ALFRED MARSHALL AND THE LABOUR COMMISSION
by
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ABSTRACT

1992 is one of the centenary years of Alfred Marshall's work on the Royal Commission on Labour, which enquired into labour relations, combinations of employers and employees and conditions of labour. Although Marshall contributed substantially to its Final Report - according to Mary Foley "the parts dealing with Trade Unions, Minimum Wages, and Irregularity of employment" - his extensive involvement in this mammoth inquiry (it produced 49 volumes) has been infrequently recognised. In his manuscript, Keynes, mentioned it briefly as an "interruption" to Marshall's more academic writing. Patridis does not mention it in his classical discussion of Marshall on trade unions. To commemorate this Marshall Centenary (and the sesquicentenary of his birth) this paper fills this gap in the Marshall literature. After briefly examining background to the Commission, the paper investigates the salient features of Marshall's contributions to its work. These include an evaluation not only of his contributions to the Final Report, but of his performance as interrogator and more generally to assess the accuracy of his exposition (1919) reflection that his "service on the Royal Commission on Labour" was the period when he received "the most valuable education" of his life "from working men and other witnesses, and from members of the Commission".


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ALFRED MARSHALL AND THE LABOUR COMMISSION
1891-1894

From 1891 to 1894 Alfred Marshall served as a member on the Royal Commission of Labour, taking evidence from witnesses and contributing to the draft of its Final Report. Apart from the fact that this period of his life coincided with the time when he should have been writing the second volume of his Principles (Whitaker, 1950), his work on the Royal Commission has been rarely noted (e.g., Matthews, 1999, p. 15 n.1). This is despite the fact that on the basis of Mary Paley’s recollections, Keynes indicated he contributed to aspects of its final report devoted to trade unions, minimum wages (by which he probably meant the so-called common rule of a negotiated regional occupational minimum, the manner in which it is defined in the Principles and irregularity of employment (Keynes, 1972, p. 217; Marshall, 1961, p. 704). Neglect of his work on the Commission is also surprising given Marshall (1919, p. vii) himself described it as “the most valuable education of my life from working men and other witnesses, and from members of the Commission.” 1992 is one of the centenary years of this mammoth task which Marshall in retrospect valued so highly and this seems an opportune occasion to present a little more detail on this significant fraction of Marshall’s working life as an economist.1

The argument is divided into four sections. These in turn provide some brief background on the Commission, an evaluation of Marshall’s performance as Commissioner in the gathering of evidence through the oral examination of

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1. This paper draws extensively on the chapter on Royal Commissions in the biography of Alfred Marshall I am currently writing, the research for which has been assisted by research grants from the Australian Research Council and the Socol Research Fellowship they have provided to assist the full time writing of this work.
witnesses, Marshall's possible contributions to the Final Report and, by way of conclusion, some speculation on the possible reasons why Marshall later saw these years on the Commission as such a valuable educational experience.

I

On 28 February 1891 the Salisbury Conservative Government, alarmed at the growth of industrial disputes and other signs of labour unrest set up a Commission on Labour, to investigate some important issues in labour relations, (Lyall, 1891, pp. 227–8, 292–3). Its 1891 Majority Report (p.8) summarised these as follows:

1. What are the leading causes of modern disputes between employer and employee; out of what conditions of industry do they arise; and what are the effects upon them or organisations on either side?

2. By what means of instruction can they be prevented from arising, or if they do arise, can they be most practically settled without actual conflict in the shape of strikes or lock outs?

3. Can any of these causes of dispute be wholly or partially removed by practicable legislation, due regard being had to the general interests of the country?

The political importance the government assigned to the Commission can be gauged from the fact that it received a budget of nearly £50,000, and numbered no less than 27 commissioners, of whom seven were trade unionists designed to give the composition the requisite balance. The Commission interpreted its brief as a fact finding one, and reported at considerable length-over the three years it was in existence. Marshall's formal invitation to join the Commission came during March 1891, in a letter from Arthur Balfour (Marshall Archive, 1/2i). His prominence in the economics profession as by then its most senior, active professor, was a major factor in his appointment, particularly when combined with his significant contributions to earlier Royal Commissions, and his writings on labour problems which signalled a useful sympathy with working class improvement as a major objective of rational policy.

Why he accepted the onerous task of Commissioner is likewise easily explained. Pigou recollected that it was Marshall, "the ice-blink of and realist detail" who, "eagerly welcomed the opportunity of serving on the Royal Commission on Labour, on which he came into close personal touch with many representative workpeople and employers of labour. (Pigou, 1925, p.85). Marshall himself stressed the educative value of the experience in letters to Jowitt, Tawney and others.

