian experience, stronger even than the German experience, shows the weakness of these recent laws.

### Absence of Results

D R. KAETHE LEICHTER, of the Viennese Workers' Chamber, told an inquirer<sup>5</sup> that "the law seems to be inapplicable. The control does not work. [The reason has been explained.] Unemployment among the home workers has not increased because the determinations are not applied. But the unemployment among the factory workers has been increased through the competition of the low-paid home workers."

<sup>4</sup> *Arbeit und Wirtschaft*, Vienna, September, 1926: "Die Wirksamkeit autoritärer Lohnfestsetzungen für die Heimarbeiterchaft," by Hedwig Lemberger.

<sup>5</sup> Statement to Engelbert Broda in Vienna, who was asked to inquire into the facts.

Thus the result of the nonenforcement of the awards seems to be that unemployment is displaced but not avoided, while the starvation wages remain a net loss to the community. Doctor Leichter states that a new law, giving better representation in the commissions to the home workers, is being prepared by a socialist deputy.

## CZECHOSLOVAKIA

THE new Republic took over the principles of the Austrian legislation and passed a law similar to that of the Austrian Republic.<sup>6</sup> It provides (art. 9) for the establishment of central commissions with functions analogous to those provided in the Austrian law. It states (art. 21), however, that collective agreements remain in force notwithstanding the fixation of minimum wages but that the parties to a collective contract may, in such case, withdraw from the same.

### Principle of Wage Fixation

NO definite instructions are given to the boards. Bargaining as in Germany, seems to be the central feature. The Minister of Social Welfare states that the wage is fixed by compromise between the parties.<sup>7</sup>

### Application

THE work of the home work commissions in 1924 is reviewed by J. Sirotek in an article in *Sociální Revue* (July, 1925), published by the Ministry of Social Welfare. Only one of the central commissions, that for the glass industry, was successful in 1924 in establishing an official scale of wages for the industry. The work of the other central commissions and of the district commissions consisted mainly in the settlement of local disputes as to wages and in giving advice on various points submitted to them.

He is of the opinion that "the operations of the commissions were not of great importance, owing to the apathy of the workers and the small interest taken in the work by the trade-unions." He points out that certain administrative difficulties, arising from the provisions as to a "quorum" being necessary for decisions, are also largely responsible for this failure and that an amendment to the act in this respect will be indispensable.

### Results

A REPORT of the factory inspectorate in 1923<sup>8</sup> states that home-work wages were reduced during 1923 by 10 to 40 per cent in consequence of a rise in the exchange value of the currency and of a fall of prices and general wages.

Some collective agreements were concluded. The home work act was applied very slowly. Nevertheless the work of the home work

<sup>6</sup> International Labor Office. Legislative series 1920—Czechoslovakia 1: Act respecting the regulation of work and wages in home work, dated Dec. 12, 1919, Geneva [1920?].

<sup>7</sup> Letter to E. M. Burns dated Sept. 16, 1923.

<sup>8</sup> International Labor Office. International Labor Review, Geneva, January, 1925, p. 88.

commission "had some influence on wage rates." For instance, the central commission for the glass industry fixed a wage scale on the occasion of a dispute in the glass-polishing industry.

The Minister of Social Insurance of Czechoslovakia<sup>9</sup> states that 5 central and 30 district commissions were in existence at the end of 1926. The glass industry had 5 district commissions and the textile industry had 10. In general, the wage rates fixed are for the whole Republic, though in certain cases different rates have been fixed in the different Provinces.

From information available in the Ministry of Social Insurance the number of home workers in that part of the Republic which belonged formerly to Austria has decreased from 276,000 (latest Austrian statistics) to 103,000 in 1924. The reduction applies particularly to the textile industry. As minimum wages had not, up to 1924, been fixed in that industry, the new legislation can not, however, be held responsible for this development.

So far tangible results seem to be nearly as restricted as in Austria. The double relative failure (in two countries where practically the same law is applied but where industrial and psychological conditions of application vary so drastically, one country being poor and the other prosperous) would lead to the supposition that the law is to blame. But the same type of wage boards functions reasonably well in the home-work trades of Germany, Norway, Argentina, and above all in Great Britain and Victoria.

We seem to come nearer the truth in concluding—pending further developments in both countries—that the particular conditions inherent in both countries are responsible for that puzzling double coincidence.

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<sup>9</sup> International Labor Office. *Studies and reports, series D (wages and hours of work), No. 17: Minimum wage-fixing machinery.* Geneva, 1927, p. 151.

## CHAPTER 12.—MINIMUM WAGE IN AGRICULTURE

TRADE-UNION organization is less developed in the agriculture of most countries than in their industries. Agriculture, therefore, is in some respects like those unorganized or insufficiently organized trades for which legal fixation of minimum wage has been proposed as a substitute for regulation of wages by collective agreements between associations of employers and of employees, or for industrial strikes. This is particularly true of large-scale agriculture where the semipatriarchial customs of small farms have given way to more impersonal relations. Most countries on the European Continent, with their preponderance of small peasant holdings, do not attempt to regulate the wages of farm labor. Italy and Mexico include agricultural laborers in their general systems of wage regulation, Australia does so only partially, and South Africa excludes them entirely. But in three other countries with large-scale agriculture and many agricultural laborers—Great Britain, Uruguay, and Hungary—specific minimum wage laws have been passed for these agricultural laborers.

### GREAT BRITAIN

SINCE 1917 Great Britain has experimented with regulation of agricultural wages—first by minimum wage, and later by conciliation. A definite step back to minimum wage was taken when a new minimum wage act became law on August 7, 1924.<sup>1</sup> The law provides for a central board and regional committees (art. 1), both composed of representatives of employers and of workers and members appointed by the Government. The regional committees are called upon to fix the rates. (Art. 2.) The central board reviews the decisions and intervenes if the committees have not done their duty under the act. (Arts. 3, 5.) In the course of the parliamentary debate, the point was urged that the bill itself prescribe figures below which no county should go, but such a provision was not included in the bill. The committees, therefore, have an entirely free hand.<sup>2</sup>

#### Principle of Wage Fixation

COMMITTEES shall, so far as practicable, secure for able-bodied men wages “adequate to promote efficiency and to enable a man in an ordinary case to maintain himself and his family in accordance with such standard of comfort as may be reasonable in relation to the nature of his occupation.” (Art. 2, sec. 4.) The “living-wage”

<sup>1</sup> Great Britain. Pub. Gen. Stats. 14 and 15, Geo. V, 1924, vol. 62, ch. 37, p. 268: Agricultural wages (regulation) act, 1924.

<sup>2</sup> Monthly Labor Review, October, 1924, p. 90.

and the "fair-wage" principles are thus combined. There is further a very interesting point in the stipulation that the wage has to promote efficiency. To apply precise measurements will be difficult, but the endeavor may lead to fruitful investigations.

### Application of the Law

ADMINISTRATIVE regulations issued on September 24 and 27, 1924,<sup>3</sup> provided that both as regards the central board and the 47 regional committees, the representatives of the employers are to be nominated by the National Farmers' Union, and the National Union of Agricultural Workers and the Workers' Union are to nominate the workers' representatives. Five additional members of the wages board are to be appointed by the Minister of Agriculture and Fisheries. Two members of a regional committee are appointed by the minister, while the chairman is chosen by the committee itself. Certain benefits and advantages are to be reckoned as part payment of the minimum wages and the committees are required to define them.<sup>4</sup> In the summer of 1925 weekly rates were fixed, which varied in the 48 areas from 29s. in one area, 29s. 2d. in two areas, and 30s. in 15 areas, up to 37s. 6d. in one area.<sup>5</sup> Up to September 30, 1925, no piecework rates had been fixed. The ministry had declined to reconsider the rates in Shropshire and Norfolk, stating that reconsideration would be justified only in case of new circumstances,<sup>6</sup> and so the decisions of the committees are final as long as the facts remain the same as they were at the time of the award.

Up to September 30, 1925, the committees had received 10,846 applications from male workers and 63 from female workers for permission to work at lower rates; 8,946 (about 8 per cent of the number of male workers, which was 579,871) had been granted to workers who, in the opinion of the committee, were incapable on account of physical injury or mental deficiency, infirmity due to age, or other reason to earn the minimum rates.<sup>7</sup> Up to the spring of 1925 employers who paid less than the minimum prescribed were merely made to pay arrears of wages; from that time on it was decided to prosecute them. The minister declared in the House of Commons on August 3, 1925, that he would not hesitate, in case of deliberate evasion, to prosecute and to secure for the worker the benefits to which he is entitled by the act of Parliament.<sup>8</sup>

The report on the operation of the act during 1925-26<sup>9</sup> states that the regional committees were inclined at first to fix wages for a short time—up to six months—but that the frequent revisions necessitated thereby had induced them to fix wages for longer periods. The average minimum wage for adult male workers had during the year been increased from 31s. 5d. to 31s. 8d. The women were paid

<sup>3</sup> Great Britain. Ministry of Agriculture and Fisheries. Report of proceedings under the agricultural wages (regulation) act, 1924, for the year ending Sept. 30, 1925, London, 1926.

<sup>4</sup> *Idem*, p. 8.

<sup>5</sup> *Idem*, p. 12.

<sup>6</sup> *Idem*, p. 20.

<sup>7</sup> *Idem*, p. 23.

<sup>8</sup> *Idem*, p. 25.

<sup>9</sup> Great Britain. Ministry of Agriculture and Fisheries. Report of the proceedings under the agricultural wages (regulation) act, 1924, for the year ending Sept. 30, 1926. London, 1927.

mainly on an hourly basis, at rates from 4½d. to 6d. for adults. On September 30, 1926, there were in force 10,454 permits to work below the minimum rates. During the year 1,626 complaints had been received. About 800 of them were dealt with by inspectors, and £6,150 recovered for the workers. The minister states it as his opinion that in some districts, particularly those near industrial centers, the average weekly wages somewhat exceeded the minimum wages, while in a large part of the country the minimum wages only were paid. The minimum wage thus tended to become the standard wages for ordinary work. Extra remuneration was received for employment with animals and for harvest and other seasonal work.

## Results

SIR HENRY REW, deputy chairman of the Agricultural Wages Board,<sup>10</sup> established under the law preceding the present one, expressed the opinion that the working hours of agricultural laborers had been reduced in consequence of the board's activity, although none of its regulations directly ordered a change in the hours of labor. The committee simply stated when overtime work was to begin, leaving the employer free to have the workers toil as long as they might agree, he always to pay them for overtime. Nevertheless, this stipulation had influenced both parties. The employers hesitated to pay overtime, and the employees, which is characteristic, hesitated to work overtime notwithstanding the increased payments they might receive. The wages fixed had been criticized from the employers' side as being higher than those which would have resulted from the free play of economic forces. Workers' representatives had claimed that they might have obtained higher wages by trade-union action.

