

# Funding the Future

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I was just called by a journalist asking about the history of Wage Councils.

I pointed them at a [1995 House of Commons research paper](#) that includes the following on the Trades Councils that were superseded by Wage Councils in 1945:

*Minimum wage legislation in Britain can be traced back to Winston Churchill's Trade Boards Act 1909. This set up Trade Boards to regulate the pay of workers in industries notorious for the employment of cheap labour. In his often-quoted speech on Second Reading of the Bill, Winston Churchill, then President of the Board of Trade, explained that the Boards were necessary to ensure that workers received a living wage in industries where the bargaining strength of employers greatly outweighed that of employees:*

*It is a serious national evil that any class of His Majesty's subjects should receive less than a living wage in return for their utmost exertions. It was formerly supposed that the working of the laws of supply and demand would naturally regulate or eliminate that evil.....Where in the great staple trades in the country you have a powerful organisation on both sides, where you have responsible leaders able to bind their constituents to their decision, where that organisation is conjoint with an automatic scale of wages or arrangements for avoiding a deadlock by means of arbitration, there you have a healthy bargaining which increases the competitive power of the industry, enforces a progressive standard of life and the productive scale, and continually weaves capital and labour more closely together. But where you have what we call sweated trades, you have no organisation, no parity of bargaining, the good employer is undercut by the bad, and the bad employer is undercut by the worst; the worker, whose whole livelihood depends upon the industry, is undersold by the worker who only takes the trade up as a second string, his feebleness and ignorance generally renders the worker an easy prey to the tyranny of the masters and middle-men, only a step higher up Research Paper 95/7 the ladder than the worker, and held in the same relentless grip of forces - where those conditions prevail you have not a condition of progress, but a condition of progressive degeneration.*

*[HC Deb 28 April 1909, c 388]*

So we have to blame that notorious left winger Winston Churchill for this idea. He was a Liberal at the time.

That should go down well.