

Local Disadvantages and the Weaver's Wage in the British Cotton Industry

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1 Introduction

A recent paper in "Ars Textrina" [1] provided an assessment of the Uniform List,¹ which was the basis for determining the piece-rate earnings of weavers in most sectors of the British cotton industry from 1892, until it was gradually superseded following the Second World War. Although the List introduced rigidities in the labour market, nominally it had the advantage for operatives and employers alike, of discouraging undercutting of selling prices on the basis of wage cuts during periods of poor trade. However, this safeguard did not survive the severe pressures of the interwar years, as the legalisation of the List in 1935 testifies [2]. Under more favorable trading conditions, the List also reduced the chances of disputes arising from wage differentials between mills and between districts.

While the Uniform List provided a focus for collective wage bargaining at industry level between the Amalgamated Weavers' Association (AWA) and the Cotton Spinners and Manufacturers' Association (CSMA), it was not applied universally, since there were sectors of cotton weaving for which its provisions were not appropriate. Thus separate arrangements evolved in the production of sheetings, the weaving

¹ Although the term Uniform List is used throughout this paper, the discussion below relates also to the Colne List, which from 1892 to 1935 was the industry-wide basis for determining wages in the weaving of coloured fabrics. The original Uniform List and the Colne List formed the basis respectively of the Grey and Coloured Sections of the revised Uniform List of 1935.

of hard waste yarns, and the manufacture of pile fabrics, quilt fabrics and towels [3]. Even where the Uniform List was appropriate, there remained non-federated local employers' associations and even individual firms, which preferred to make their own arrangements or to pay wages calculated according to the Uniform List but subject to deductions designed to reflect "Local Disadvantages" arising from geographical considerations. In 1919, the cotton weaving industry in Britain was operating 800,000 looms of which 600,000 were covered by the Uniform List. Of the remainder, 75,000 were in non-federated firms which operated deductions or special arrangements to take into account these alleged disadvantages [4]. The Local Disadvantages issue described in this paper, therefore, affected a small but significant part of the industry.

2 The Evolution of Deductions for Local Disadvantages

Table 1 shows the principal districts in which Local Disadvantages deductions were applied in 1920. In some cases the district is located at a distance from the industry's traditional markets centred on Manchester, and from yarn spinners in the Oldham and Bolton areas. This would apply to Skipton, Earby, Barnoldswick and Kirkham, which lie at the geographical boundary of the industry. In other cases, notably Bacup and Harlesyke, the district, although located more centrally, was handicapped by topography and by remoteness from a canal or railhead, which was an important consideration in an era which predates the availability of mechanical road transport. The following extract concerning firms in the vicinity of Burnley and Nelson is taken from the proceedings of the Industrial Court, which considered the Local Disadvantages question in 1920. It conveys vividly the effects of topography:

"The mills are at heights in each case varying from 500 feet at Higham to 1,000 feet at Barley. The roads generally are steep, three horses being required to a load, and the cartage costs are accordingly heavy." [5]

Table 1 also shows the number of firms known to be making deductions for Local Disadvantages in 1920, and it is evident that a significant proportion were located in areas which, in spite of their geographical status, were important centres of cotton weaving. This is true for example

of Barnoldswick, even allowing for the high incidence of room-and-power operations in the town.

The ability of firms in these districts to make deductions to wages in response to geographical circumstances arose from the fact that they, or their local employers' association, chose not to federate with the CSMA (or its predecessor, the NorthEast Lancashire Employers' Association) because of its insistence that the Uniform List should be paid in full [6]. There is also the possibility that in these outlying districts, the AWA was weak. This was certainly a relevant factor in Skipton, where an AWA-affiliated union was not formed until 1902 [7], and where during a dispute which culminated in a 7-week strike on the Local Disadvantages issue in 1911, trade union representatives were critical of the indifference shown by non-union weavers and commented despondently on the difficulties faced by the union in recruiting a local membership [8]. In this particular dispute, the AWA's aim was to achieve acceptance of the Colne List less 5% which was seen as a major improvement on existing conditions. With the assistance of a Board of Trade arbitrator, a settlement along these lines was reached [9].

