

THE KYOTO UNIVERSITY ECONOMIC REVIEW

MEMOIRS OF THE FACULTY OF ECONOMICS
IN THE KYOTO UNIVERSITY

Vol. XXXVII, No. 2

OCTOBER 1967

Whole No. 83

CONTENTS

N. Bukharin and G. Lukacs

Toshiko HIRAI 1

The Structural Development of the
Trade Unions in the Transitional
Period Leading up to Monopolisation

Kaichi MAEKAWA 17

Early Experiences of the British
Balance Sheet

Sadao TAKATERA 34

PUBLISHED BY

THE FACULTY OF ECONOMICS, KYOTO UNIVERSITY

SAKYO-KU, KYOTO, JAPAN

THE STRUCTURAL DEVELOPMENT OF THE TRADE UNIONS IN THE TRANSITIONAL PERIOD LEADING UP TO MONOPOLISATION

By Kaichi MAEKAWA*

I

The Craft Union which used to assume its predominant function in the period of industrial capital came to arrive at its limits in the transitional period leading up to the stage of so-called capitalist monopolisation. By limits is meant that it became impossible for the Craft Union to cope functionally and organisationally with the changes in the structure of demand for wage labourers, caused by the transition to the monopolised stage, and the development of control over wage labour by capital, and that as a result the Craft Union movement came to be fruitless as the Trade Unions. Why is it then that it became impossible for the Craft Union to keep up with the changes in the structure of demand for wage labourers and the dominance of capital over them? To find the answer to this question it is necessary to make a study of changes in the structure of demand for wage labourers.

The development of capitalist production is the process in which the scale of production is extended by encouraging capitalist accumulation through the collection and concentration of capital. Therefore, it follows in this sense that the development of productive power penetrates into this process as an inherent law of the capitalist production. It is indisputable that the development of capitalist production should be considered as the development of capitalist accumulation, i.e. productive power. Needless to say, the development of productive power is achieved from such technical development as improvements and introductions of means of production, but it must be noted that any change in means of production will bring about corresponding changes both in the process of labour and the structure of skill, which will force the structure of demand for wage labourers to undergo corresponding changes. Then how did such changes in the development of productive power take place concretely in the transitional period leading up to the stage of monopoly?

As machinery tended to develop in the direction of further precision and more exclusive use, so the process of labour tended to take the course of further

* Assistant Professor of Economics, Kyoto University

division, standardisation and simplification. Work as a compound of varied types of jobs which used to require only manual labour previously were replaced by simpler types of jobs which were cut down in their scope and content. Furthermore, even if the necessity for the skilled labour at this stage was felt, it was a new skill requiring a specific new knowledge and experience which were required only in the reduced field of work. Thus the change in means of production gave rise to the change in the structure of skill and trade was broken into jobs. The central production labour force who carried out such jobs was constituted by less skilled labour but not because less-skilled labour could carry out production just as efficiently as before. Because the wage rate was then being prepared on the basis of the degree of skill, less skilled labour was getting less wages, and if any worker happened to be in a field unbound by the regulations of the Craft Union, it was quite natural that capital had a demand for such unskilled labour on account of the change in the process of labour. As capital proceeded to introduce and improve the means of production, the way to obtain the necessary labour suitable to the new structure of skill gradually underwent a change to a direct acquisition of less skilled labour that was better fitted to the new process of labour needed. In short the structure of demand for wage labour by capital had to change its nature from skilled to less skilled labour¹⁾.

As far as the demand of capital for wage labourers was centralised towards less skilled labour, the control of capital over wage labourers naturally came to be mainly directed to less skilled labour. Because the Craft Union was an organisation composed of skilled labour, excluding unskilled labour as already mentioned, capital attempted to adopt policies to take their own direct administrative measures to exercise control over unskilled labour that was not bound by union regulations. In particular such policies included, for instance, free security of labour power, posting of labour power, regulations of technical training and promotion by individual capital, formation of wage-scale within one enterprise, entrepreneur's direct restriction with respects to working hours and other conditions of work, etc. In this way capital planned, by adopting case-by-case policies according to each enterprise to control wage labour with emphasis primarily on less skilled labour. This was definitely capital's challenge to the Craft Union. Could the Craft Union keep up resistance against such capitalist labour policies?

