

THE FISHER LECTURE.

The Guilds versus Modern Industrial Law.

Wide Gap Between Employers and Employes.

Present day industrial laws, according to Sir Henry Bradden, forced a wide gap between employers and employes at a time when the urgent need of the day was to bring them together. It was unfortunate that unionists had learned to use the industrial laws to the grave detriment of the community. Disputes and grievances were often based not upon real grievances, but aimed at securing monopolies for political ends.

The Fisher lecture in commerce, which was established many years ago as the result of an endowment of £1,000 to the Adelaide University by Mr. Joseph Fisher, was delivered at the Victoria Hall, last night by Sir Henry Braddon, of Sydney, who is superintendent in Australia for Messrs. Dalgely & Co., and is a well-known authority on economics. Mr. S. Russell Booth presided, and Professor Rennie, the Acting Vice-Chancellor of the University, was also present.

The chairman in introducing Sir Henry, said that was the first time the Fisher lecture had been delivered twice by the one man. Thirteen years ago Sir Henry at their request had delivered the lecture on "Company Law."

Sir Henry took for his subject "A survey of the old Guild system, and a comparison of some of its features with the conditions of to-day under present industrial laws." Responsible people in Australia, he said, realised that all was not well with industrial conditions, but there would be wide divergences of opinion both in diagnosing the trouble and in suggesting remedies. He was concerned rather with the diagnosis than with the remedy. He thought it would be useful to take a glance backward, at any rate, to one of the systems of the past, particularly to determine whether such a survey suggested some line of action for their own troubles. The guilds of the thirteenth, fourteenth, and fifteenth centuries achieved an extraordinary success, a success merited and explained by the fine characteristics underlying their activities. Later on world conditions began to alter with ever-increasing rapidity. The guilds were too inelastic, too jealous of their privileges to adjust to the change, and in a century or two they passed away. In their best days they were animated by excellent ideals, and they were admirably suited to the conditions of those times. In those older days communities were predominantly agricultural, industries were relatively small, and markets were mostly confined to folk living in the immediate vicinity. Political subdivisions were small and many, and the "free cities" were largely self-contained.

Public Duties Undertaken.

In many of these "free cities" the guilds rose to their highest pinnacle into virtual republics. In return for the status they secured the guilds undertook certain public duties and paid dues to various authorities. Amongst their duties, for instance, they policed the streets in many cities. In their best days they were animated by a fine sense of civic obligation, and they carried out some wonderful work in architecture, roads, canals, and the like. Guilds were sometimes simple, embracing one craft, and sometimes complex. An interesting example of the latter was the guild which included doctors, apothecaries, and haberdashers. Within each guild there was much that was admirable. There were three grades—the master, the journeyman, and the apprentice—all equal in each grade. All these grades were proud of the skill of the particular craft, and all jealous to maintain its reputation. Only an approved master, of good character, could take in an apprentice, and the former was bound himself to teach the lad. He could not devolve that duty upon anyone else. The apprentice lived in the master's house, and, first on a basis of fees paid, and later as the apprentice became debt, he earned wages. He had to be industrious and obedient, and correction by the master could take the form of beating, provided he did it himself. If a master were inhumane his conduct could become the subject of enquiry by the guild officers, and, if necessary, the apprentice would be released. The journeyman, after the completion of apprenticeship, also lived with the master as a companion, though the one paid and the other received wages. If he had the means to start for himself the journeyman might become a master at any time, but as the means were often lacking a journeyman might remain so for life. The master could not dismiss a journeyman until the former had made good his case for dismissal before a mixed tribunal of masters and journeymen. Taken as a totality, the system worked excellently. There were occasional troubles, and even strikes, though rare, were not unknown.

commodating their structures in the new conditions, and gradually they drifted into a condition where they did not even guarantee good work.

Good Features of the Guild.

Dealing with the good features of the guild, Sir Henry said that first there was the direct contact between masters journeymen and apprentices, and the participation of all in guild affairs; secondly, there was pride in the product of their hand, in the honesty and material of the workmanship, and in the artistic finish; and thirdly, there was pride of locality and nationality. The guild demanded and insisted upon a high standard from its members, and this civic pride evidenced itself in public work. After the passing of the guild big private partnerships, the great trading houses, carried the burden for a while, and in turn were supplemented, and to some extent displaced, by joint stock capital. Under this last phase there had been very little possibility of direct contact between the legal owner, that was the shareholder, and the employed. The shareholder always delegated the daily control to directors and managers. The latter were in essence the salaried servants of the owners, just as were the wage-workers. Active managers of large limited liability companies were usually men who frequently suffered from the strain under their unremitting responsibilities. They had little time for setting up direct contact with the operatives, and the channel of communication was often through the foremen, not always the happiest type of intermediaries.