The Commission devised appropriate procedures during May 1891. The various avenues by which it was to carry out its task included, [1] the taking of oral evidence; [2] the collection of written evidence in the shape of answers to schedules of questions; [3] the use of existing materials; [4] the appointment of Assistant Commissioners to collect information not obtainable by other means. The Commission subdivided itself into three Committees, A, B, and C, to inquire into specific trades; Committee A to be responsible for the mining, iron, engineering, hardware, shipbuilding and erecting trades; Committee B (of which Marshall was a member) for transport and agriculture, the term 'transport' to include shipping.

canals, docks, railways and tramways; Committee C, for textile, clothing, chemical, building and miscellaneous trades. Evidence on more general questions was to be taken before the Commission as a whole. Trade Union representatives were to be summoned first to state their grievances, to be followed by representatives of the Employers' Association. (Royal Commission on Labour, 1894, pp. 3-4). Marshall explained the rationale for this procedure in his 1893 evidence to the Aged Poor Commission.

I think that probably the only thing that would be to start with the plan with which we started at the Labour Commission, and that was, to regard the working class evidence as the dominant evidence. We heard one working man after another for a long time before we heard anybody on the other side. The evidence of employers, and still more official evidence, was kept in the background. It was very important when it came; but it was kept in the background. And then the methods of cross-examination, which one naturally applies to an experienced witness should be either suspended. One can generally get to know whether a man is speaking bona fide or not. If he is not, of course he should be cross-examined sharply; but if he is speaking only what he believes, he should be allowed a very great margin. The ordinary laws of sticking rigidly to the point should not be twisted upon; he should be encouraged to say what he chooses. The members of the Commission should be men of a strongly sympathetic nature, who would abstain from asking any question of a kind that would uncuriously annoy working men witnesses. They should be much more careful with regard to the working men's evidence than with regard to the evidence of educated people. It would seem to me that, in so far as the inquiry was made by a Commission, as distinguished from Assistant Commissioners, that would have to be the mode of starting. In fact, I should myself like that the witness, on the supposition that he was acting bona fide, should not be cross-

examined in the ordinary way at all. I would like him to be examined by the Chairman, and by people who would look at the problem of poverty from the same point of view as he did. The questions of cross-examination I would prefer, if possible, to be put through the Chairman. (Marshall, 1926, p. 209).

In all, the Commission examined 583 witnesses at 151 sittings, with the evidence published periodically; a volume of evidence so immense that it was summarised, indexed and published with an analysis of its major content. The Commission obtained much information both from the 'Empire', that is, India, Canada, South Africa, New Zealand and Australia and from European and North American countries, namely, Holland, Belgium, Germany, France, the United States and Switzerland. Marshall wrote Jowett in October 1891, the fact "imperial" source would be particularly useful because the 'attitude of Australians to labour questions seems to me more interesting than that of any other nation, except Englishmen; much more interesting than that of Americans'. He likewise told Jowett the Commission had been advised "to inquire thoroughly into women's labour", an aspect of the Commission's work further explored in the final section. (Jowett Papers, Balliol College, Oxford).

As could be expected from the earnest Marshall, he diligently attended his share of the Commission's hearings. Marshall was one of two Commissioners to attend all 17 sittings of the Commission as a whole, but he only attended 38 out of a possible 46 sittings of Committee B. In addition, Marshall attended four sittings of Committee A and three of Committee C, a grand total of 62 out of a possible 161. In fact, Marshall's attendance record was almost the perfect median: 12 commissioners attended more, and 13 attended less sittings than he did while the average number of sittings attended by each Commissioner was 61. (Labour Commission, 1894, pp. 303-4).
When the Commission completed its work in 1891, it had filled dozens of volumes of reports on labour conditions in several foreign countries, minutes of evidence of a most detailed sort of hours and wages in the main industries, digests of the evidence … and elaborate indices of persons and subjects … prepared by [its] indefatigable secretary, Geoffrey Drage.” (Mowatt, 1891, p. 122). Its Final Report lacked firm conclusions and recommendations, and, generally speaking, was not well received.

Few reviewers went so far as Beatrice Webb in describing the Commission's Final Report as little more than “a symposium on the Labour question” and “a popular summary of views, opinions and arguments [Webb, 1894, p.4]. However, the Edinburgh Review (October 1894, p. 536) noted that its success in getting the majority to sign, which brought together the middle group of experts, the employers' representatives and the three old trade unionists, was obtained at "the sacrifice of strength, definiteness and consistency of views in the final document". The National Review (1894, p. 200) albeit prior to the publication of the Final Report, accurately predicted an "ungrateful public's reaction" to the Report to be like "the girl in Landor's poem at the first sight of the sea.

Is this the mighty ocean, is this all?

Even Marshall's former student, L.L. Price, although quite critical of Beatrice Webb's judgement of the quality of the Majority Report, could find little more to say in its praise than that "the apparent paucity, caution and pettiness of its recommendations" arise from its signatories not being "prepared for organic changes in the constitution of society" and in their recognition that "improvement may be accomplished, and has been effected, by the steady progress of experimental methods, sometimes, no doubt assisted and inspired by the state." (Price, 1894, pp. 645-6, 455-6).