Sir Henry Rew, however, finds that the increase in agricultural wages proceeded in an equitable way, parallel with the increase in industrial wages. As the old law was similar to the new one, that statement holds to a certain extent its significance. The average wage of agricultural workers was 18s. in 1914.<sup>11</sup> Up to 1917 it had increased 39 per cent, while the cost of living had increased 80 per cent—a decrease in real wages. During the first wage-board period, from 1918 to 1921, the real wages increased. At the end of the period the wages had risen 135 per cent and the cost of living 120 per cent. During the period from 1921 to 1924, the increase in wages compared with 1914 was lower than the increase in the cost of living. At the end of 1924 it was only 56 per cent as compared with an increase in the cost of living of 81 per cent. The real wages were lower than before the war.

During the second wage-board period the nominal wages rose in the summer of 1925 to a figure 75 per cent<sup>12</sup> over that of 1914, while the cost of living was 73 per cent over pre-war figures. The real wages were again at the same level as before the war. They were distinctly

<sup>10</sup> Great Britain. Agricultural Wages Board. Wages Board Gazette, London, Dec. 1, 1920, p. 549.

<sup>11</sup> Great Britain. Ministry of Agriculture and Fisheries. Report on proceedings under the agricultural wages (regulation) act, 1924, for the year ending Sept. 30, 1925. London, 1926, p. 58.

<sup>12</sup> Seventy-six per cent in 1926—Great Britain. Ministry of Agriculture and Fisheries. Report of proceedings under the agricultural wages (regulation) act, 1924, for the year ending Sept. 30, 1926. London, 1927.

higher than in the period preceding the reestablishment of the wage board. Thus in both the first and second wage-board periods the real wages of the agricultural workers increased, while these wages decreased in the intermediate period. The effect of the wage-board system on the increase of real wages seems thereby to be clearly established.

The report<sup>13</sup> states that the permits issued under the act had enabled employers to retain that class of workers whose employment might otherwise have been prejudiced by the minimum rates. The minister states it as his opinion that there had been "no appreciable unemployment amongst regular farm hands" during the year under consideration. The general fear that minimum wages deprive workers of their jobs and increase unemployment had not been realized. The fact is doubly significant for Great Britain, with its great industrial unemployment.

British agricultural experience differs from that of other countries in that minimum wages have tended to become maximum wages. Nevertheless, the average real wages have been greatly benefited by the legislation, and the workers are better off than they would be without the law.

The prices of agricultural products in July, 1923, were 53 per cent over those of pre-war time; in July, 1924 (before fixation of minimum wages), 52 per cent over pre-war time; and in July, 1925 (after the fixation of the minimum wages), 51 per cent over pre-war time.<sup>14</sup> There does not seem to have been any influence by minimum wages on agricultural prices, and thereby on the welfare of the general population. It remains to be seen, when the act has been in force for a longer period, whether greater efficiency will make up to a certain extent for the higher wages, or whether increasing the cost of production will make harder the situation of the farmers and finally decrease the area in Great Britain suitable for proper agricultural exploitation.

The problem has been somewhat clarified by an inquiry by Mr. Orwin, director of the Agricultural Economic Research Institute of the University of Oxford, the results of which were presented to the Royal Society of Arts.<sup>15</sup> The business administration of 24 farms in the South Midlands was examined and it was found that 14 worked with an original loss and 3 others would have had losses if they had had to pay their laborers the usual wages of unskilled workers. For 25 farms in the eastern counties it was found that 5 were then worked with a loss, and 10 more would cease to pay their way if they had to pay the wages paid to unskilled workers. While individual enterprises working at a loss generally disappear automatically, the same does not hold true, at least not immediately, as to traditional British farming where the owner clings desperately to the calling of his forefathers. But in the long run insolvency and abandonment of the farms would, of course, naturally follow. Mr. Orwin concludes that

<sup>13</sup> Great Britain. Ministry of Agriculture and Fisheries. Report on proceedings under the agricultural wages (regulation) act, 1924, for the year ending Sept. 30, 1925. London, 1926, p. 31.

<sup>14</sup> *Idem*, pp. 58, 59.

<sup>15</sup> *Journal of the Royal Society of Arts*, London, May 20, 1927.

with State regulation farms would have to be converted into large scale experiments with better machinery and better organization where higher wages would be justified and made possible by greater output.

## URUGUAY

**I**N THE year 1923 Uruguay established a minimum wage for agriculture.<sup>16</sup> The method, however, is essentially different from that of the great majority of other countries providing minimum wages, no boards being instituted, the law itself fixing the minimum wage.

The law provides that workers between 18 and 55 years of age employed on big agricultural enterprises or on cattle ranches (assessed at 20,000 pesos<sup>17</sup> or more) shall receive a minimum wage of 18 pesos a month or 72 centesimos a day. (Art. 1.) On very large estates (assessed at more than 60,000 pesos) the minimum wage is raised to 20 pesos a month or 80 centesimos a day. (Art. 2.) Exemptions are provided for in the case of workers with physical defects or who, for similar reasons, can not be expected to earn the minimum wage. (Art. 3.) The exemptions shall be fixed by regional councils with the cooperation of the health officers. The workers have the right to choose between the obligation of the employer to provide them with healthful accommodation and sufficient food or 12 pesos a month (50 centesimos a day). (Art. 5.)

Violations of the provisions of the act are punishable by a fine of 10 pesos per day for every worker concerned; in case of repeated violations a fine of 25 pesos per day for each worker is imposed. (Art. 6.)

### Application of the Act

**O**N APRIL 8, 1924, regulations were issued for the practical application of the act.<sup>18</sup> Special work books are issued to facilitate supervision of the observance of the act. Workers are entitled to bring suit before a justice of the peace and, concurrently, the inspectors of labor may intervene.

### Principle of Wage Fixation

**S**INCE the legislature itself fixed the minimum wage no instructions as to principles to be applied were needed.

To compare the principle of a wage ratio fixed by statute with the principles applied in other countries the psychological and economic facts must necessarily be relied on, for precise data as to the motives which brought about the law are not available. The "fair-wage" principle scarcely enters into consideration, as agriculture as a whole is *sui generis*; its remuneration can not well be fixed on the basis of the remuneration prevalent in any other industry. While the principle, "wages the trade can bear," might enter into account to a cer-

<sup>16</sup> International Labor Office, Legislative series 1923—Uruguay 1: Act respecting a minimum wage for agricultural workers, dated Feb. 15, 1923. Geneva.

<sup>17</sup> At par, peso=\$1.0342; centesimo=1.0342 cents.

<sup>18</sup> International Labor Office, Legislative series, 1924—Uruguay 1: Decree issuing regulations under the act of Feb. 15, 1923, respecting a minimum wage for agricultural workers, dated Apr. 8, 1924. Geneva.

tain extent, because the agricultural products of Uruguay have to be exported and wages over a certain limit might endanger the competitive power of Uruguayan agriculture, there is no reason to believe that the wages come anyways near that upper limit. Considerations as to the guaranty of a minimum of existence (living wage) may have played their rôle, but from the general prosperity of Uruguay it may be concluded that wages are considerably above the lower limit.

It seems that another principle, not applied elsewhere to a large extent, has been of prime importance in Uruguay—the comparative political strength of the various parties in Parliament, especially the political power of agricultural laborers. The wage problem thereby becomes a political question.

## Results

FROM personal observation by one of them on some large agricultural enterprises in Uruguay, Percy A. Martin and Earl M. Smith conclude that the law has proved a distinct success.<sup>19</sup> The workers seem to be well aware of the terms of the law. Reports are universally kept, the inspectors check up on the application of the law, and employers are forced to observe it. During 1926 there were 139 violations where fines were collected. One particular fraud consisted in underpayment of the workers although these workers signed receipts for the higher regulation wage.

The average wage of agricultural workers has gradually risen to 18 pesos a month, the amount fixed by the law as the minimum for medium-sized enterprises. The general objective of the law therefore seems to have been attained.

## HUNGARY

AN agricultural wages order of February 24, 1921,<sup>20</sup> provided maximum wages in agriculture, according to the kind of work and the season. The order states that workers shall not "in virtue of any contract claim wages more than the wages so determined." (Sec. 2.)

An act for the establishment of minimum wages was passed on May 28, 1923.<sup>21</sup> When the daily wages of agricultural laborers, paid in money or kind, in any district are so low (taking into account seasonal changes and agricultural conditions) that these wages constitute an "excessive and unjustifiable exploitation" and are insufficient "for the maintenance of the worker and of his family," anyone may petition the Minister of Agriculture to interfere. (Art. 2.)<sup>a</sup> The minister shall, after ascertaining the views of the competent chamber of agriculture, issue a decree fixing minimum wage rates.

<sup>19</sup> Monthly Labor Review, October, 1927, p. 14: "Labor legislation in Uruguay," by Percy A. Martin and Earl M. Smith.

<sup>20</sup> Burns, E. M.: Wages and the State, London, 1926, p. 113.

<sup>21</sup> International Labor Office. Legislative series, 1923—Hungary 3: Act No. 25 of 1923, respecting the prevention of the unjustifiable exploitation of the labor of agricultural workers, dated May 28, 1923. Geneva, p. 5.

<sup>a</sup> Ungarische Reichsgesetzsammlung für das Jahr 1923, authentische Übersetzung. Budapest, p. 296.

As auxiliaries to the minister, agricultural wages committees are to be established, these committees to be composed of a chairman and vice chairman, two members chosen by representative committees of workers and two in the same way by landowners possessing more than 10 yokes<sup>22</sup> of land—one of the latter to be chosen by landowners possessing between 10 and 100 yokes, and one by owners possessing more than 100 yokes. (Arts. 3, 4.) In addition, four substitute members are to be chosen for each committee in the same way. These committees shall fix minimum wages, taking into account the working capacity, age, and sex of the workers, and the nature of their work. (Art. 9.) Any member of the committee or the competent inspector may submit to the minister a protest against the decision of the committee fixing the wage. The minister, having all the documents before him, issues the decree fixing the minimum wage.

The law provides penalties for infringements of the wage orders by employers and also authorizes workers to sue them for the difference between the wages paid and those fixed by wage orders. (Art. 111.)

### Principle of Wage Fixation

NO instructions are given to the boards, but as the test for starting proceedings under the law is nonpayment of a living wage in a given region, that principle must obviously be taken into account in fixing the minimum wage.

### Application of the Law

IN 1926, 198 committees had been set up. Forty-eight took action during the year. Minimum wage rates were in force in 759 communes. No complaints from workers that wages lower than those fixed had been paid to them had reached the Minister of Agriculture. No agent intrusted with enforcement of the rules reported any infringement of the determinations. The minister states it to be his opinion that: "The wage rates fixed by the commissions have had a beneficial influence on the wages of agricultural day laborers."<sup>23</sup>

## POLAND

DISPUTES in agricultural enterprises are covered by an arbitration act passed in 1919.<sup>24</sup> Both parties to such disputes must submit them to conferences arranged by the inspectors of agricultural labor, using a conciliation or arbitration board consisting of representatives of both sides, under an impartial chairman; otherwise they are fined. Agreements so arrived at bind not only the parties to the agreement but all agriculturists of the region.

<sup>22</sup> Yoke = 1.422 acres.

<sup>23</sup> International Labor Office, Studies and Reports, series D (wages and hours of work), No. 17: Minimum Wage-Fixing Machinery. Geneva, 1927, p. 152.

