

UC-NRLF



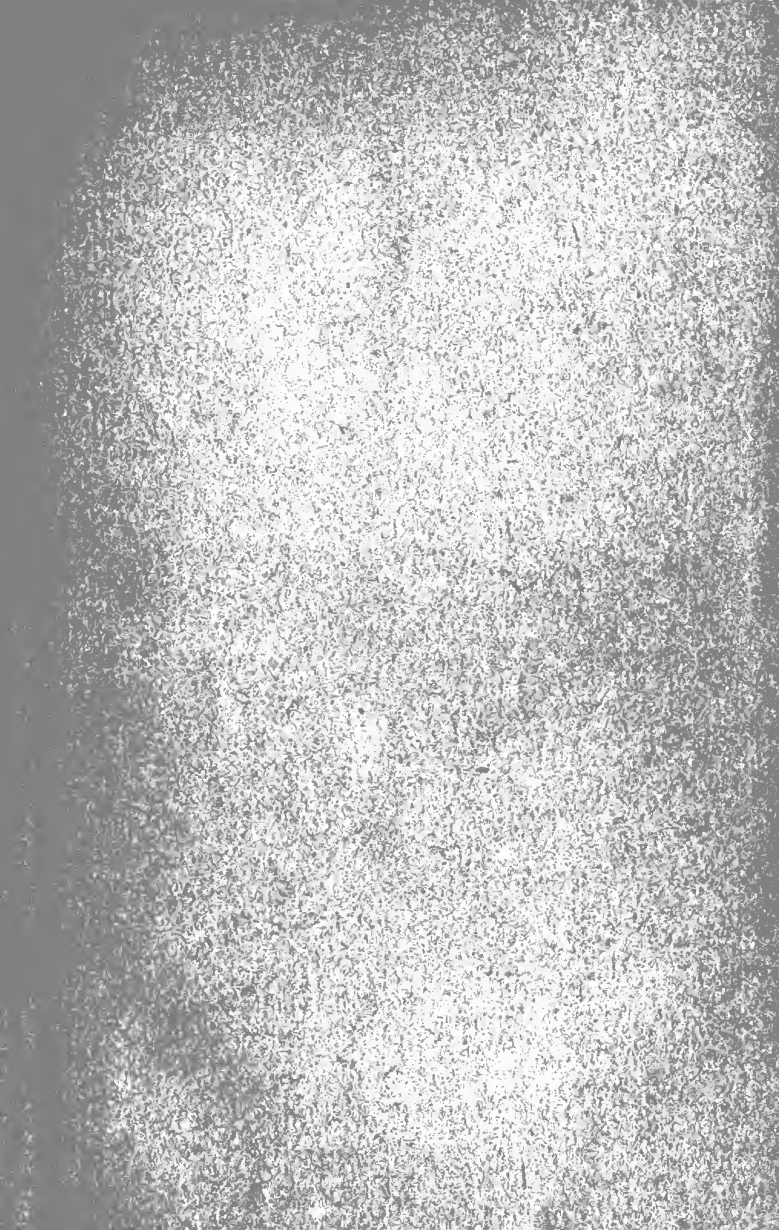
\$B 240 783

LIBRARY
OF THE
UNIVERSITY OF CALIFORNIA.

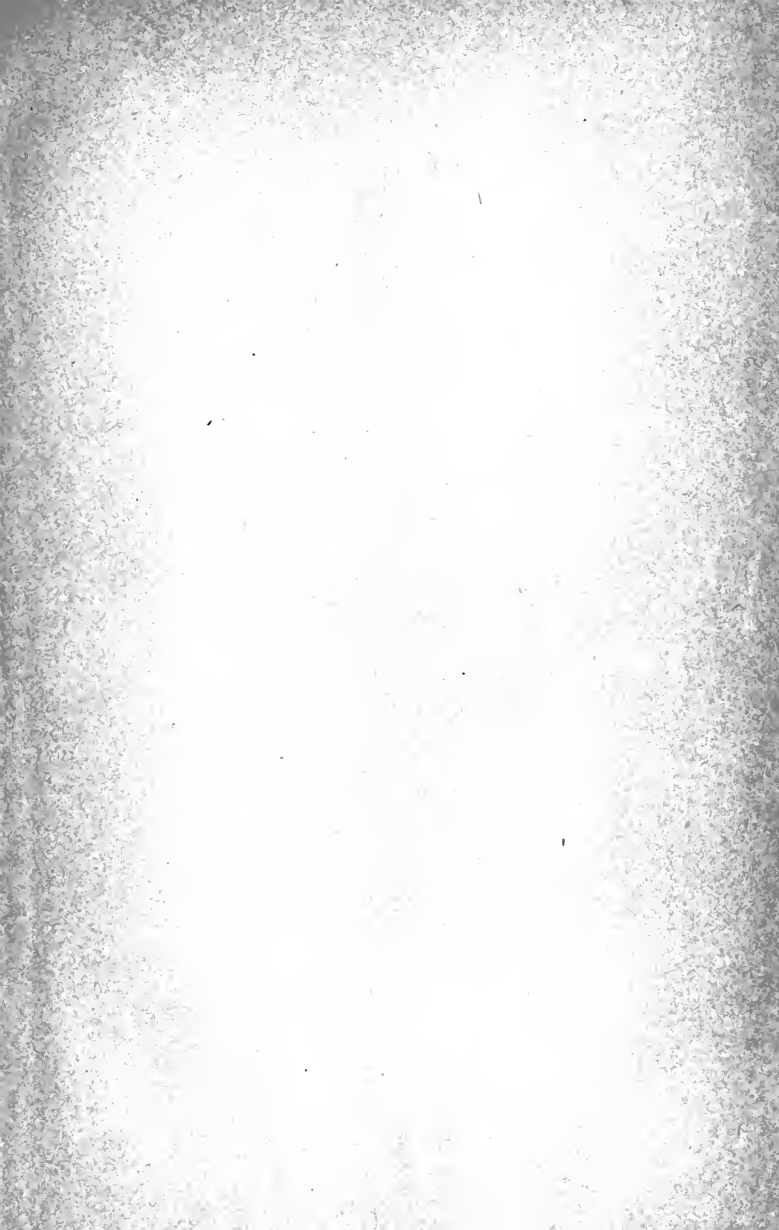
GIFT OF

National Cune Federation

Class







Digitized by the Internet Archive
in 2007 with funding from
Microsoft Corporation

Industrial Conference

Under the Auspices of
The National Civic Federation



Held at

Rooms of Board of Trade and Transportation
New York

December 8, 9, 10, 1902

NEW YORK
THE WINTHROP PRESS
1903

Wife

concentration

Industrial Conference

Under the Auspices of

The National Civic Federation

Held at

Rooms of Board of Trade and Transportation

New York

December 8, 9, 10, 1902



NEW YORK
THE WINTHROP PRESS
1903

HD 5503
.N3
1902

COPYRIGHT, 1903

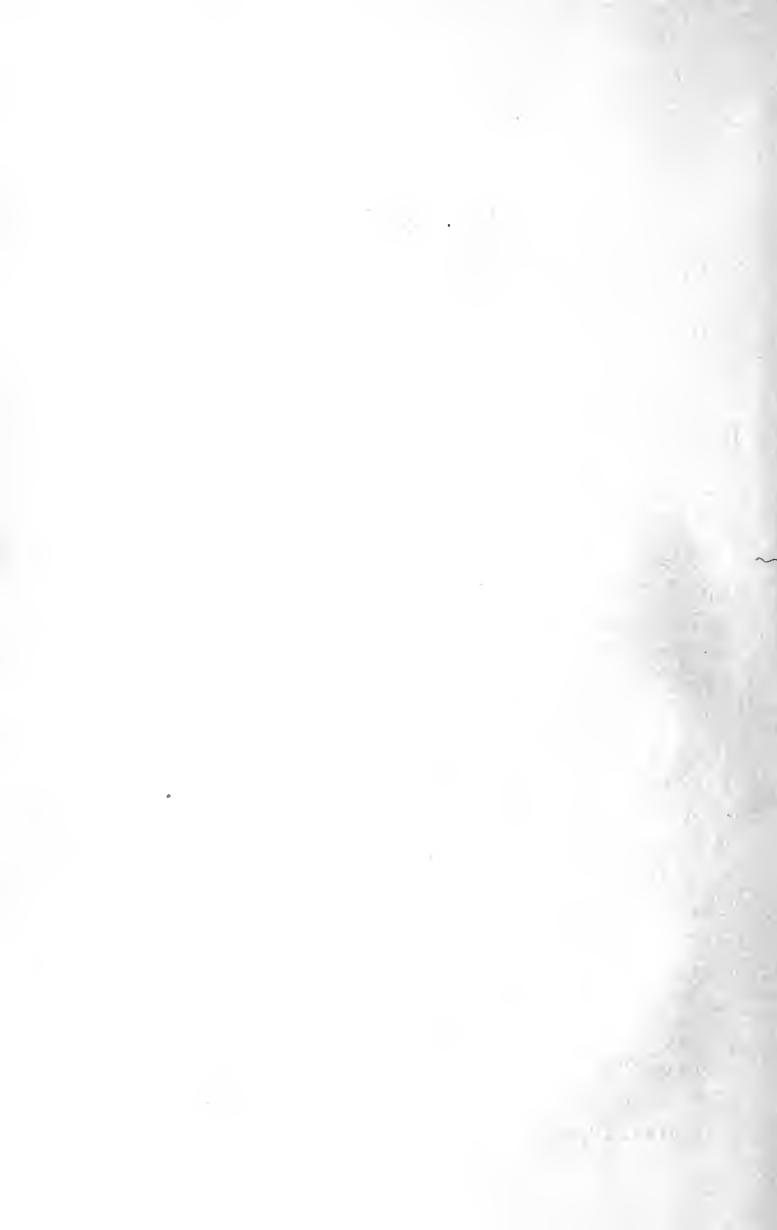
BY

RALPH M. EASLEY

PREFACE.

THIS volume contains the stenographic report of the third National Conference held under the auspices of the Industrial Department of the National Civic Federation. The first Conference was held in Chicago, December 17 and 18, 1900; the second Conference was held in New York, December 16 and 17, 1901, and the third Conference in New York, December 8, 9 and 10, 1902. Papers and discussions of the first and second conferences have been published in a volume entitled "National Conference on Industrial Conciliation."

The third Conference marks a step in advance of the preceding conferences in that the discussions covered not merely the general subject of Conciliation and Arbitration, but also the practical questions which employers and employees must settle when they meet in a conciliation or arbitration conference. Such are the questions of apprenticeship, piece and premium methods of payment, use of machinery, restrictions on output, hours of labor, employment of non-unionists, boycotts, etc. The third day was devoted to the discussion of the system of joint trade agreements. It is not too much to say that many of the questions, whose theoretical discussion during the earlier sessions seemed to bring no certain conclusions, were shown in these closing sessions to be capable of a practical solution when once that system is fully adopted.



CONTENTS.

	PAGE
Opening Address, Senator M. A. Hanna, Chairman Industrial Department, National Civic Federation	1
Address of Welcome, Mayor Seth Low	2
Address, Alfred Mosely	8
Address, P. Walls, General Secretary Blast Furnacemen's Association, Great Britain	25
Address, Archbishop Ireland	28
Address, C. U. Carpenter, Labor Department, National Cash Register Co., "Labor Departments for Large Industrial Organizations"	38
Address, G. C. Sikes, late Secretary Chicago Street Railway Commission	48
Address, Charles Francis Adams, "Investigation and Publicity as Opposed to Compulsory Arbitration" . .	58
Address, John McMackin, Labor Commissioner, State of New York	78
Address, G. N. Barnes, Secretary Amalgamated Society of Engineers, Great Britain	84
Address, John R. Commons, "Restriction of Output" . .	92
Address, Frederick A. Halsey, Associate Editor <i>American Machinist</i> , "The Premium Plan of Paying for Labor"	105
Address, James O'Connell, President International Association of Machinists	123
Address, Henry White, Secretary United Garment Workers of America, "The Problems of Machinery" .	151
Address, George Gunton, "The Eight Hour Day"	163
Address, A. F. Weber, Chief Statistician Department of Labor, New York, "Hours of Labor"	189
Address, Lewis Nixon, President United States Ship Building Company	202

	PAGE
Address, Theodore Marburg, Vice-President American Economic Association, "Hours of Labor"	211
Address, George H. Barbour, National Association of Manufacturers, "The Proposed Eight Hour Law on Government Contracts"	231
Address, R. M. Easley, Secretary National Civic Federation	243
Address, Marcus M. Marks, President National Clothiers' Association	249
Address, Samuel Gompers, President American Federation of Labor	255
Address, O. C. Barber, President Diamond Match Company	288
Address, Frederick Driscoll, Commissioner American Newspaper Publishers' Association	293
Address, Samuel Mather, of Pickand-Mather Company, Cleveland, Ohio, "Longshoremen's Agreements" . . .	300
Address, Daniel Keefe, President International Longshoremen's Association	303
Address, Frederick T. Towne, President National Founders' Association	312
Address, M. M. Garland, ex-President Amalgamated Association of Iron and Steel Workers	324
Address, A. Beverly Smith, Secretary Lithographers' Association of the United States	335
Address, Prof. J. W. Jenks, Cornell University, "The Analogy Between Strikes and War."	343
Address, John Graham Brooks, "Trade Agreements" . . .	351
Address, Senator M. A. Hanna	363



THE NATIONAL CIVIC FEDERATION, DECEMBER 8-9-10, 1902.