The Craft Union had been maintaining its own trade policies which were composed of (1) policies of monopoly of occupation and of limitation of the supply of labour power and (2) mutual insurance based on the principle of "vested interests" and "demand and supply". The idea of "vested interests", which was one of their fundamental principles, was subservient to the protection of privileged

1) James B. Jefferys, *The Story of Engineers*, 1951.

interests due to practices on the part of skilled labour²⁾. This idea was maintained as a piece of logic to protect the skilled labourer who had to succeed the manual labourer and was intertwined into a system of modern capitalist production, because the skilled labourer had to stand against the formation of modern wage labourers given rise to by the progress of the industrial revolution on the one hand. However, this idea was destined to give up its logic when changes took place in the structure of skill and correspondingly in the nature of demand for wage labourers due to the development of capitalist production. Webb's description runs as follows: "As the Industrial Revolution progressed, the objection to any interference with mobility increased in strength. New armies of workpeople grew up, without vested interests of their own, and accordingly opposed to any conception of society which excluded them from the most profitable occupations. Finally, we have the rise in influence of the great body of consumers, loth to admit that the disappointment of the 'established expectation' of particular sections of workers is any adequate ground for refraining from the cheapest method of satisfying their ever-changing desires. The result is that even trade unionists feel the Doctrine of 'Vested Interests' to be out of date."³⁾

The Craft Union in itself was forced to reconsider, because they realised that the aforementioned trade policy adopted by them had reached its limits. The monopolised occupation based on 'vested interest' meant the organisational control by skilled labour over the quantity and quality of work corresponding to each trade, and it was possible to do so by enforcing regulations pertaining to machines and materials and by traditionally maintaining their skill. But it became impossible to make distinctions of occupation only on the basis of the usual trade-standard, because of the changes in the labour process caused by improvements in machines. It was utterly impossible to draw a line of distinction regarding the extent or content of work, whatever basis—the purpose of products, the users of machines, materials and what not—might be applied⁴⁾. Under such circumstance capitalists began to bring forward their claim "to abolish all arbitrary boundaries between different handicrafts, and leaving it to the master.....to settle how work is to be distributed....."⁵⁾ In other words it meant the establishment of an administrative right of production process by capital. On the other hand unskilled

2) Webb, *Industrial Democracy*, 1920, p. 562. "The theory of vested interests considered the right of trade as a sole and exclusive claim, and meant that the wages and other conditions of employment hitherto enjoyed by any section of workmen ought under no circumstances to be interfered with for the worse." Needless to say, the workmen represent skilled workers.

3) Webbs, *ibid.*, p. 571.

4) What is meant by the monopolised control of occupation is the exclusive control over quantity and quality of work, whereas the Craft Union was in the habit of establishing the scope of work on the basis of manufactured goods, machinery and materials, etc.

5) Webb, *ibid.*, pp. 518-519.

labour also kept up their resistance against the skilled labour monopoly, and the Craft Union's policies of monopolised occupations were confronted with the antagonism both of the employers and of the unskilled labour. Therefore, the Craft Unions were forced into a situation where it had to alter or modify their policies⁶⁾. This meant nothing other than the lapse of the validity of the doctrine of "vested interests".

Behind the policy to control labour supply practiced by the Craft Union was the theory of "demand and supply". Since it had a seemingly logical ground to make organised workers accept its economical rationality, its validity was maintained as a logical policy by the Craft Union for a long time. Nevertheless, it became no longer possible to keep up the validity of such an idea of "demand and supply" when the relative importance of unskilled labour tended to increase in weight on account of the changes taking place in the structure of demand for labour power caused by the development of capitalist production, when the tendency of excessive labour in the market grew greater and greater, and particularly when the Great Depression set in the closing period of the nineteenth century. It was only right that the class of unskilled or less skilled labour, namely dock workers and miners, should raise their own determined objection⁷⁾.

Then, how did the Craft Union's policy to control labour supply based on the theory of "demand and supply" come to lose its validity? One of the practical measures to control labour supply was the system of apprenticeship. The fact that the economical effectiveness in favour of less skilled labour was secured due to the change in the structure of techniques meant the weakening of the significance of technical training, which used to be the most important function of the system of apprenticeship. The Craft Union was in the habit of enforcing control over the labour supply by autonomous technical training through the system of apprenticeship, thereby regulating quantitative and qualitative supply of skilled labour, and so the loss of such functional effectiveness gave the Craft Unionists a death-blow. Emphasis that used to be placed on their policy to control labour supply had to be changed and directed from the regulation of apprentices towards other policies, such as the regulation of juvenile labour, and the exclusion of female labour, etc., facts which can well be taken to be a distinct illustration of the retreat

6) John Burns raised a question so that the policy might be altered, discussing the following with regard to the relationship of confrontation between employer and employee relating to the distribution of work in 1896: "The whole question from our point of view is really one of wages, and inasmuch as the employers disclaim any intention of invading our territory as skilled mechanics, we believe that a mutually satisfactory solution of the difficulty is to be found in local joint committees, with a reference to the Board of Trade; such committees to decide—having due regard to class of machines, quality of work, and standard rate of district—upon the wage to be paid. We shall send in these proposals in proper form." *Amalgamated Engineers' Monthly Journal*, April 1897.

