

BARNETT HOUSE PAPERS

No. 30

# INDUSTRIAL DEMOCRACY

ITS DEVELOPMENT  
AND SIGNIFICANCE TO  
THE INDIVIDUAL

BY

HAROLD CLAY

LONDON

OXFORD UNIVERSITY PRESS

GEOFFREY CUMBERLEGE

1949

*Oxford University Press, Amen House, London E.C. 4*

GLASGOW NEW YORK TORONTO MELBOURNE WELLINGTON

BOMBAY CALCUTTA MADRAS CAPE TOWN

*Geoffrey Cumberlege, Publisher to the University*

PRINTED IN GREAT BRITAIN

## INDUSTRIAL DEMOCRACY—ITS DEVELOPMENT AND SIGNIFICANCE TO THE INDIVIDUAL

I WOULD define Industrial Democracy as the adult status towards which the Trade Union Movement, with its political associations, has been striving from its inception. Born out of the struggles of men who hated injustice and who were imbued with a deep sense of idealism, trade unionism has endeavoured to secure reasonable material standards for the workers, not as an end but as the foundation upon which a fuller life could be built and the individual given economic freedom to make his contribution as a true partner in an Industrial Democracy.

There have been many cross-currents, lines have been blurred, and objectives not always clearly stated, but the driving force has been a deep regard for the things of the spirit.

Trade unions began their career faced with the urgent necessity to have a fighting organization to protest against long hours, insufficient wages, and the degradation of the individual industrial worker. During the nineteenth century, a great gulf divided the worker and the exploiting elements in industrial production, and an employer/employee antagonism grew up which some regarded as inevitable in a modern economic system.

But the nineteenth century was also the age of democratic ideas and side by side with the fierce, militant struggle for tolerable conditions—which the early unions saw as the essentials with which to clothe labour and give it dignity—there was the movement of the spirit that sought to bring a sense of participation on the part of the worker. That participation was first seen to be essential in the political field and it was assumed that the maximum of justice and directive wisdom was to be obtained by a universal and uniform distribution of votes.

It is not without significance that the title of the Webbs' book published in 1897 was *Industrial Democracy*, and this—as students of political economy will know—is filled largely with an account of the quasi-parliamentary administration of labour organizations. This book, despite its fifty years of life, is still a good introduction to the development of labour organizations and the struggle to mitigate and then to replace the crude compulsions and antagonisms of the industrial revolution with the spirit of co-operation and participation.

At the turn of the century there was a strong disposition for the organized worker to assume some of the functions of management. This was the beginning of the re-unification of industry brought about by the will of the worker who was now becoming a free man

#### 4 INDUSTRIAL DEMOCRACY—ITS DEVELOPMENT AND

as a result of recognition and tolerable conditions of service. After the deep, wide gulf of employer/employee antagonism—to which I have already referred—came a fuller recognition of the unions and a movement to close the gap; a movement towards industrial unification and towards Industrial Democracy. Progress has not been even or tranquil; there have been set-backs, and outside factors like slumps, crises, and wars have either hindered or helped.

Human society is made up of individuals who differ profoundly in capacity and character. Democracy has always recognized that this does not detract from the individual's right to consideration and respect—from each according to his means, to each according to his needs.

Industrial Democracy is a conception for carrying the basic philosophy of democracy into the workshop, the pit, and the office, and to give dignity to labour by offering the fullest opportunity to contribute and participate in the success of the enterprise. For Industrial Democracy to succeed provision must be made for every worker to make his full contribution to the work, wealth, and happiness of the organization for which he works, and thus to the community at large.

But in the struggle of the trade unions for *standards* and *status* for the workers they represented, the participation of the individual has become blurred. The negotiating parties—the unions and the employers—appeared to get farther and farther away from the people for whom they were negotiating. Industrial Democracy created its 'Whitehall' and distant 'Headquarters' and we must therefore consider for a moment how this has happened.

In the course of your studies here at Oxford you have opportunity to consider the tremendous acceleration of life that has taken place during the last hundred years. The industrial revolution raised the tempo of life, and society, having tasted the fruits of the mechanized age, has been relentless in its demands upon industry to improve still further the full life and the amenities that the processing of our natural resources and the ingenuity of the scientist can provide.