Given Marshall's expressed motivation for participating in the work of the Labour Commission, what was the long range, educative value of the Report as a historical document? Here opinion among the reviewers was likewise firmly divided. The Edinburgh Review (1894, p. 335) justified the enormous cost of the Royal Commission by the value it "would have for future historians keen to savour its "copious material in sixty-five volumes for living pictures of industrial and social England at the end of the Victorian epoch ... The Spirit of the Age" evidently demanded an inquiry on a large scale into all those capital and labour questions".

Beatrice Webb (1894, pp. 2, 24) disagreed with the Review also on this score, citing her methodological dissatisfaction with the careless and unsatisfactory nature of the Commission's gathering and use of evidence, of which their treatment of the eight hour day movement was the most striking example. Given that "never had any Royal Commission spent so much money on investigation, cast so wide a net, or produced so great a bulk of printed matter", there was full justification for the expectation that "the Labour Commission might have presented to us, at no greater cost than has actually been incurred, a body of carefully sifted materials on the problems of the day as useful, and possibly as convincing, as the celebrated Poor Law Report of 1834. As it is, their product will, but for the volumes on agriculture and women's work, rank in economic history with such humiliating failures as the Select Committee on Manufactures, Commerce and Shipping of 1833 or the Royal Commission of 1861 on the Department of Trade." Although a précis of the Commission's findings was published in the popular socialist science series of Swan Sonnenschein (Sppers, 1894), Beatrice Webb's prediction about its value to future economic historians was more accurate than those of the Edinburgh Review. As shown in the final section, even Marshall cited it rarely in his subsequent work.
II

Marshall showed himself an astute questioner in the Commission, both when it was sitting in Committee and, even more, in the seventeen sittings of the Commission as a whole at all of which he was present. His questions covered the wide range of issues with which the Commission was concerned. These varied, as Beatrice Webb (1894, p.3) put it in her encomium review of its Final Report, from the merits of piecework to the drawbacks of overtime, from sanitation of factories to irregularity of employment, from Eight-Hour Bills to employers' liability, from seamens to miners, and from women workers to agricultural labourers ..., a list she may have easily expanded by reference to cooperative enterprise and profit sharing, municipal socialism and free education, shipping regulation and sanitary housing, workers' trains and the cost of feeding houses for London's cabmen, machinery and productivity, workers' wages and living standards, arbitration and conciliation, Sunday observance and American labour statistics, productive and unproductive labour, garden cities and the defence of the legitimacy of interest as a normal business cost. Marshall's questioning ranged over all these topics and more. This makes their summary impossibly and selection of some interesting, and characteristic parts from his rich and varied interventions in the taking of evidence, more appropriate.

Whether dictated by shyness, modesty or a willingness to learn from the experience of his more practical fellow commissioners, Marshall did not start questioning witnesses until the fourth sitting of Committee B. His first witness was Henry Gischi, a member of the Southside Labour Protection League and Steam Ship Workers Society. Marshall's questions sought information on the nature of trade union, the average wage, and the comparative advantages of casual as against weekly hired labour on the waterfront (Q 2436-74). Marshall then questioned the next witness, Joseph Fahey, another trade unionist from the docks on the effects of machinery on employment and on wages paid in the industry (Q 2450-69). Marshall's first major witness was Ben Tillett. Marshall's questions addressed seasonal factors governing dock labour and the observed unwillingness of dock labourers to take relief work in times of seasonal unemployment, mentioning a feature of Irish dock labour, noted by specialists on the subject, about their preference for long stretches of work in highly paid labour as against steady work at regular hours for lower pay. Tillett denied the accuracy of such observations, saying he had a drop of Irish in his own composition and that he himself had seen "a lot of Irishmen at regular work ... punctual and sober" (Q 3629). Marshall also raised questions about Tillett's views on the role of arbitration in settling labour disputes, pressing Tillett on what proposals he thought were practical "without an organic change in the conditions of industry" or his views on the scope of action open to the councils of the nation after the glorious revolution of which several Socialists have told us" (Q 3659-60). This was the first example of Marshall's rather hostile approach to socialist witnesses before the Commission, repeated when fellow Commissioner, Tom Mann, Sidney Webb, and Edward Hyndman, appeared before it.

Marshall finally questioned Tillett on the division of dock labour between those able to live "like good citizens" and those forced to "enjoy life" in more "rough and brutal ways" (Q 3663), a matter which had long interested him from the point of view of the social consequences of excessive hours of labour. Tillett's answer was not comforting. "From a rough estimate I gather 25 per cent of the dock employers have a decent chance to live, 25 per cent have to do this heavy work which means physical incapacity in the long run, and 50 per cent are not able to live a decent life." This

3. Marshall's questioning of Tillett at the Commission took place approximately two years after Tillett had started Florence Keynes with his fabes maunse rta a dinner party at Balsall Croft (see Keynes, 1972, p. 214). Tillett's later Memories and Reflections (1931, p. 169) only mentions Marshall, "the standing authority on political economy in the period" as someone who, "with his wife" was "most anxious to access the economic meaning of our great struggle within the strike movement of the new unionism."
was subsequently recorded in the Principles without source (Marshall, 1901, I p. 716).