7) Webb, *op. cit.*, pp. 588–89.

of their labour supply policy⁸⁾.

The second point we must take up is the fact that the function of the Union in respect to the regulation of progression within the trade came to slacken. As mentioned previously, because of the facts that capital made much use of less skilled labour with less emphasis on skilled labour, on account of the change in the structure of demand for labour, and established a right of labour administration including regulated progression according to each enterprise, the regulation of progression to be put into practice by the Union came to turn out to have no meaning.

The slackening of the policy to control labour supply practiced by the Craft Union as discussed above gave rise to the necessity of making a reexamination, from the practical point of view, of the validity of the theory of "demand and supply" which was presumed to be the fundamental doctrine. In other words, it became necessary for the trade union to find some other logical policy to take the place of the old logic of "vested interest" and "demand and supply".

The foregoing survey enables us to conclude reasonably that the functional limit of the Craft Union was at the same time the organisational limit of the Craft Union, because their function and organisation were relative to each other. One of the Craft Union's two organisational principles was exclusivism and the other was interior control by the system of centralised authority. What was meant by organisational exclusivism was to admit to membership only those whose job qualifications were approved by the Union, excluding all other workers, and to prevent all unionists of other kinds from coming into a monopolised occupation. At a particular stage when the order of labour was formed in conformity with skill or technique, the Union could make this exclusivism their leading organisational principle by exercising autonomous control over their skill. Nevertheless, the monopoly of occupation by skilled labour became an easy task no longer and it became practically impossible to maintain the system of apprenticeship and to exclude so-called "illegal workers." Then, the old principle came to be opposed by workers having no skill (accordingly non-unionist), and had to turn out to be simply a stereotyped organisational principle to ensure its function.

Besides, difficulties arising from the relationship with other unions were aggravated since the standard by which one occupation was distinguished from another on account of monopolisation of occupation became estranged from reality, and the competition among the Craft Unions in the stage where amalgamation and incorporation of enterprises were being put in practice, made their situations still worse, and these involved situations gave rise to an adverse condition unfavourable to the Unions. In this way exclusivism, which used to be an organisational principle of the Craft Union, had to be taken up as the most important

8) Webb, *ibid.*, pp. 483-97.

problem to be re-examined and modified or altered.

Another doctrine of organisation for the Craft Union was interior control by centralised authority. The mechanism of centralisation was a system of organisation established for the purpose of financial management and administration of the Union so that the function of mutual insurance, one of the most important functions of the Craft Union, might be efficiently carried out.

When the financial management of the Craft Union faced a crisis and its function of mutual insurance was obliged to withdraw, the centralised mechanism, too, became meaningless. The retreat of the function of mutual insurance meant to the Craft Union that they could no longer support the policy to control labour supply from inside, i.e. an indirect restrictive policy of standard labour conditions. Therefore, it became necessary for the Craft Union to make a re-examination and modification of the method of indirect restriction which had been adopted in the past, or in other words to raise the question how to make control direct, so that the method of standard labour conditions, i.e. the fundamental problem of the Union, had to be projected. Under such circumstance where capital had a direct control over the production point it became necessary for the Unions that they should contemplate their own method of control which could cover the production point under their control by establishing a new organisation to cope with the new situation. It was of immediate urgency to reorganise the traditional system on the basis of the production point instead of 'dwelling place', to re-examine the old centralised mechanism based simply on the financial management of the Union, and to find and establish a new principle to ensure a new organisation under a unified mechanism.

Thus, under various conditions in the transitional period leading up to monopoly, i.e. the growth of productive power, the changes in the structure of demand for labour and the establishment of a system to control wage labourers by capital, the Craft Union came to show signs that it was coming close to its limits functionally and organisationally and as a result to reorganise the Craft Union became a pressing question theoretically.

II

Now, we must make due appraisal of the problem of the General Union, which was organised as a result of the confronting relationship with the Craft Union, when we proceed to consider why the Craft Union reached its limits and how it reorganised its structure. Needless to say, the General Union was an organisation which all kinds of workers spread over either one or many industries could become

9) G. D. H. Cole, *An Introduction to Trade Unionism*, p. 85; Allan Flanders, *Trade Union*, p. 34; E. J. Hobsbaum, *Labouring Men*, p. 179.

members of regardless of their skill or trade⁹⁾. The General Union had to be all the more organised in the transitional period for social and economic reasons. Then, what were those reasons or factors?