THE FIRST SESSION OF THE ANNUAL MEETING OF THE INDUSTRIAL DEPARTMENT WAS HELD IN THE ROOMS OF THE BOARD OF TRADE, 203 BROADWAY, NEW YORK, ON THE ABOVE DATE.

The meeting was called to order at 11 o'clock A. M. by the Chairman of the Industrial Department, SENATOR MARCUS A. HANNA.

The following are the proceedings in full.

SENATOR HANNA: Gentlemen of the Committee, in extending welcome to you I also wish to extend congratulations. Your presence here to-day is indicative that the spirit which inspired this organization has not lost interest or effect, and, coming here to-day, after a year's absence, we desire to renew our loyalty to the cause which we have espoused and our determination to go forward with this good work.

I am glad to be able to say that our experiences in the last year have proved to those who are charged with the responsibilities of this work the fact that the great mass of the American people are in sym-

pathy with the organization and its work. It is a very important factor in the evolution which is now taking place in this country. This great industrial question has come to the surface and is demanding due and careful consideration by the people of the United States. No more important question claims their attention than this one, which seeks to bring about a better relationship between capital and labor. The object of this meeting to-day, and for the several days for which we are to meet, is to discuss in every phase of this question all matters of interest which will tend to the improvement of these conditions, as affecting these two great factors, and which shall interest to a larger extent the people of this country to join with us in this work. Public opinion is the chief arbiter of all great questions affecting the body politic. Therefore, we want to get in closer touch with the people everywhere, and feel that our work is commanding not only their respect but their sympathy.

It is our purpose to discuss these great economic questions fully, so that the thoughtful men, men of experience, can lend their advice and contribute their effort and sympathy to our cause. I have the pleasure of introducing to you the distinguished Mayor of New York, Mayor Low.

MAYOR SETH LOW: Mr. Chairman and Gentlemen— It gives me great pleasure to welcome to the City of New York this committee of the National Civic Federation. I know of no body which I could welcome here more heartily, because it seems to me there is no problem affecting the people of the United

States more important than the industrial problem of which your chairman has spoken. The attitude of the Civic Federation to this problem is one of the most encouraging movements of our day. In the first place, it is a recognition of the fact that there is a problem and that there is something to be said on both sides of it. This union of men who are employers and men who represent the employees to study this question is destined to be the most important factor, I am confident, in bringing about the better relationship between capital and labor for which we all hope. And it is so destined, it seems to me, for several reasons; first of all, because this Federation is made up not only of capitalists but of "laborists"—men who have made a study of the subject from their own point of view, who feel strongly what is right from their own point of view, and who are yet broad-minded enough to recognize that others may see and may help to solve problems which they themselves only see in part. When a strike takes place it generally comes before the public with both parties to it in this attitude, that each is wholly right and the other wholly wrong. The very existence of this Civic Federation assumes that there is likely to be right on both sides, and that the wise policy is to try to adjust action to a recognition of what is right on each side. In other words, this body can, by mediation and conciliation, do much to prevent trouble, rather than to heal it. If trouble comes I assume that this Federation always is ready to do what it can to remedy, to avert the mischief that may come from it. But it stands first of all as the

living witness to the belief on the part of many of the American people that the wisest policy is to prevent trouble by bringing about just relationship between capital and labor, and that justice is most likely to prevail when each side recognizes that there are rights on the other side that must be considered. Because this is your attitude, because your Federation is so organized, because the problem is so worthy of the best thought and the best service that anybody can give to it, I greet you again in the name of the City of New York and welcome you here most heartily. (Great applause.)

THE CHAIRMAN: The work of this organization has extended its influence beyond the confines of this country. It has attracted attention in Europe to that extent that men, who feel the same interest as we, have come to us from the old country to learn the movements and the lessons that we are trying to teach here. Mr. Alfred Mosely, of England, brought to this country a few weeks ago a delegation of over twenty men representing the different trade organizations of England, to study conditions, to meet and know those who are laboring in the vineyard on this side. He has made trips through the West and studied all these conditions from the standpoint of an Englishman. I know that you will all be glad to hear from him this morning. I have the pleasure of presenting Mr. Alfred Mosely. (Applause.)

MR. ALFRED MOSELY: Mr. Chairman and Gentlemen—It gives me great pleasure to have the oppor-

tunity of saying a few words to you to-day, because I feel that in the work of the Civic Federation there is the possibility of great good to the workers, not only of the United States, but of the world. Perhaps it would be more modest on my part as a stranger among you to be a listener rather than a speaker, but I have been requested to say a few words, because the gentlemen who have honored me by accompanying me to this side of the water have aroused a great deal of interest throughout the country, and it may perhaps be of interest to you to hear what they have seen, and how I, from my standpoint, view the situation here.

What led me to make this trip? It has been asked all over the country, and I will tell you. I am a colonial, English born, but I have spent the greater part of my life in the British Colonies, principally South Africa. I was there interested in mining. We mined for years, in our diamond mines especially, with a variety of English engineers, but we made no progress. Diggers came and went, some held on by the skin of their teeth and others made a little money, but the great bulk failed. Companies were formed and they in turn, one after the other, had to close down, until an American engineer called Gardiner Williams arrived upon the scene. He was followed by a large number of engineers and others, and it is to the American engineer that we owe the success, all the success, of South Africa. The mining propositions have been put on a sound basis in South Africa, not by the English engineer in the first place—he may have learned afterwards—but primarily by

the American. I was astonished by their methods and I made up my mind it was necessary, as one who studies economics, to visit the country that had produced such men, who had been able to show us the way, when we thought that we led the world. Five years ago I came here and went through the country, and I became convinced that your methods, your general mode of handling business propositions, was far ahead of our own in the Old Country. We who had led the van of the world for many years had become somewhat rusty. We were in the position of a man who had eaten a good dinner and had set down to smoke a good cigar, away from the rest of the world. We know to-day that such a position is dangerous; it does not make for progress. But it is the natural result of too much prosperity.

I went back to England five years ago with the information, to my friends and to the public, that I thought things were progressing in the United States at a speed that we ourselves did not realize, and I set about the work which, I am happy to say, we have brought so far to a successful issue. It was useless for me to invite the delegates of the trades unions to accompany me here unless I had the sympathy of the American manufacturers and the people, and accordingly I came to this country some six months ago with letters of introduction from Ambassador Choate to the most influential commercial and industrial gentlemen of the United States, with a view of ascertaining whether such a delegation as I wished to bring would be acceptable to the American people as a whole, and whether the manufacturers

would be prepared to open their doors to us, that we might view what they had to show. It gives me great pleasure to say that upon that trip, as upon the present one, I found the warm hand of welcome held out—the heartiest hand of welcome it was possible to imagine. Everyone was interested; everyone wished to help us to study and learn what we had come here to see, and everyone extended to us the warmest welcome.

This attitude, I must own, astonishes me, and I am filled with admiration for a people who can be so broad as to extend the knowledge of themselves to others from another country. I went back to England and issued my invitations to the various trades unions representing the principal industries of the United Kingdom. The consequence was twenty-three gentlemen accepted, all but one of those I had asked, and they have accompanied me here and have been busy for the last six weeks going over this great country. We have visited Schenectady, Niagara, Buffalo, Cleveland, Chicago, Dayton, Pittsburg, Washington, Philadelphia, New York, and a variety of other places, largely in the East, Boston and all around the New England States, and I am sure that these gentlemen are now primed with a mass of information which they will take home to the Old Country, and which I feel sure can only be conducive of good to the workmen at home and to the manufacturers.

We have been received everywhere, as I have just now said, with open arms, with the greatest of hospitality, and with the very kindest of feeling, and I

feel that I owe to the American people a great debt of gratitude for all that they have allowed us to acquire in the way of knowledge, so freely.

In our trip through the country it is, perhaps, hardly for me to criticise, but I feel that as a free lance—and I am a free lance because I am neither an employee or an employer of labor—I may safely criticise what we have seen, without, perhaps, treading upon the toes of those gentlemen who are going to make reports to their various trades unions on their return. There have been many points that have struck me, and I think have struck the delegates with equal force, as to the difference of conditions between the Old Country and the United States. One is the general adoption in the United States of piece work, with the result that better wages are earned, I believe, here—ininitely better wages than we pay on the other side. Why is it that the workmen in America can earn so much better wages and the manufacturers can make large profits, and can yet compete in the world's markets with their products? It is a very important question for the delegates to have to answer. I think it lies largely in the system of piece-work, which the American manufacturer views from a broader standpoint than the English operator. He says: "Earn, gentlemen, all you can. We will set a price, a fair price, and the more money you earn as workmen the better we are pleased. You are taking up a certain portion of space in our factory; that portion of space represents capital, because the fixed charges are the same whether you are doing much or little; therefore, the

more work you perform the better it is for you and the better it is for me." In England I do not think the manufacturers there have adopted that attitude. They say that a British workman is entitled to earn about such and such an amount, and if through his energy and his enterprise he succeeds in earning larger wages, the manufacturers begin to say: "These men are earning too much. Good gracious me, this sum of money is hardly fitted to their position. We must cut the price." Accordingly, the price is cut, and that system has gone on for generations, with the result that heart is taken out of the men and they do not to-day, I believe, put forth their best energies, because they feel—and rightly feel, as I should if I were in their place—that their treatment has not been generous.

Another point that I think will have struck my delegates is this: The encouragement that is offered by the manufacturers of this country to the brains and the initiative of the workmen. They say to the workmen: "Tell us all you know. Do you see anything that you think can be improved? If so, send in those improvements to us and we will recognize them by payment, either by a premium or by giving you a share in the saving that you have enabled us to effect, or by promotion, or by some other form of remuneration equally satisfactory." The result is that they have a multiplicity of brains continually working, seeking to improve the methods of manufacture, seeking to give the manufacturers the benefit of their experience, and only the man who is working daily at the machines, and who is continually in touch

with the practical part of the business, really sees what is going on and has the opportunity of improving the methods of manufacture. The man sitting in his counting-house as administrator cannot improve. It is the mass of the workmen that one must look to for suggestions and inventions. The American manufacturer has recognized that and encourages the initiative of the men and rewards it. In England, I am sorry to say, I do not think our manufacturers have taken that broad-minded view. They stand in the position of saying: "We know our business; we have nothing to learn; we require you there to do your work; do as you are told. We ask nothing more." If any man thinks an improvement should be suggested in any point—and I have no doubt they continually see them—he goes to the foreman, possibly with this result—usually he does not get as far as the master, what you call here the operator—we call them masters in England—he does not get so far, but he may if he has a good deal of courage get as far as the foreman. The foreman says: "Are you running this business or am I? Do you want to teach me my work, because if so you had better put on your coat and go." That is the attitude—largely the attitude, almost entirely the attitude—of the manufacturer in England to all who make a suggestion.

There is another point that also militates against the initiative of the workmen, and that is the jealousy of the foreman. The foreman feels that if Tom, Dick or Harry is going to make the suggestion, his position is somewhat in jeopardy; that if Tom, Dick

and Harry show themselves to be so very much smarter men than the foreman, he may himself have to go, and Tom, Dick and Harry be put in his place. The consequence is that the man is smothered, things are made too warm for him; he leaves. And it is such things, the impossibility of closer touch between the manufacturer and his workmen, the want of touch that you yourselves do not suffer from in this country, that has brought about a state of crystallization, if I may so put it, between the manufacturer and his employees. It is a bad state of things. It is one, I think, that will be required to be altered in our country if we are going to hold our position in the markets of the world.

Another point that has struck me casually—and I must tell you, gentlemen, I am only an amateur—is your up-to-date machinery. You are continually encouraging your men to invent, and you do not view your machinery as part of your capital that must be kept there indefinitely. Directly there is something better you are ready to throw your machinery on the scrap heap and introduce that something better, because it makes for cheapness of production, and for higher wages. Consequently when the men are making higher wages a larger amount of profit is going into the manufacturer's pocket.