Industry now has to carry and provide the material requirements of the whole social structure. To meet this constantly expanding demand of society, industry has had to think out and apply new techniques, to modernize and expand its capital equipment, to reorganize into bigger units and rationalize its processes. In no other way could competition be met or the demands of the consumer be satisfied.

These changes, in turn, reacted upon those employed in industry, and the trade unions had, therefore, to reorganize their methods and to effect changes in their structure in order to meet the wishes and desires of their members.

#### SIGNIFICANCE TO THE INDIVIDUAL

5

Early trade union negotiations were, in the main, where recognition had been won, with individual employers and the work was done by the local union or branch of the national union. Claims were considered in the trade union branch and, after approval by the union executive, were sent to the employer by the branch secretary and the negotiations were carried out by the branch representatives: where assistance was given by a national or district official, the representatives of the branch were present in the discussions with the employer and could report back direct to their mates, and argue the matter out with them at the branch meeting.

The claims were modest and the results meagre when judged by modern standards. There was, moreover, a considerable time lag in many instances before a settlement was reached. But, whatever the result, the men felt that it was *their effort or one in which they had had a direct interest*. They had played in the match on the old town moor and not watched the masters at Old Trafford.

We have already noted that trade unions arose out of the conditions produced by the industrial revolution and that as changes took place in the industrial field the unions had to amend their policy and organization. Through amalgamation, absorption, and development came the larger industrial groups, and even where small firms continued the tendency was for them to link up in employers' associations of one kind or another. As a result of this development, the workers and their leaders realized that though they submitted applications for increases to individual employers and had discussions with them, it was not those individual employers who really made the decision or, if they did, it was upon data accompanied by suggestions from the associations of which they were members. The negotiations tended to become unreal and the workers felt that they were being played off against each other—a complaint I have heard from the employers in the other direction. Be that as it may, this development and the growing sense of solidarity was behind the demand of the workers for national negotiating machinery and national agreements. It would be a mistake for anyone to assume that that demand did not come from below.

The idea of national negotiating machinery was readily accepted in certain industries, but not in all. Resistance was encountered in many industries and, in some, there were long and bitter struggles.

However, by July 1947 it was estimated that of the 15,550,000 insured workers, including railway workers, comprehensive and distinctive machinery existed for 4,900,000 or 31 per cent.; some 4½ millions or 29 per cent. were covered by *Joint Industrial Councils*, all voluntary types of negotiating machinery. In addition,

another 20 per cent. were covered by *Statutory Wage Fixing* machinery such as the *Road Haulage Wages Board* and the *Agricultural National Wages Board*, and a further 10 per cent. by the recent inclusion of distributive workers in the Wages Council system, so that rather more than 90 per cent. of the insured workers are to-day covered by comprehensive negotiating machinery of one kind or another.

What effect has the change from local to national negotiations had upon the workers as members of industrial groups and as persons? That question cannot be dealt with in isolation for the answer must take account of other developments in industry and in the Trade Union Movement. The demand for negotiations to be undertaken nationally came, as I have said, from the workers. True to British tradition, they envisaged negotiating machinery established by agreement between the employers and the trade unions and that the decisions reached should not be enforceable at law.

As we have seen, the majority of the workers are covered by machinery of that order. In other cases, some form of *statutory* machinery has been found to be necessary, due, in the main, to the difficulty of securing the observance of collective decisions by certain types of employers, particularly in industries where there were a great number of small employers.

National negotiating machinery varies between different industries in name, structure, and procedure. But where voluntary machinery has been established, the Council, Committee, or Board consists of representation of employers' associations and trade unions; they are, in fact, representative bodies. That is true, in part, of statutory wage fixing machinery but there the representatives of the workers and the employers are appointed by the Minister after consultation with the appropriate organizations or upon nomination from those bodies; provision is also made for independent members whose vote in the case of a failure to agree on the part of the workers and employers can turn the Wages Board or Council into a virtual Court of Arbitration. Claims submitted to these bodies are not confined to one firm or a group of firms but relate to the whole of the workers in a trade or industry covering, say, from 10,000 to over half a million workers. Whatever justification there may be for a particular claim, the cost runs into substantial figures, in some cases to £20,000,000 or more per year. Negotiations at the national level are, therefore, more complex and intricate than was the case where a hundred or so people were concerned. The research and statistical work on both sides is considerable and the way in which the material collected is to be used, and the method of presentation, call for skilful

handling by people trained in the arts of negotiations. Questions of this magnitude cannot be handled by a delegation elected by the branch. The case has to be taken by the skilled trade union officer on the workers' side and, on the other side, by a leading employer or, as not infrequently happens, by a highly trained Labour Officer of the Employers' Association, or from one of its constituent members. It will be seen that the negotiations are by now a long way from the shop floor and the individual.