To begin with, in spite of the fact that the relative weight of unskilled labour as a carrier of productive power increased quantitatively and qualitatively as a result of the change in the structure of demand for labour, it must be pointed out that unskilled labour was still exposed to very unfavourable conditions socially and economically. The Craft Union, based on the policy of monopoly of occupation, excluded all unskilled workers from all occupations under its control as illegal workers and raised strong resistance to their employment. Nevertheless, when the right of free employment was established on the part of capital, the employment of unskilled labour began to increase and was directed to simplified tasks. Though unskilled labourers had to have skill to some extent, it was enough if they could manage to take the place of another worker. Therefore, what made them different from skilled labour lay in such 'substitutability'. The fact that unskilled labourers were a substitutable labour power meant that they had a far greater market in their background than the market for skilled labour based on a unit of occupation. It is true that the transitional period did lead to the change in demand for labour and consequently an army of unskilled labour was sent to the production points, but on the other hand the labour market for unskilled labour could not avoid being in excessive supply due to the Great Depression. The selling conditions for unskilled labourers, whose extended labour market was overflowing and who were unable to do anything effective in the way of controlling their own labour market, were invariably unfavourable. For that reason their labour conditions were characterised by irregular employment and a low wage rate of¹⁰⁾. Unskilled labour, falling a prey to immediate plunder by capital that took advantage of the flooded labour market on the one hand and confronting the policy of exclusion enforced by the Craft Union on the other, were forced into an extremely unfavourable situation. Therein lay the inevitability of their protecting their own living in the form of a new trade unionism. I think the underlying conditions under which the General Union had to be organised were determined by these circumstances.

The General Union was not an organisation different from the Craft Union as far as the basic duties of any trade union were concerned, but because the General Union was organised on account of criticism directed against the Craft Union, it is natural that there should be a difference between the two, if their policies are viewed with regard to their respective function and mechanism. The main component of the General Union was unskilled labour and therefore the security of labour was naturally restricted to that of unskilled labour, which was meant to

10) Kaichi Mackawa, *The Development of British Trade Unionism*, pp. 12-20.

uphold minimum human living conditions. G.D.H.Cole made the following statement pertaining to the London Dock Strike of 1889, which is generally recognized as a typical action of the General Union. "The most oppressed and unhappiest of human beings, those who were nearest to the animal, now had recovered their humanity and demanded their rights."¹¹⁾

Neither "vested interest" nor "demand and supply" was of use to the General Union regarding the logical ground on which labour conditions had to be secured, because unskilled labour had never had any "vested interests" of their own to which they could have appealed and since the "demand and supply" could be understood only on the presupposition that the trade union could control the labour supply; so it was of no use to those who did not enjoy such conditions. Consequently "a right to a minimum" or living wage was brought out in place of the usual fundamental logic¹²⁾. The General Union was open to all workers who lived a working life and the conditions necessary to secure their minimum living wage were the basic issue. In particular the main problems were (1) security of a minimum quantity of employment, (2) regulations of maximum working hours, and (3) regulations of minimum wages. In this sense the regulations of the General Union were of a uniform nature. However, it must be noticed that the most effective way to enforce any uniform regulation is to do so by legal measures, and it is mainly because of these requirements that the General Union adopted legal measures in order to secure labour conditions. Of course it cannot be said that the General Union did not discharge the functions of collective bargaining and mutual insurance, but even if it is admitted that some of those functions were put into practice to some extent, they were more or less supplementary to legal measures.

The policy of the General Union was an inclusive open-door one, in contrast to the exclusive closed-door of the Craft Union. This was because the General Union was mainly composed of unskilled labourer who had an extensive labour market. It was indispensable for the General Union to exercise autonomous control over their labour market. The Craft Union assumed complete control over the labour market which was formed on the basis of each kind of trade. Con-

11) G. D. H. Cole & Raymond Postgate, *The Common People*, p. 426.

12) Webb, *op. cit.*, p. 589. Doing away with the theory of demand and supply, an idea of a living wage gradually penetrated to many labour trade. One of them was the union of miners whose work was of a simple nature. The Vice President of the Miners' Federation made the following statement in 1892: "They held it as a matter of life and death that any condition of trade ought to warrant the working man living. They held that it was a vital principle that a man by his labour should live, and notwithstanding all the teachings of the political economists, all the doctrines taught by way of supply and demand, they said there was a greater doctrine over-riding all these, and that was the doctrine of humanity. They believed that the workingman was worthy of his hire, and held at the present moment that wages were as low as they over ought to be."

trariwisely, the General Union had to deal with the new circumstances with an inclusive open-door policy because the target of the Union was an extensive labour market composed of unskilled labourer, regardless of types of trade or kinds of industries.