Machinery I believe to be the working man's best friend. It should bring to him a larger amount of ease from his daily toil and sweat. He should be able to accomplish his day's work with greater ease to himself, and with a higher rate of remuneration,

and, personally, I am of the opinion that the introduction of labor-saving machinery into all factories should be welcomed, heartily welcomed, by the workman. It tends to lessen the cost of production, it tends, therefore, to create a market without which there would be neither capital for the manufacturer nor work for the workpeople, and it makes the lot of the workingman easier in every respect. The workmen in England, I do not think as a whole, certainly not in the past, have not welcomed machinery in the same way as the men in the United States have. But they must awaken to the fact that machinery has come to stay and must be helped in every direction, because as I have said, it is, I think, the workingman's best friend. By the modern machinery that you have introduced in the United States you have shown the world that it is possible to manufacture with a high rate of wages and yet hold the markets of the world in your hands. And in England both the manufacturers and the workingmen must recognize that that is a large factor in the future. I don't think, to be fair to the workingman, that it is altogether his fault. I think the greater proportion of fault lies with the manufacturers themselves in England, because they have been slow to use machinery, and they have been quite prepared to keep the old machinery and sweat out of the workingman the work, so long as they are able to produce an article at a price that will leave them a margin of profit. But those days are passing. The workmen with their unions—and I am in favor of unions if properly run—are teaching the men that

they will not be exploited for the benefit of the master in the Old Country. It is a position which I myself have a great deal of sympathy with, because I do not think the manufacturers in the Old Country have viewed the interest of the men quite on the plane that the American manufacturers have here, and if we are going to hold our position in the world as a manufacturing country, both the manufacturers and the workingmen must welcome machinery, and above all, must run that machinery at its highest possible speed, getting the very greatest results out of it. I find here, as far as I am able to judge, as an amateur, that you are running your machinery at a greater speed than we are in England; you are getting more out of your machinery, you are using a smaller number of men in connection with those machines. I found in going through your shops machines being run—six, seven and eight, by one man. I do not think the workmen in England run the same amount of machines with the same number of men, and there I think the unions are largely to blame. I do not blame the unions altogether, because, as I have just now said, it is because our employers do not recognize the merits of the men and their title to a higher standard and to the higher wages, that they themselves have protected themselves as it were, by not perhaps taking the very best out of machinery. It is a fallacy, and one that will have to be dropped in the future. But the workingmen will require to know what is their position. They ask, "If we are prepared to run these machines at a higher speed, so as to produce all the machinery

is capable of, what is to be our share?" And I think they have a right to come to an understanding with the manufacturer as to what their share is to be.

These are some of the points that I think will have to be fully emphasized, and I just now stated it is only as an amateur that I speak these things. It strikes me as a point that will have to be viewed very thoroughly by the delegates when they get back to their own country in the reports that they make, and the attitudes that the unions will take, altogether, in this great problem of capital and labor.

Again, there is the question of hours. Hours are a very important point. I think those who really have the workmen's interest at heart do view the question of shorter hours with a feeling of respect and a feeling of right for their desire to have some time left after they have finished their labor to improve their minds and to devote themselves to other occupations. But the hours of labor are a very difficult problem. There is more than one view to be taken of it in the United States. You have to ask yourselves, What is the position in other countries? Are they working longer hours? Is it possible to bring them into line? And personally, I feel that if there is to be any solution to the hours question, it can only be done if the workingmen, not of the United States alone, but of the whole of Europe, are brought into line and prepared to adopt a policy whereby we shall all be on an equal footing. It is useless for the United States to seek an ideal of an eight-hour day if Germany is going to work ten. It means that the markets of the world will be glutted,

that is to say the free markets, by the manufactures of the country whose work is longer than that of the United States. We must come into line if there is to be any real progress in that, and these gentlemen, Mr. Gompers and Mr. Mitchell, who represent the workers of this country, I appeal to them as being the problem that they themselves must look into as to whether you will not injure the progress of this country if you are going to try and introduce shorter hours here than are adopted in the Old Country. It is true you can adopt that policy if you are prepared to manufacture only for the United States. But I think the United States to-day—and I think pretty well everyone will agree with me in this room—has got beyond that point. With the resources you have—and the resources of the United States, I think, are larger than anybody can appreciate who has not been in this country—your natural position is to make not only for yourselves, but to manufacture largely for the world. And when you come to face that problem, there are a great many things to be looked at outside of the United States.

We hear a great deal of restriction of output, boycott, unions, free labor, etc. Restriction of output is to my mind a fallacy the world over. It cannot be encouraged, it cannot be permitted. I do not think the intelligent workmen of any part of the world encourage it. Our workmen who have been here—the representatives, rather, of the workmen—deny that there is any restriction of output in the Old Country. I am glad to hear them do so. They deny that there is any of the “go slow” plan. I am delighted they

take that attitude. It makes for better things. But I have heard it said that a man must be protected against himself. Well, gentlemen, that is begging the question. That is putting another phrase to exactly the same principle. There can be no restriction of output unless you are going to bring about a state of things that will mean death to manufacture, death to the workingmen, and death to the country. A man must be encouraged. A man must do his level best in the course of his day's work. He must be prepared to put forth his greatest energy and he must receive remuneration for that energy. Boycott is a thing I think that does not appeal to any one. Free labor is a sacred proposition that must be protected, not only by the workman, but by everybody who desires freedom in this country. A man must be free to sell his labor to whom he pleases, whether he belongs to the unions or not. I myself am a union man; I am in favor of unions; I have shown that by the people that I have brought to this side of the water. But while I favor unions, I do not favor all that trade unionism does. There must be a perfect right for a man to join a union without intimidation. He must be interfered with by no one. The same applies to the free laborer who wishes to sell his produce, his hand work, to any manufacturer. He must be free to do so unhindered, unincumbered in every shape and form, and were I a manufacturer, if any attempt was made to interfere with that freedom in my factory I would fight it to the bitter end. I would close my factory rather than submit to it. It is an important question that one has to consider,

this freedom, because unless we have freedom on both sides, both in unionism and in free labor, there can be no progress for any country. But while unionism is a point that I am very much in sympathy with, there are many things in connection with it that require the consideration of the labor leaders. They must be free to organize, because, I think organized labor is good for the world. I think the organization of capital equally good for the masses. Personally, I would rather have to plead with organized capital on one side and organized labor on the other, than with a scattered mass of small manufacturers seeking to cut one another's throats in an unhealthy competition, and labor, unled, undisciplined and under-paid, such as we have seen it in England in the past and as we should see it to-day, were it not for the power of the unions, which, I think, as a whole have done a great deal of good.

But there are other points with regard to the labor unions, and I address myself now more particularly to Mr. Gompers and Mr. Mitchell, who represent the labor of this country, and that is that they must look beyond the question of consumption in considering the reduction of the hours of labor. If you intend to cultivate and keep the open markets of the world, there is the business part of it which requires investigation—the rates of freights, the rate of money exchange, the gold premiums in other countries, and a thousand and one things which largely affect the possibility of your being able to sell your goods in the markets of the world. It is an important matter, one entirely apart from the question of the hours

of labor, and the speed of machinery and the wages of the men. There I think a strong and powerful responsibility rests upon your manufacturers. You cannot expect these gentlemen if they are sitting here holding the strings of labor and the variety of problems which they have to face every day—you cannot expect them to look at these problems outside unless you give them an opportunity of doing so. You must choose from among the workingmen—and there are plenty of workingmen in this country with plenty of brains—you must choose your best men; you must help them, you must encourage them, you must give them the opportunity of going abroad in the same way that I have brought my men here to study these questions. This Civic Federation, with its large organization of manufacturers, should and will have an opportunity of enlightening those who seek enlightenment upon those points.

Trusts have been very much abused in this country, from the standpoint of those who I think have not sufficiently looked into the proposition. Personally I do not view trusts with any distrust. I think they are making for a better state of things, both for the manufacturer and the workingman. The small manufacturer cannot give conditions to the workingman such as a large manufacturer with unlimited capital and unlimited organization has at his command, and I believe that the workingmen of this country will study their best interests if they help the trusts. They are not in my opinion any menace to the country. They may tend to raise prices a little. If they do, the workingman will

claim his share and will get it. We have seen only within the last few days since I have been in this country how some of the railroad companies have stepped forward and offered higher wages, unasked by their men. That is a principle that I think will be followed up, and if they do not offer the workingmen will ask and will receive higher wages, because it is their due, as the prosperity of the country increases.

These trusts will largely work their own salvation for good or bad. We have, for instance, the Oil Trust. It is one of the first trusts, and I think the most powerful, perhaps, in the country. What has been the effect of it? As far as I have been able to ascertain we get better and cheaper oil to-day under the trust than we did before, and that trust has accumulated a large capital, which capital is again employed in a variety of industries throughout the country to extend and improve this great empire, and has helped build up many of the large industries of to-day, which employ a very large amount of labor. If on the other hand the trusts abuse their position and give the public a worse article at a higher price, the evil will work its own cure. No corporation can, for any length of time, sell its article at a fictitious price. It is bound to bring in competition, and that competition will break down of its own weight the corporation that seeks to enslave you and make you pay an unfair price for your goods.

Capital and labor are partners, and the sooner both capital and labor of all grades really realize that proposition, the better for the community at large. They are partners just as much as man and wife, and

if you attempt to divorce them it brings trouble and breaks up happy homes. The same applies to the workman, representing, as he does, his share of labor, and the manufacturer, who represents capital. They are partners, and you cannot divorce them. The only question that arises is how are they to divide the dollar which is being earned partially by capital on one side, and by labor on the other; that is the problem of the hour. The world has seen struggles going on for a share of that dollar. In England, in the past, I do not think labor has received its fair share, its fair wage. Capital has relegated to itself more than its share and trades unionism has been a very powerful factor in extorting, I may say, because it has been largely extorting, in the past, its fair share of the result of its labors. I am sorry to have to use that expression, extorting, but I feel that, perhaps, strong as it is, it is not too strong for the position as it was in England—not perhaps to-day, but in the past—when labor was miserably underpaid.

But, as I have said, there is this dollar to divide and how can it be divided equitably? We see this change that has come over the world; it is a change that is taking place daily with the large corporations and trusts. With these which are starting, which have not yet been incorporated, I cannot see why a sum of money in the shape of stock should not be placed on one side to represent labor. Say, for argument's sake, there is a corporation being formed with one hundred millions of dollars; why could you not take thirty, forty, fifty, sixty—I don't pretend

to fix the amount—millions of dollars and place it on one side, and say that represents labor, while the other side represents capital? The labor side of it shall be banked in trust for the workingman, and that shall be distributed at the end of the year pro rata, according to the wages that the men are earning. It would simplify the matter. It would give the workingman a direct interest in the work that is going on, and without that interest, and unless you have the hearts of your workingmen with you, there can be no real solid progress with regard to your manufactures. You cannot have workingmen who are sullenly doing their day's work, feeling that they have nothing to live for when their day's work is finished. They must be partners, truly, in every sense of the word.

To these other corporations that have their concerns in operation I must confess I have my own ideal. I do not say that it is impossible to-day, but I think it may become possible in the future. That ideal is this—perhaps it may not come in my lifetime, but it is one towards which we should all struggle—a minimum wage to the men; interest on capital; a fund for the expansion of your works, the same as though you were conducting your business on everyday principles, and a fund for depreciation and the replacing of your machinery; old age pensions for the men; and then the balance equally divided. If one could arrive at such an ideal, it would, I think, make the men think that they were partners indeed. They would be receiving their full share of the work on one side; capital would be receiving its interest

and a share of the profits on the other. It is an ideal to-day, I know. I am speaking ahead of the times, but unless both employers and employees can arrive at some basis of partnership, things cannot go on indefinitely. The world is becoming educated. The masses are feeling that they have a right, a just right, to a share of the profits. The whole question is, How can that be arrived at without trouble, without friction.

The Civic Federation has undertaken a great work, a work that I think the whole of the people of the United States should be in sympathy with. It is attempting logically to bring capital and labor into closer touch, to discuss the various problems that affect both sides, calmly and dispassionately. It is seeking to bring about arbitration and conciliation. Arbitration and conciliation have been subjects that attracted our attention in England for a number of years, and I venture to think that we have got ahead of you in that respect. We are older, and we have got our boards of arbitration and conciliation—the Chamber of Commerce, the Board of Trade, and the various trades organizations who have their own joint boards of employers and employees. But the Civic Federation of this country has taken up one point that appeals to me very strongly, and I think it has appealed with equal force to the whole of my delegates. What it says is this: “Do not wait until your building is on fire and blazing. All the water that you can pump on it from every engine you can gather together in New York will not extinguish it, or if it does, it leaves it a wreck. Step in with your one

bucket of water, which you can throw upon the flames immediately they show any signs of breaking out, and you will be effective." In other words, I say that the work of the Civic Federation in bringing capital and labor together at a round table, to speak of their conditions directly there, is a great work that must have an everlasting influence upon this great problem of capital and labor. I believe my delegates have been very much struck with this particular attitude of the Civic Federation, and those who were here in New York a few days ago signed a declaration in favor of it, asking that a similar institution might, if possible, be introduced into Great Britain, and saying that on their return to their own societies, when they would issue their report, they intended to lay special stress upon this work, which they thought was making for peace and good.