Employer and Employee.

Could all this be improved in any way? The trouble under existing conditions was that no one was specially to blame, but some remedy was urgently needed. There were some private employers in Australia to-day who had set up fairly sound relations with their employes, but as yet this movement was sporadic and comparatively small in volume. On the other hand, there were other employers who were slow to recognise any claims on behalf of the wage-earners, and their attitude demanded the employer's cause. With the limited company it seemed to be necessary to awaken the consciousness of the shareholders, so that they might become alive to the obligations of ownership, a phase as yet not realised by the vast majority of them. The serious aspect of Australia's industrial laws was fundamental. The very atmosphere of the court, with its opposed sides and the coldly calculated hostility, must necessarily work against friendly relations between employer and employe. Evidence tended to the extreme on both sides, because each litigant knew that its opponent would certainly not understate the case. There was here no particle of the round table spirit. The present-day industrial laws forced a wide gap between employers and employes at a time when the urgent need of the day was to bring them together. Upon employers the inevitable effect of these laws was unfortunate. A sense of employer responsibility towards employes was, to say the least, difficult to realise when a court fixed most of the detailed conditions of work. The employer was harassed and hampered very often by not merely one award, but by a multiplicity of awards; not only by the awards of his own State, but often by conflicting and overlapping Federal awards in addition. Valuable time he should be able to devote to expanding his industry was often occupied in defending his interests against vexatious or frivolous charges in the Industrial Court.

Enterprise Discouraged.

He had known a dozen cases of responsible visitors who came to Australia to assess the chances of success if they launched out upon some enterprise here, but who went away completely discouraged by the labor conditions and industrial legislation. The economic loss through these unstarted ventures fell most heavily upon the manual worker. Upon the wage-earner the effects had been possibly still more unfortunate. Setting aside the communistic extremists, it was unfortunate that unionists had learnt to

Hours of Work.

Hours of work were determined by daylight, resulting in long hours in summer and short in winter. Good artificial light was unknown, and daylight was necessary for the fine standard of work upon which the guilds existed. The long summer hours were mitigated by many holidays, something like 30 in the year, and no work was done on Sundays or holidays. Wages were also difficult to compare, because of the imperfect data of those older days. For that reason it was not easy to establish comparative purchasing powers. Wages were paid partly in money and partly in housing and clothes. There seemed to be some fairly valid grounds for the statement that in the 13th century journeymen had enough to live on decently. Probably, as a matter of comparison, they were rather better paid than in Europe in the days immediately preceding the war. All masters had equal rights in each guild. The strong were not permitted to crush the weak. Masters were forbidden to buy up raw materials in order detrimentally to affect others. There were in some guilds regulations for the compulsory sharing of raw materials: in such cases, and sometimes the guild itself bought for all. No master could pass a journeyman to another master by the offer of higher wages. There were no secret discounts or allowances to buyers, and no individual advertisement.

A Voluntary Association.

The guild was a voluntary association of men, carrying on a certain trade, and pledged by oath to defend the common interests. In operation the guild was in effect what they would style a corporation, a legal entity. The guilds fought strenuously for the virtual monopoly of the trades concerned, and jealously preserved and perpetuated trade secrets and methods. The sense of unity within a guild was greatly strengthened by their feasts and entertainment in which all grades joined. The guild succoured its members with medical aid in sickness, and sometimes with monetary assistance to needy member. About the middle of the 15th century, the great epoch of the "free cities" was about ended, and with it there began a gradual decadence of the guild, though another century or two passed before it actually died out. One of the principal reasons for its decline was that the petty principalities and powers of Europe aggregated into larger political units, and the independent cities where the guilds had been specially strong, became merged into their respective States. Markets expanded from local to State dimensions, and the State authority began to intervene in the regulation of industry, including the guilds. India and America came into the field and markets, widened internationally, while the guilds, with their intensely local sentiment, failed to adjust themselves to the changed conditions. A new spirit was abroad entirely opposed to the narrow conservatism of the guilds.

Decay of the Guilds.