Much of Marshall’s questioning of the witnesses he examined was similar. Assessing the views which others recorded on Marshall’s performance on this aspect of his task as Commissioner seems therefore an economical way of proceeding in this matter. One of those who did so was Beatrice Webb. She mentioned Marshall twice as gatherer of evidence in her review of the Commission’s Final Report. The first concerns the approach to working class witnesses taken by some of the commissioners, including Marshall.

One by one the working men are brought up to give, as they believe, the facts of their own trades. Presently they find themselves entangled in a discussion on abstract economics, political philosophy, and even history, with such cultivated dialecticians as Mr. Gerald Balfour, Sir Frederick Pollock and Professor Marshall. It would have been surprising if, in these academic debates the workmen had not frequently got worsted, quite as often when they were right as when they were wrong. The greatest triumph was to lead them by skilful questions into some logical inconsistency. This game of cat and mouse may have been interesting enough to the Commissioners; it was certainly amusing to the casual visitor to watch the dialecticians ‘purring’ at each other with complacency when their little points came off. But it aroused the deepest resentment among the working class witnesses, and had, as the Chairman might have known, the effect of destroying any chance the Commission ever had of getting to the bottom of the questions of fact within their knowledge. The workmen, feeling as several of them have since told me, that they were from the outset treated as hostile witnesses, were afraid of making admissions that could be used against them. The result was that they gave as little information as possible, and felt, as one of them expressed it to me, that they had enough to do to resist attacks. (Webb, 1894, pp. 17-18).

This is not a reasonable picture of the treatment of witnesses by the more academic Commissioners, and of the role the chair played in preventing such treatment. Too many’s memoirs (1923, pp. 100-01), first of all, cast serious doubts on Beatrice Webb’s impressions on the role of the chairman. “The Duke made a good Chairman. He never tried to browbeat a witness, or to take advantage of any clumsiness of expression. Sometimes, of course, a Commissioner or a witness would show inarticulacy. On such occasions the Duke would interpose with a question that invariably damped the ardour of one or other of the disputants; but his action was so tactful that no awkwardness was left behind. The other three Chairmen, one for each Sub-committee, were Lord Derby, Sir David Dale, and Mr. Muntz. Sir David Dale was particularly suave and deferential to witnesses. Muntz was assertive and disposed to be argumentative... a practice unsuitable in a chairman.” Workmen were summoned to give “the facts of their own trade” to the three sub-committees. Their membership precluded the ganging up of the “dialecticians” to which Beatrice Webb referred. Balfour sat on Committee A, Marshall on Committee B and Pollock (with the fourth dialectician, Sir Leonard Courtney (Beatrice Webb’s brother-in-law, and therefore only mentioned in her diary) sat on Committee C. However, when the Commission questioned her husband, Sidney Webb, who, despite his social origins, could by then hardly be classed as a working man, there was some ganging up by the ‘dialecticians’. As

4. This can be compared with what Beatrice Webb noted in her diary (24 December 1892): “Royals Commission on Labour a gigantic Fraud. Made up of a little lot of dialecticians, plus a carefully picked parcel of versatized labour men, and the rest landlords and capitalists, pure and simple. The dialecticians - O. Balfour, Fred Pollock, Marshall, and Courtney have had their way. They have puzzled the workmen with economics, baulked inconvenient evidence by cross questions, and delivered themselves of elaborate treatises on economics, history and philosophy to bewildered reporters, equally in the form of questions (The Diary of Beatrice Webb, Volume 2, 1892-1905, edited Norman and Jeanne McKenzie, pp. 25-6).
Mann noted much later, "when Sidney Webb was examined by Marshall, the witness showed unmistakable signs of annoyance, and frequently replied in curt and satirical terms" (Mann, 1923, p. 101).

Marshall's cross-examination of working class witnesses, or attempts to trap them in inconsistencies, is in conflict with what he himself reported in the Commission's practice in the treatment of working class witnesses, which has already been quoted and which conforms quite closely to the record of evidence. There is only one clear instance of Marshall drawing information from an unwilling witness. The witness in question is Thomas Suthereth, a tram and bus man and the subject of questioning the requisite wage a municipality should pay its tram- and bus-workers on taking over the local public transport system. In over a dozen questions, Marshall tried to get the witness to say that the very generous wages he proposed would induce an excess of applications for employment to the order of three million (Q. 15.942-96).