I can only say in regard to this work of the Civic Federation I am heartily in sympathy with it, because it is a benefit to humanity and makes for a better condition as between labor and capital. The best men of this country have undertaken that work, and the responsibility rests with them to see it through, and to cultivate and seek all these vast influences that they can bring to bear. An equal responsibility rests with those who represent labor, to see that they are all brought into line to support this organization, because without something of this description capital and labor will ever be at war.

I wish it every success; I believe it is to be a nucleus in making for better times and conditions. I have also to thank the Civic Federation, and I thank

them from the bottom of my heart, for the assistance they have given to my commission. When I was introduced to them, six manufacturers and Senator Hanna and others, they stepped out and said: "Mr. Mosely, you bring your men and we will co-operate with them. We have got the situation in hand, both capital and labor. Mr. Gompers and Mr. Mitchell, representing labor, will give you every assistance; we who represent capital will influence manufacturers to open their doors, and I think you will be given an opportunity of seeing everything." That promise has been more than realized. Every door has been held open by the manufacturers in the most liberal way. The gentlemen who represent labor on the other side, Mr. Gompers, who is at the head of the American Federation of Labor, placed in every town we have visited men connected with all the businesses with which my people are connected, to take my men in hand and show them all around; to take them to the factories and explain to them the conditions of the workingmen, the wages they are earning, and the conditions under which they are living, and I believe my people will go back with a big, broad conception of what this country is doing for the laboring people.

Mr. Gompers, on behalf of the gentlemen who are with me, will you allow me to thank you and Mr. Mitchell for the great service which you have rendered to the workers on this side? And Senator Hanna, again, as representing the manufacturers, will you please accept my sincere thanks for the very liberal way in which the people of this country have opened

the doors to my delegation as a whole? Gentlemen, allow me to thank you. (Applause.)

THE CHAIRMAN: I am very sure that it is our desire to return the compliment and thank the gentleman for his very wise and unselfish dissertation upon this great question. Before we adjourn for the afternoon, I want to hear from one of the gentlemen representing the workingmen of England. I will now introduce Mr. Walls, the general secretary of the Blast Furnacemen's Association.

MR. P. WALLS: Senator Hanna and Gentlemen—After the exhaustive and, I think, fairly outspoken words of Mr. Mosely, which, although I believe were justified, occupied a considerable amount of your valuable time, I will be exceedingly brief. I have two reasons for being so. One is that I have no desire to anticipate my report that I am expected to make when I return to England; and another is, that I know your time is too valuable for me to occupy more than a few minutes.

We have been exceedingly pleased with the reception that we have received everywhere. We have been very favorably impressed with your immense country, your immense natural resources, your immense riches, and I might add, your immense machinery—very much impressed, indeed. Still, perhaps, it would be possible to exaggerate the differences between this and the Old Country in many instances.

They are not nearly so large as seem to loom up in the minds of—well, might I say, the pressmen of the United States. (Laughter and applause.) Not near-

ly so large as I believe they seem to many of those in the States with whom we have come in contact, but I think we realize that there is a difference; that we know our people have had difficulties. All their works are much older. All yours are new, and in laying down a new plant it is always to be expected that you will adopt the most up-to-date machinery. Any man understands, I think, we are getting closer, and as to the matters of details of some of the questions mentioned, as to the matters of mining machines, I would like to remind, well, Mr. Mosely, that there are machines and machines. (Laughter.) You have some of your machines that can practically mind themselves, while some of ours require a great deal of minding. We have all these things to consider.

We were impressed also with the question of the management of your public concerns. After thirty years of public service and management as a public workmen, I must say that we have not received that encouragement in the Old Country. If a man undertakes to offer any suggestions, you all know it is just possible he will find himself on the way to some other concern looking for employment. There are, while that is the rule, exceptions to the rule. There is, no doubt, that with the exceptions of the great leaders, that that is the rule.

Now with reference to your Civic Federation. We are pleased that there is such an institution, but I would like to remove some of what I consider a delusion, in that matter, so far as we are concerned. There seems to be a kind of belief that we are sadly

in need of such an institution. Now, I admit, sir, it would be useful, but we have our own conciliation boards and our own joint committees, and have our employers and workingmen sitting on them, such as a board of trade, which meets and discusses the situation. We have severe troubles at times, gentlemen; we cannot help it, when there is a lack of experience on both sides, where the workman is probably a little impetuous and where the employer has a little horror as to the workman's disposition. Where that condition exists we sometimes experience trouble. On that question we would like such an institution as the Civic Federation. We have had many people in their individual capacity who have filled that particular. We have had men, members of the county councils and others, who have on many occasions managed to bring together the contending parties and lead to an amicable conclusion and settlement.

One of the things, sir, that I admire about the Federation, is that it does not pretend to interfere with anybody's business. The moment a disinterested party who does not understand the technicalities of the question from either side attempts to put their finger in that pie, the pie is spoiled. (Applause.) Now what I admire in the Civic Federation is that it only pretends to bring the contending parties together, so they can see that each one has only got one head and that they are not the monsters which each supposed the other to be, and that there is right on both sides.

I beg to thank the American employers for the way

they have thrown open their gates to us and the way that they have opened everything to us. I beg also to thank the American workingmen for the reception we have received from the workingmen. There were no jealousies whatever; we were all friends and brothers, and I thank you in this audience for the little time you have given me. (Applause.)

Adjourned.

The second session of the meeting was called to order by SENATOR HANNA at 2:30 P. M.

THE CHAIRMAN: Gentlemen of the committee, we are through with the picturesque, and we will proceed now with business. Mr. Adams has telegraphed that his train is delayed and he will not be here for fifteen or twenty minutes. Under the circumstances, I am going to take the responsibility of calling upon people, to give opportunity for an exchange of ideas, and I now call upon Archbishop Ireland.

ARCHBISHOP JOHN IRELAND: Mr. President and Gentlemen—When Senator Hanna speaks I obey. The year that has gone by has confirmed the originators of the Civic Federation in their conviction that they are engaged in a great and salutary work, that of striving to bring together, face to face, capital and labor so that the one shall understand the other, so that the one shall be willing to perform its duty toward the other, and that in this manner industrial peace may reign over the country. Our worthy chairman, you will remember, stated to us last year that deep down in his heart he felt no greater work could be given as a task to the statesman than to aid in

leading up to industrial peace. And I say that no greater task could be given to the minister of Christ's Gospel than to contribute in some little way to establish this peace.

It is not surprising that there do arise between capital and labor disputes and collisions. Humanity is entering into a new period of life and of development. All developments, all growths, whether in a physical or a moral body, produce feelings of uneasiness; there is the sentiment that new conditions exist, and that the moment has come for new adjustments and new adaptabilities. As we follow the history of industrial movements century after century, we see periodically new conditions arising and efforts made to meet them—often amid much anxiety and much travail. To-day the conditions which confront us are not such as to give discouragement; rather they are such as to give hope and comfort. The great industrial prosperity marking the present times has come largely from the growth of the human mind. Men have gone out into all parts of the world, made discoveries of all the resources of nature, and prepared humanity to lay hold of these resources. Mind has grown in all the classes of society. To-day the workingman is a thinking being. He has read; he has studied; he knows what may be done; he feels what should be done. Capital in its ambition to develop the resources of nature to their highest point, labor in its ambition to secure for itself a just and reasonable proportion of the wealth that is being created, come somewhat into conflict. One asks, "Have I my rights?" The other answers, "Have I

mine?" So it is in all movements in the life of humanity that have made for the greatness of humanity. What seems at present to threaten the public peace, and even to delay the march of prosperity, is but a precursory sign of greater social happiness, and of greater social wealth. There is no doubt but that when the difficulties of the moment have settled, society at large will be far happier and far more prosperous. Nor are we to imagine that solutions are ready made, and that at a given moment we can just exactly say what measures must be taken to remedy immediate ills. The human mind is not able at once to grasp all the factors in a problem; it is not able to understand at once all the circumstances which surround that problem. Hence, time is necessary. It is not at one meeting, it is not in one year, that all the industrial problems will be solved. We must be patient. At the same time we must feel sure that solutions are coming. Humanity has sufficient mind and sufficient good will to settle all matters in which it is vitally interested. Its history, century after century, shows very plainly that whatever the conflict of the moment, peace and victory did follow. Not only must we have confidence in humanity itself; we must have confidence in the All-ruling Providence which has placed humanity upon this earth, and which directs it towards its ultimate goal.

And so we enter hopefully into the discussion of relations between capital and labor. This is the immediate purpose of the Civic Federation. Men come together, representing the different classes of

society, employers and employees as well as what is called the general public, and they say: "Let us see what is to be done." This is much: for earnest seeking is half the finding.

The manner of proceeding of the Civic Federation commends it to us. It would not do to have the capitalists by themselves. It would not do to have laborers by themselves, for the simple reason that one party, not knowing the mind of the other, would be likely to be one-sided in its conclusions, more or less biassed by self-interest and prejudice. Bring both classes together; let them meet frequently. If anything more were to be desired in the methods of the Civic Federation, it would be that its members would come more frequently together. The world is moving on at such a rapid pace, industrialism is taking such terrific strides, that it is scarcely enough to hold one meeting a year to ask what may be done, what thoughts may be put out before the country. But however often or however seldom the members meet, certainly the method chosen is a proper one, that of bringing representatives of the different classes together. It is the test of a civilized people to act in this manner. In barbarous days men never thought of asking their opponents what rights were on their side. The one question was how to rush quickly upon the enemy and extinguish him. Not so where civilization reigns. There the question is, What is it that is right? What is it that justice suggests? We know better what justice suggests when we have heard both sides.

Certainly the prosperity of the country demands

that as rapidly as possible classes come to understand one another. Just see what this late strike in the coal regions has done in the country. The amount of money lost—of money unearned, is beyond calculation. The owners of mines have lost immense sums; the miners have deprived themselves of earnings for four or five or six months; the public at large has suffered. If the strike had continued a little longer the whole country would have entered into the rigors of the winter season with danger of untold suffering. Now surely there is no lover of this country, no lover of his kind, who will not say that it is his duty to do all that he can to prevent any such incidents occurring in America. Let us hope and trust that the lessons derived from this late strike are such that a strike of the kind will henceforward be an impossibility. Let us so educate the country at large upon this question that all shall feel that their first duty is peace, union and harmony. We are doing a work of patriotism. What is it that gives us a great and good country? It is not victories on battle fields—glorious as these are. What we need for a great country is a happy, contented people, and what we need in order to have a happy, contented people is a good understanding between all classes of the people. This has been the misfortune of humanity; it so easily divides itself into separate classes. One class thinks only of itself, and how it may prey more easily upon the other. There will be no happy people until all realize the great truth dictated by reason, dictated by religion, that we are all brothers; that no one can find happi-

ness, if he must consider that not far from him there are fellow beings in suffering and in want. Industrial peace, so desirable in any land, is particularly so in America, in a democracy such as America is. America, for weal or for woe, is essentially an organized democracy. The people reign. We must have the people, the masses at large, the full citizenship of the country, happy and contented. We must have all classes feel that other classes acknowledge their rights, and are willing to think of them as well as of themselves.

When at first an organization enters into the field of action it scarcely knows what is before it. A year ago the Civic Federation was formed; to-day we have far better conception of the possibilities that await it. As it is, we have by the mere fact of our organization put strongly before the whole country the principle of harmony between capital and labor. We have affected favorably public opinion. Largely through the influence of this Federation the idea is abroad that there must be an understanding between capital and labor, a recognition of the rights of one class by the other. At times in particular cases we may have failed to bring peace, but the principle was upheld. No matter how difficult the problem, once public opinion is committed to seeking a solution, the solution is sure to come. If we were to go out of existence to-day as an organization, we could write as our epitaph, "Well done, good and faithful servant," because the Civic Federation during its brief existence held high before the minds of the people of America the

great principles of harmony, of peace through arbitration, of the common brotherhood of men.

Our president and our secretary could well say if they were to go into details, that here and there many disputes have been actually settled by the Civic Federation during the last year. People are captious, and if they can find one point where we did not succeed they will talk of that and forget the nine points where we did succeed. There are several instances on our records where, by bringing together employers and employees, difficulties were removed, and strikes and disagreements were brought to an end. Difficulties were removed when men simply saw one another. This is what has happened during the past year, and this is what is going to happen more and more in the future through the efforts of the Civic Federation. The Civic Federation has been organized; it will stay organized. It has begun work; it will continue to work.