The General Union adopted a mechanism of centralised authority¹³⁾. But it was not because of the financial administration and management of the Union as was the case with the Craft Union, but because a mechanism of strong leadership was essential to encourage as many affiliations of unskilled labour as possible, so that all unionists could be organised to take positive action together. Then, what was the significance of the General Union of this nature in relation to the structural development of the Craft Union? Before answering this question it is helpful to know the way the General Union subsequently developed.

In particular the General Union took the following course of growth after being organised but it was not mutual interaction between Craft Union and General Union or cooperation with the Craft Union; instead it was conversion of the General Union into the Industrial Union rather than into the Craft Union¹⁴⁾. It is very true that the General Union did reinforce the function of mutual insurance some time after being organised. However, it must be understood that the General Union did so only as a protective counter-measure to cope with the severe depression and it should not be concluded that the General Union was turning into the Craft Union; far from doing so, the subsequent growth of the General Union took the course of coming closer and closer to functioning as the Industrial Union.

In particular, proceeding from the stage (1892–1910)¹⁵⁾ when they attempted to secure labour conditions in each section through collective negotiation instead of the security of uniform labour conditions for unskilled labour, the General Unions attempted, through negotiation, to restrict the standard labour conditions in each industry by establishing their own mechanism for wage-determination and by stating their policy of exercising industrial control. The fact that the Transport & General Workers' Union had to be established in 1920 and the National Union of General and Municipal Workers in 1924 was an eloquent indication of the reforming of the General Unions some years later due to their expanded functions¹⁶⁾. These courses of development can well be regarded as the process by which the nature of the General Union was transformed into that of the Industrial Union.

Because the General Union was an organisation formed in opposition to the Craft Union, it is natural that its function and structure were based on a different

13) Kaichi Mackawa, *op. cit.*, pp. 70, 75.

14) Webb, *History of Trade Unionism*, p. 420; G. D. H. Cole, *Organised Labour*, p. 154.

15) E. J. Hobsbaum, *op. cit.*, p. 194.

16) Kaichi Mackawa, *op. cit.*, p. 74; Transport and General Workers' Union, *The Union, Its Work and Problems*, Part I, pp. 8–9; National Union of General and Municipal Workers's Sixty Years, p. 61.

logic. It is hardly possible to believe that the establishment and development of the General Union did not strongly influence the Craft Union, which was coming close to its limits. The Craft Union was forced to realise its functional limits of its own accord by the establishment and development of the General Union. In other words the Craft Union had to contemplate its own future development to keep pace with the new situation as a result of the transition leading up to monopoly. Needless to say, the Union had to take steps to operate more like the Industrial Union.

III

What is meant by the development of a trade union into an Industrial Union? It can be regarded as an organisational development with emphasis on collective negotiation as its fundamental function. The Craft Union's main function of exercising indirect control over standard labour conditions, mainly through such policies as "monopoly of occupation", "control over labour supply" and "mutual insurance", reached its limits on the one hand and on the other the General Union founded for the benefit of unskilled labour as a result of adverse criticism against the Craft Union began to show the defect of being no longer able to exercise its regulative control efficiently to meet practical labour requirements at many production points merely by the usual single policy of minimum requirements for uniform working conditions and it was forced to revise or modify its policies. This situation was brought about all because capital established a 'new order of labour and production' for each industry, thereby beginning to exercise direct control over wage labour. Consequently a burning problem for the General Union was how their social control of regulations pertaining to wages and other working conditions could most efficiently be put into practice.

What the General Union intended to do was to reinforce its function of collective negotiations in each industry with emphasis. Then, what course of development did the reinforced function of the Craft Union's collective negotiations take? The process by which the Craft Unions, upon realising their own functional limitations, proceeded to reinforce their collective negotiations in each industry was not by making an epoch-making functional change, but by going through a gradual development. The "National Industrial Agreement" can well be taken to be a barometer of this gradual development. This was an agreement concluded between a national organisation of all employees and the Headquarters of the trade unions, and it had the significance of being an agreement systematically negotiated between two organisations representing employers and employees at a national level.