<sup>24</sup> Burns, E. M.: Wages and the State. London, 1926, p. 112.

## CHAPTER 13.—WAGE REGULATION IN INDUSTRY CONTROLLED BY THE STATE

NEW ZEALAND and several Australian States have developed their methods for settlement in industrial disputes to such an extent that they imply State regulation of industry and the determination of wages by industrial courts. No European State has proceeded in the same fashion. Two States, however, have organized their industrial life under control of the State in a way which, exceeding even the fixation of minimum wages, implies to a large extent determination of general wages by State authorities. Italy and Russia have proceeded along that road, though in different ways. A general examination of their industrial systems would, of course, exceed the scope of the present study, and therefore the following discussion will be restricted to those aspects of the question which parallel the minimum wage problem in other countries.

### The Italian Corporate State

THE Italian Government itself has emphasized the opinion that its industrial legislation implies a method for the solution of the problems attacked elsewhere by minimum wage legislation. In its reply to the questionnaire of the International Labor Office as to the proposed international convention on minimum wage legislation, it points out that it considers its legislation "the most complete and appropriate means of regulating minimum wages in the trades in question," and expresses the desire that the conference examine "whether account should be taken of the Italian system in the framing of its proposals."<sup>1</sup> The Italian Government claims for its system that it "removes in its early stages and attacks at its root the primary cause of the evils which the conference proposes to deal with in its decisions—i. e. the absence of organization among the workers—and gives the workers the benefit of collective agreements and a guaranty that collective disputes will be equitably settled by the machinery of the conciliation and other bodies specially set up for the purpose."

The Government considers it desirable "that the decisions of the conference should be based on the methods adopted in the present connection not only in some States but in all the States members of the organization."<sup>1</sup>

The general principles of the legislation referred to are laid down in a "charter of labor" (*carta del lavoro*).<sup>2</sup> The charter was preceded by a law on collective labor relations,<sup>3</sup> and by a royal decree thereon issued on July 1, 1926.<sup>4</sup> The law of April 3, 1926, provides

<sup>1</sup> International Labor Conference, eleventh session, Geneva, May, 1928. Report on Minimum Wage-Fixing Machinery. Geneva, International Labor Office, 1928, p. 18.

<sup>2</sup> *Gazzetta Ufficiale*, Apr. 30, 1927, No. 100.

<sup>3</sup> *Idem*, Apr. 14, 1926, No. 87.

<sup>4</sup> Pennacchio, Alberto: The Corporative State. New York, Italian Historical Society, 1927, appendix.

(art. 1) that employers' and employees' associations which have voluntarily enrolled at least one-tenth of the workers of the industry, whose status "promotes the welfare and education (especially the moral and national education) of their members," and whose directors "give proof of their competence, good moral behavior, and positive faith in the nation," may be legally recognized.

"Collective labor contracts negotiated by legally recognized association \* \* \* apply to the whole industry." (Art. 10.) All controversies concerning collective labor relations arising out of the application of collective contracts, or in connection with any conditions to be fixed for labor, are to be settled by a special section of the courts of appeals. (Arts. 13, 14.) Strikes and lockouts are punished by fines (art. 18), and in case of State and public-utility enterprises, by solitary confinement (art. 19). Directors of legally recognized associations who refuse to carry out the decision of the labor magistrate are punished by imprisonment. (Art. 22.)

Articles 4 and 5 of the charter of labor sum up the basic provisions:

The collective labor contract gives concrete expression to the common interest of the various elements of production (capital and labor) by reconciling conflicting interests of employees and subordinating these to the higher interests of production at large. The labor court is the organ through which the State acts in settling labor controversies, whether these arise in connection with observances of rules or agreements already made or in connection with new conditions to be fixed for labor.

Trade associations (consisting of the legally recognized employers' and employees' associations of the trade) are "required" to regulate by collective contracts the labor relations of the industry. These collective labor contracts must, under penalty of voidance, contain, among other stipulations, statements of the "amounts and manner of payment of wages." (Art. 11.) If wages are based on piecework, piece payments must give a chance to the faithful worker of average ability "to earn a minimum in excess of the basic wage." (Art. 14.) Collective labor contracts extend also to home workers." (Art. 21.)

In 1926, 1,060 labor agreements were negotiated—26 national, 39 regional, 199 provincial, and 796 local.<sup>6</sup> Agreements seem to show a tendency toward a gradual increase in wages. Cost-of-living allowances are added to the wage scale, with the provision that they may be revised after an interval of three months.<sup>7</sup> In October, 1926, 2,121,240 workers were organized in the National Confederation of Fascist Syndicates.<sup>8</sup> Wages in agriculture have been settled on a broad scale through collective agreements by compromise between the parties.<sup>9</sup>

The thorough application of the above-cited provisions has so far been guaranteed by the dictatorial régime in Italy. The maintenance of these conditions implies the development of an organic system of legal fixation of wages, based on cooperation of the interested parties, but under the direction of the State.<sup>a</sup>

<sup>6</sup> Pennachio, Alberto: *The Corporative State*. New York, Italian Historical Society, 1927, p. 68.

<sup>7</sup> *Idem*, p. 70.

<sup>8</sup> *Idem*, p. 66.

<sup>9</sup> International Labor Office. *International Labor Review*, Geneva, January, 1927, p. 51.

<sup>a</sup> Spain, since 1927, follows the example of Italy (p. 90). The constructive economic provisions of the "Corporate State" seem likely to be applied also in countries where political conditions are not quite those prevailing in Italy.

## Russian State Trusts

THE problem of wage fixation in State enterprises is essentially different from that of wage determination in private industries. The interest in maintaining the low cost of production, which is, in the nature of things, the main interest of the private employer, is only one of the interests of the State employer, which is also inherently interested in the welfare, purchasing power, and good feeling of its employees—its citizens. The weapon used by State employees in modern democratic States is rarely the threat to strike; much more generally it is pressure brought to bear on public opinion and on parliament. The considerations which are of decisive influence for determination of wages by State authorities are, to a certain extent at least, similar to those which dictate the attitude of State representatives on boards elsewhere which fix wages for private industries, although the economic self-interest of the State employer divides, to a certain extent, the two problems. In Russia, by far the greater part of big industrial enterprises are managed by the State, and State fixation of wages in industry is therefore largely an accomplished fact. The principles of that State fixation may in a way be compared with the principles of legal fixation of wages elsewhere.

The wage policy for these enterprises is outlined in the order as to general wages, issued on June 17, 1920. That order prescribes that the time needed for thoroughly learning the trade, the injuriousness and danger of the conditions under which the work is carried out, the arduousness of the work, and the degree of responsibility for its performance should be taken into account when drawing up schedules of wages.<sup>10</sup>

On September 16, 1921, other general regulations were issued for wage payment in State enterprises.<sup>11</sup> These regulations provide for a minimum wage, to be increased in proportion to increasing production. No effort is to be made to equalize wage scales for workers of different grades. The share in the wage budget of the nation attributed to each factory is to be proportional not to the number of workers but to the unit of manufacture. The total wage budget must vary with the national production. Premiums on production are allowed to the individual establishments, to be divided among the workers.

A decree of November 10, 1921, provides that—

The total payment allocated to each factory shall not be decreased even though the number of employees are decreased as a result of more efficient management. \* \* \* Should a lower percentage only of the program have been completed, the amount of supplies distributed among the factory employees on account of wages shall be diminished accordingly for that month.<sup>12</sup>

Prof. Roswell Johnson, on his return from an investigation in various parts of Russia, reported in the autumn of 1927 that compulsory arbitration has been established, both for industries leased to outside concerns and for State-owned trusts. In the latter

<sup>10</sup> Burns, E. M.: *Wages and the State*. London, 1926, p. 112.

<sup>11</sup> *Journal of Political Economy*, Chicago, April, 1922, p. 277: "Russian wage systems under communism," by Amy Hewes.

<sup>12</sup> *Idem*, pp. 277, 278.

case, management and labor are equally represented on the arbitration boards, while the casting vote rests with a representative of the political government.

The report of the American Trade-Union Delegation<sup>13</sup> refers to the influence of the trade-unions which have become more independent since the introduction of the new economic policy, dividing industry between State and private enterprises. These unions make collective agreements with both State trusts and private concerns. There are strikes in private enterprises but practically none in State enterprises. There are several institutions for settling disputes between the management and the workers—the standardization-conflict committees in the factory, the mediation chamber, and the arbitration board. The bargaining for wage rates is left to the standardization-conflict committees in the factories, on which both management and workers are represented.

The two other more formal stages of conciliation and arbitration are regulated by the labor code promulgated in 1922 (sec. 168 et seq.).<sup>14</sup> There is compulsion only in the case of violation of provisions of labor legislation or of collective or individual employment contracts. There are no legislative provisions against strikes.

The central authorities of the Russian trade-unions have, however, taken a firm stand against strikes in State undertakings.<sup>15</sup> During the first half of 1925 industrial disputes involved 426,241 workers, of whom 394,358 worked in State enterprises, 26,507 in public and cooperative enterprises, and 5,376 in private enterprises. These disputes have in the majority of cases been settled by conciliation or arbitration. Strikes sanctioned by unions involved only 1,972 workers in private and cooperative enterprises, and strikes in State enterprises, breaking out contrary to the trade-union policy, involved 22,255 workers. As to these strikes in State enterprises, disputes involving 6,568 workers were settled to the advantage of the workers; disputes with 12,886 workers by compromise; and disputes with 3,101 workers ended with failure for them. As to the small strikes in private enterprises, 23 ended with success for the workers, 6 by compromise, and 5 by failure.

The number of workers involved in disputes, particularly when new collective agreements had to be concluded, showed a strong upward tendency in the second half of 1925.<sup>16</sup>

As regards the general problem of the fixation of wages it appears, therefore, that in private enterprises there exist systems of conciliation and arbitration to reduce strikes, but no legal fixation of wages and no application of minimum wage. In the State enterprises, which are practically all-important, strikes occur only as a rare exception. The wages paid depend, on the one hand, on the wage policy of the State, the principles of which have been analyzed above, and, on the other hand, on the demands of the workers and on

<sup>13</sup> American trade-union delegation to the Soviet Union. Russia after ten years—report. New York, International Publishers, 1927, pp. 17-19.

<sup>14</sup> International Labor Office. Legislative series, 1922—Russia 1: Labor code, dated Nov. 9, 1922. Geneva.

<sup>15</sup> International Labor Office. International Labor Review, Geneva, August, 1926, p. 262:

“Labor disputes in Soviet Russia.”

<sup>16</sup> Idem, March, 1927, p. 450: “Labor disputes in Soviet Russia in 1924 and 1925.”

a system of conciliation and arbitration, achieving compromise between both points of view.

While wages fixed by wage boards in other countries depend upon a compromise between three factors—employers, employees, and public authorities—in the great majority of Russian enterprises (State owned) they depend on a compromise between the two last-named groups only—State and employees. With the domination of the Communist Party over the State as well as over the trade-unions, there is even, as regards final decision of the supreme authorities, unity rather than dualism, and the present position does not seem to be very different from that reported for 1921—fixation of wages by the party dominant in the State.