What is very much needed in the country to-day we shall strive to give, as we are giving it in our present conferences—education on industrial questions. Men who are very learned in many other things know little of sociology. The reason is not difficult to be found. It is a new thing. Men have not studied it heretofore. Many, though well meaning, are at sea in regard to it. Let us create a taste for the study of sociology. Let the attention of the people be concentrated upon industrial problems. It is not so much what we say between these four walls; it is what our words stimulate to have said through the country at large.

“Well, what is going to happen,” I hear it sometimes said. “Will there not be a revolution?” Why, not at all; not surely in the United States, where men are accustomed to public discussion; where men feel that the public welfare is the crowning apex of the efforts of all; where all have a sense of civic duty; where all love their country. I am not afraid of any discussion on any question in America. I think we shall be able to solve all problems quietly, and with time; but we must have patience while we are solving them; for we do not expect to give solutions, as I said before, all in a moment. I have naught but brightest hopes for industrialism throughout the world at large. See what has happened to-day. Intelligent men from England come to America to study the conditions of our country. They will go back to their homes and make reports of what they have seen. You notice the thoughtfulness of those gentlemen. You notice the wish they have had to arrive at the best solutions. And what is happening in England is happening more or less in other countries. No doubt we hear of perils to come from extremists. Whenever there is any movement extremists will attach themselves to it. We are at times very singular. We want every movement to be perfect in all its steppings. That is impossible. There will be extremists on the side of labor, as there will be on the side of capital. This does not mean to say that capital has not its rights, that labor has not its rights, that labor and capital will not be allowed their rights. There is a better day coming. And who will not

rejoice, be he laborer or capitalist, be he rich or poor, in the prospect that the multitudes, the millions, are to see rising before them a brighter sun. For let us say what we will of to-day or to-morrow, in past ages the children of toil have had a hard lot. The time has come when we feel that the masses of humanity are to be better cared for. The time has come when rights shall be given to every man, to every child, because these rights are a divine creation, and men cannot hold back from their fellows what God has granted to them. We rejoice that this brighter sun is rising in the sky. And while the millions of toilers feel that public sentiment leavened with Christian teaching is going out to them and is determined to grant them their rights, they in return, I am very sure, will feel that it is their duty to recognize the rights of others. I am not afraid of any of these radical populistic or communistic movements with which we are sometimes threatened, and with which the enemies of labor would sometimes seek to indentify labor. The laborer is intelligent; the laborer knows that his own prosperity is linked with the prosperity of others; the laborer understands that he personally stands or falls as the whole social fabric stands or falls. Let us give to every man his rights, and by giving to every man his rights we educate him into the higher principles of justice and religion, through which he will concede to others their rights. Wherever there is a mind, we must enlighten it; wherever there is a conscience, we must awaken it; wherever there is an arm, we must strengthen it, and by

strengthening every individual member of society we strengthen all society. But be all this as it may, there is a new era before the world, an era of better and more effective effort, an era of general prosperity, an era of awakening of livelier sentiments of justice and of charity; and to have contributed somewhat to the hastening of this era, to have by some little work or by some little act helped on the work of humanity toward this higher plane of brotherhood and of Christianity, is a task that any man may be well proud of; a task the accomplishment of which cannot but be most agreeable to the Father of all men, the Almighty God above us.

THE CHAIRMAN: The next speaker is Mr. C. U. Carpenter, representing the labor department of the National Cash Register Company, of Dayton, Ohio.

LABOR DEPARTMENTS FOR LARGE INDUSTRIAL ORGANIZATIONS.

THE labor problem now confronting us can never be solved until capital is organized with the same care and thoroughness as labor. This fact is becoming clearer every day, and it behooves every manufacturer to give the closest consideration to it. Experience has shown the necessity for strong organizations of capital to meet and bargain with the existing organizations of labor. That both sides will be greatly benefited cannot be doubted.

To be effective there should exist national organizations of associated industries, local associations of these same manufacturers; all to be linked together by a national body. The similarity of this plan to that of the labor unions will be noted.

The plan of forming a labor department in large industrial organizations is, however, most important. Only by some such method can that old-time "personal touch with employees" be restored. The lack of this personal, direct touch is responsible for much of the difficulty of the present day.

No better introduction to the discussion of the work of a labor department in large industrial organizations can be given than a quotation from Hermann Justi's address on "Arbitration," delivered at Minneapolis some months ago.

ORGANIZATION OF THE EMPLOYER CLASS.

"All talk of arbitration or anything akin to it is well nigh idle, unless we take account of organization—not only as applied to employees, but organization as applied to employer. Whether we oppose it or favor it, organized labor has come to stay, and it must therefore be considered because we must deal with it. The employer class must organize to a point of excellence and efficiency where organized labor will respect it.

"I am convinced that only by organization can common labor get the maximum wages for its hire. I am equally well convinced that only through organization of the employer class will capital obtain from organized labor the most and the best service in return for the wages paid.

"It is my belief that all great departments of industry must have their departments of labor if serious friction is to be avoided, and wisely adjusted. When we pause to reflect, is it not remarkable that all the departments of great business enterprises have their especially appointed heads to direct and to manage, with the exception of the department of labor? This is allowed to get along as best it can, and yet what department of any great business enterprise is of equal importance? This seems the more inexplicable and indefensible in view of the fact that when we reduce the whole problem of business competition to the concrete form there are only two propositions after all with which the business man has to deal; the price of labor and the rate of interest."

And are not these absolute facts? What work requires more specialization, more fair-mindedness,

more continuous and tactful attention than the handling of the labor question? And yet upon whom does this delicate and difficult problem actually fall? Is it handled by a department composed of men specially fitted for this question by their education, broad study of labor, knowledge of labor conditions all over the country; men selected for their fair-mindedness and practical experience in handling large bodies of men, and of such character as to gain the confidence of the workmen; men of experience in making labor contracts and who know where the rights of labor end and the transgressions upon the rights of capital begin, even according to the Union Constitution?

No! this is seldom the case. The *active, actual, everyday* working policy of handling labor, the part that is vital to the workmen and the manufacturer, is dictated not by him but by his foreman. The men who are superintending the departments are exercising the direct and consequently the *real potential* influence over the men for good or bad. No matter what the manufacturer may do for his men, no matter what his actual policy may be, their feeling toward the firm is governed more by their feeling toward the man who has them in daily control than by any other factor.

The methods used by the foremen in handling their men, and the system of pay, may well be considered carefully, because they affect the worker directly, and consequently have great influence upon him.

When once trouble does begin, the proposition becomes involved with the feelings and probably the prejudices of all the men who have attempted to

handle it. By the time it reaches the employer there accompanies it a large amount of bad feeling and doubt of good intention on the part of both parties. The proposal is at times too absurd for the employer to entertain. The workmen, however, have become so embittered as to insist upon its fulfillment. Or, on the other hand, the employer will often see in the proposal a large element of justice which he would have admitted without hesitation if the propositions had come to him "first handed." He, however, often feels obliged to refuse the request for the sake of discipline and his desire to stand by his subordinates.

Many bitter strikes have occurred under such conditions; strikes which would have been easily avoided had the question been fairly and promptly met at the very inception of trouble.

Gentlemen, "the time to stop trouble is before it begins." Some plan of organization must be adopted to insure this. Some method should exist whereby *employer and men could get together before trouble begins.*

I am far from saying that all the demands and actions of unions are fair. We know from experience how unreasonable they often are; but a large number of them are fair, and prompt attention, together with the determination to do absolute justice both to the company and to the men, and to stand by what is right and to fight for it if necessary, will accomplish most desirable results.

Consider the actual questions that give rise to strikes, lock-outs, and arbitration and conciliation committees. Consider the gist of the questions that

these important bodies must consider after the trouble has reached the point where, for the sake of the manufacturer, the workman or the public, they must be called upon. Are not they the practical questions of wages, hours, conditions under which men work, discharges, unreasonable demands, unjustifiable and unreasonable rules and practices, restrictions upon employment, limitation of output, etc.? Should we not *begin at the lower end of this problem* and provide some adequate means whereby the manufacturer and his men can come face to face and consider these questions fairly and squarely, before matters get to such a serious issue as to render it necessary to call in outsiders to make a settlement—settlements rarely wholly acceptable to either party to the dispute and which, when finally accepted, leave behind a bitter feeling of resentment?

Both logic and practical experience in handling large bodies of both union and non-union men have proven the necessity of labor departments. No matter how capital may organize, its organization will be lacking its greatest element of strength and influence unless there are formed such special departments to handle the question.

The functions of a labor department, as I will describe them briefly, are such as have been developed and found necessary in actual experience in organizing and developing this work.

WORK OF A LABOR DEPARTMENT.

Such a department should be in control of the labor question. It should have the power to in-

investigate and correct any existing conditions which are unfair to the workmen—conditions which impair their efficiency as workmen and development as men. On the other hand, it should investigate those practices on the part of the workmen which are unjust to the firm and should endeavor to have them corrected. In actual experience great good has been accomplished by investigating and taking up with the workmen such matters as restriction of output, opposition to improved machinery, unjust wage demands, unreasonable opposition to justifiable discharges, etc. Many important matters bearing directly upon economy of production, efficiency of the workmen, and discipline of the shop have been amicably settled, that would probably have ultimately resulted in serious trouble had they been handled through the usual course in the usual manner.

All complaints of workmen and company or foremen should be promptly considered, and decisively settled before they have had time to grow into unwarranted importance. It is a cardinal principle that all decisions must be along the lines of justice and fairness.

WAGE QUESTION.

The importance of a just and scientific wage system, both *from the standpoint of satisfying the workmen and of producing work with the greatest economy*, can hardly be over estimated. The lack of attention to this matter causes most of the trouble between employees and employer.

This department may also investigate and install

such improvements in working and sanitary conditions as experience has shown to be practical. Such work is thoroughly justified, both on the ground of humanity and of economy of production.

INCREASING EFFICIENCY OF FACTORY FORCE.

Other important questions, such as employment, discharge and improving the personnel of the workmen, should be in charge of such a department. Systematic steps to separate the poor workmen from the efficient, for their education and improvement, or, in case they prove totally inefficient, their discharge, are important factors in improving the working efficiency of a factory force.

The study of associations of labor and capital and an acquaintance with legal decisions bearing upon the relations and rights of capital, as well as labor, are often very important.

The work of such a department will be largely ineffective unless it has the support and co-operation of the foremen or men who are in direct charge of departments. These men should be brought into sympathy with its aims and purposes. Generally the responsibility for this question is something that they will gladly relinquish, but the seeming interference with their pre-conceived ideas of the boundaries of their own authority will be at first resented.

FOREMEN'S MEETINGS

These men must also be instructed and trained in the best methods of handling men; most effective ways of increasing their working efficiency in a

manner not detrimental to their health; of increasing their interest in their work, and, especially in union shops, the most effective methods of securing the best results for the company and men under union conditions.

Certain it is that this department must be so conducted as to deserve and win the confidence of the workmen in its fairness and firmness. Its decisions must be along the lines of honesty and justice for both company and men. Unless the foremen will give their support to this policy much of the effect of its good work will be lost.

In order to gain the desired results, weekly meetings should be held of all foremen and assistants, for the purpose of discussing the problems that they meet every day and of finding some solution to them. Such meetings may properly be termed *Foremen's Schools*.

Here should be discussed frankly and fairly unionism in all its phases. The difficulties they experience in regard to it, and methods of overcoming their trouble; the best methods of handling men and getting good work from them; methods of encouraging workmen to take more interest in their work; *methods of encouraging all workmen to attend their union meetings, and take an active part in the proceedings; encouraging good workmen to act as officers and members of union committees.* In many cases in my experience foremen were found making it so unpleasant for union shop committeemen that only the worst and most radical men would serve; the better and more conservative men not

only would not serve on committees but would not even attend meetings, not caring to be identified with the movement, especially in view of the foremen's feelings.

In short, such a method of education should force a homogeneous policy of firm and fair methods in handling unionism throughout the entire establishment.

PRACTICAL EXAMPLE.

The only test of a theory worth considering is the result of a practical application of it. I propose to give you a concrete example of actual results of such a labor department, organized under most stringent union conditions.

The National Cash Register Company was thoroughly unionized about three years ago. We now have represented in our factory eight International Union organizations; fourteen local unions, and about twenty-six shop committees. As has been described in the press, we soon had in full bloom all of the features of unionism that render it distasteful to manufacturers. We experienced the restriction of the employment of men, and the greatest difficulty in discharging incompetent men. Many of the workmen's complaints were just, but many were of a most unreasonable character. They imposed the most stringent methods of restriction of output and earnings; their principles regarding these being printed in their by-laws. Fines were imposed if a workman should earn over a stipulated amount per hour.