Beatrice Webb's sarcastic reference to 'Professor Marshall's statistical inquiries' (Webb, 1904, p. 21) only really applies to Marshall's questioning of a number of witnesses when the Commission was sitting as a whole towards the end of 1892. This includes his questioning of Dr. Ogle, the Superintendent of Statistics in the General Registrar's Office on 27 October 1892 (e.g. Q. 1717), of Dr. Gould, the American Labour Statistician on 2 December 1892, and especially, of Sir Robert Giffen on the two occasions he appeared before the Commission (24 January and 2 February 1893). Marshall was obviously well placed to ask questions about the adequacy of industrial and labour statistics, about which he had already expressed concern in evidence presented before the Gold and Silver Commission. Marshall, 1926, pp. 95-7; of Marshall to Adlam, in Pigou, 1925, p. 372). Mann's recollections about Marshall as Commissioner appear much more apt and objective. He saw Marshall as a 'very diligent commissioner, who gave close attention to all the evidence. It was obvious that his questions were carefully elaborated beforehand. The Professor had an academic and somewhat pedantic style', (Mann, 1923, p. 101). 5


4074. You describe Adam Smith as having advocated a system of natural liberty? - Yes, in brief.

4075. That is what you may call the popular opinion of Adam Smith? - Yes, only giving it in a brief expression. Of course I am quite aware Adam Smith was not by any means so individualistic as many of those who came after him.

4076. You are aware, I suppose, that he made something like fifty first-class exceptions to the general principle of individual liberty? - I am aware of that.

5. In this context, Mann may have recalled the dogged manner in which Marshall had pursued him on the concept of 'surplus' population when he himself was examined by the Commission as a whole in November 1892. During this Marshall asked him to elucidate the causes of unemployment, the nature of unemployment, the effects of shorter working hours on output, on wages and on the state of demand, as well as on the use workers would make of their increased leisure time, the composition of the unemployed, emigration as a remedy to unemployment, other remedies for unemployment such as the reorganisation of industry and of marketing. Mann's evidence lasted for three whole days. He answered 1500 questions of which Marshall contributed 189. Marshall's questions are often as revealing as the answers and, not infrequently, considerably longer. (Royal Commission on Labour, 1894, Cmd 7063, pp. 162-5, 216-9).
and I am aware that those exceptions were shunted over - I mean quite honestly and unconsciously shunted over, by some of those who followed him.

4107. You are aware that most of the modern tendencies of economics were to a certain extent anticipated by Adam Smith? - I think that is so to some extent.

4100. Ought you not therefore to regard Nassau Senior's declarations as to the Factory Acts as opinions of a man who was not a representative economist? - I should be very sorry to say that Mr. Nassau Senior was not an economist.

4101. Is there any other recognised economist who spoke against the Factory Acts? - I have in my possession an extremely virulent article from the writings of Harriet Martineau to the same effect.

4102. Would you regard Harriet Martineau as a recognised authority? - Miss Harriet Martineau was the source from whom a large number of the people of England derived their economic teaching and still derive it.

4103. Are you aware that Miss Harriet Martineau said that when she wrote her tales, she should not read beyond the chapter which she was going to illustrate, for fear she should get her mind confused? - It is an incident in Miss Martineau's life which I should be glad to remember.

4104. Are you justified, therefore, when I ask you what economists of position condemned the Factory Acts, in quoting Miss Martineau as an instance? - I would rather leave that for you to decide.

4105. Putting aside Mr. Nassau Senior and Miss Harriet Martineau, can you mention any other economist who attacked the Factory Acts? - I am strongly under the impression that Mr. McCulloch opposed the Factory Acts. That I knew that the Commission were going to inquire into the state of economic feeling in the year 1840, I would have come down better prepared; but I in my ignorance rather thought that was outside the scope of this reference.

4106. I am referring to this point merely because so much of the evidence you have given has been devoted to indicating that the economists have rather been behind the age? - Perhaps I may say that it seems to me that there has been a change of opinion among the economists, but if Professor Marshall wishes to suggest there has not been any change, I shall be glad to withdraw that statement.

4107. I am not suggesting that there has not been any change. - Then I do not understand you to contradict my statement. [Royal Commission on Labour, 1893, Q. 4074-7, 4100-07].

Marshall continued his extensive interrogation of Webb with questions on the nature and extent of collective property historically contemplated and, more generally, about the effects of collectivism. Webb's annoyance at the procedures adopted by Marshall in this questioning is evident in his final answer at the end of a long day. The flavour of this part of their long exchange - in total Marshall put more than 200 questions to Webb - is given in the following:
4163. Do you not think that the general adoption of collectivism would be likely to retard the growth of those mechanical appliances on which industrial progress is dependent? - No I do not.

4164. Why? - I suggest that if I had said that I thought it would retard them I might have been asked why; but if I suggest no change would take place, it is surely for any other witness to say why it would take place.

4165. Do you think it is possible that the motives for saving might be diminished? It is of course conceivable, but not probable.

4166. Do you not think it is probable? - No; I think, on the contrary, the motives for saving would be increased.

4167. Do you think it is not rather an indication of the importance of individualistic motives as a lever by which capital can be accumulated that municipalities have had to borrow from private concerns means of purchasing businesses? - It appears to me that your statement is an interesting example of the manner in which collectivism increases savings.

4168. I do not quite understand what it illustrates? - If you did not mean it to illustrate that, I will withdraw the statement.