Comparing this wage-fixing policy of the Russian State with wage-fixing systems of other countries, it may be noted from the above-cited regulations that the main principle of Russian wage policy is the ability of national production to bear the wage budget. In Australasia also this same principle is the dominant feature of the decision of the arbitration courts. Ability of the individual industry to bear the charges is less important in Russia, as the various State trusts, although maintaining to a certain extent a separate legal existence, are yet part of the general system of State production. It may be noted also that the Russian wage-fixing policy puts more emphasis on premiums for increase of production than is generally the case in collective-labor agreements or awards for wage fixation elsewhere.

## CHAPTER 14.—TYPICAL AND ODD FORMS OF MINIMUM WAGE LEGISLATION

### Main Currents

THE preceding chapters have shown that different types of minimum-wage legislation have developed in different regions of the world and in the different types of social organizations, but that inside of each of these regional and social groups fairly homogeneous types of minimum wage have evolved.

In the United States women in shops and stores, for purely humanitarian reasons, are the beneficiaries of the minimum wage.

In most parts of the British Empire the application of minimum wage has started with home work and been extended to unorganized trades generally, and from them to all trades (point reached in Australasia), while Canada, combining generally British and American traits of social organization, also combines British and American traits of minimum wage (laws mainly but not exclusively for women, with a strong tendency for extension of the laws).

The three countries whose forms of government have been changed recently through social revolutions—Mexico, Russia, and Italy—tend toward general legal fixation of wages, Mexico through a typical but comprehensive minimum wage law for all workers and Russia and Italy through organization of industry under State control.

Home-work legislation has always been and still remains typical for several democratic States on the Continent of Europe and for Argentina, with a tendency for further development along British lines.

States with large-scale agriculture and a numerous class of rural wage earners (Great Britain, Hungary, and Uruguay) apply minimum wage to agricultural workers.

There are a few experiments which seem to nullify that generalization of a precise relationship between type of minimum wage and general regional and social characteristics of the countries, but when examining these apparent exceptions from the rule it will be found that these experiments away from type, sometimes started with great hopes, have either been abandoned as unsuccessful or have been maintained only in restricted fields without much success.

### Odd Forms

#### Minimum Wage in British Coal Mines

WHILE home work, unorganized trades, and agricultural labor are exposed to sweating, and minimum wage legislation had for its primary object the abolition of sweating, the problem is different in the coal mines. Certainly the fate of the miners is also a hard

one, but they are well organized and know how to defend their interests, as was shown by the recent general strike. But the use of this weapon has been shown again and again to be extremely dangerous to the general national prosperity. Prior to the grave experience of 1926, a general strike in the English coal mines in 1912 showed this. As an outcome of that strike a law was passed instituting minimum wages for underground workers in the mines.

#### Machinery

Joint district boards have been formed, composed of delegates of workers and of mine owners, and presided over by an impartial president chosen by the parties or, if they do not agree, by the board of trade. These boards fix minimum wages and issue licenses to old or defective workers authorizing them to work for lower wages.<sup>1</sup>

Great Britain has been divided into 23 mining districts, and in each district a board has been constituted. In general the miner is paid for piecework, and this has been in no way changed by the law. The geologic structure of the mines, however, is not uniform. There are bad places where the worker, with the best will in the world, can not obtain sufficient results. In order for him to earn a living it seemed necessary to supplement the piecework rates fixed by voluntary agreement of the parties by a minimum rate for time work. This was the work the boards had to accomplish.

#### Principle of Wage Fixation

The "fair-wages" principle is applied in fixing minimum wage rates for miners. The average piecework rates paid for the particular job are the standard for fixing the minimum rates. The point is to guarantee that nobody shall receive less than the general rate on account of causes over which he has no control.

Time rates are calculated to match the average earnings under piece rates. In France also piece rates for home workers have to be calculated so as to match time rates in workshops. These instances (British mines and French home work and recently also Spanish home work) are probably the only ones where that particular variety of the "fair-wage" principle—adjustment of one wage method to be "just" in comparison with another—is applied.

#### Results

During the war the piecework rates increased several times, and the boards then increased the minimum rates per hour. These minimum wages have also a certain influence on the piece rates. The mine owners, indeed, have an interest in the piecework rates being higher than the minimum time rates. Otherwise the workers would be tempted to abandon strenuous effort and take things easy, being satisfied with the minimum rates, or, as they say there, "to go upon the minimum." Wherever the minimum is applied preferably production suffers. Nevertheless, the minimum rates have frequently been increased, by collective contracts, beyond the amount

<sup>1</sup> Stone, Gilbert: British Coal Industry. London, 1919, p. 174.

fixed by the boards. Where that was not the case it was tacitly understood that the legal rates were part of the contracts, determining the remuneration of labor. The public authorities participate in the establishment but not in the enforcement of the minimum wages.<sup>2</sup> Coal mining is not an unorganized trade, and the miners do not need outside help for enforcing their wage contracts. They have obtained the minimum-wage regulations by strikes and maintain them as part of their general position toward the employers—one based on mutual force.

Particular evils have been remedied by this legislation, but the great strikes in the English mines in 1921 and 1926 have shown that partial application of minimum wage (the piecework rates which are outside the law are much more important) does not insure industrial peace.

The New Zealand and the Italian types of compulsory arbitration are both safeguarded by stipulations against strikes and are more effective in that way than a law embodying mere fixation of minimum wages would be. In Victoria such a law has created an atmosphere of confidence in legal fixation of wages which has decreased the fighting spirit, but we must remember that the general prosperity of the Australian State has made it possible to increase wages in a way satisfying labor and preventing dissatisfaction.

British conditions were quite different. General trade depression and lack of economic management of the decentralized British mines have created a grave problem—who, workers or employers, shall bear the inevitable burden of decreasing the cost of production and give back to the mines the economic strength needed to maintain British coal mining in competition with other countries? To decide such question, lenient measures tending toward harmony have thus far proved insufficient; they could not guarantee peace in a service of essential public necessity like the mines.<sup>3</sup>

### Compulsory Arbitration in Public Utility Services of Rumania

The New Zealand experiment of compulsory arbitration, which in that country practically implies legal fixation of wages, immediately created intense interest in Europe. M. Millerand, at that time a socialist leader and minister in France (later conservative President of the Republic), has strongly advocated a similar law, without success. The postrevolutionary legislation in Germany (particularly the ordinance for industrial conciliation of October 30, 1923<sup>4</sup>) tended in that direction but without leading to anything implying legal fixation of wages. Italy has taken more decisive steps; the background there was essentially different, and the measure was part of a general organization of industry. (See p. 104.)

The only European State where compulsory arbitration was applied and maintained as an isolated measure was Rumania. The desire to prevent prejudice to general interests by differences be-

<sup>2</sup> International Labor Office. *Studies and reports, series D (wages and hours of work)*, No. 17: *Minimum Wage-Fixing Machinery*. Geneva, 1927, pp. 81, 82.

<sup>3</sup> Wartime regulation of wages, having been discontinued, need not be included in this study devoted to problems of present interest. The "fair-wages clause" in Government contracts deserves to be mentioned, but also lies rather outside of our field.

<sup>4</sup> International Labor Office. *Legislative series, 1923—Germany 6: Order respecting conciliation*, dated Oct. 30, 1923. Geneva.

tween the parties of a *particular* industry was the dominant motive.<sup>5</sup> A law for conciliation in industry generally and for compulsory arbitration in State and communal undertakings and public utility services was passed on September 4, 1920.<sup>6</sup> The arbitration commission is composed of representatives of the parties to the dispute and a chairman elected by them, or, if they disagree in their choice, appointed by the Minister of Labor. (Arts. 18, 19.)

The award of the commission is binding (art. 25), violations entitling the injured party to claim damages (art. 32). Incitements to strikes in public services are punished by imprisonment. (Art. 27.)

The law implies (art. 25) the possibility of fixation of wages by an impartial authority, directed by considerations of equity and general welfare. The machinery for conciliation has been used in practice. In 1924 about 72 per cent of the disputes were settled by negotiations through branches of the Ministry of Labor and nearly 17 per cent by optional or compulsory arbitration, while only about 11 per cent were settled by direct negotiation between the parties.<sup>7</sup> Twenty-three per cent of the disputes resulted in strikes or lockouts, while 77 per cent were settled peaceably. The proportion was the same in 1925.<sup>8</sup> But while in New Zealand precedent after precedent has led to a general fixation of wages, no such development is reported from Rumania.

Unlike the Italian Government, the Rumanian Government does not refer to its system of compulsory arbitration as a substitute for other methods of minimum wage, but favors rather typical minimum wage legislation for home workers.<sup>9</sup>

### Minimum Wage for Commercial Employees in Norway

In Norway the legislation (enacted in August, 1918,<sup>10</sup> providing for minimum wages for commercial employees started as successfully as the legislation in favor of home workers. The wages of the young women particularly were raised to satisfactory standards, embodying the principle of a living wage. The employers' associations, however, claimed that they were frequently compelled to dismiss employees whose services were not important enough to them to justify the yearly increases of salaries prescribed by the sliding wage scales.

Occurrences of that kind have been confirmed by observations of the home-work council. Public opinion was irritated by these complaints and the associations of male employees also became lukewarm in their defense of the law. Their members were dissatisfied on account of the necessity of suing the employers in order to recover back wages. Generally, they did not dare to do so while employed; if dismissed, they brought suit and frequently recovered high amounts, but employers considered that practice unfair, and

<sup>5</sup> Royaume de Roumanie. *Lois et règlements. Loi sur la réglementation des conflits collectifs des travail et son exposé des motifs*, par Gr. L. Tranco-Jassy, Ministre du Travail, Bucarest, 1920.

<sup>6</sup> International Labor Office. *Legislative series*, 1920—Roumania 4: *Act concerning the regulation of collective labor disputes*, dated Sept. 4, 1920. Geneva.

<sup>7</sup> International Labor Office. *International Labor Review*, Geneva, January, 1926, p. 97. 1926, p. 30.

<sup>8</sup> G. Tranco-Jassy, Ministre du Travail: *La législation sociale en Roumanie*. Bucarest, 1926. p. 30.

<sup>9</sup> International Labor Conference, eleventh session, Geneva, May, 1926. *Report on Minimum Wage-Fixing Machinery*. Geneva, International Labor Office, 1928.

<sup>10</sup> International Labor Office. *International Labor Review*, Geneva, December, 1925, p. 809: "Minimum wage legislation in Norway," by Fredrik Voss.

often refused to employ men who had sued their previous employers. Much hardship ensued. Official inspection might have removed the difficulty, but public opinion was not ripe for broadening the scope of the law. In vain the home-work council issued a statement that maintenance of the law was still needed for female employees who were insufficiently organized. When, in 1925, the law came before Parliament for renewal, it was voted down by the upper chamber.

The insufficiency of the mere right to bring civil suits in case of infringement of the law (the principle applied also in France, although in a broader way), and the greater usefulness of enforcement by public authority (the principle applied in all Anglo-Saxon countries) is confirmed by this Norwegian experience.

There seems also to have been lacking a sufficient impetus to maintain a minimum wage law for groups of employees needing it as much as, but not more than, other branches of industry.