The labor department was formed by Mr. Patterson, largely upon the lines laid down in this address. By carrying out the policy outlined, especially in regard to being fair and just, we have, I am safe in saying, gained the confidence of our workmen. The radical demands have practically all ceased. The men seem now to limit their complaints to those which are fair. The illiberal and unreasonable portion of the restrictions of employment and discharge have been done away with. There is now on foot among the men a movement to do away entirely with the restriction of output and earnings. In fact, I have just received information that leads me to believe that this has already been done away with in one large department, and that their action will be followed by a similar one on the part of the entire factory. A very different feeling between employer and employee now exists in the factory.

While we do not by any means claim that the end has yet been reached, and that we have ideal union conditions, the position of both men and company have changed to such a degree that we feel that we are certainly justified in considering that we are on the right track.

If your shop is unionized it is of course for you to choose whether you will continue to fight and keep up the strife, or whether you will make the best of it and do what you can to develop both your organization and the union's along liberal lines.

Whether or not it is unionized, I advise you to

make a careful, unbiased investigation of actual conditions and ascertain what causes for dissatisfaction exist between your workmen and yourself. See that the opportunity is given them to earn a wage such as the business can afford to pay under such a system of pay as is both economical and just. Provide them with sanitary conditions which modern industrial science has demonstrated pays you to give them, and which humanitarian principles show are just and fair. Hear their complaints, correct promptly all evils, insist that they do their share, and that they too correct the evils that they are responsible for, and the desired result will in time be forthcoming.

If you recognize the tendency toward organization and your shop is unionized try to establish relations of confidence between yourselves and your employees and provide some means whereby you and they can meet on common ground, so that each can learn of those things that are unfair in the attitude or conduct of the other and consider these in the spirit of justice. This does not by any means imply a weakened policy of handling the question. It is a policy of strength rather than weakness.

MR. G. C. SIKES: I have been asked to discuss the subject of arbitration as related to public service corporations, and especially to explain to you the position taken in this question by the Chicago Street Railway Commission, of which I was secretary. In what I may have to say I will confine myself largely to street railways, as that is the matter with which

I am most familiar, but the principle of my argument would apply as well to lighting, telephone and water companies in the municipal field, and to railroad and telegraph companies in the national field. I am as much opposed probably as any one in this room to what is commonly known as compulsory arbitration as applied to industry generally. I believe such a policy is contrary to right principles and to American ideas, and that it is likely, in the long run at least, to be productive of harm and to lead to stagnation. But I differentiate the public service corporation from the ordinary industrial corporation. My proposition is that the public service corporation should be required, as one of the conditions of its franchise grant, to agree to submit disputes with its employees to arbitration.

As you may know, the street railway situation in Chicago has been a subject of agitation for some time. The principal franchises of the companies begin to expire soon, and consequently the whole subject has given rise to extensive discussion. A commission was appointed to consider the whole subject and recommend a franchise policy for the city of Chicago. Among other things, that commission gave attention to the matter of labor policy in connection with franchise grants. Its specific recommendation was as follows:

The public has a right to demand uninterrupted street railway service. To that end, it has a right to insist that everything reasonably possible be done to prevent strikes and lock-outs. Companies, in accepting grants, should be required to submit all labor disputes to arbitration.

Perhaps the most enlightening thing I can do will be to read from the report of the Street Railway Commission the argument therein set forth in support of the recommendation made.

“European and Canadian cities very commonly insert in franchise grants stipulations concerning the maximum length of the working day and the minimum wage for employees. In some instances other provisions in the interest of employees are inserted. The most elaborate provisions of this kind with which we are familiar are those made by the city of Paris for the benefit of employees in the new Paris system of subways or underground roads. As a rule, franchise grants by American cities are silent on the matter of labor conditions. One of the recent Detroit franchises is an exception to the general rule in that it stipulates that employees shall not be obliged to work more than ten hours a day. In some instances, however, States by legislation have attempted to regulate the hours of employment for labor of this kind. Legislative enactments requiring the vestibuling of cars in winter and other measures of similar kind indicate a growing disposition on the part of the public to consider the welfare of this special class of labor.

“Considerations of humane regard for the welfare of those who toil have their weight in support of measures of this kind, but these measures are justified primarily on quite different grounds. Fair treatment of street railway workers is demanded by the public primarily as a means of insuring efficient and continuous service, free from the interruptions that are likely to grow out of controversies over labor conditions between the employing corporations and dissatisfied employees. Recent street railway strikes in other cities have emphasized the importance of doing whatever may properly be done to guard against the possibility of similar interruptions of service here. The Street Railway Commission is of the opinion that the best way to accomplish the object in view would be to insert in all future franchise

grants a provision requiring the company, in case of a disagreement with its employees that threatens to interfere with service, to submit the same to arbitration and to abide by the decision of the arbitrator. This would be a system of arbitration compulsory upon the company and not upon the men, it is true. But in the opinion of the Commission this fact does not constitute a valid objection in this case, as it would if the attempt were to be made to apply the same system to industrial disputes generally. The city has no direct dealings with the employees which give it warrant to require special things of them. But the company comes to the city as a seeker for privileges, and as the city may grant or withhold the privilege at will, so it may properly grant the privilege subject to conditions, and one of these conditions may properly be an agreement upon the part of the recipient company to submit disputes with its employees to arbitration. It is as competent for the city to exact such an agreement from the company, as a condition of the grant, as it is for the city to exact compensation, or to require the company to carry policemen and firemen free, or to do a number of other things which the city does require of street railway companies but not of ordinary industrial corporations.

“Now, as to the practical operation of this plan. If the companies always stand ready to arbitrate, there is very little likelihood of interruption of service as the result of street car strikes. Street car strikers cannot win a contest in which they are not supported by public sentiment, and public sentiment would be almost unanimous against a group of street railway employees who would go on strike without first seeking a settlement by arbitration, when such a remedy should be open to them. There is every likelihood that the street railway employees would be glad to make use of arbitration as a means of adjusting grievances. There is every likelihood, therefore, that a system of arbitration compulsory upon the company receiving the grant would remove most of the danger of interruption of service through strikes or lockouts.

"Continuous service is the thing above all others which the public must have from its transportation agencies. If the city itself were managing the street railway system employees would be treated in such a manner as to insure a service free from interruption on account of strikes. In so far as fair treatment of employees may be necessary to continuous service, private corporations operating street railways under a franchise from the city should be required to treat employees as fairly as the city itself would treat them were it their direct employer."

As is pointed out in the report from which I have read, the justification for a provision like that recommended is not primarily regard for the welfare of the laborer, though we are coming more and more to be solicitous concerning the conditions under which such labor is performed. It has long been accepted that the public ought to be, as far as possible, an ideal employer. This doctrine has been amplified so that contractors working for the government are not supposed to be permitted to maintain improper labor conditions. The time has now come to go further, and to say that agencies of the government of every kind shall be obliged to treat their workmen fairly. And a street railway company or any other public service corporation, operating under a franchise grant, is an agent of the public for the purpose of rendering a public service. Mr. Vreeland, manager of your street railway system here, to my mind is not comparable to the manager of a strictly private competitive business, like a shoe factory, for example. He is to be likened, rather, to the head of your police or fire department, and the men under Mr. Vreeland, in the nature of their employment, are to be likened

to those who are directly in the employ of the city as policemen or firemen. The street railway and other companies of a similar nature are rendering a public service, and it is the duty of the public to see that the employees engaged in rendering the service for them are properly treated. But that is merely the sentimental side. When the public is inconvenienced and made to suffer loss from the interruption of street car service on account of needless strikes, it becomes its duty to give attention to the subject for other than sentimental reasons. It ought to be no more possible to have the street car service of a great city interfered with by labor troubles than it would be to have the fire department or the water system out of action for a similar reason. Experience shows that we have many labor troubles in this field. The last was in New Orleans, where the city, during the past summer was absolutely without street car service for two weeks. Shortly before, St. Louis, San Francisco and Providence were having somewhat similar experiences. Now I say such a state of things should be impossible, or nearly so. It is as much the duty of the public authorities, when they are entrusting a private corporation with the work of rendering a public service, to see that that service shall be carried on without interruption from strikes, as it is to see that the service shall be excellent in other respects. If the company stood ready at all times to arbitrate disputes with its employees there would be little likelihood of interruption of service on account of strikes. Indirectly, the arbitration might be made practically binding upon the men

by stipulating that, in consideration of getting the benefits of arbitration, the men should agree in advance to abide by any award that might be given. Such a promise on the part of the men would be of great value if only morally enforcible, but it might be possible to give it greater force by providing for a bond that should be forfeited in case of failure to respect an award. Or, better yet, provision might be made for the incorporation of the union, so that the men would be legally responsible for failure to observe any agreements they might enter into.

Chicago has recently had experience with arbitration, as applied to street railway labor troubles. The Street railway labor situation has had threatening aspects for some months. Until recently, the street railway men of Chicago were without organization, the policy of the companies having been not to permit the men in their employ to affiliate with unions. A few months ago organizers began work among the street railway employees and met with success. The companies at first tried to disrupt the organization by discharging the leaders, but the movement was too strong to be checked. In the face of a threatened strike the companies withdrew their opposition to the formation of unions. Then came demands for wage increases, the men asking a raise from 21 to 28 cents an hour for conductors and motormen on electric cars. The City Railway Company met this demand with an offer of 24 cents an hour. The men refused the offer, and resort was had to arbitration, with the result that 24 cents an

hour was fixed as the rate to be paid, all three arbitrators concurring in the award. The new wage scale, so far as the City Railway Company is concerned, went into effect August 1st last. The Union Traction Company met the request for more wages with an offer of a very small increase, together with a proposition for complete recognition of the union. This latter proposition was so attractive to the leaders that they urged acceptance, but the men on a direct vote rejected the offer. The entire matter then went to arbitration. The union selected as its arbitrator Clarence S. Darrow, and the company chose Wallace Heckman, both prominent Chicago attorneys. For the third arbitrator there was agreement upon W. J. Onahan, president of the Home Savings Bank, formerly controller of the city of Chicago, and one of the prominent Catholic laymen in the country. These arbitrators decided to sit like a court, and have each side present its case by attorneys. The sessions were not open to the public, but the gist of the proceedings was given to the press as the hearings progressed. The company was represented by its president, John M. Roach, and by its general counsel, W. W. Gurley. The union was represented by J. H. Larkin, its president, and by Edgar L. Masters, an attorney engaged for the purpose.

The arbitrators decided that the wages should be 24 cents an hour, a decision that was satisfactory to both sides. The process of arbitration, instead of promoting bitterness between the parties, seems actually to have fostered good feeling. The controversy was settled without loss of either wages or

profits from idleness, and more important still, without the injury to the community that flows from interruption to street car service. The temper of the men in Chicago at the outset was radical and they seemed disposed to strike anyway, in the confidence that a strike was bound to be successful and to bring greater victories than could be expected from arbitration. It is fair to say that a street car strike of serious dimensions in Chicago was prevented only because the companies stood ready to arbitrate, and in the face of that position on the part of the companies the men did not dare to strike, knowing that if they did they would forfeit their standing with the public.

But, it may be well to ask, How comes it that the street railway companies in Chicago at this critical time are so willing to arbitrate, when those same companies at other times have been, and street railway companies in other cities usually are, so loth to accept arbitration? The answer must be that the conditions in Chicago just now are such that arbitration is practically compulsory upon the companies. The most important franchise grants of these companies expire on July 30 of next year, less than a twelve-month hence. The question of the renewal of those grants is the all-important issue of local politics in Chicago. At a time when the companies must go to the city government asking for favors, they simply dare not offend public sentiment by inviting a needless street car strike. When the franchise renewal question shall be settled and out of the way, the Chicago companies, perhaps, may not be so favorable to the policy of arbitration, unless they be required

by the terms of their grant to submit to arbitration in the future.

In this connection, it may be well to point out that the National Civic Federation was helpful in preventing trouble in Chicago, as a member of the executive committee of the Federation, Mr. Franklin MacVeagh, was besought to use his good offices in the interest of peace, and it is believed that his conferences with officials of the Chicago Union Traction Company had much to do with leading that company to favor arbitration.

In case we are not willing to employ arbitration, it seems to me that we should at least do something akin to that to prevent disputes of this kind. Most of the street car strikes come from questions of wages, hours, and the right to organize, and if it seems too radical, too new, to insist upon requirements for arbitration as a feature of the franchise grant, why at least here should be inserted a clause for a minimum wage and maximum hours, and a provision making it a finable offense for the company to discharge a man for membership in a union.

THE CHAIRMAN: The next speaker is Mr. Charles Francis Adams, of Boston, who will speak on

INVESTIGATION AND PUBLICITY AS OPPOSED TO "COMPULSORY ARBITRATION."