What is the process adopted in dealing with claims made by the trade unions? In the main, resolutions are received from the branches and these are considered by a delegate conference or by the union's executive, and a programme is formulated. Where only one union is concerned, the claim is then submitted to the appropriate body and a meeting is convened, but where more than one union is involved, consultation must take place between the representatives of all the unions and agreement reached on the form of the application before a claim is put forward. This takes some time and so do the negotiations which follow. It is not in the nature of things to expect that a claim of any magnitude can be submitted and decided upon at one meeting, unless it is that a negative reply is to be taken as a final answer without detailed examination of the proposals, and some attempt made to reach agreement.

That method may appeal to those who can play a better game in the grandstand than on the field, but it can have no appeal to those who are concerned with faithfully discharging a trust which their members have reposed in them.

There has been much loose talk from the uninitiated about the delay in dealing with claims. Protracted negotiations are the cause of much irritation and every effort should be made to avoid unnecessary delay and, wherever possible, to speed up the procedure of the negotiating bodies. It should be appreciated, however, that a settlement, when made, covers the whole of a trade or industry and that where the decision is that of a Statutory body, such decision has legal sanction, and action can be taken against the employers for non-observance. In the vast majority of cases, it will be found that the time taken has been substantially less and the results much more satisfactory than when the unions had to cover an industry piecemeal.

The negotiations on these national bodies are conducted in committee; no publicity is given to their proceedings other than what appears in their minutes. The representation on each side may vary from eight or ten to twenty-five or so. The composition on the trade union side will vary according to the trade or industry and the number of unions represented upon the Council or Board. Where only one or two unions are involved, it is possible to

arrange for a majority of the representatives to be lay members—in one case I know, out of seventeen trade union representatives there were ten or eleven lay members direct from the job; the remainder were full-time trade union officers. Where a number of unions are involved and some have only a small representation, then the practice is for them to appoint the full-time officer and lay representation is therefore very small. In either case, the negotiations are undertaken *for* the members *by* a small body meeting a long way from the branch or the place of work and the problem arises as to the best method of getting over to the members what has been done and the issues which have had to be faced. It is obviously impossible to meet fifty or a hundred thousand people or to go round to every branch and, therefore, the members have to be advised through reports to their branches and in trade union journals. But decisions have to be reached and for this purpose delegate conferences are convened at which information is given on the progress of the negotiations together with the details of what, in many cases, is a complicated and intricate agreement. If the negotiations have been protracted, the reasons are given and, in a long trade union experience, I have not found any serious complaint on this point after the facts have been clearly stated. Decisions are given by the delegates after a searching examination of the points raised and due weight given to any recommendations from their representatives on the negotiating body. If the terms submitted are accepted, arrangements are made for them to be applied; but in all this work the ordinary member can take little part, nor his branch for that matter. It is true that in many instances, when a new agreement is reached, its application raises many important issues. These are matters which fall largely upon the local branch or the shop stewards. Essential as this work is, however, it is detailed and unspectacular, and there is no 'glamour' to it; that went when the major issues were decided.

If national negotiations mean, as they undoubtedly do, that only a few can participate in them and that the final decisions on agreements are made by a relatively small delegate conference, the question arises as to how the interest of the ordinary member can be maintained, and how he can be conscious of what has been done and why it has been done. This is a problem which, in essence, is not peculiar to the trade unions. It is one which confronts the State and the local authorities in our modern complex society.

I will go farther—if the digression will be excused—and say that this problem, which we are considering in relation to Industrial Democracy, is the urgent problem to be solved by our modern and efficient political democracy, if it is to remain healthy. A trade union may take credit for having discharged its obligations to its

membership by obtaining rates and conditions of service beyond expectation, but if this is done so efficiently that the individual member need not bother, democracy is in danger—not from decay but from efficiency.

British democracy cannot be complacent just because the State provides full employment and social security, it must be vigilant lest the State becomes more important than the individual.

