

THE RECENT WAGES DISPUTE IN THE LANCASHIRE COTTON-
SPINNING INDUSTRY.

THIS dispute, though by no means the most protracted in the history of the British cotton industry, has never been equalled in regard of the quantity of machinery and the number of workpeople kept idle. It

began on November 5th, 1892, and ended on March 25th, 1893. Operations were suspended therefore during exactly twenty weeks. Throughout nearly the whole of this period about 50,000 operatives and 16,000,000 spindles ceased work, representing 35 per cent. of the producing capacity of the United Kingdom. Consequent upon the lessened supply of yarn thus occasioned, a large though indefinable quantity of weaving machinery was stopped; and in other branches of industry engaged in printing, bleaching, dyeing, or otherwise preparing cotton goods for consumption, some interruption occurred. A very fair summary of the leading facts in the history of the stoppage is given in the first number of the official *Labour Gazette*, although, necessarily, the merits of the dispute are in no way discussed.

The immediate occasion of the stoppage was a proposal of the employers to reduce wages to the extent of 5 per cent. on the ground that their business had become unprofitable. Of this fact the representatives of the workpeople, who are exceedingly well informed upon the course of the trade in which they are interested, were quite cognisant. But they contended that reducing wages could not increase the demand for yarns, nor restore a profitable 'margin' between the prices of these and the prices of raw cotton. They held that lessened production was the proper remedy, and that wages should not be touched. The argument involved obviously a claim that, whilst wages may be advanced in times of prosperity, they ought never to be reduced. The employers did not share this view, although there are, or at any rate there were before the stoppage, a few of them who earnestly desired the systematic adoption of short time as a remedy for bad trade. But others held strongly that unless this method were extensively adopted abroad—an impossible event—the power of English spinners and manufacturers to compete successfully with foreign producers would be diminished by isolated action in this country, and that the external market for English yarns and goods, already restricted by the growing effectiveness of foreign competition and by high tariffs, would be further narrowed. They urged too that short time means increased cost of production, and that, even if the desired effect—a better margin—could be ensured, it would meantime be counteracted by the higher cost. The operatives rejoined that short time would involve a loss of wages, but that they were quite willing to endure this for the sake of the general advantage which they believed would ensue.

It is clear therefore that the characteristic feature of this struggle is that it was not a mere fight about wages. It involved, above all, the testing of a theory as to the best method of dealing with an adverse condition of trade. It is strictly pertinent therefore to inquire; What has been the effect of the long stoppage of production, viewed as an instrument for stimulating demand and restoring normal prosperity?

Upon the Manchester market the effect of the stoppage of production has been apparently inappreciable. Prices of the particular kinds of yarns made from American cotton, which were produced in the

mills affected by the dispute, were gradually forced up to a level much beyond the reach of all but necessitous buyers, often of small quantities. But no evidence of scarcity arose, such for example as that which was very palpable after the seriousness of the American civil war was realised, and the consequent all but absolute stoppage of the supply of cotton from the United States was clearly foreseen. There were moreover, at the advanced prices, no buyers except those who were compelled to purchase. And the market for manufactured goods was equally inert. Many instances there were undoubtedly—as might have been expected in a trade so vast and diversified as that of cotton goods—of serious inconvenience because of diminished or delayed supplies. But the remarkable fact presented by the commercial aspect of the stoppage is that the general condition of the Manchester market for cotton goods and yarns was throughout calm, and often even dull.

The principal conclusion to which this incident seems to point is an important one. It dismisses, in the first place, the notion that English producers of cotton yarns and goods (including in this term employers and employed) can at any time, by lessening the supply, convert an unprofitable into a profitable margin. "Short time" has therefore been proved to be, in this instance, a failure; and it may be properly inferred to be always a doubtful remedy. Secondly, it disposes of the contention that wages should never be, and need never be, reduced. The agreement arrived at was that a reduction of 7*d.* in the pound should take place—that is to say about 3 per cent., the original demand of the employers having been for 5 per cent. The employers are not altogether satisfied by this result, but they accept it as the issue of a protracted war. The workpeople regard it as a small victory, hardly won, over which they are pondering.

Some discussion occurred in the early course of the dispute as to the proper term which should be applied to it. The employers called it a "strike." The representatives of the workpeople contended, with some vehemence, that it should be called a "lock-out." The point is obviously not worth debating. If employers demand a reduction of wages, or the employed demand an advance, the issue and its consequences may in either case be quite as accurately described by the term "lock-out" as by that of "strike." The former term carries with it however, as does the latter also, a certain apparent measure of blame, and the difficulty has been avoided by a generally accepted application of the word "dispute" in order to avoid the controverted terms.

The final settlement of this controversy embraced some provisions for future conferences between the representatives of the employers and the employed, upon the condition and prospects of the business in which they are unitedly engaged. These provisions are excellent, and if they are properly carried out, their result must be of the highest value. The

leaders on both sides are well known to each other, and there is no serious distrust on either side—no more, in fact, than that which daily occurs between buyer and seller on the Manchester Exchange, or in any established market. It is all the more surprising, therefore, that no mention has been made of the possibility of establishing a sliding scale of wages in the the cotton spinning industry. There are, no doubt, intricacies and complications in the path of any endeavour to reach a system of this kind. But I cannot think that these are insurmountable, and possibly its adoption as an experiment in some departments presenting least difficulty might lead to a wider, and perhaps a general, adoption of this self-adjusting method of averting great wages disputes in the cotton spinning industry.

It may perhaps be asked, whether or not some intervention of an independent kind could not have prevented the conflict. Such intervention was offered by at least one authoritative body—the Manchester Joint Board of Conciliation. This authority was established more than a year ago, after many conferences, by representatives of the Manchester Chamber of Commerce on the one hand, and those of the Manchester and Salford Trades Council on the other. Its rules provide that as soon as any labour dispute, actual or impending, shall come to the knowledge of the secretary, he shall immediately invite a conference at the Chamber of Commerce between the disputants, either in the presence of the Board of Conciliation or alone. This preliminary step was taken, but all intervention, or any semblance of it, was declined by the leaders of the workpeople. The reason for this refusal was fully understood by those who made the offer. The leaders on both sides were, as I have already stated, well known to each other, and no advantage was possible, in this case, from an offer of facilities for friendly discussion from outside.

ELIJAH HELM