Such an agreement in the British engineering industry was concluded for the first time in 1898, by which the employer guaranteed the following rights: free employment of non-unionists, a piece-work system, overtime to the limit of 40

hours, free introduction of new machines and subsequent displacement of labour power, etc. Wages were still entrusted to case-by-case local negotiations, but all other general working conditions were controlled in such a way that the settlement arrived at by negotiations between the Employers' Federation and Trade Union Headquarters was mandatory to as many as 700 enterprises belonging to the Federation¹⁷⁾. In short it came to be systematically settled at a national level that any problem of working conditions throughout the country was to be negotiated and decided upon in each industry between the two representative organisations of employers and employees. Now, in the particular course of development the Craft Union took in trying to take steps to approach closer and closer to the Industrial Union, what significance can we find in it?

The method of controlling working conditions through direct collective negotiations had for the Craft Union nothing more than a collateral meaning. Until the stage when even if negotiations were to be carried out at all, generally speaking, it was only done on a local level and not on a national level. The intricate problem involved in these local negotiations arose from the fact that such negotiations without a nation-wide uniform standard brought about inevitable differences due to local requirement as a matter of course. This could not but become an urgent issue when the policy of labour supply which the Craft Union used to enforce with emphasis as one of their control-measures came to function no longer. In other words the structure of demand for labour underwent a change which looked for more of the less and less skilled labour, and correspondingly the labour market also showed a rising tendency to turn into a nation-wide market instead of a local labour market, because the usual way of labour control based on the old doctrine of a local market for skilled labour and independent local negotiations grew to have no meaning. Under these circumstances the Craft Union came to face the urgent problem of replanning, i.e. how to change their basis of negotiation from the local to the national scale.

Through national agreements in each industry capital were able secure a few rights to exercise direct supervision of wage labour, such as freedom of employment, introduction of machines, posting or distribution of labour power, etc. On the other hand trade unions also proceeded to devise their own systematised functions to open collective negotiations on a national scale, thus reasonably securing equal status as negotiators. In this way it became possible for the Union to realize a definite method of exercising direct control over all labour conditions in each industry.

Even though it can easily be seen that the method of negotiation was not effective enough to exercise practical control over labour conditions at each production point, or rather the method of negotiation on a national scale was only the

17) E. I. Phelps Brown, *The Growth of British Industrial Relations*, pp. 162-63.

regional magnification of the negotiations which had been conducted by the Craft Union, if it is taken into consideration that it was evidently a forward movement to assume the functions to open collective negotiations on a national scale which was taken up as an urgent issue by the Craft Union and furthermore that it was a new system established as result of their resistance to the capitalist's policy of case-by-case control over wage labour, then it should be duly appraised as an indication that the Craft Union began to take steps to grow into the Industrial Union¹⁸⁾. It would be too hasty to conclude, completely disregarding some phases of trade union development, that the industrial agreement was an organisational mechanism brought out as one of capital's policies to control wages through a cartel so that the competitive conditions among different capitals could be standardised.

In this way the national industrial agreement enabled the trade union to exercise control over labour conditions on a national scale for the first time through negotiation, but the immediate problems to be taken up at this level were concerned with standard and general labour conditions instead of local labour conditions arising at many different production points. The latter conditions were to be settled by local agreement. In particular an organisational mechanism was established so that labour conditions—standard conditions on a national scale and concrete labour conditions on a local scale—could be controlled through negotiation. The reason why such a mechanism had to come into existence was because the structure of the traditional Craft Union was modeled after it, and consequently it was still not possible to maintain and improve labour conditions, keeping pace with the changing phases of working conditions caused by changes in the means of production in the transitional period leading up to monopolisation.

Then capital attempted, by obtaining an administrative right, to reinforce labour discipline, reconstruct a new labour-order and prescribe new labour conditions in each industry in conformity with expanding productive power. On the other hand the daily working conditions at each production point simply had to be left untouched, being put outside the effective range of control over labour conditions based on a national as well as a local agreement. The fact that negotiations in each workshop were spontaneously brought into operation during the period of World War I should be regarded as an inevitable result of such a counter-relation between employers and employees concerning each policy.

Raising problems inherent to any production mechanism from the workshop was the resistance by the workers against the administration of each enterprise by which capital intended to make all wage-labour adapt themselves to productive power on the one hand and at the same time it was also the antagonism of the rank

18) It would not be adequate to underevaluate the national industrial agreement because capital wanted its materialisation, although capital might have intended to take advantage of their cartel-regulation through such agreement, because as for the labour unions its materialisation was very much hoped for from the point of view of maintaining and improving labour conditions.

and file in the workshop against the function of the Union Headquarters. In short such problems urged the Union to change its constitution.