I said earlier that the problem we were considering was one which could not be dealt with in isolation, and I mentioned that we must take account of other developments in industry and the trade unions. What are those developments?

A glance at the industrial scene shows that the place of the small employer is being taken by the large firm or combine. It is true that the small firm with a limited number of employees still plays an important part in our industrial life though many are, to a greater or lesser degree, under the control of the larger organizations. Where this is not the case, the small employers who like to think they are rugged individualists, and in many respects they are, have nevertheless been forced by circumstances to combine into national associations, some of which exercise a considerable influence on trade policy. The worker has not been uninfluenced by these developments for he feels, particularly in the large industrial organizations, that relationships are impersonal. Many attempts have been made by progressively minded employers in consultation with workers' representatives to counteract this tendency but, so far, we do not appear to have found the modern equivalent of the old personal relationship which had much of value in it. There is also the feeling amongst the workers that real control is remote and that policy decisions which vitally affect them are taken by those who are far away from the place where the work is done.

We cannot disregard other factors such as the development of new industrial techniques and improvements in factory organization, the widened area of mass production which involves the breaking down of processes and the extension of repetitive and monotonous work. Is it surprising that the worker should wonder if he is really more than a cog in the wheel, or with the old fisherman friend of Stephen Reynolds he should ask: 'What be they going to do with the likes of us?'

Coincident with the changes in industry and in the forms of negotiating machinery, and in large measure due to them, there have been corresponding developments in trade unionism; membership has increased but the number of unions has decreased. The membership more than doubled in sixteen years whilst the number of unions fell by one-third. It is interesting to note that

seven unions now cover more than a third of the total membership, and that seventeen unions, each with over 100,000 members, account for two-thirds of the total membership.

The trend towards large-scale trade unions, of which we have not seen the end, is in line with the desires of the members. Had such not been the case, the unions in their present form could not have come into existence. More than mere acquiescence is needed to ensure that the necessary votes are cast and the requisite majority obtained in the amalgamation ballots which have to be taken on lines laid down in the Statute governing this matter. The merging of a number of unions into one means a break with tradition and with old-established practices and customs. To fit into the new setting is not easy; it takes time and calls for the exercise of tact and patience on the part of those upon whom the responsibility of consolidating the amalgamation rests and, at the same time, carry out the obligations which previously vested in the old organizations. Though the new organization is efficient and meets the desires of the members, the seat of government appears to be farther away from them. That is recognized by those who hold responsible positions in the unions and various schemes of devolution and decentralization of functions have been worked out in order to ensure that there shall be an effective place in the organization for all those who have a desire to participate actively in the work. I have had a hand in this work. When I was responsible for a large section of 200,000 members in the Transport Workers' Union, the contacts I had with the members were no less close than those of many officers of the smaller national unions. But the problem is there; it is not easy in the early days of a big amalgamation for the ordinary man in the shop to feel that his work and influence count. Yet amalgamations were both necessary and desirable; friction and competition were avoided and men following similar and related occupations were brought together under one roof.

Industrial developments bring new problems for the workers; international ramifications have an effect upon standards in Britain: industrial relations cover a wider field and the technique and problems of negotiations have undergone a marked change. Arbitration cases and Courts of Inquiry call for new standards of advocacy and research, which smaller organizations have a difficulty in supplying, though these organizations have capable officers and skilled negotiators even if they have to rely upon outside sources for the data which they must use. The instrument of Industrial Democracy—the trade unions—has been streamlined to meet modern conditions. But it is based on the individual and his importance and we must not ignore that fact.

A modern trade union is expected to provide for its members a range of service much wider than the uninitiated have envisaged. It must be in a position to deal with any industrial question which may arise affecting either a group of members or an individual and it is no exaggeration to say that it not infrequently happens that as much time is given to an individual case as to one where a large body of members are concerned. Legal service has to be provided, compensation and common law claims dealt with, legislation watched with care and suggestions for change made through appropriate channels and, what is not commonly known, attention given to problems affecting members which are only remotely associated with their work. The range of service is comprehensive and efficient, and though the branch officers and members of committees take on many important duties, the specialized work is handled largely by those trained for the job. Over a widening range it is a case of something done *for* the members in which their participation is somewhat remote. It is in that setting that efforts are constantly made to create and retain active participation in the ordinary affairs of the union. The work to-day falls upon the active minority excepting in times of stress or when some major issue is under consideration. This catalogue of the services provided by a modern trade union exemplifies the efficiency to which I have referred. It is this efficiency that lulls the individual into a feeling of security and weakens his obligations to the democratic principle.

