The mid-nineteenth century saw numerous efforts to regulate industrial relations by the establishment of courts of conciliation and arbitration. As the Webbs pointed out, what many contemporaries really meant by these terms was in fact collective bargaining. Among the most ardent advocates of a structured system of industrial relations was the Nottingham hosiery manufacturer A. J. Mundella (1825–97) (1), but a whole variety of plans for conciliation was devised, sometimes for particular trades, sometimes for particular regions (2, 3).

What was involved was a recognition, by employers, of the usefulness of trade unions in bringing order into industrial bargaining, and by unions of the value of attaining a bargaining role (4, 5, 6). By the middle of the 1870s, Mundella had reason to congratulate himself on the extension of his system (7).

(1) RC on Trades Unions etc., *Tenth Report*, *PP* 1867–8 XXXIX, Evidence of A. J. Mundella, Nottingham hosiery manufacturer

19,375. . . . I will tell you what has been the effect of our board of arbitration. The very men that the manufacturers dreaded were the men that were sent to represent the workmen at the board. We found them the most straightforward men we could desire to have to deal with; we have often found that the power behind them has been too strong for them; they are generally the most intelligent men; and often they are put under great pressure by workmen outside to do things which they know to be contrary to common sense, and they will not do them. They have been the greatest barriers we have between the ignorant workmen and ourselves, and I know that is so. I have found it in my correspondence with trade union secretaries and leaders; all over England I have found that so. . . .

19,383. . . . We have nearly 5,000 different articles to deal with and have to regulate them all. We are continually fluctuating up or down, but not down much, because the tendency of wages had been slowly upwards for the last 500 years. Men require higher money wages because the purchasing power of money gets less. Instead of wages fluctuating downwards we generally let things remain as they are, and that has made things much more equal. I will give you an
instance of that. Mr. Samuel Morley, who is one of the largest employers in our trade, for he employs 5,000 people, has told me over and over again: 'in good times I can lay up stock now; before I could not do that, because I was always afraid of some unscrupulous employer cutting me out with lower prices'.


The manufacture of iron had in the course of less than ten years assumed dimensions which placed the North of England in the front rank amongst the producing districts of the Empire. Labourers had been collected hastily from all parts, and recruited from various occupations, strangers to each other and to their employers, for the most part illiterate, earning higher wages than those to which they had been accustomed, unable to appreciate the difficulties incidental to a trade so liable as the iron trade to great and sudden vicissitudes. It is not surprising that, under such conditions, serious disturbances should have arisen, which culminated in 1865–66 in a lock-out and strike; the latter of four months duration. Between that time and the winter of 1868–69 repeated reductions in wages became necessary; and gave rise to feelings of resentment, which rendered it more than probable that any considerable increase in the demand for iron would be the signal for peremptory demands on the part of the workmen, tending to a renewal of the confusion of previous years, and to the destruction of the prosperity which all might otherwise hope to share. It is due to the leaders of the workmen to state that they were at least as ready as their employers to accept the suggestion of the establishment of a Board of Conciliation and Arbitration, which was accordingly formed, after several preliminary meetings, on the 22nd March, 1869.

The Board consists of two representatives of each of the works joining it, one chosen by the owners, the other by the operatives, the latter being elected by ballot, and each serving during the calendar year. The decisions of the Board, if they can agree, or in case of difference, of the independent umpire, whom they are directed in such case to choose, are binding on their constituents.

The Board elects a President and Vice-President and two Secretaries for the year. These offices have always been filled in equal number by the employers and the operatives, to whom, with the President and Vice-President, all differences are in the first instance referred for investigation, and whose recommendations are, in minor matters, generally accepted by the parties interested. The Standing Committee has, however, no power to make an award. All questions not settled by it are brought before the Board for adjustment as quickly as possible. The Committee meets whenever there is any business, and the Board twice in each year unless specially summoned at other times. At the Board all votes are taken by ballot, and no casting vote is allowed to the Chairman. The expenses are borne equally by the employers and the operatives, and the members of the