Minimum wage for female employees alone might have been defended on stronger grounds. But such differential protection of one sex in wage matters, familiar to the American legislator, is rather outside of the European tradition.<sup>11</sup> The experiment was discontinued.

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<sup>11</sup> France enacted specific legislation for female home workers, but extended its benefits to men working under identical conditions. The law referred rather to a predominantly female section of the industrial organization where there were abuses than to particular protection for one sex.

## CHAPTER 15.—RÔLE OF THE INTERNATIONAL LABOR ORGANIZATION

DOES minimum wage legislation develop in a particular, more or less uniform, direction? There seems to be a marked parallelism between the state of that development in Australasia about 1900, in England about 1912, and on the Continent of Europe at present. It is characterized by the gradual extension of minimum wage legislation to all home-work trades, although not yet to unorganized trades generally. Besides that general tendency, there are the more universal systems in countries whose form of government has been changed through social revolution, and the legislation in favor of female workers in shops and stores in the United States and Canada. Great Britain and Australasia have gradually extended their laws, until to-day Great Britain has minimum wage legislation for all unorganized trades, including agriculture, and Australasia minimum wage for practically all workers. There are also some odd laws for other groups of workers. There remain, however, many countries without any minimum wage legislation, and they are enabled thereby to keep their cost of production low, through low wages paid to home workers, etc., and to obtain in that way an advantage over their competitors in the world markets.

The International Labor Organization has for its general objective uniformity of social legislation, thus equalizing cost of production and enabling progressive countries to advance without fear of being placed at a disadvantage in competition with more conservative nations. Minimum wage seems to be one of the most important mediums for the application of that procedure, and Albert Thomas, director of the International Labor Office, has since 1920 favored the concluding of an international convention for establishing minimum wage-fixing machinery in all States which are members of the organization. Resolutions asking for an international convention protecting home workers through minimum wage were accepted on September 2, 1921, by an International Conference at Geneva, called by the League for the organization of progress, and in consequence similar resolutions were passed by institutions in France, Germany, Austria, and Czechoslovakia.

There was resistance from the employers' representatives, but as international regulation helps the nations having protection of home work against unfair competition from countries allowing sweating to continue, the decisive proposal came quite naturally from Sir Malcolm Delevingne, representative of the British Government in the International Labor Organization, Great Britain already having efficient legislation raising the pay of home workers and being interested in the equalization of competitive conditions. On the proposal of the governing body, the International Labor Conference of 1927 discussed in first reading the problem of "minimum wage-fixing machinery in trades in which organization of employers

and workers is defective and where wages are exceptionally low, with special reference to the home-working trades.”<sup>1</sup>

A questionnaire was prepared by the International Labor Office and adopted in a restricted form by the conference of 1927. The idea was to ascertain thereby the views of all Governments and to facilitate the drafting of such a convention as was likely to be ratified by them all.

There was a rather lively debate at the conference of 1927 as to the text of the questionnaire. Various employers’ representatives expressed the desire that it refer to home workers only. They desired to exclude other workers from the scope of the discussion in view of the convention to be drafted in 1928.<sup>2</sup> Mr. Gärtner, delegate of the German employers, claimed that Germany, having already enacted a law in favor of home workers, was not prepared to go beyond that point, and moved an amendment to restrict the questionnaire to home workers, Mr. Gassner, the delegate of the German Government, seconding the motion. The contrary opinion was defended by Mr. Nicholson, representative of the British Government, which protects both its home workers and its unorganized factory workers by minimum wage, and has the natural desire to avoid handicapping its industries in competition with countries with low wages, made possible by the lack of such legislation. The German proposition was lost by a vote of 61 to 34. By a vote of 89 to 22 it was decided to put the proposition on the agenda of the 1928 conference, only part of the employers’ delegates voting in the negative. The representative of the British employers voted “yes,” while employers’ representatives from some other countries abstained from voting. The representatives of the German Government voted for the proposition although their amendment had been rejected.

The questionnaire submitted by Miss Hesselgren (Sweden) for the committee tended toward restriction of the proposed convention to a few general principles, while all details as to wage-fixing machinery and as to the particular application of the plan to home work would be embodied in a recommendation.

The International Labor Office prepared very valuable data, which not only were useful for the Governments which have to answer the questionnaire and for the 1928 conference but also are useful for the general scientific understanding of the problem.

To test the point of “defective organization” it has been suggested that a comparison be made of the number of workers in a trade who are covered by collective agreements with the total number of workers in the trade. As one of the best methods to ascertain where wages are exceptionally low, it has been proposed to compare wages in a given occupation with those in allied trades.

The alternative standard of comparison would be the average wages paid, for example, to unskilled workers in a large number of

<sup>1</sup> Richardson, J. H., *A Study on the Minimum Wage*, London, 1927, p. 82. Mr. Richardson shows that real wages differ too much from country to country to make a uniform minimum wage possible. But he considers as a possible future step in that direction an agreement to prescribe in each country a minimum wage equal to a certain percentage of the average wages of unskilled workers in well-organized industries in the country in question.

<sup>2</sup> American Labor Legislation Review, New York, December, 1927: “The Move of Geneva for Minimum Wage Legislation,” by R. Broda (study based on the minutes of the conference).

organized trades. Wages in any particular occupation might be considered "exceptionally low" if they fall below a given percentage of the average level.

These scientific provisions for determining the trades where minimum-wage-fixing machinery is particularly desirable and the arguments advanced for and against the different tests may, of course, also be of value for nonmember countries which will not become signatories of the international convention and recommendation.

Up to January 21, 1928, 22 Governments had replied to the questionnaire.<sup>3</sup> All Governments except those of the three Scandinavian countries (Denmark, Norway, and Sweden) and of the Province of Quebec in their replies favor an international agreement for the establishment of minimum wage-fixing machinery. Norway and the Province of Quebec, which have minimum wage legislation, do not give any reason for their negative reply.<sup>4</sup> Denmark and Sweden start from the consideration that their workers are sufficiently organized to take care of themselves and that there is no need in these countries for minimum wage-fixing machinery. All the other countries, including 10 which at present have no minimum wage legislation, are in favor of the convention, and there seems therefore to be reason to believe that they will ratify the convention and establish legislation, which so far has not been enacted in their countries.

The answers as to scope of the machinery—whether or not to restrict it to home workers—were so divergent that the International Labor Office concluded in favor of a very general convention, leaving the Governments free to decide for what groups of trade machinery should be created.<sup>5</sup>

The answers of the Governments as to the principle of wage fixation to be developed were very divergent. Many Governments expressed the view that the individual country should be left free in that matter; others pointed to various considerations—capacity of the particular trade to pay, general level of wages, cost of living—and stated it to be impossible to decide a uniform way as to the dominating factor to be accepted.<sup>6</sup> The International Labor Office concluded from these replies that it is desirable to mention the wage-fixing principle only in the recommendation and not in the convention to be concluded. As the treaty of Versailles (preamble and pt. 13, art. 427) formulates the "adequate living wage" principle, the necessity to "enable the workers to maintain a suitable standard of living" should be taken into account. The International Labor Office recommended further that "regard should primarily be had to the rates of wages paid for similar work in trades where the workers are adequately organized and have concluded effective collective agreements." In the absence of such standard regard should be had "to the general level of wages prevailing in the country or the particular locality."<sup>7</sup>

<sup>3</sup> International Labor Office. Report on Minimum Wage-Fixing Machinery, Geneva, 1928.

<sup>4</sup> *Idem*, p. 90.

<sup>5</sup> *Idem*, p. 99.

<sup>6</sup> *Idem*, p. 105.

<sup>7</sup> *Idem*, p. 108.

Practically all Governments were of the opinion that the convention should not indicate any specific form of machinery.<sup>8</sup> The International Labor Office concluded in favor of freedom for the Governments to "determine the nature and form of the minimum wage-fixing machinery and the methods to be followed in its operation, provided that the rate of wages fixed shall be binding on the employers and workers concerned, so as not to be subject to a lowering by them by individual agreement, nor by collective agreement, except with the authorization of the competent authority under the machinery."<sup>9</sup>

Practically all Governments favored preliminary consultation with the trade and with specially qualified persons. Practically all Governments favored also representation of employers and workers, on equal terms, on the boards to be established.<sup>10</sup> Most of the Governments favored giving to the employers and workers concerned some voice in the selection of their representatives.<sup>11</sup> Most Governments also favored supervision of the law by the factory inspectors.<sup>12</sup>

The International Labor Office has elaborated, on the basis of the replies, propositions for a convention and for a recommendation as a basis for the deliberations of the conference of 1928.

Dr. Karl Pribram, until recently chief of the statistical section of the International Labor Office analyzed in his study "The regulation of minimum wages as an international problem," the problems to be solved by the International Labor Conference of 1928.<sup>13</sup> He showed that one of the main reasons for the reluctance of the central European countries to accept minimum wage-fixing machinery for trades other than home work is the general prevalence therein of the method of collective agreements. They do not wish any interference by State authorities with voluntary arrangements. Even workers' representatives fear the weakening of trade-union influence if the trade-union monopoly in the fixation of wages should be broken by interference by the authorities, a point of view similar, of course, to that of the American Federation of Labor.

Other countries, where collective agreements are less prevalent, and where minimum wage-fixing machinery already exists for factory trades, wish to protect these industries against competition by countries without minimum wage-fixing machinery for these trades. The fear was expressed that a convention restricting the machinery expressly to home work might hamper social progress in the advanced countries. Doctor Pribram, and with him the International Labor Office, favored as a way out such a form of convention that all States can assume its obligations, whatever may be the special tendencies of their legislation. The Governments should be left free to decide what groups of trades satisfy the general criteria specified.

The general conference of the International Labor Organization which met in Geneva on May 30, 1928, for its eleventh session decided, on June 1, to accept the outline of the International Labor Office as a basis of its discussions. A commission of 48 members was

<sup>8</sup> International Labor Office. Report on Minimum Wage-Fixing Machinery, Geneva, 1928, p. 109.

<sup>9</sup> *Idem*, p. 112.

<sup>10</sup> *Idem*, p. 115.

<sup>11</sup> *Idem*, p. 118.

<sup>12</sup> *Idem*, pp. 68-76.

<sup>13</sup> International Labor Office. International Labor Review, Geneva, March, 1928, p. 317.

appointed to prepare the text of a convention and of a recommendation. Doctor Feig, substitute delegate of the German Government, was chosen as "rapporteur."

By a vote of 27 to 17 the commission decided that the convention should not be restricted to home-work trades, but should first apply to them. A majority of the employers' delegates decided to submit to the conference a motion that home-work trades only should be affected by the convention. The final report of the commission was accepted by a vote of 31 to 7, 8 members abstaining from voting.<sup>14</sup>

The conference itself adopted article 1 of the convention by a vote of 63 to 27; article 2 by a vote of 68 to 2; article 3 by a vote of 75 to 4; article 4 unanimously; article 5 by a vote of 71 to 17. The final vote was 73 for the convention and 27 against it. The two-thirds vote necessary for its adoption was thereby achieved. All workers' delegates voted "yes." All governmental delegates voted likewise, except those of the Governments of Hungary and Yugoslavia, who voted "no." The delegates of the employers of Italy and Holland voted "yes"; those of the employers of South Africa, Brazil, Chile, China, Finland, Latvia, Norway, Rumania, and Uruguay abstained from voting. The employers' delegates of the other nations, including those of Great Britain, voted "no."