I suppose that it would not be unfair to say that many trade union members pay their contributions as they would an insurance premium and, under normal conditions, do not bother if the service for which they have paid is forthcoming. The efficiency of the service produces apathy which is a condition not peculiar to the unions and is to be found in other types of social and political organizations. It would, however, be a mistake to assume that the workers are completely unaware of the underlying value and significance of the organizations they have created. If the foundations were attacked, or if unconstitutional action were taken by that minority politically opposed to the democratic principle, there would be that resurgence of spirit and determination which we witnessed during the war when those things we value greatly as a nation were in danger.

The large-scale union and centralized negotiations for which the workers have striven will continue. The range and quality of the service have improved and material advantages more evenly spread have resulted from the change. But there is this question of how to retain the advantages of centralized negotiations and large-scale trade union organization without any weakening of



that spirit and individual awareness which is vital to the healthy development of a democratic organization. In the trade union constitution there is a provision for the exercise of democratic rights through the direct method of the branch meeting and the individual ballot vote, and through forms of representative machinery to the highest authority in the organization; but there is something beyond constitution and machinery.

'New occasions teach new duties'—but they also give rise to new aspirations and demands. To-day, the active workers, in pursuit of the principles of Industrial Democracy, are claiming a greater say about the conditions which affect them on the job and in the consideration of policies which influence those conditions. Hence the demand for what was termed *Workers' Control*, and is now expressed as *Joint Consultation* through Joint Consultative Committees. The claim is not new though the form in which it is expressed may have changed. An attempt was made to meet it in the recommendations of the Reconstruction Committee of 1917 from which the Whitley Report emerged. Joint Industrial Councils have been used effectively in a number of industries as an improved piece of negotiating machinery but in very few has there been extensive use of the Works Committee side of Whitley machinery. Many of the workers were suspicious of machinery which came from the top, which they felt had been designed as an opiate while employers showed a reluctance to experiment with a form of machinery which might have wider implications than appeared on the surface. Attempts have been made, however, in many firms to introduce schemes of joint consultation, some broadly conceived, others with a narrow reference.

The idea of joint consultation at various levels was one of the questions considered by the Mond-Turner conference—the reports of this body warranted more serious attention by both sides of industry than they received.

It is this idea, too, which is behind the demand for workers' representation upon the Boards of nationalized industries. It also finds expression in joint machinery such as the *National Joint Advisory Council to the Minister of Labour*, the *Joint Consultative Committee*, and many other national bodies upon which the Trades Union Council and the employers' confederations are represented. Decisions of these bodies have had an important bearing upon industrial questions and changes of a far-reaching character have been effected with the minimum of trouble; in other words, the constituent members of the organizations have honoured decisions to which their representatives have been parties.

From this it will be seen that the Trade Union Movement is accepted by the Government, the community, and the employers

in general, as a permanent and valuable part of the social structure; its status is enhanced, its sense of responsibility deepened. In this wider field of consultation it is working through its own representative bodies elected according to rules generally accepted. The work in which it is engaged is of major importance to the community, and the conclusions reached have an important bearing upon the 'job in the shop'; but again, where is the individual in all this—for the deliberations are far removed from the place where the work is done. That is inevitable but something has to be done at a much lower level. The phrase is often used: 'all at the highest level and nothing at the workshop floor.' As a generalization, there is an element of truth in it.

The Whitley Report stated that 'a permanent improvement in the relations between employers and employed must be founded upon something other than a cash basis', and it went on to say that workers must be given a greater interest in, and responsibility for, the improvement of their industry as a whole. It defined Industrial Democracy as a necessity for industrial peace and as an alternative to revolution. But the fillip given to joint consultation by the Whitley Report was short-lived, and it was not until the last war that the participation of the worker in industry made another step forward.

Ernest Bevin, as Minister of Labour and National Service, called for 'Standing joint arrangements for regular discussion between managements and properly elected representatives of the workpeople on matters in which they are materially concerned and interested'. This is another definition of our title 'Industrial Democracy'—and it was another crisis which forged a new unity and sense of urgency. Joint Production Committees did sterling work in all spheres of the war effort, and enabled the individual to participate in the common effort on something more than a cash basis.