Thus, the employers' wish to make deductions from wages for Local Disadvantages arose from considerations of geography, while their ability to do so reflected their unwillingness to federate and possibly the unwillingness of the workforce to unionize.

After the First World War, the AWA, mindful of the dissatisfaction of its members who were affected by the deductions, persuaded the Minister of Labour to refer the matter for arbitration by the Industrial Court.² This took place in 1920, and the award of the court involved amendments to the arrangements including their abolition in certain districts. Although the award had no legal standing [10], no formal evidence of breaches of its provisions has been found.

At this stage, what had previously been a system of ad hoc, uncoordinated deductions, took on a more formal aspect. A further reference to the Industrial Court was made in 1936 and this gave rise to further adjustments [11]. Prior to this, in 1935, the Uniform List had been revised. In addition, because of persistent breaches of collective wage agreements, it had been made legally enforceable under the terms of

² Established under the Industrial Courts Act, 1919.

the Cotton Manufacturing Industry (Temporary Provisions) Act, 1934. The revised list included a clause incorporating the 1920 Award of the Industrial Court and this clause was amended following the Court's further Award in 1936. The total number of looms covered by the legalized list in 1935 was 530,879 of which 46,318 were in mills subject to Local Disadvantages deductions [12]. It would therefore appear that although legalisation of the Uniform List was promoted jointly by the AWA and the CSMA, statutory effect was given to the Local Disadvantages arrangements operated by non-federated firms.

3 Evidence submitted to the Industrial Court

The summary of evidence published following the 1920 and 1936 hearings of the Industrial Court gives an interesting insight into the reasoning associated with the Local Disadvantages issue.

In 1920, to support its claim for abolition of the deductions, the AWA used three arguments. Firstly, it was proposed that the arrangements were a survival from an era of inferior communications. This was countered by the employers, who submitted details, some of which are published, of the differentials in cartage costs to which firms in outlying areas were subject. Furthermore, it was pointed out that in such areas, it was necessary for firms to operate with high levels of working capital to accommodate delays in the delivery of yarns and fabrics. It was also suggested by the trade union that under the prosperous trading conditions of the immediate postwar period, firms were capable of paying higher wages. This appears to be a dangerous argument since it carries the implication that in less prosperous times the deductions were justified. Indeed, the employers responded by drawing attention to the cyclical behavior of trading conditions in the industry. Finally, the AWA used the argument that wage variations between districts in other industries related to time rather than piece rates. The variations in cotton weaving were seen as unreasonable since they involved different payments for work of equal quality and amount. The inequality of this situation can be appreciated, but the comparison with workers on time rates is curious, since it appears to suggest that workers in other industries, mindful of geographical variations in wage rates, were willing and able to make corresponding adjustments to their individual outputs.

The employers further defended their position by alleging that the labour available to them in outlying areas was less efficient and less abundant than in other areas, with the consequence that, to produce a given output, more looms were needed. (Similar allegations were made, although more forcefully, during the Skipton dispute of 1911, referred to above. Specifically, the Skipton weavers were referred to as “a sloppy lot”.) The Industrial Court was not persuaded by the inefficiency argument, which is not surprising bearing in mind the inability of the employers to substantiate their statements. However, neither the Court, nor the AWA appear to have responded to the labour shortage issue by perhaps considering measures to increase the mobility of labour, thereby reducing both the justification for Local Disadvantages deductions and the ability to apply them. The immobility of labour in the industry was subsequently highlighted in a classic paper by Jewkes and Campion [13] in 1928 and has been discussed by other authors since then, including Miles [14]. Undoubtedly it was a phenomenon of which those giving evidence on both sides in 1920 were fully aware.

In response to criticism by both the AWA and the CSMA, that the deductions from wages were used to undercut the selling prices of competitors, the employers stated that prior to the First World War, they had offered to provide firm evidence (including cost data) to show the extent of transport and communication problems in outlying areas, but that this offer had not been taken up. It is certainly in regard to this issue that the strength of the employers’ case seems to have rested, although it is difficult to understand why the burden should have been passed on by making deductions to the wages of a single category of operatives.