The only part of the recommendation which was seriously contested was that stating the principles of wage fixation recommended to the various States—"suitable standard of living" of the workers, regard being had to wages for similar work in adequately organized trades or, in the absence of such standards of reference, to the general level of wages.<sup>15</sup>

Mr. Gärtner, delegate of the German employers, moved that the special conditions of the industry, with regard to the conditions of supply, production, and competition should be taken into account; but the motion was lost by a vote of 52 to 27. The recommendation was finally adopted by a vote of 69 to 9.

There were, however, some fluctuations in the voting before the final formal vote, the opposition against the convention losing in strength, while the votes against the recommendation increased in number. The instructions finally received by the delegates were somewhat in variance with the votes they had cast at the close of the discussions. The final formal vote was as follows: For the convention, 76; against, 21. For the recommendation, 81; against, 18.

The convention in its final form provides (art. 1) for the creation of machinery for fixing minimum wages in trades (particularly in home-work trades) "in which no arrangements exist for the effective regulation of wages by collective agreement or otherwise and wages are exceptionally low."<sup>16</sup>

The nature and form of the machinery, the methods for its operation, and the selection of the trades where they are to be applied are left to the discretion of the signatory States.<sup>17</sup>

<sup>14</sup> Data taken from the minutes of the conference preserved at the International Labor Office in Geneva.

<sup>15</sup> See appendix, p. 124.

<sup>16</sup> See appendix, p. 121.

<sup>17</sup> Compare the brief summary of the main provisions in the International Labor Review, August, 1928. Geneva, p. 160.

The recommendation refers to various practical provisions, the usefulness of which has been tested by the experience of the States which have already created minimum wage-fixing machinery.

If this convention and this recommendation are duly ratified many fears of progressive countries that higher wages may play into the hands of competitors will disappear. Backward countries will fall into line to gain social prestige. The prospects seem to be favorable for the extension of minimum wage legislation among the States which are members of the International Labor Organization.

## CHAPTER 16.—RÔLE OF MINIMUM WAGE IN GENERAL PROGRESS OF INDUSTRIAL LIFE

**T**HE law of supply and demand, supplemented by industrial war, determines wages in most countries. Force rules in the wages field, as it does in the competition of industries or in the relation of States.

Minimum wage legislation substitutes scientific consideration of the worker's essential needs, as well as of the resources of industry, for the wasteful struggle between these elements and the supremacy of force.

The endeavors of its advocates for order and peace in the field of distribution of the product of labor have a striking parallel in the field of production of wealth—the endeavor for order and peace in industry and for its well-planned control, and the endeavor to run industry for satisfying consumers' needs instead of for individual profit and to coordinate it scientifically so as not to waste wealth in strife. Both endeavors have their parallel in the international field—the efforts for order and peace, for coordinating the interests of the nations, to satisfy each of them to the best of the technical and political ability available, and to direct them by the League of Nations, instead of wasting their resources in strife for obtaining particular advantages.

Coordination of parties paying and of parties receiving wages, coordination of industries, and coordination of nations—all endeavor to substitute a centralized control guided by science and equity for strife and force, and to do away with the losses from strife and thereby to give to all concerned a more equitable share in the increased common resources.

## APPENDIX.—DRAFT CONVENTION CONCERNING THE CREATION OF MINIMUM WAGE-FIXING MACHINERY<sup>1</sup>

The General Conference of the International Labor Organization of the League of Nations,

Having been convened at Geneva by the governing body of the International Labor Office, and having met in its eleventh session on May 30, 1928, and

Having decided upon the adoption of certain proposals with regard to minimum wage-fixing machinery, which is the first item on the agenda of the session, and

Having determined that these proposals shall take the form of a draft international convention, adopts, this 16th day of June of the year 1928, the following draft convention for ratification by the members of the International Labor Organization, in accordance with the provisions of Part XIII of the treaty of Versailles and of the corresponding parts of the other treaties of peace:

### *Article 1*

Each member of the International Labor Organization which ratifies this convention undertakes to create or maintain machinery whereby minimum rates of wages can be fixed for workers employed in certain of the trades or parts of trades (and in particular in home-working trades) in which no arrangements exist for the effective regulation of wages by collective agreement or otherwise and wages are exceptionally low.

For the purpose of this convention the term "trades" includes manufacture and commerce.

### *Article 2*

Each member which ratifies this convention shall be free to decide, after consultation with the organizations, if any, of workers and employers in the trade or part of trade concerned, in which trades or parts of trades, and in particular in which home-working trades or parts of such trades, the minimum wage-fixing machinery referred to in Article 1 shall be applied.

### *Article 3*

Each member which ratifies this convention shall be free to decide the nature and form of the minimum wage-fixing machinery, and the methods to be followed in its operation:

*Provided that*, (1) Before the machinery is applied in a trade or part of trade, representatives of the employers and workers concerned, including representatives of their respective organizations, if any, shall be consulted as well as any other persons, being specially qualified for the purpose by their trade or functions, whom the competent authority deems it expedient to consult.

(2) The employers and workers concerned shall be associated in the operation of the machinery, in such manner and to such extent, but in any case in equal numbers and on equal terms, as may be determined by national laws or regulations.

(3) Minimum rates of wages which have been fixed shall be binding on the employers and workers concerned so as not to be subject to abatement by them by individual agreement, nor, except with the general or particular authorization of the competent authority, by collective agreement.

### *Article 4*

Each member which ratifies this convention shall take the necessary measures, by way of a system of supervision and sanctions, to ensure that the em-

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<sup>1</sup> International Labor Office. Official Bulletin, Geneva, July 31, 1928. Supplement to Vol. XIII, No. 3.

ployers and workers concerned are informed of the minimum rates of wages in force and that wages are not paid at less than these rates in cases where they are applicable.

A worker to whom the minimum rates are applicable and who has been paid wages at less than these rates shall be entitled to recover, by judicial or other legalized proceedings, the amount by which he has been underpaid, subject to such limitation of time as may be determined by national laws or regulations.

#### *Article 5*

Each member which ratifies this convention shall communicate annually to the International Labor Office a general statement giving a list of the trades or parts of trades in which the minimum wage-fixing machinery has been applied, indicating the methods as well as the results of the application of the machinery and, in summary form, the approximate numbers of workers covered, the minimum rates of wages fixed, and the more important of the other conditions, if any, established relevant to the minimum rates.

#### *Article 6*

The formal ratifications of this convention under the conditions set forth in Part XIII of the treaty of Versailles and in the corresponding parts of the other treaties of peace shall be communicated to the secretary-general of the League of Nations for registration.

#### *Article 7*

This convention shall be binding only upon those members whose ratifications have been registered with the secretariat.

It shall come into force 12 months after the date on which the ratifications of two members of the International Labor Organization have been registered with the secretary-general.

Thereafter, this convention shall come into force for any member 12 months after the date on which its ratification has been registered.

#### *Article 8*

As soon as the ratifications of two members of the International Labor Organization have been registered with the secretariat, the secretary general of the League of Nations shall so notify all the members of the International Labor Organization. He shall likewise notify them of the registration of ratifications which may be communicated subsequently by other members of the organization.

#### *Article 9*

A member which has ratified this convention may denounce it after the expiration of 10 years from the date on which the convention first comes into force, by an act communicated to the secretary general of the League of Nations for registration. Such denunciation shall not take effect until one year after the date on which it is registered with the secretariat.

Each member which has ratified this convention and which does not, within the year following the expiration of the period of 10 years mentioned in the preceding paragraph, exercise the right of denunciation provided for in this article, will be bound for another period of five years and, thereafter, may denounce this convention at the expiration of each period of five years under the terms provided for in this article.

#### *Article 10*

At least once in 10 years the governing body of the International Labor Office shall present to the general conference a report on the working of this convention and shall consider the desirability of placing on the agenda of the conference the question of its revision or modification.

*Article 11*

The French and English texts of this convention shall both be authentic.

**Recommendation Concerning the Application of Minimum Wage-Fixing Machinery**

The General Conference of the International Labor Organization of the League of Nations,

Having been convened at Geneva by the governing body of the International Labor Office, and having met in its eleventh session on May 30, 1928, and

Having decided upon the adoption of certain proposals with regard to minimum wage-fixing machinery, which is the first item on the agenda of the session, and

Having determined that these proposals should take the form of a recommendation,

adopts, this 16th day of June of the year 1928, the following recommendation, to be submitted to the members of the International Labor Organization for consideration with a view to effect being given to it by national legislation or otherwise, in accordance with the provisions of Part XIII of the treaty of Versailles and of the corresponding parts of the other treaties of peace:

**A**

The General Conference of the International Labor Organization,

Having adopted a draft convention concerning the creation of minimum wage-fixing machinery, and

Desiring to supplement this draft convention by putting on record for the guidance of the members certain general principles which, as present practice and experience show, produce the most satisfactory results, recommends that each member should take the following principles and rules into consideration:

**I**

(1) In order to insure that each member ratifying the convention is in possession of the information necessary for a decision upon the application of minimum wage-fixing machinery, the wages actually paid and the arrangements, if any, for the regulation of wages should be ascertained in respect of any trade or part of trade to which employers or workers therein request the application of the machinery and furnish information which shows *prima facie* that no arrangements exist for the effective regulation of wages and that wages are exceptionally low.

(2) Without prejudice to the discretion left to the members by the draft convention to decide in which trades or parts of trades in their respective countries it is expedient to apply minimum wage-fixing machinery, special regard might usefully be had to trades or parts of trades in which women are ordinarily employed.

**II**

(1) The minimum wage-fixing machinery, whatever form it may take (for instance, trade boards for individual trades, general boards for groups of trades, compulsory arbitration tribunals) should operate by way of investigation into the relevant conditions in the trade or part of trade concerned and consultation with the interests primarily and principally affected, that is to say, the employers and workers in the trade or part of trade, whose views on all matters relating to the fixing of the minimum rates of wages should in any case be solicited and be given full and equal consideration.

(2) (a) To secure greater authority for the rates that may be fixed, it should be the general policy that the employers and workers concerned through representatives equal in number or having equal voting strength, should jointly take a direct part in the deliberations and decisions of the wage-fixing body; in any case, where representation is accorded to one side, the

other side should be represented on the same footing. The wage-fixing body should also include one or more independent persons whose votes can insure effective decisions being reached in the event of the votes of the employers' and workers' representatives being equally divided. Such independent persons should, as far as possible, be selected in agreement with or after consultation with the employers' and workers' representatives on the wage-fixing body.

(b) In order to insure that the employers' and workers' representatives shall be persons having the confidence of those whose interests they respectively represent, the employers and workers concerned should be given a voice as far as is practicable in the circumstances in the selection of their representatives, and if any organizations of the employers and workers exist these should in any case be invited to submit names of persons recommended by them for appointment on the wage-fixing body.