4169. I should like to know whether you can come to-morrow? - I should be delighted to come to-morrow at considerable inconvenience in order to give any information to the Commission, but I must venture to ask to be excused from debating these things. I should be very glad to debate the matter with any Commissioner at a proper time, but I cannot presume to take up the time of the Commission by debating questions and answers. I am prepared to give any information in my power, but not to debate or argue.

Before leaving Marshall's performance as interrogator, his own account of this extensive experience may be quoted. This is given in a long letter written from his hotel at Charing Cross to the Master of Balliol, Benjamin Jowett, in early November 1891.

I am now attending at Westminster Hall and hearing a great deal that is interesting, and seeing even more. We are still engaged in my Committee on the London Docks, etc., and we hear not very much that is new about things; but we see every day very interesting persons. Yesterday, for instance, there was Colonel Butts, manager of the Millwall Docks, an able but impulsive man... After him, we had several rather humdrum witnesses, and two of a loud and pretentious character. Of these one was an uneducated man who liked to use long words. I am told he is an effective speaker among the lower grades men with whom he has to deal; but his long words were too much for him, and not one sentence in six was grammatical, and not more than one in two was intelligible. But he declined away with so much pleasure to himself that at last he had to be called to order, and he is to take the night to think over the question of how many of the employes he is going to "hold up to approbation." This is the kind of man who brings out all of Lord Derby's excellences; his head is always cool and clear, and he manages excellently to keep people within moderate bounds, without giving them an

6. Royal Commission on Labour, Fourth Report, 1893, p. 277, Q. 4163-9. Webb apologised to the Committee at the start of the proceedings on the next day by stating "I owe an apology to the Commission for what I am afraid was a serious lack of courtesy yesterday. I have been suffering from sleeplessness, and I wish to earnestly apologise for the lack of courtesy to the Commission, and especially to some members of it." (ibid., p. 280).
opportunity of going to their constituents, and saying that they were gagged.

The education Marshall received as questioner on the Commission did therefore not only derive from the information the witness supplied him with. He learnt much about human nature from the experience, a subject on which twenty years later he reflected to John Maynard Keynes in the content of the latter’s experience at government inquiries:

Your experience goes on similar lines to that which I had on the Labour Commission: the preponderance of heavy minds in the management of business that can be reduced to routine is a great evil. The minds of leading working men seem often more elastic and strong.” (Marshall to John Maynard Keynes, 12 October 1914, in Pigou, 1925, p. 481).

III

When the last evidence had been taken, the Final Report of the Commission, containing its recommendations had to be prepared. Before potential recommendations were considered, the vast amount of evidence which the Commission had gathered was reviewed in stages classified by the topics into which the final report was divided. These were in order of their appearance in the Final Report: conditions of labour; associations and organisations of employers and the employed; relations between employers and employed; conciliation and arbitration; limitation of hours of work by legislation; irregularity of employment; a labour department and labour statistics; the employment of women. Reviews were initially drafted by Lord Devonshire as Chairman, submitted from time to time to the Commission as a whole for their detailed consideration. They were then revised “to make them as far as possible impartial statements of the facts, opinions and arguments with which they were intended to deal”. (Royal Commission on Labour, 1894, p. 7). Marshall’s role in the drafting of the Final Report, of which Mary Paley spoke to Keynes as indicated at the start of this paper, more than likely occurred at the stage of reviewing the evidence. Topics on which she reported his special involvement included Trade Unions, the minimum wage (interpreted as the “Common Rule”) and the irregularity of employment.

Take first the topic of trade unions. As Petridis (1973, p. 497) has pointed out, in 1892 Marshall prepared a paper on Trade Unions, to be part of the introduction to the Report of the Labour Commission. However, it was not published in this form, but part of its thrust is visible in subsection 2 of Employers’ and Employees’ Organisations of the material in the Final Report. (Royal Commission, 1894, pp. 27, 34.) Marshall’s strong belief that a complete view of the effects of such organisations should fully take into account “the interests of the community at large”, consideration of which the Commission’s terms of reference prevented, is nevertheless duly reflected in the Report. The same applies to Marshall’s strong belief in the dual role of trade unions, that is, in their “friendly benevolent purposes”, as well as their “trade purposes” connected with “disputes and conflicts”. (See Petridis, 1973, p. 499-2). Much of this was commonplace, being reflected in Howell’s (1878, pp. 152-55) standard treatise. In addition, his work with the Commission may have accelerated his growing scepticism on the long term value of trade unions, particularly because of their “make-work powers”, a subject on which he heard much evidence and clashed with trade union representatives on several sittings of the Commission.