Joint consultative machinery must be based on voluntary co-operation and some recognition of an underlying identity of interest. It must be real to the individual and must therefore command general consent and support. The characteristically British voluntary production committees of the war played a very important part in victory, but the ingredients in the recipe for their success must not be forgotten.

Unfortunately, history threatens to repeat itself; some of the war-time machinery has already been allowed to fall into abeyance. The individual is not so active, the sense of urgency and the resultant will to co-operate have apparently been lost. Yet the need for intelligent co-operation and a sense of common purpose was never more urgent than at the present time.

The need for stimulating, extending, and developing machinery within industry through which the ordinary man and woman on the job can express themselves should be apparent to all who are thinking ahead. The worker is not only a driller, turner, moulder, or labourer; he is a person and he should be able to feel that within the scheme of things in the factory, he is recognized as such as, in fact, he is in the wider community outside the factory. He has to make his contribution to the production drive which is essential to our economic recovery. Higher material standards depend upon production and under modern conditions this depends upon co-operation, and co-operation upon moral principles from which derives the sense of purpose.

The Government, members of all political parties, leading industrialists, trade unionists, and journalists, have expressed the view that really effective joint consultative machinery could provide a vital stimulus in industry and may be the means of finding a new incentive to go with the concept of full employment. Confirmation of that view can be found in the speeches of Ministers and other representative people, and in official publications.

The question of joint consultation is one which seriously concerns the industries recently brought under public ownership. The various Acts dealing with nationalization give general directions on this question and on pages 24 to 26 of the First Annual Report of the National Coal Board there are extensive references to it.

The spirit in which this matter will be approached in Inland Transport was referred to in a recent speech by Sir Cyril Hurcomb, the Chairman of the British Transport Commission in the following terms:

'It will require effort on the part of all concerned to break away from the authoritarian tradition of the past while preserving necessary discipline, to make the rank and file staff feel that their views on matters connected with their work are welcome and considered. Those who are required to say what is to be done will have to take pains to explain also why it is to be done, and why something else which may have been suggested by some of the staff concerned cannot be done instead. Machinery for joint consultation exists; it will be developed and made to work. Patience, tact, and goodwill will be needed; but I know I can say that goodwill is there, that senior officers are imbued with the right ideas, and that the atmosphere is changing, and changing for the better.'

Joint consultation in its fullest sense means that in each industrial concern workers should have the same rights to a voice in policy as their representatives have in the wider field of industry and the

nation. To encourage individuality and co-operation, there should be a free flow of two-way communications between the different levels at which joint consultation takes place. The provision of full information presented in an understandable manner about output, production policy, profits, and how they are dealt with, is surely the duty of management to-day. Cards on the table face upwards is a basic principle for joint consultation.

Joint consultation committees must be representative bodies—not all the constituents can participate in the work but the constituencies must be smaller in area and the representatives nearer to the individual workers than is possible where national issues are dealt with. It will be easier, therefore, for the representatives on these committees to see that the workers are kept in touch with what is done and it is essential that this aspect of the work is not overlooked. Joint consultation means, also, participation and there must be a genuine effort to get the workers' opinions and to profit from them; there must be provision for the traffic of ideas and views to move upward and for the spirit which actuates the best of committees to raise the working temperature and the sense of participation in the plant, shop, mine, or undertaking.

Thus Industrial Democracy comes back to the individual as a real and personal element in his working life. By the provision of full information he is in the picture and the 'cog' becomes a person.

The work of the consultative bodies should not be confined to relatively unimportant matters; they may commence within an agreed field of activity and the range may widen with knowledge and experience. The best type of machinery for joint consultation will remain just machinery, good on paper but sterile in practice unless the human relations are good. The acceptance of joint consultative arrangements may well be a means of improving human relations, but, here again, there must be a broad understanding amongst the workers of the machinery which exists, how it can be used, and the way in which their views can find expression through it. From the interest taken in this form of machinery there may well emerge a wider concern for those other activities of the trade unions which have so far been left to the active minority. A greater interest in that field is, as we have seen, very desirable. There have been too many occasions when industrial activity has been interrupted through lack of knowledge of the machinery available for handling the matters that caused the stoppage. We have already noted the paradox that where the work is most efficiently done, there is the greater disposition to leave it to the union, which means, broadly, the officers. The gibe that the trade union officers are out of touch with their members



generally comes from those who are ill informed on industrial questions or whose attitude to the unions is not too friendly.