(c) The independent person or persons mentioned in paragraph (a) should be selected from among men or women recognized as possessing the necessary qualifications for their duties and as being dissociated from any interest in the trade or part of trade concerned which might be calculated to put their impartiality in question.

(d) Wherever a considerable proportion of women are employed, provision should be made as far as possible for the inclusion of women among the workers' representatives and of one or more women among the independent persons mentioned in paragraph (a).

### III

For the purpose of determining the minimum rates of wages to be fixed, the wage-fixing body should in any case take account of the necessity of enabling the workers concerned to maintain a suitable standard of living. For this purpose regard should primarily be had to the rates of wages being paid for similar work in trades where the workers are adequately organized and have concluded effective collective agreements, or, if no such standard of reference is available in the circumstances, to the general level of wages prevailing in the country or in the particular locality.

Provision should be made for the review of the minimum rates of wages fixed by the wage-fixing bodies when this is desired by the workers or employers who are members of such bodies.

### IV

For effectively protecting the wages of the workers concerned and safeguarding the employers affected against the possibility of unfair competition, the measures to be taken to insure that wages are not paid at less than the minimum rates which have been fixed should include:

(a) Arrangements for informing the employers and workers of the rates in force;

(b) Official supervision of the rates actually being paid; and

(c) Penalties for infringements of the rates in force and measures for preventing such infringements.

(1) In order that the workers, who are less likely than the employers to have their own means of acquainting themselves with the wage-fixing body's decisions, may be kept informed of the minimum rates at which they are to be paid, employers might be required to display full statements of the rates in force in readily accessible positions on the premises where the workers are employed, or in the case of home workers on the premises where the work is given out or returned on completion or wages paid.

(2) A sufficient staff of inspectors should be employed, with powers analogous to those proposed for factory inspectors in the recommendation concerning the general principles for the organization of systems of inspection adopted by the general conference in 1923, to make investigations among the employers and workers concerned with a view to ascertaining whether the minimum rates in force are in fact being paid and taking such steps as may be authorized to deal with infringements of the rates.

As a means of enabling the inspectors adequately to carry out these duties, employers might be required to keep complete and authentic records of the

wages paid by them, or in the case of home workers to keep a list of the workers with their addresses and provide them with wage books or other similar record containing such particulars as are necessary to ascertain if the wages actually paid correspond to the rates in force.

(3) In cases where the workers are not in general in a position individually to enforce, by judicial or other legalized proceedings, their rights to recover wages due at the minimum rates in force, such other measures should be provided as may be considered effective for preventing infringements of the rates.

## B

The General Conference of the International Labor Organization thinks it right to call the attention of Governments to the principle affirmed by article 427 of the peace treaty that men and women should receive equal remuneration for work of equal value.



## LIST OF BULLETINS OF THE BUREAU OF LABOR STATISTICS

The following is a list of all bulletins of the Bureau of Labor Statistics published since July, 1912, except that in the case of bulletins giving the results of periodic surveys of the bureau only the latest bulletin on any one subject is here listed.

A complete list of the reports and bulletins issued prior to July, 1912, as well as the bulletins published since that date, will be furnished on application. Bulletins marked thus (\*) are out of print.

### Conciliation and Arbitration (including strikes and lockouts).

- \*No. 124. Conciliation and arbitration in the building trades of Greater New York. [1913.]
- \*No. 133. Report of the industrial council of the British Board of Trade on its inquiry into industrial agreements. [1913.]
- No. 139. Michigan copper district strike. [1914.]
- No. 144. Industrial court of the cloak, suit, and skirt industry of New York City. [1914.]
- No. 145. Conciliation, arbitration, and sanitation in the dress and waist industry of New York City. [1914.]
- \*No. 191. Collective bargaining in the anthracite-coal industry. [1916.]
- \*No. 198. Collective agreements in the men's clothing industry. [1916.]
- No. 233. Operation of the industrial disputes investigation act of Canada. [1918.]
- No. 255. Joint industrial councils in Great Britain. [1919.]
- No. 283. History of the Shipbuilding Labor Adjustment Board, 1917 to 1919.
- No. 287. National War Labor Board: History of its formation, activities, etc. [1921.]
- No. 303. Use of Federal power in settlement of railway labor disputes. [1922.]
- No. 341. Trade agreement in the silk-ribbon industry of New York City. [1923.]
- No. 402. Collective bargaining by actors. [1926.]
- No. 448. Trade agreements, 1926.

### Cooperation.

- No. 313. Consumers' cooperative societies in the United States in 1920.
- No. 314. Cooperative credit societies in America and in foreign countries. [1922.]
- No. 437. Cooperative movement in the United States in 1925 (other than agricultural).

### Employment and Unemployment.

- \*No. 109. Statistics of unemployment and the work of employment offices in the United States. [1913.]
- No. 172. Unemployment in New York City, N. Y. [1915.]
- \*No. 183. Regularity of employment in the women's ready-to-wear garment industries. [1915.]
- \*No. 195. Unemployment in the United States. [1916.]
- No. 196. Proceedings of the Employment Managers' Conference held at Minneapolis, Minn., January 19 and 20, 1916.
- \*No. 202. Proceedings of the conference of Employment Managers' Association of Boston, Mass., held May 10, 1916.
- No. 206. The British system of labor exchanges. [1916.]
- No. 227. Proceedings of the Employment Managers' Conference, Philadelphia, Pa., April 2 and 3, 1917.
- No. 235. Employment system of the Lake Carriers' Association. [1918.]
- \*No. 241. Public employment offices in the United States. [1918.]
- No. 247. Proceedings of Employment Managers' Conference, Rochester, N. Y., May 9-11, 1918.
- No. 310. Industrial unemployment: A statistical study of its extent and causes. [1922.]
- No. 409. Unemployment in Columbus, Ohio, 1921 to 1925.

### Foreign Labor Laws.

- \*No. 142. Administration of labor laws and factory inspection in certain European countries. [1914.]

### Housing.

- \*No. 158. Government aid to home owning and housing of working people in foreign countries. [1914.]
- No. 263. Housing by employers in the United States. [1920.]
- No. 295. Building operations in representative cities in 1920.
- No. 449. Building permits in the principal cities of the United States in [1925 and] 1926.

### Industrial Accidents and Hygiene.

- \*No. 104. Lead poisoning in potteries, tile works, and porcelain enameled sanitary ware factories. [1912.]
- No. 120. Hygiene of the painters' trade. [1913.]
- \*No. 127. Dangers to workers from dusts and fumes, and methods of protection. [1913.]
- \*No. 141. Lead poisoning in the smelting and refining of lead. [1914.]
- \*No. 157. Industrial accident statistics. [1915.]
- \*No. 165. Lead poisoning in the manufacture of storage batteries. [1914.]
- \*No. 179. Industrial poisons used in the rubber industry. [1915.]
- No. 188. Report of British departmental committee on the danger in the use of lead in the painting of buildings. [1916.]
- \*No. 201. Report of committee on statistics and compensation insurance cost of the International Association of Industrial Accident Boards and Commissions. [1916.]
- \*No. 207. Causes of death, by occupation. [1917.]
- \*No. 209. Hygiene of the printing trades. [1917.]
- \*No. 219. Industrial poisons used or produced in the manufacture of explosives. [1917.]

#### Industrial Accidents and Hygiene—Continued.

- No. 221. Hours, fatigue, and health in British munition factories. [1917.]
- No. 230. Industrial efficiency and fatigue in British munition factories. [1917.]
- \*No. 231. Mortality from respiratory diseases in dusty trades (inorganic dusts). [1918.]
- \*No. 234. Safety movement in the iron and steel industry, 1907 to 1917.
- No. 236. Effects of the air hammer on the hands of stonemasons. [1918.]
- No. 249. Industrial health and efficiency. Final report of British Health of Munition Workers' Committee. [1919.]
- \*No. 251. Preventable death in the cotton-manufacturing industry. [1919.]
- No. 256. Accidents and accident prevention in machine building. [1919.]
- No. 267. Anthrax as an occupational disease. [1920.]
- No. 276. Standardization of industrial accident statistics. [1920.]
- No. 280. Industrial poisoning in making coal-tar dyes and dye intermediates. [1921.]
- No. 291. Carbon-monoxide poisoning. [1921.]
- No. 293. The problem of dust phthisis in the granite-stone industry. [1922.]
- No. 298. Causes and prevention of accidents in the iron and steel industry, 1910-1919.
- No. 306. Occupational hazards and diagnostic signs: A guide to impairments to be looked for in hazardous occupations. [1922.]
- No. 339. Statistics of industrial accidents in the United States. [1923.]
- No. 392. Survey of hygienic conditions in the printing trades. [1925.]
- No. 405. Phosphorus necrosis in the manufacture of fireworks and in the preparation of phosphorus. [1926.]
- No. 425. Record of industrial accidents in the United States to 1925.
- No. 426. Deaths from lead poisoning. [1927.]
- No. 427. Health survey of the printing trades, 1922 to 1925.
- No. 428. Proceedings of the Industrial Accident Prevention Conference, held at Washington, D. C., July 14-16, 1926.
- No. 460. A new test for industrial lead poisoning. [1928.]
- No. 466. Settlement for accidents to American seamen. [1928.]

#### Industrial Relations and Labor Conditions.

- No. 237. Industrial unrest in Great Britain. [1917.]
- No. 340. Chinese migrations, with special reference to labor conditions. [1923.]
- No. 349. Industrial relations in the West Coast lumber industry. [1923.]
- No. 361. Labor relations in the Fairmont (W. Va.) bituminous-coal field. [1924.]
- No. 380. Postwar labor conditions in Germany. [1925.]
- No. 383. Works council movement in Germany. [1925.]
- No. 384. Labor conditions in the shoe industry in Massachusetts, 1920-1924.
- No. 399. Labor relations in the lace and lace-curtain industries in the United States. [1925.]

#### Labor Laws of the United States (including decisions of courts relating to labor).

- No. 211. Labor laws and their administration in the Pacific States. [1917.]
- No. 229. Wage-payment legislation in the United States. [1917.]
- No. 285. Minimum-wage laws of the United States Construction and operation. [1921.]
- No. 321. Labor laws that have been declared unconstitutional. [1922.]
- No. 322. Kansas Court of Industrial Relations. [1923.]
- No. 343. Laws providing for bureaus of labor statistics, etc. [1923.]
- No. 370. Labor laws of the United States, with decisions of courts relating thereto. [1925.]
- No. 408. Laws relating to payment of wages. [1926.]
- No. 434. Labor legislation of 1926.
- No. 444. Decisions of courts and opinions affecting labor, 1926.

#### Proceedings of Annual Conventions of the Association of Governmental Labor Officials of the United States and Canada.

- \*No. 266. Seventh, Seattle, Wash., July 12-15, 1920.
- No. 307. Eighth, New Orleans, La., May 2-6, 1921.
- No. 323. Ninth, Harrisburg, Pa., May 22-26, 1922.
- No. 352. Tenth, Richmond, Va., May 1-4, 1923.
- No. 389. Eleventh, Chicago, Ill., May 19-23, 1924.
- No. 411. Twelfth, Salt Lake City, Utah, August 13-15, 1925.
- No. 429. Thirteenth, Columbus, Ohio, June 7-10, 1926.
- No. 455. Fourteenth, Paterson, N. J., May 31 to June 3, 1927.