7. See, for example, Royal Commission on Labour, Third Report, Cmd 5984, February 1893, pp. 111-2 (Q 21074-81); Fourth Report, Cmd 7063, pp. 219-20; Cf, more generally Marshall to Bishop Westcott, 26 October 1899 and 24 January 1900, in Pigou, 1925, pp. 398-91; Marshall to Caird, 22 October, 5 November 1897, in Ibid., pp. 398-401.
On modern day interpretation of the second of these topics, minimum wages, the Final Report is exceedingly brief. "We do not think that it has been seriously maintained on either side that the remuneration of work or rate of profit, or maximum and minimum wage rates in the general field of Labour, should be fixed by law." (Royal Commission on Labour, 1894, p. 104). Despite his appreciation of the positive effect of minimum wages on the "residual", the lowest stratum of the working class (Marshall, 1961, pp. 27, 13-15), the negative position of the Commission on this issue was endorsed by Marshall in the Principles (1961, pp. 714-5 and n.1), largely on practical grounds. Evidence on the desirability of a minimum wage presented to the Commission was mixed, opposition to the policy coming from those workers who feared minimum rates would be maintained by employers during good times and the strongest support coming from a major employer (Spiears, 1894, pp. 51-5).

Marshall's hand is more easily spotted in the section of the Final Report dealing with irregularity of employment, particularly its subsection devoted to causes. Its paragraph 213, which summarised the effect of the state of commercial credit on fluctuations of trade, may well have owed much to his pen, as may the subsequent paragraphs (214 and 215) on seasonal employment fluctuations and the influence of sudden changes in fashions on the availability of work in the clothing trade. The distinction between temporary fluctuations in employment associated with credit cycles and more permanent imbalances in the supply of and demand for Labour, although only "a question of degree" (paragraph 218) probably also derived from Marshall's draftsmanship. Given his membership of Committee B and the questioning he did on the subject (of which some examples were given in the context of Marshall's taking of evidence from Ben Tillett), it is also very likely that Marshall materially assisted the drafting of subsection 2 dealing with the special case of London, although he had not been there. The same can be said for the third subsection dealing with remedies for the problem. The balanced defence of speculative activity in mitigating trade fluctuations to match the preceding criticism of its responsibility in causing them (paragraphs 230-1), the comments on the spread of education in eliminating unemployment of the unskilled (paragraph 226), the judicious criticism of 'make-work schemes' on the London docks (paragraphs 137-8) and the emphasis on the effect of a minimum wage, if enforceable, on unemployment (paragraph 239) are consistent with Marshallian influence. These, and other segments of the substantial section on irregular employment support Mary Paley Marshall's contention of her husband's substantial role in the drafting. The fact that Alfred Marshall was one of the very few commissioners who signed the Majority Report without any reservation whatsoever, likewise suggests that the implied complete agreement with its findings was secured by his substantial assistance in revising it to its final form. This supposition is strengthened when it is recalled that revisions of the chairman's drafts were secured through written comments rather than oral discussion, a method more attuned to Marshall's talents.

There are other Marshall-like phrases and paragraphs in the Report. Matthews (1990, p. 31, n.24) notes the use of military analogy in connection with industrial disruption, (Royal Commission on Labour, 1894, p. 30) as bearing the Marshallian stamp, given Marshall himself used the analogy in this context (Marshall, 1893, pp. 364, 373-4). The emphasis on the deplorably large residues, "chiefly ... in our large cities" (Royal Commission on Labour, 1894, p.24) has an equally Marshallian flavour. Marshall's assistance in the drafting of the Final Report probably also added the sanitised presentation of its contents with respect to evidence, and its lack of any firm, interventionist, recommendations. No clarion call here for "Let the State be up and doing", an economic chivalry demanded twenty years later (Marshall, 1907, p. 336).
IV

What was the value of this tremendous effort in time and energy over a period of over three years? What evidence survives that it was the most important educational experience of his life as he claimed in 1898? More realistically, Mary Foley depicted Marshall's arduous activities on the Commission in a letter to Jowett of 26 October 1891 (Jowett Papers, Balliol College, Oxford) as something her husband found "very interesting", adding "but it will hinder Vol. II which has now been entered upon". Her hopes that the Commission experience would be useful because the volume was to deal with "Trade Combinations" were less perfectly realised. Although Marshall recognised the value of the Commission work for this chapter on trade unions in the elements of the Economics of Industry he published in 1892, he confessed to Tausig on "looking back on the Commission" in 1895, that he could use but little of what he had learnt there, unless he were to write a book specifically devoted to labour alone. (Marshall to Tausig, 4 October 1893, Tausig papers, Harvard University). Needless to say, he never did so. For an economist greedy of facts, Marshall did gain benefits from his Commission work. Facts were undoubtedly something its reports presented abundantly. The Final Report of the Commissioners had been especially conscious of this fact, which they indicated in the following terms,

"...the range of our inquiry has been very wide. The work undertaken and carried on during the last three years has been of a magnitude and extent unprecedented in the history of Royal Commissions, and we desire to record our opinion that its results are of the highest value, and cannot be measured solely by the contents of our Report itself. (Royal Commission on Labour, 1894, p. 4)."

This view of the Commission on the importance of its labours was not widely shared at the time. In harmony with the far from favourable reviews the Commission's Final Report received, some of which have already been quoted, the Economist editorialised in a manner designed to qualify the self-praise of the Commission about its massive labour.