When the Union neglected these problems arising directly from workshops, it is clear that, on account of the contradictory relationships between employers and employees, some workshops were favoured with better working conditions favourable to the workers, whereas some had to accept, due to reinforced administration on the part of the entrepreneur, worse conditions unfavourable to the workers, and as a result it was highly likely that as many inevitable differences according to each workshop or particular industry would be produced as there were local differences. Therefore, it was indeed a matter of prime importance for the Union, from the viewpoint of the fundamental proposition of the Union to seek the social standardisation of labour conditions, to prevent employers from establishing direct and cleavable administrative measures in each enterprise and to correct unequal workshop conditions. In other words what the Union had to solve, based on the various conditions at production points and by establishing an efficient negotiating mechanism throughout the whole organisations, was how to deal with the discriminating and cleavable control over wage labour by capital. In this connection it can be seen that the situation gave rise to the new problem of how to make a better interpretation of the "National Industrial Agreement" and subsequently it became necessary to rebuild the organisational mechanism in conformity with its revised functions without merely ending by solving the problem of function.

The problem for the General Union which arose when the remodeling of its organisational mechanism was being planned in opposition to cleavable control over wage labour by capital was how to adsorb and manage those layers of less skilled labour, for which there was the greatest demand for labour, into the mechanism of the Union. The growth of the Craft Union meant that it had to form an organisational mechanism, with which greater numbers of less skilled labourers could affiliate and by which the Union could effectively resist capital's case-by-case administrative measures. However, this is not a sufficient explanation of the grounds on which the Craft Union had to be reorganised. The essential problem was how the trade union treated the structure of labour supply, in other words the control over the labour market in the light of the change in demand for labour in the transitional period leading up to monopoly.

When the Union attempted to exercise social control over unskilled labour, as explained before, in opposition to the attempt to exercise case-by-case labour administration with increasing stress on less skilled labour by capital, it became necessary for the Craft Union to establish a standard of general control, i.e. a new standard to take place of the standard of common rule for skilled labour. It was to be sought in interests common to the same job and so how realize it was the problem to be solved.

When this idea of substitutability peculiar to unskilled labour was expanded as

labour capable of taking someone else's job, it led to presuppose the nation-wide unification of the labour market and the organisation could not but grow into "One big union" and as a result the efficiency of its control had to be disconnected from daily working conditions. It is true that less skilled labour, because of substitutability, tended to have a more or less unified labour market. Therefore the problem for the Union was how effective control over labour conditions could be put into practice after taking the aforementioned tendency into due consideration. Putting it in other words, the problem was how the Union that used to form their labour market on the basis of each trade could form their labour market on a new basis and at the same time how autonomously they could control working conditions at each production point. That was the reason why a tendency to exercise fixed control over labour market in each industry arose. Therefore, we can see the necessity for the Craft Union to proceed to take steps, doing away with its habit of the closed-door, not only to be affiliated with unskilled as well as less skilled labour but also to encourage amalgamation with other friendly Craft Unions. In other words the Craft Union was beginning to recognise the necessity of reinforcing its organisational mechanism vertically as well as horizontally and to reorganise the whole set-up, so that it could approach closer and closer to the Industrial Union¹⁹⁾.

IV

The trade unions attempted, as capitalism developed towards monopolisation, to establish its functional mechanism to cope with the organisational structures of production according to each industrial field, because they aimed to establish direct control over wages and labour conditions through negotiation. Needless to say, it did not mean that the unions suspended their usual control through legal measures or their mutual insurance policy, but that the unions laid more stress on the functioning of negotiations than on legal measures and insurance policy.

The negotiations were to be conducted in three ways, namely at the national, local and factory level, and the Craft Union worked persistently to reinforce its functions of negotiation on the local level and gradually actualize that on the national level so as to exercise national and unitary control through negotiations in each industry. In other words the particular types of negotiation adopted by the Industrial Union were negotiation in each industry on a national, local or factory level. In particular the general standard of labour conditions for each industry was controlled by national negotiation, and the detailed and specific labour conditions at each production point by factory negotiation, while local negotiation was supposed to discharge an intermediary function between the two.

It was because there was a necessity to resist at the production point level

19) Kaichi Maekawa, *op. cit.*, pp. 140-41.

actual changes in labour conditions evidently caused by the establishment of case-by-case administrative control over individual enterprises that the type of negotiation on a factory level, which had never been adopted by the Craft Union before, came to be more emphasised. In this connection G. D. H. Cole made the following statement: "The effect of this development has been that in practice shop stewards and works negotiation bodies have become of much more significance in determining the actual conditions of work than they used to be, or than they are even now recognised as being by the formal constitutions of many of the Trade Union."²⁰ Furthermore, according to more recent studies such as those by D. J. Robertson and F. Brown, the increasing importance of negotiation in each factory on the one hand and the limits of negotiation on the national level on the other have been pointed out²¹.