MORE than a year ago, during the great steel strike of August, 1901, I prepared a communication setting forth certain Massachusetts experiences, during previous similar troubles, as being worthy of consideration. They suggested a possible solution, practical in character, of what are known as "labor troubles"—the conflicts between employer and employee which result in strikes and tie-ups. Printed in various papers, this communication caused at the time some discussion. More recently I have been applying the experience then set forth, and the principles advocated, to the existing and more serious complications which have since arisen. I have also been in communication with Col. Carroll D. Wright and Mr. Henry Cabot Lodge, one of the senators from Massachusetts, discussing the facts and theories involved, with a view to what may be considered an outcome based on the systems, political and constitutional, as well as the labor conditions, and the social and industrial organizations, existing to-day in the United States. With a view to ultimate satisfactory

results, the effort has been to recognize facts, and to make action conform to them. My purpose to-day is to set forth as briefly as possible the conclusions so far reached.

In the communication referred to, I first called attention to the nearest approach to a practical solution of the labor problem in accordance with American conditions, ideals, and traditions, which has, so far as I know, yet been devised and put in use. And, in making this statement, I lay emphasis upon the word "American"; for I hold it to be quite useless to take a system, whether purely ideal and theoretical, or even, in other countries, practicable, and apply it generally. The first essential to success in constructing or developing any system of laws is that such system shall be in conformity with the conditions, ideals and traditions of the community for which it is designed. To ignore them, much more to run counter to them, is to court failure at the outset. As Alexander Hamilton said more than a century ago of the United States Constitution—"A government must be fitted to a nation much as a coat to the individual; and consequently what may be good at Philadelphia, may be bad at Paris, and ridiculed at Petersburg." In like manner, a system of legislation designed to regulate the relations of labor and capital may work well in Australia, but it by no means follows that a similar system would work well in Great Britain or Germany; and a system which might be practical, if not reasonably satisfactory, in Bohemia and Austro-Hungary, would almost surely prove quite otherwise in the United States.

This I am well aware is a commonplace, almost, indeed, a platitude. And yet it is necessary to premise it carefully; for, just so long as men are what they now are, unusual exigencies will, under any system of government, from time to time arise; but, when such do arise, it is always very noticeable how the air is at once filled with suggestions of remedy, either quite untried or borrowed from other lands. And such are recommended for immediate adoption, wholly regardless of our constitution, laws, political organization or the spirit of our industrial development. This is empirical; and, in these matters, empiracy is of all things to be shunned.

I come now to the experience I have referred to. There is, in the State of Massachusetts, and has been for over thirty years, a Board of Railroad Commissioners. In the history of that Board there was one important, but now quite forgotten, incident, from which a highly suggestive lesson may be drawn. It occurred twenty-five years ago. The Massachusetts Railroad Commission was organized on the theory, that, in adjusting matters of difference between the community and its railroad corporations, the vesting of arbitrary power in such a tribunal was a hindrance to it rather than a help; for the reason that in America force is in the long run less effective in producing results than investigation, and subsequent well-considered recommendations based thereon. The appeal was in every case to be made to reason and public opinion, and not to the sheriff or the soldier. Accordingly, in the event of differences between the corporations and their employees,

even those resulting in strikes and tie-ups, the Commissioners had no executive power. It was their duty, in a general way, to take official cognizance of the fact when the community was sustaining an injury or an inconvenience, and to investigate the causes thereof. Having so investigated, the Board was empowered to locate the responsibility for the injury and inconvenience, and to make its recommendations accordingly; but those recommendations had merely a moral force. They could be addressed to the parties concerned, and to public opinion, only. Their effect, greater or less, was measured by the justice and good sense impressed upon them. The Commissioners, moreover, disavowed any wish to be clothed with larger powers. They feared the possession of such powers. They were persuaded they could in the end accomplish more satisfactory results without them.

This theory was soon put to a test. At four o'clock in the afternoon of the twelfth of February, 1877, all the locomotive engineers and firemen in the employ of the Boston & Maine Railroad Company stopped work in a body, abandoning their trains. The move was not altogether unexpected, but the operation of the road was seriously interfered with. The Commissioners did not at first intervene, neither party calling upon them. Indeed, both parties were unwilling so to do, for each was apprehensive, apparently, of adverse action. During several days, accordingly, the Commissioners preserved an attitude of silent observation. After the lapse of a reasonable period, however, the Board concluded that it was

plainly time to recognize the fact that the public was suffering serious inconvenience; for then the Boston & Maine Railroad was, as it still is, one of the principal arteries of eastern New England. The president and directors of the company and the employees of the Brotherhood of Locomotive Engineers were accordingly notified that the Board proposed to take a hand in the business. This it proceeded to do. An immediate investigation was notified. Both parties appeared—for, without confessing itself in the wrong, neither party could well help so doing—and professed a perfect willingness to submit their cases. No suggestion of a readiness to abide by any decision that might be given thereon was either asked for or given; but the Board proceeded to hear witnesses and to elicit the facts. The inquiry was continued through three days, and, on the twenty-first of February, the report of the Board was made public, appearing in full in all the newspapers of that date. In it the Commissioners, after carefully and judicially sifting out the essential facts from the evidence submitted, placed the responsibility for the trouble where the weight of evidence showed it belonged, and thereupon proceeded to make such recommendations as in its judgment the exigencies called for. The effect was immediate. An authentic record was before the community, and public opinion, crystallizing, made itself decisively felt.

It is not necessary to enter further into the history and merits—the rights and the wrongs—of that particular struggle. My object is merely to call attention to what was then done, and done success-

fully, as constituting the nearest practical approach consistent with our American political and social system to what is known as "Compulsory Arbitration." It was compulsory inquiry only, and an appeal thereon to the reason and sense of right of all concerned. Reliance was placed in an enlightened sense of right of all concerned, and an informed public opinion.

Here then is a system. Under it a public tribunal is provided; that tribunal takes official cognizance of what is notorious; and, when either the peace or the business of the community sustains prejudice or is gravely jeopardized, it becomes its duty to intervene. It intervenes only for the purpose of obtaining the information necessary to enable it to form a clear, judicial opinion. It then sets the facts before the community, and makes its recommendation. It locates responsibility. There it stops; for it can compel obedience on neither side.

Now, let us apply this proposed system to the conditions which, for the last eight months, have existed in the anthracite coal regions. Let us assume that provision by law existed under which the Executive, either national or state, was empowered and directed to appoint such a board *pro hac vice*, calling it into existence to meet a sudden emergency: The chances, I submit, are at least nine out of ten that, if such a machinery had existed, and had been judiciously employed either by the Governor of Pennsylvania or the President of the United States, a practical solution of the difficulty which for the last eight months has harassed the country would have been reached. The

community began to sustain grave prejudice at an early stage of the troubles. The resulting injury became more and more flagrant as the weeks passed by. The continuance of such conditions not only was injurious to private interests, but, as we all know, the public peace itself was involved. Under such circumstances, experience shows that neither party will, for obvious reasons, voluntarily call upon a board or commission to intervene; for such action is tantamount to a confession of weakness. Both will look at it askance. It must rest, therefore, in the discretion of the Executive to decide whether a case has arisen which calls for public initiative; the public being a third party to the controversy. That it is such, it is impossible to deny. It therefore has rights and interests—a standing in court. It having been decided, in the exercise of a sound discretion, that circumstances call for this third party to act, the Executive gives notice to all concerned that, at the proper time and place, it is proposed to enter upon an investigation. If both parties see fit then to appear and submit evidence as to the facts, that evidence becomes public property. If one party appears, the other absents itself at its peril. Should neither party appear, producing authentic documents and putting in a case, the Board would proceed to enlighten itself through all other accessible means. In behalf of the third party to the controversy, of which it is the representative, it should be empowered to summon witnesses, and to enforce the production of documents. Having completed its investigation, it would then make its recommen-

dations definitely, and, if it knows its business, concisely, locating responsibility where the evidence shows it belongs. A practical solution of the trouble, such as would naturally commend itself to the judgment of an unprejudiced tribunal, would be pointed out. A solution of that sort always exists. This report would be transmitted to the appointing power, whether President or Governor. By him it would then be communicated to the parties in interest, including the public; and, in due time, submitted to Congress, or the State Legislature, always with such enforcing or qualifying recommendations as might commend themselves to executive judgment. The report so made would carry with the public and with the parties concerned exactly that degree of weight its judicial character and reasoning might impart to it—that, and nothing more. It could not be enforced by any governmental process. There would be neither sheriff, nor *posse comitatus*, nor military force, behind it. But, if well reasoned and impartial, it would bring to bear the moral weight of an enlightened public opinion.

Did such a machinery as this exist, simple and advisory only, it is not unsafe to say that it would prove adequate for the settlement of nine complications out of ten. In the case of the anthracite strike, for instance, if the Commission since appointed by President Roosevelt could have been appointed four months sooner, while the conflict was in the earlier stage of development, its report would have afforded to one or both parties concerned an opportunity to withdraw creditably from a position which after-

wards, for at least one of them, became false and consequently perilous. What the country has needed is light—the possession, if not of undisputed facts, at least of an authentic statement of the facts in dispute. Had these been spread upon the record and submitted for public consideration, it could hardly be otherwise than that recommendations firm, judicious and reasonable, based thereon, would have sufficed to remove from the path the impediment of false pride—that stumbling block in the case of nine strikes out of ten. An opportunity of gracefully receding would have been offered to one or both parties concerned. Should either party have insisted, in the face of light and reason, the responsibility for obstinate insistence would have been upon its head. In the United States public opinion has in such cases a very summary, as well as effective, way of enforcing its own process. An excellent and sufficient example of this was furnished in the sudden change of front on the part of one of the parties to the present anthracite complication, executed in the face of a rapidly rising popular sentiment. Persistence was felt to involve too much risk. It would be so in the great mass of these cases. They are preventible. But what is wanted for their prevention is not force, but light and guidance.

This generally acknowledged fact to the contrary notwithstanding, it is singular to note, when any controversy arises, how such a method of settlement as that here proposed is at once set aside as being inadequate and unworthy of consideration, because behind it there is no constable's club or soldier's bayonet. In fact, however, the word "compulsion" has an

unpleasant sound to Americans. In theory only is the thing itself popular. With us the final appeal must always be to reason; and public opinion enforces the edict of that appeal. In every field of legislation this has been again and again illustrated; and yet the appeal to reason, as now here made, is almost as invariably as contemptuously dismissed from consideration, on the ground that there is behind it no force to compel obedience.

It is this tendency to compulsion against which, I submit, it is the especial function of the Civic Federation to protest. We should lay emphasis on the fact that our appeal is to reason, and not to force. The difficulty with the Federation is not want of power, but want of official standing. It is a volunteer. At no time, for instance, during the last six months could it enter the field as representing the Executive of either State or Nation; and had it entered the field on its own initiative only it would have been in imminent danger of incurring the contempt not only of both parties to the controversy, but of the public itself. It has, therefore, been compelled to inaction, — a purely waiting attitude. This fact in itself discloses a want. A piece of machinery is lacking.

But it is argued that such boards already exist, and the results of their efforts have not proved satisfactory. This assumption I deny, and on broad ground. When such large interests are involved as, for instance, in the strike in the anthracite coal region, represented by men of capacity on each side, to deal effectively it would be necessary for the community to have the power of availing itself of the services of the

very best men, and those of the highest character and authority at its command. If it speaks at all, it should speak adequately. If in June it had been the duty, as well as within the power, of the President, or of the Governor of Pennsylvania, recognizing that the public interests and convenience were involved, and that lasting injuries might be entailed, to take cognizance of the situation in the anthracite region, it should, under the system proposed, have been the duty of either Executive to call upon the very strongest men in the community—those of highest character and most intimately acquainted with every condition involved. No man in the country so called upon could have refused to serve; yet such men will not accept, nor should they be expected to accept, merely salaried positions, permanent in character, on a board of subordinate importance.

The machinery now suggested should, moreover, be reserved, and brought into action only in special exigencies. It is not designed, nor is it adapted, to everyday use. In that field the existing boards are doing good service, and doing it sufficiently well; but, for obvious reasons, they are not equal to the exceptional occasions. They occupy the positions of municipal courts; but, where grave problems of constitutional law present themselves, such are not referred to the police magistrates for decision, nor would the decision of those magistrates, if rendered upon them, carry the necessary weight. Exceptional cases can only be dealt with exceptionally. Fortunately they do not arise often. In the field of labor complications, for instance, two only have oc-

curred during the last eighteen months. But they unquestionably will recur periodically in the future, and, when they come, their presence is unmistakable. It would then be for the executive, state or national, to take cognizance of what is apparent, and to set in motion the special machinery designed and held in reserve for that exigency.

It is equally futile to say that the parties concerned, unconsenting thereto, might decline to appear before such a Commission. In such case the Commission would simply proceed with its inquiry in the absence of such party or parties. With the power of summoning witnesses and compelling the production of books, all necessary information would be accessible to it. But the parties could **not** refuse to appear. They would not dare to refuse.