"The Commission has ... over three years ... engaged the unceasing care and attention of some of the ablest of our political and non-political public men, and it has been backed up by the whole resources of the State. If information has been desired upon any item of the labour question, that information has been obtained - no matter what the cost. And what has been the result? A majority report which is more or less incoclusive, and a minority report which is little but the manifesto of a party. When we say that the majority report is incoclusive, we do not, of course, mean that it is necessarily of no practical value, or that it contains no recommendations that are worth having. It must be admitted, however, even by the enthusiasts in the cause of the Labour Commission, that the conclusions of the majority are hardly worth the enormous amount of time, money, and energy spent on their production and that they could have been arrived at by a far simpler process. It is, in a word, impossible to justify the Labour Commission by its results."

(The Economist, 23 June 1891, p. 761).

One of the majority commissioners, M.P. and "old trade unionist" Thomas Hutt, later remarked of the Royal Commission on Labour, that it had been "famous for its length, for the extent of its enquiries, and for its copious and costly Reports" but that, "in no other respect [had it been] at all memorable". (Hutt, 12921, p. 304). Likewise, Balfour, who had invited Marshall to the task, wrote about the Labour Commission,
The pages of the Principles do provide, however, considerable evidence of material reminiscent of the Commission's findings on certain issues. This is especially the case of the edition most proximate to the publication of the Final Report. Examples from the fourth edition are the otherwise rather mysterious reference to wages of 'men with grey hair' [Marshall, 1898, p. 721] and the list of 'disturbing factors to modern industry' which includes both the 'teedness of fashion' and the 'instability of credit' [ibid., p. 776]. The detailed exam [Marshall 1861, i pp. 696-71] particularly that dealing with the consequences from tramway men working short hours, added in the third edition of 1895 [Marshall, 1861, ii pp. 709-10] is undoubtedly inspired by Marshall's attendance at the sittings of sub-Committee B. The same can be said for the material on trade unions [Marshall, 1861, i, pp. 702-08] most of which dates from editions subsequent to the Commission (Marshall, 1861, ii, p. 713) and for that on unemployment (Marshall, 1861, i, p. 709-10). However, these are small results from such a substantial investment in time.

There were, however, more widespread benefits. The richness of Marshall's theory of wages, in particular the material dealing with labour supply [cf. Whittaker, 1897, pp. 112-7] owed much as in factual background to the work of the Labour Commission, since that considerably reinforced Marshall's already strong predilections on the complexity of the subject, where the economist at best can provide an indication of the type of factor that should enter the discussion. Likewise, as I have shown elsewhere [Groenewegen, 1992] the Labour Commission reports reinforced both his prejudices and more considered views on the essential role of women in the family for the purpose of maintaining and improving race quality. In that sense the education was valuable to catch his thinking on those topics associated with the latter aims of economics connected with economic progress and raising the standard of life. Likewise, his increasingly negative

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reaction to socialism, and to the contemporary manifestation of municipal socialism, would have been influenced by the interrelation of the 'socialist' witnesses.

The high educative value of the experience on the Labour Commission which Marshall mentioned in 1919 may refer therefore more to what he learnt in general about human nature than to the costly, and in some respects supernumerary, collection of data it published. A retrospective cost/benefit analysis would have to conclude that Marshall's few longer term benefits from his Commission work were greatly outweighed by the cost it imposed in terms of writing foregone. Coming on top as it did of the unforeseen early second edition of the Principles in 1891, the paraphrase of the Principles published as the Elements of the Economics of Industry in 1892 and being followed by controversy with the Duke of Argyll on rent in 1894 and the third edition of the Principles in 1895, much valuable time for the second volume was irrevocably lost. As Marshall wrote to President Eliot in 1895, declining his invitation to visit Harvard, the second volume was largely side-tracked by the Commission of Labour involvement, instructive though it may have been. After the Commission, and perhaps inspired by its scale of operations, Marshall changed his modest 1887 plan for the second volume in 1891 beginning it by a historical treatment on a scale which would have taken many volumes to complete, and producing a manuscript of such size, he later called it the 'White Elephant' (Whittaker, 1990, p. 190). Here was a case where private benefits from his participation in the Commission which largely went to the grave with Marshall in 1924 are outweighed by the loss of social benefit through a second volume foregone for posterity. His marginal contribution to the Commission's work which can be identified is but poor compensation for what could have been, if Volume II had matched the quality of Volume I of the Principles. Royal Commissions seem more advantageous to the governments that institute them, and in retrospect are rarely worth the trouble, time and expertise they cost. The Labour Commission is a prime example of Marshall's miscalculations in the allocation of his own intellectual labour.

line. This aspect is somewhat reflected in the less laudatory verdict on the use of Royal Commissions he also penned in his Industry and Trade (Marshall, 1919, p. 443), paradoxically after he had praised his own experience on one of them in such extravagant terms in that book's preface.

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