Negotiations to be opened on a factory scale were invariably essential to exercise control over detailed daily labour conditions based on actual conditions of production. However, it did not necessarily mean that the importance of control of a general standard of labour conditions through negotiation on a national scale was denied. The negotiations on a factory scale should rather be regarded as supplements in detail of the standard prescribed by negotiations on a national scale. It can easily be seen that if any negotiation on a factory scale was to be conducted without being based on national negotiations, the inevitable differences in labour conditions between different factories invariably tended to become greater, and the function of the Union would be involved in the danger of being absorbed into capital's case-by-case administrative mechanism sooner or later. Consequently whether or not the negotiation on a factory scale was based on the standard once decided on a national scale was a matter of great importance. Therefore, the division of function—one for a national scale and the other for a factory scale—was to be conducted based on the function of national negotiation. This point will be further discussed when the problem of wage-determination is taken up later.

When capital formulated its policy towards the splitting up of the labour market and determining wages in each enterprise, the Union took up counter-measures towards the intersectional control of the labour market crossing beyond one enterprise as well as the intersectional determination of wages. The labour market should be regarded as a field in which the value of labour power ought to be decided. What wages were decided as a result of the control over the labour market can well be compared to the Achilles' heel of the relationship between the employers and employees. The more case-by-case administrative measures by

20) G. D. H. Cole, *An Introduction to Trade Unionism*, p. 55.

21) D. J. Robertson, *Factory Wage Structure*, pp. 184-88; F. Brown, *The Growth of British Industrial Relations*, pp. 358-67.

capital were put into practice, the greater the weight of the negotiations on a factory scale grew on wage-determination. Involved therein were the two following situations—the arbitrary determination of wages by individual capital and the social standardisation of wages by the Union. If so, this method of negotiation on a factory scale would have no meaning for the Union unless wages were supported by a standard rate in accordance with a uniform agreement in each industry. Then it follows that the national uniform wage rate should be made a basic framework for the wage-structure, so that the social nature of wages could be reflected on the structure of wages within a factory. From this viewpoint, therefore, it can be concluded that the division into national negotiation and factory negotiation, as far as the determination of wages was concerned, would be a debatable problem if the former method of negotiation were taken into due consideration.

The Craft Union adopted a policy, in the course of the transitional period leading up to monopoly, of establishing the method of negotiation by industry on a national scale after going through frequent negotiations on a local scale and by expanding such negotiations. But the Union was obliged to emphasise negotiations at the factory scale as a practical method because of the necessity of opposing capital's case-by-case administrative policy. If the weight of the latter increases and the settlement of the basic standard of wages and other labour conditions becomes nothing but nonsense, it means that the Union is likely to be absorbed into the policies of capital. Under the circumstance where the division into national negotiation and factory negotiation practically came to this, in what way did the Union deal with such situation? This was a major problem to be solved when we think of the Craft Union's course of development towards the Industrial Union. If the growth of the Trade Union into the Industrial Union is to be contemplated as a problem of reinforcing the function of negotiation, the aforementioned question is an important subject to be taken up for it to re-establish itself as an industrial union. Then, what is the essential course for the Union to follow?

There is an assertion that, under the circumstance where the two of types national and factory negotiation are not functioning effectively, the local negotiation which intervenes between the two should be more emphasised, because of the idea that anything settled by factory negotiation comes within its effective range. Nevertheless it is hardly possible for a local negotiation to cover all the problems at the production point and the same holds true with regard to the case of problems of national negotiation. Therefore, although it may be true that the emphasis on local negotiation should not be denied, it would not be justifiable to say that local negotiation dissolves all problems. When the growth of the Craft Union into the Industrial Union is reconsidered in the light of the contradictory policies of employers and employees, the fundamental policies of emphasising the functions of national negotiation should by no means be altered. Furthermore, would it not be

essential to attempt to incorporate the two types of negotiation——factory scale and local scale——into one mechanism, i.e. national negotiation?

Although it is self-explanatory in the light of the existing relationship of the confrontation between employers and employees in the transitional period leading up to monopolisation that the Trade Unions in opposition to monopoly capitalism should re-establish themselves as industrial unions, in view of the fact that the Trade Union is at present still in an unestablished state as a Industrial Union and besides that under such circumstance the Trade Union is in danger of being absorbed into the case-by-case administrative policy of capital, i.e. a withering of the functions of the Trade Union, it would be a matter of prime importance that the fundamental direction of the growth of the Craft Union into the Industrial Union in the transitional period leading up to monopoly should be reconfirmed.