As shown in Table 1, the outcome of the hearing was that in five districts, Local Disadvantages deductions were abandoned, while in four other districts, they were upheld at 5% of list prices. However, it was the practice to apply the deduction as a percentage of gross wages. Thus, in 1919 the Uniform List was payable with an addition of 145% to reflect cost of living increases and other factors. The deduction for Local Disadvantages, which in the majority of cases was 5%, was observed by making an addition of only 140%. Thus the deduction from gross wages amounted to 2.04%. However, by 1934 the addition to list prices had been reduced to 67% because of adverse trading conditions. Where a 5% Local Disadvantages deduction applied, the addition was only 62%

and the deduction from gross wages now amounted to 2.99%. This was one of the concerns expressed by the AWA at the 1936 hearing before the Industrial Court.

During the course of this hearing, the debate on transport and communication was continued, with the AWA claiming that improvements since 1920 in public transport had eased the labour supply position, while the availability of mechanical road haulage had improved the shipment of raw materials and finished products. The increasing importance to the industry of markets located in Bradford and London was also pointed out. Although they accepted that, in general, improvements had taken place, the employers insisted that the effect in outlying areas had been marginal.

The AWA also drew attention to the successful adoption of rayon weaving, particularly in the Nelson/Colne/Skipton area or north-east Lancashire and north-west Yorkshire, including its adoption by firms which were a party to the Local Disadvantages arrangements. It was stated that the fibre manufacturers sold yarn to these firms (as to other customers) without making a delivery charge. Attention was also drawn to the high quality of the fabrics being produced from rayon, thereby calling into question the general validity of the employers' continuing claims about the adverse quality of the labour available to them.

An interesting argument in favour of Local Disadvantages deductions advanced by the employers in 1936, which was not mentioned in 1920 Award, was the need for firms located at high altitudes, and subject to strong easterly winds, to use higher quality and therefore more expensive yarns. This presumably is a reference to conditions of low humidity, under which yarn breakage rates are likely to be high. The problem may have been an important one given that, at this stage in the industry's development, conditioning equipment was not commonly available. It should be stressed, however, that comparatively few of the firms operating Local Disadvantages deductions were located at high altitude.

The outcome of the 1936 hearing was an easing of the deductions in most of those firms where they were still operated, as shown in Table 1.

4 Local Disadvantages and Regional Variations in Earnings

In his analysis of cotton textile wages in the UK and the USA, Gibson [15] considered regional variations in weavers' wages in the UK using data compiled by the Board of Trade in 1906 and the results of censuses taken by the AWA in 1936 and 1937. Wide variations were found, and they were attributed to differences in the proportion of male and female operatives, the mix of fabrics produced, the extent of underemployment and to variations in the adoption of the "more looms" system of working between districts. No mention is made by Gibson of the Local Disadvantages question, neither is the matter discussed by Gray [16] in his review of the AWA censuses or by Turner [17] in his classic study of the Lancashire trade unions.

This omission no doubt arises because the effects of the factors noted above were very large compared with the influence of the Local Disadvantages deductions. This is evident from the data given in Table 2, which has been adapted from Gray's analysis of the 1936 census. Furthermore, the general reduction in the cost of living and allied additions to the Uniform List which occurred during the adversities of the inter-war years, gave rise to a serious erosion in weavers' wages throughout the industry. However, as explained previously, by virtue of the way in which the Local Disadvantages deductions were calculated, the general decline in the cost of living element in weavers' wages increased the impact of the deductions in the districts affected. This no doubt increased the pressure on wage negotiators to secure their abolition.

It is difficult to establish the monetary effect of Local Disadvantages deductions on earnings, because within certain of the districts covered by the AWA census (which are named in Table 2), some firms were entitled to make the deductions while others were not. This would apply to both the Colne and Burnley districts. However, for Skipton and Barnoldswick, where all firms were subject to the arrangements, useful conclusions can be drawn. Specifically, Table 2 shows that in both cases, average wages were somewhat above the industry average. In Skipton, this reflected the production of complex fabrics from man-made fibres. In these circumstances, the rates paid were more than sufficient to offset the combined effects of Local Disadvantages deductions, underemployment and the wholesale retention of the traditional 4-loom

system of weaving. In Barnoldswick, it was probably the comparatively widespread allocation of 6 looms per weaver which more than compensated for the impact of the deductions [18].