#### Proceedings of Annual Meetings of the International Association of Industrial Accident Boards and Commissions.

- No. 210. Third, Columbus, Ohio, April 25-28, 1916.
- No. 248. Fourth, Boston, Mass., August 21-25, 1917.
- No. 264. Fifth, Madison, Wis., September 24-27, 1918.
- \*No. 273. Sixth, Toronto, Canada, September 23-26, 1919.
- No. 281. Seventh, San Francisco, Calif., September 20-24, 1920.
- No. 304. Eighth, Chicago, Ill., September 19-23, 1921.
- No. 333. Ninth, Baltimore, Md., October 9-13, 1922.
- No. 359. Tenth, St. Paul, Minn., September 24-26, 1923.
- No. 385. Eleventh, Halifax, Nova Scotia, August 26-28, 1924.
- No. 395. Index to proceedings, 1914-1924.
- No. 406. Twelfth, Salt Lake City, Utah, August 17-20, 1925.
- No. 432. Thirteenth, Hartford, Conn., September 14-17, 1926.
- No. 456. Fourteenth, Atlanta, Ga., September 27-29, 1927.

#### Proceedings of Annual Meetings of International Association of Public Employment Services.

- No. 192. First, Chicago, December 19 and 20, 1913; second, Indianapolis, September 24 and 25, 1914; third, Detroit, July 1 and 2, 1915.
- No. 220. Fourth, Buffalo, N. Y., July 20 and 21, 1916.
- No. 311. Ninth, Buffalo, N. Y., September 7-9, 1921.
- No. 337. Tenth, Washington, D. C., September 11-13, 1922.

**Proceedings of Annual Meetings of International Association of Public Employment Services.—**

Continued.

- No. 355. Eleventh, Toronto, Canada, September 4-7, 1923.
- No. 400. Twelfth, Chicago, Ill., May 19-23, 1924.
- No. 414. Thirteenth, Rochester, N. Y., September 15-17, 1925.

**Productivity of Labor.**

- No. 356. Productivity costs in the common-brick industry. [1924.]
- No. 360. Time and labor costs in manufacturing 100 pairs of shoes, 1923.
- No. 407. Labor costs of production and wages and hours of labor in the paper box-board industry. [1926.]
- No. 412. Wages, hours, and productivity in the pottery industry, 1925.
- No. 441. Productivity of labor in the glass industry. [1927.]

**Retail Prices and Cost of Living.**

- \*No. 121. Sugar prices, from refiner to consumer. [1913.]
- \*No. 130. Wheat and flour prices, from farmer to consumer. [1913.]
- \*No. 164. Butter prices, from producer to consumer. [1914.]
- No. 170. Foreign food prices as affected by the war. [1915.]
- No. 357. Cost of living in the United States. [1924.]
- No. 369. The use of cost-of-living figures in wage adjustments. [1925.]
- No. 464. Retail prices, 1890 to 1927.

**Safety Codes.**

- \*No. 331. Code of lighting: Factories, mills, and other work places.
- No. 336. Safety code for the protection of industrial workers in foundries.
- No. 350. Specifications of laboratory tests for approval of electric headlighting devices for motor vehicles.
- No. 351. Safety code for the construction, care, and use of ladders.
- No. 375. Safety code for laundry machinery and operations.
- No. 378. Safety code for woodworking plants.
- No. 382. Code of lighting school buildings.
- No. 410. Safety code for paper and pulp mills.
- No. 430. Safety code for power presses and hand presses.
- No. 433. Safety codes for the prevention of dust explosions.
- No. 436. Safety code for the use, care, and protection of abrasive wheels.
- No. 447. Safety code for rubber mills and calenders.
- No. 451. Safety code for forging and hot-metal stamping.
- No. 463. Safety code for mechanical power-transmission apparatus—first revision.

**Vocational and Workers' Education.**

- \*No. 159. Short-unit courses for wage earners, and a factory school experiment. [1915.]
- \*No. 162. Vocational education survey of Richmond, Va. [1915.]
- \*No. 199. Vocational education survey of Minneapolis, Minn. [1917.]
- No. 271. Adult working-class education in Great Britain and the United States. [1920.]
- No. 459. Apprenticeship in building construction. [1928.]

**Wages and Hours of Labor.**

- \*No. 146. Wages and regularity of employment and standardization of piece rates in the dress and waist industry of New York City. [1914.]
- \*No. 147. Wages and regularity of employment in the cloak, suit, and skirt industry. [1914.]
- No. 161. Wages and hours of labor in the clothing and cigar industries, 1911 to 1913.
- No. 163. Wages and hours of labor in the building and repairing of steam railroad cars, 1907 to 1913.
- \*No. 190. Wages and hours of labor in the cotton, woolen, and silk industries, 1907 to 1914.
- No. 204. Street-railway employment in the United States. [1917.]
- No. 225. Wages and hours of labor in the lumber, millwork, and furniture industries, 1915.
- No. 265. Industrial survey in selected industries in the United States, 1919.
- No. 297. Wages and hours of labor in the petroleum industry, 1920.
- No. 356. Productivity costs in the common-brick industry. [1924.]
- No. 358. Wages and hours of labor in the automobile-tire industry, 1923.
- No. 360. Time and labor costs in manufacturing 100 pairs of shoes, 1923.
- No. 365. Wages and hours of labor in the paper and pulp industry, 1923.
- No. 394. Wages and hours of labor in metalliferous mines, 1924.
- No. 407. Labor cost of production and wages and hours of labor in the paper box-board industry. [1925.]
- No. 412. Wages, hours, and productivity in the pottery industry, 1925.
- No. 413. Wages and hours of labor in the lumber industry in the United States, 1925.
- No. 416. Hours and earnings in anthracite and bituminous coal mining, 1922 and 1924.
- No. 421. Wages and hours of labor in the slaughtering and meat-packing industry, 1925.
- No. 422. Wages and hours of labor in foundries and machine shops, 1925.
- No. 435. Wages and hours of labor in the men's clothing industry, 1911 to 1926.
- No. 438. Wages and hours of labor in the motor-vehicle industry, 1925.
- No. 442. Wages and hours of labor in the iron and steel industry, 1907 to 1926.
- No. 443. Wages and hours of labor in woolen and worsted goods manufacturing, 1910 to 1926.
- No. 446. Wages and hours of labor in cotton-goods manufacturing, 1910 to 1926.
- No. 450. Wages and hours of labor in the boot and shoe industry, 1907 to 1926.
- No. 452. Wages and hours of labor in the hosiery and underwear industries, 1907 to 1926.
- No. 454. Hours and earnings in bituminous-coal mining, 1922, 1924, and 1926.
- No. 457. Union scales of wages and hours of labor, May 15, 1927.

#### Welfare Work.

- \*No. 123. Employers' welfare work. [1913.]
- No. 222. Welfare work in British munitions factories. [1917.]
- \*No. 250. Welfare work for employees in industrial establishments in the United States. [1919.]
- No. 458. Health and recreation activities in industrial establishments, 1926.

#### Wholesale Prices.

- No. 284. Index numbers of wholesale prices in the United States and foreign countries. [1921.]
- No. 440. Wholesale prices, 1890 to 1926.
- No. 453. Revised index numbers of wholesale prices, 1923 to July, 1927.

#### Women and Children in Industry.

- No. 116. Hours, earnings, and duration of employment of wage-earning women in selected industries in the District of Columbia. [1913.]
- \*No. 117. Prohibition of night work of young persons. [1913.]
- No. 118. Ten-hour maximum working-day for women and young persons. [1913.]
- No. 119. Working hours of women in the pea canneries of Wisconsin. [1913.]
- \*No. 122. Employment of women in power laundries in Milwaukee. [1913.]
- No. 160. Hours, earnings, and conditions of labor of women in Indiana mercantile establishments and garment factories. [1914.]
- \*No. 167. Minimum-wage legislation in the United States and foreign countries. [1915.]
- \*No. 175. Summary of the report on conditions of woman and child wage earners in the United States. [1915.]
- \*No. 176. Effect of minimum-wage determinations in Oregon. [1915.]
- \*No. 180. The boot and shoe industry in Massachusetts as a vocation for women. [1915.]
- \*No. 182. Unemployment among women in department and other retail stores of Boston, Mass. [1916.]
- No. 193. Dressmaking as a trade for women in Massachusetts. [1916.]
- No. 215. Industrial experience of trade-school girls in Massachusetts. [1917.]
- \*No. 217. Effect of workmen's compensation laws in diminishing the necessity of industrial employment of women and children. [1918.]
- No. 223. Employment of women and juveniles in Great Britain during the war. [1917.]
- No. 253. Women in the lead industries. [1919.]

#### Workmen's Insurance and Compensation (including laws relating thereto).

- \*No. 101. Care of tuberculous wage earners in Germany. [1912.]
- \*No. 102. British national insurance act, 1911.
- No. 103. Sickness and accident insurance law of Switzerland. [1912.]
- No. 107. Law relating to insurance of salaried employees in Germany. [1913.]
- \*No. 155. Compensation for accidents to employees of the United States. [1914.]
- No. 212. Proceedings of the conference on social insurance called by the International Association of Industrial Accident Boards and Commissions, Washington, D. C., December 5-9, 1916.
- \*No. 243. Workmen's compensation legislation in the United States and foreign countries, 1917 and 1918.
- No. 301. Comparison of workmen's compensation insurance and administration. [1922.]
- No. 312. National health insurance in Great Britain, 1911 to 1921.
- No. 379. Comparison of workmen's compensation laws of the United States as of January 1, 1925.
- No. 423. Workmen's compensation legislation of the United States and Canada as of July 1, 1926.

#### Miscellaneous Series.

- \*No. 174. Subject index of the publications of the United States Bureau of Labor Statistics up to May 1, 1915.
- No. 208. Profit sharing in the United States. [1916.]
- No. 242. Food situation in central Europe, 1917.
- No. 254. International labor legislation and the society of nations. [1919.]
- No. 268. Historical survey of international action affecting labor. [1920.]
- No. 282. Mutual relief associations among Government employees in Washington, D. C. [1921.]
- No. 299. Personal research agencies: A guide to organized research in employment management, industrial relations, training, and working conditions. [1921.]
- No. 319. The Bureau of Labor Statistics: Its history, activities, and organization. [1922.]
- No. 326. Methods of procuring and computing statistical information of the Bureau of Labor Statistics. [1923.]
- No. 342. International Seamen's Union of America: A study of its history and problems. [1923.]
- No. 346. Humanity in government. [1923.]
- No. 372. Convict labor in 1923.
- No. 386. Cost of American almshouses. [1925.]
- No. 398. Growth of legal-aid work in the United States. [1926.]
- No. 401. Family allowances in foreign countries. [1926.]
- No. 420. Handbook of American trade-unions. [1926.]
- No. 439. Handbook of labor statistics, 1924 to 1926.
- No. 461. Labor organizations in Chile. [1928.]
- No. 462. Park recreation areas in the United States. [1928.]
- No. 465. Beneficial activities of American trade-unions. [1928.]