Efficiency in trade union work is important but beyond that there is the contribution which each can make to the general pool of knowledge and experience and the fulfilment of the democratic purposes of the Trade Union Movement. For it *is* a movement and not merely a piece of machinery or an insurance company.

The story of Industrial Democracy has been better told elsewhere but then the subject I have chosen would take more than one lecture to deal with fully. I have directed attention to the place of the individual in the development of the instrument through which Industrial Democracy is given expression. The Trade Union Movement has reached that adult status to which I referred in the opening sentence of my lecture but, in doing so, the problem of the individual who created the movement remains.

The great Acts of nationalization now on, or about to be placed on, the Statute Book provide for full joint consultative machinery to be instituted, in consultation with the appropriate unions. Nationalization produces both an added need for consultation in the widest sense and an added opportunity to make consultation effective. The individual worker will have to be given a sense of *belonging* to an organization, vaster—and unless great care is exercised more impersonal—than that he has previously known; one in which, if he is unsettled, he can only really leave by quitting the industry altogether. On the other hand, the size of nationalized industry should permit of very much improved facilities for education, research, training for management, and promotion and advancement in the industry. These are matters for joint consultation at all levels and once agreed schemes for education, training, and promotion have been instituted, a sure foundation will have been laid upon which to build good morale, loyalty, and industrial well-being.

Given the co-operation of the unions, nationalized industries have an opportunity to bring about a revival of confidence in industrial relations and an atmosphere in which joint consultation can be really effective and give to the individual his opportunity to participate in and make his contribution to our Industrial Democracy.

There is a general understanding and appreciation of the changes which have been brought about recently, but when these come in rapid succession difficulties are bound to arise in the process of assimilation.

I believe that the Trade Union Movement is fully seized with the importance of keeping the members informed of what is being done and of the part which they can play in these modern developments. This week's report of the Trades Union Council on productivity

which is to be considered by all affiliated unions is a most significant document. The concluding passage of that report emphasizes my theme: it says:

'the efficiency which we seek in industry must be sought also in the administration and functioning of our movement. We must equip our organisation and train our officers to enable them more effectively to serve our *individual members*.'

That position, too, is appreciated by the employers in industries where the idea of joint consultation is readily accepted and, not least, by bodies like the Road Transport Executive of which I am a member, who have the task of welding together into one comprehensive organization, with the maximum of decentralization in control, of thousands of small employers and those who have worked in the small units.

A greater measure of understanding of the wider issues and the significance of decisions by national bodies is likely to emerge from the development of effective methods of consultation and participation at the workshop level. It is there that the knowledge and experience of the workers can be of great value, but it must be real consultation readily accepted by those who intend to make it work and who are not deterred by a failure here and there.

We have seen that the large national trade unions and central national negotiating machinery have developed as a result of the demand of the individual workers who saw that their best interests were thereby served.

Nationalization means even greater centralization in some directions, but I believe that in nationalization lies the greatest opportunity for the full practice of Industrial Democracy with machinery that will allow for the fullest participation of the individual. In this new concept, Management must have the imagination, enthusiasm, and ability to welcome and encourage the ideas and contributions of their fellow workers at all levels and in all grades; the workers must have the confidence, trust, and loyalty to make their full contribution without reservation; the consumer public must have the opportunity to criticize and make suggestions on the service or commodity provided and then be prepared to pay fair charges. It will be noted that in all the recent Acts of nationalization, statutory provision is made for consultative committees to represent the interests of the consumer or user.

The full searchlight of democratic scrutiny must shine on the nationalized industry. In this equal partnership of management, workers, and consumers all bound by national and, therefore, common ownership, there is the widest scope for consultation and participation.

The Government, the boards of nationalized industries, and the great Trade Union Movement are all committed to the restoration of confidence and a sense of partnership in industry. But things of the *spirit* cannot be provided for by machinery and statute alone. A new incentive is needed to complete and maintain the economic recovery of our country. We are a nation of individuals, and it is in the maintenance of the dignity and integrity of the individual that democracy will thrive, and in the pursuit of true industrial democracy that our national economic well-being will be assured.