On this evidence, it is reasonable to ask whether in Skipton the deductions were justified. Evidently weavers were capable of producing complex fabrics. Furthermore, according to claims made at the 1936 hearing, the yarns required were not subject to delivery charges. Thus two of the major arguments used by the employers to support the case for deductions did not apply.

5 Conclusion

It might be argued that the Industrial Court, instead of institutionalizing the Local Disadvantages arrangements, should have addressed the immobility of both labour and capital, in an attempt to remedy the parallel problems of wage rate differentials and high transport costs. However, quite apart from the difficulty of devising suitable measures or the socially disruptive consequences of relying on market forces, it is important to bear in mind that it did not fall within the terms of reference of the Industrial Court to pronounce on matters of economic policy. Its role under the provisions of the Industrial Courts Act, 1919, was to arbitrate in respect of disputes voluntarily referred to it by the parties involved. Thus, in publishing the 1920 Award, it was stated that:

“The Court are not concerned with the reasons which led in the first instance to the establishment of mills in such situations in face of the disadvantages to which by reason of competition they would be subject. The question now is whether the continued existence of such mills should be prejudiced. In regard to this question the Court feel that there is no difference of view between employers and workers, and that it would be in the interests of neither that the mills should be compelled to close when the conditions of trade are less favorable than at present.”[19]

However, in 1948, operating with a different brief and in radically changed conditions, the Cotton Manufacturing Commission in its Interim Report set itself against the Local Disadvantages arrangements:

“We are satisfied that deductions from rates of wages to meet alleged local disadvantages should not be permitted . . . The continuation of differential rates because of local disadvantages in some districts would open the field to endless and useless arguments on claims for differential rates all over the Kingdom.” [20]

Subsequently the deductions were abolished, although, by this stage the Uniform List was itself being gradually superseded by more rational wage systems.

References

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Table 1
Summary of Local Disadvantages Deductions

District	Number of firms applying deductions in 1919	% deduction from Uniform List or Colne List		% deduction from earnings		
		1919	1920-1935	1919	1934	1936 and thereafter
Skipton	22	5%	5%	2.04%	2.99%	2.5%
Earby	18	5%	5%	2.04%	2.99%	1.75%
Trawden (Colne)	24	5%	5%	2.04%	2.99%	1.00%
Barnoldswick	46	5%	5%	2.04%	2.99%	1.75%
Harlesyke (Burnley)	11	4%	-	1.63%	-	-
Barrowford (Nelson)	5	2½% of gross wages	-	2.5%	-	-
Bacup	16	Various	-	Various	-	-
Clitheroe & Whalley	6	"	Nil to 5%	"	Nil to 2.99%	Nil to 1.75%
Wigan and Chorley	8	"	-	"	-	-
Kirkham	8	2½% of gross wages	-	2.5%	-	-

Table 2
Average Earnings of Weavers according
to the AWA Census , 1936

(Index Numbers, Industry Average = 100)

Nelson	113	Bamber Bridge	99
Burnley	113	Clitheroe	96
Rochdale	110	Bacup	95
Barnoldswick	109	Hyde	95
Rishton	107	Ramsbottom	94
Colne	107	Accrington	94
Todmorden	106	Heywood	94
Skipton	106	Clayton	92
Haslingden	104	Longridge	91
Great Harwood	102	Oswaldtwistle	89
Darwen	101	Oldham	89
Manchester/ Salford	101	Radcliffe	88
Blackburn	101	Bolton	88
		Preston	87
		Ashton-under-Lyne	85
		Chorley	83
		Bury	82
		Wigan	76

Note: Covers the week ending 15th February, 1936.

Source: Derived from Gray, Op. Cit., p. 31.