The inevitable result was that more enterprising competitors came into the arena—the private merchant, and the manufacturer. Great houses based on private capital, and wholesale traders in all markets became extremely active. To them the democracy of the guild was unknown, and the manual worker was relegated to a lower level. Another reason for their decay lay in the growth of invention, and the utilisation of machinery. As the fine human relationship of the guild slowly disappeared, there came upon the scene various new features—attempts at combinations of workers, occasional strikes, the destruction of machinery by wage-earners, and riots. On the other hand the authorities denied the right of combination or public meetings. The guild had no flexibility to meet the growing needs of expanding communities and markets. Guild monopolies and privileges were over-jealously guarded, rendering these institutions incapable of ac-

use the industrial laws to the grave detriment of the community. Disputes and disturbances were often based not upon real grievances, but had the aim of securing monopolies for political ends. Disputes which should be settled within the State originally concerned were artificially extended into the Federal domain. In this weird medley of court-made regulations and overlapping jurisdictions the employer was bewildered, and often hesitated to launch out, while the union delegate found a thousand opportunities for fomenting disputes and justifying both his office and his salary.

What America is Doing.

Clearly, it was not an easy matter to see their way out of the fog with light drawn from their own experiences. Should they then borrow helpful light from other countries? Unfortunately, he had no up-to-date information about European nations, and in any case he preferred to keep within the Anglo-Saxon domain. The United Kingdom had kept clear of compulsory arbitration, and had relied rather upon the round-table method of the Whitley councils. Her economic position at the moment was grave. She was faced with vastly greater difficulties than was Australia, and direct comparison of any value were not easily made. The United States of America had no compulsory arbitration. American labor conditions were a little difficult to understand in comparison with the Australian until certain broad features were realised. Their labor world was in three tiers, the American born on the industrial box-seat—and he was in a fairly considerable degree unionised—then the white foreigner, doing the rough and work, and finally the black engaged upon personal service in all its varied form. These elements did not readily combine for a big industrial upheaval. Out of some 26,000,000 paid workers, only about 3,000,000 were in the Federation of Labor. Mass production and a liberal use of the highest class of machinery had led to the greatest per capita production in the world; and the sale of their products was immensely assisted by free trade between 48 states, plus the tremendous home market implied by 112,000,000 of people, with high individual purchasing power. This enabled high wages to be paid, higher, for instance, than Australian wages, even allowing for their greater cost of living. Their unions did not insist upon uniform wages, as did those in Australia, and with them the skilled, rapid worker reaped the reward of his greater efficiency. They were easily able to pay the high wages, because the increased output bore the cost.

Welfare Schemes.

He had come away from the United States with a strong impression that American employers in recent years were making considerable advances towards setting up better relations with employes, through welfare schemes of various kinds, clinics, libraries, and places for recreation for the wage-earners. Employers now seemed to be moving in the direction of schemes to interest the wage-earners in the enterprises in which they worked. The main idea was to give the employe a voice in the management, so that grievances could be brought up through recognised channels, and could be settled in friendly discussion. There were to-day in the States over 800 such employe representation plans in operation, covering 1,177,000 employes. Another movement in the same general direction was the buying by workmen of shares in public utilities and corporate enterprises. According to a recent computation there had come into the investment field over 500,000 new employe investors within the last seven years. Many of these men had now a personal interest in the enterprise from which they drew wages. One of the most significant features appeared to be that in a country where the artificial hostilities of the compulsory courts did not exist a successful movement was spreading, having for its aim the restoration of those personal contacts, and the

mutual interest in the product which so finely characterised the guild.

If Australian employers were ready to make the requisite effort whenever the conditions were suitable and employes were ready to do their part, both sides recognising that the country's salvation could only be achieved in some such way, then several excellent results would accrue. Grievances would be settled within the craft, and there would be no need to appeal to the court. The employe would have a voice in shop methods, and an interest in the venture, and the increased output would provide funds against sickness and unemployment. Capital and labor frankly inter-working as they should, the agitator and the extremist would find their occupation gone. The elimination of a material reduction in the number of strikes, would add an incalculably large sum to the welfare of the community as a whole, and there would be far more funds to devote to the expansion of industry. In that happier condition Australia's trading reputation abroad would gradually be restored, and some of her lost markets, particularly for coal, might be regained. It was, however, an immutable certainty that none of these desirable results would accrue while misunderstandings, alienness, and artificially hostile conditions kept employer and employe apart. (Applause.)