Finally, the report of such a tribunal, addressed to its appointing power, would be like the decision of a high court of justice on an abstract point of constitutional law of the first magnitude. Read by every one, if the decision were weak, or bore in it signs of prejudice or interest, it would, falling dead, fail to influence public opinion. Equally, if handled with a firm and intelligent grasp, it would carry conviction. That conviction, when so carried, is in this country irresistible. It in the end makes opposition confessedly factious.

The trouble with us is that we are always prating of the force of public opinion; but, when the exigency arises, we evince no confidence whatever in it. Like a parcel of children, we are apt to cry out for the master to come in and enforce instant obedience with

the rod. I submit that permanent results with us in America are not reached in that way. Let us in this matter have the courage of our convictions.

I have already expressed my belief that, if such a system as I have here suggested could be brought into being through a very simple act of legislation, which, open to no constitutional or other objection, would be in entire accord with our industrial system, our traditions and the American ideals, it would settle the nine matters of controversy which arise out of ten. I now further submit it is highly desirable from every point of view that the tenth case of controversy should not be settled, but should be fought out. In the practical affairs of life, as we all know, it is necessary now and then that the fight should be to a finish. Our own civil war was a case in point. No arbitration ever could have settled that; no appeal to reason would have produced conviction. The issue had to be fought to the bitter end. That it was so fought we are now all grateful, though, at the time, the demand was loud and incessant for some compromise—any close to the “useless, the suicidal strife.” This exceptional case, however, by no means brought the principles of arbitration and reasonable adjustment into discredit, and consequent disuse. On the contrary, they have grown stronger ever since, securing more and more hold on public opinion. What is necessary, in my judgment, is to organize that public opinion, and, when organized and made effective, to rely on it to produce all desirable results in the average case. But it can only be organized by bringing it to bear through the medium of capable

men, thoroughly informed upon the special matter under discussion, and competent to express courageous opinions clearly. The tribunal doing this should then dissolve. It should not continue in existence, the target for criticism, partisan discussion and popular odium. Should a new case arise, another tribunal of a similar character would at the proper time be called into being to deal with it in its turn.

Sound and fruitful legislation cannot, moreover, be improvised. It is idle to talk in language as empty as it is grandiose, of "curbing," or regulating by any patented method, potentates and powers of such large, and yet vague, character as those that labor and capital are now continually bringing into the field. A governmental regulation which shall deal satisfactorily with them must rest upon a broad and well-considered basis of experience. It would be the natural outcome of a series of reports of tribunals such as that suggested. It is equally futile to suppose that this labor contest in which we have been engaged, and of which we have so long experienced the inconvenient results, is going to be settled in a day or an hour, or next year, or within the next ten years. It will continue with us during the remainder of our lives, and with our children after us; but we will slowly and tentatively approximate to satisfactory results. Under these circumstances if a solution, represented by a proper legislative and administrative machinery, is ever to be evolved, it must be evolved from a series of wearisome investigations and reports thereon, no less judicial and well considered than that body of great opinions from

which the present constitution of the United States has been slowly built up and rounded out.

In the case of the national Executive, some question has been raised as to its functions and powers, in view of our constitutional system and the reserved rights of the States. I cannot, however, see that this enters into the present question, or what is now proposed. It is certainly the duty of the President to inform himself upon all questions relating to the carriage of the mails, and to the movement of commerce, whether foreign or interstate. Questions of revenue are involved; questions affecting the transportation of material, men and supplies may be involved. To inform himself he should be empowered to appoint agencies competent to investigate and report thereon. It is not now proposed to clothe him with any power in these exigencies, except that of receiving a report, forwarding it to the parties involved, together with his own recommendations, and then submitting the same to Congress. To give the President power to intervene by any executive act of a compulsory character would, in my opinion, jeopardize at the beginning every desirable ultimate result of the experiment proposed. Congressional action is always in reserve; but even Congressional action ought to be intelligent, and to be intelligent it should be well considered—based on a considerable body of facts, judicially ascertained. The judicial ascertainment of facts and the study of principles involved therein, is, therefore, what the occasion immediately demands. Sound remedial legislation will in due time result therefrom. But

at present the chances are enormous that crude and precipitate effort at a compulsory betterment of existing conditions would only make what is already quite sufficiently bad, distinctly worse.

As the result of my conversations with Colonel Wright and Mr. Lodge, I have undertaken to draw up a single act, in few sections, based upon the foregoing principles and looking to the results indicated. It could be passed, *mutatis mutandis*, by any State Legislature or by Congress. It would contravene no constitutional provision or private right, but simply secure to the community—the third party involved in every controversy of this sort of any magnitude—the right to get at the facts in dispute ; and, after so doing, to bring to bear an intelligent pressure of its own, looking to a reasonable solution of troubles sure, hereafter, to arise. Such an act has accordingly been prepared, and is subjoined hereto.

AN ACT TO PROVIDE FOR THE INVESTIGATION OF CONTROVERSIES AFFECTING INTERSTATE COMMERCE AND FOR OTHER PURPOSES.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled:

SECTION 1. That whenever within any State or States, Territory or Territories of the United States a controversy concerning wages, hours of labor or conditions of employment shall arise between an employer being an individual, partnership, association, corporation or other combination, and the employees or association or combination of employees of such employer, by reason of which controversy the transportation of the United States mails, the operations, civil or military, of the Government of the United States, or the free and regular movement of commerce among the several States and with foreign nations is in the judgment of the President interrupted or directly affected, or threatened with being so interrupted or directly affected, the President shall, in his discretion, inquire into the same and investigate the causes thereof.

SECTION 2. To this end the President may appoint

a special commission, not exceeding seven in number, of persons in his judgment specially qualified to conduct such an investigation.

SECTION 3. Such Commission shall organize with all convenient despatch, and upon giving reasonable notice to the parties to the controversy, either at the seat of disturbance or elsewhere, as it may deem most expedient, shall proceed to investigate the causes of such controversy and the remedy therefor.

SECTION 4. The parties to the controversy shall be entitled to be present in person or by counsel throughout the continuation of the investigation, and shall be entitled to a hearing thereon, subject always to such rules of procedure as the Commission may adopt; but nothing in this section contained shall be construed as entitling said parties to be present during the proceedings of the Commission prior to or after the completion of their investigation.

SECTION 5. For the purpose of this act, the Commission, or any one Commissioner, shall have power to administer oaths and affirmations, to sign subpoenas, to require the testimony of witnesses either by attendance in person or by deposition, and to require the production of such books, papers, contracts, agreements and documents as may be deemed material to a just determination of the matters under investigation; and to this end the Commission may invoke the aid of the courts of the United States to compel witnesses to attend and testify and to produce such books, papers, contracts, agreements, and documents; and for the purposes of this section it shall be vested with the same powers, to the same

extent and under the same conditions and penalties, as are vested in the Interstate Commerce Commission by the Act to regulate commerce, approved February 4th, 1887, and the Acts amendatory and in addition thereto; and it shall be the duty of the said courts of the United States to render said Commission the same aid to the same extent and under the same conditions as is provided by said Acts in aid of said Interstate Commerce Commission; and witnesses examined as aforesaid shall be subject to the same duties and entitled to the same immunities as is provided in said Acts.

SECTION 6. For the purposes of this Act the Commission may, whenever it deems it expedient, enter and inspect any public institution, factory, workshop, or mine, and may employ one or more competent experts to examine accounts, books or official reports, or to examine and report on any matter material to the investigation, in which such examination and report may be deemed of substantial assistance.

SECTION 7. Having made such investigation and elicited such information of all the facts connected with the controversy into which they were appointed to inquire, the Commission shall formulate its report thereon, setting forth the causes of the same, locating so far as may be the responsibility therefor, and making such specific recommendations as shall in its judgment put an end to such controversy or disturbance and prevent a recurrence thereof, suggesting any legislation which the case may seem to require.

SECTION 8. The report of such commission shall forthwith be transmitted to the President and by him communicated, together with such portions of the evidence elicited and any comments or further recommendation he may see fit to make, to the principal parties responsible for the controversy or involved therein; and the papers shall be duly transmitted to Congress for its information and action.

SECTION 9. The Commission may, from time to time, make or amend such general rules or orders as may be deemed appropriate for the order and regulation of its investigations and proceedings, including forms of notices and the service thereof, which shall conform as nearly as may be to those in use in the courts of the United States.

SECTION 10. The President is authorized and empowered to fix a reasonable compensation to be paid to the members of the Commission from the Treasury at such times and in such manner as he shall direct. The Commission shall have authority to employ and fix the compensation of such employees as it may find necessary to the proper performance of its duties, subject to the approval of the Secretary of the Interior.

The Commission shall be furnished by the Secretary of the Interior with suitable offices and all necessary office supplies. Witnesses summoned before the Commission shall be paid the same fees and mileage that are paid to witnesses in the courts of the United States.

All of the expenses of the Commission, including

all necessary expenses for transportation incurred by the Commissioners or by their employees under their orders, in making any investigation under this Act, shall be allowed and paid, on the presentation of itemized vouchers therefor approved by the Chairman of the Commission and the Secretary of the Interior.

SECTION 11. No Commission appointed under this Act shall continue for a period of over three months from the date of the appointment thereof, unless at any time before the expiration of such period the President shall otherwise order.

THE CHAIRMAN: As this question of arbitration is now up, I will call upon Mr. John McMackin, State Labor Commissioner of New York State.

MR. McMACKIN: Mr. Chairman and Gentlemen— During the last eighteen months, through the consolidation of the different labor bureaus of this State into the Department of Labor, it has been my fortune to have had some little connection with the strikes in New York State. I found that one of the greatest obstacles to the settlement of strikes was the refusal of employers either to recognize the right of the employees to organize, or to treat with them as an organization. This is particularly so in the small towns of New York State, and it is so with newly organized railroads, such as our trolley lines. It applies in some cases to firms conducted by what are termed trusts. I have in mind the case of a firm or so-called trust, where the men were working eleven hours a day. They went out on strike for a reduc-

tion of hours, and we took every means possible to bring about an understanding, when finally the company informed us that if the men did not return to work the company would simply close the factory and transfer the work to another place, which would have practically meant the ruin of that locality. The result was that these people had to submit and go to work. I had another case in one of the southern tier counties, connected in the same way as the other cases that I have referred to, and they, for some reason, refused to treat with their men and threatened to shut down the business.

The influence of this Federation has been of immense advantage and benefit to officers of the State whose business it is to bring about amicable relations, because it has influenced employer and employee to think of their relations to one another. I may cite a case to you to show how a community suffers by the misunderstanding and obstinacy of the officers of a corporation. In three counties of this State there was a protracted strike on a trolley railroad, tying up all means of communication for four or five months. We tried to bring about an understanding with the president of the company and its counsel, but they said, "No; we don't intend to treat with these people. We intend to wipe out whatever there is of a union here." "Well," said I, "my friends," you may wipe it out, but what comes after?" The result was the sheriffs of these three counties ordered out the militia. The road ran about eighty miles through a wild country that it was impossible to protect. It has cost those three counties some \$48,000

for the maintenance of the militia. And, after all this trouble, the company finally settled the matter. The original cause of the trouble was the discharge of a man whom the company had accused of running a freight car at such a rapid pace as to collide with a passenger car, though no one was hurt thereby. After the strike was over, the company investigated the discharge of this man, and last week reinstated him, admitting that there was no real cause for all that strike. Now you can see the difference. Workmen are abused and charged with being senseless, reckless, etc., but here men representing large interests jeopardized not alone their own interests, but put the people to all this trouble and unnecessary expense.

Now, I have listened with a great deal of pleasure and delight to the very able and instructive paper of Mr. Adams, and I must say that I feel much as Mr. Adams does. But I would call to Mr. Adams' attention the fact that he is treating of conditions prevalent twenty-five years ago. At that time there were not the gigantic industrial corporations and combinations that exist to-day. What was possible twenty-five years ago is no longer possible under our industrial system. As to the possibility of obtaining data from corporations, let me tell Mr. Adams that it is well-nigh impossible. Colonel Wright could inform him that during the taking of the census of 1890 there were several of the largest industrial corporations of the country that absolutely refused to answer the questions of the Federal Government for use in the census. When Colonel Wright took the

work in hand he found that even under the law he could not compel them to answer these questions. And that is the reason why to-day some drastic means are required whereby the public may obtain that general knowledge so essential if we are not to fail even in our industrial movements for peace. Before we reach the employee and his dealings with the employer, how are we to arrive at an understanding as to what is the income, what are the earnings of a corporation, unless we know the actual capital invested and the income and earnings on that capital? Our Board of Mediation and Arbitration in New York State is clothed with all the power that Mr. Adams proposes, and yet, I regret to say, that power has been found inadequate. Some twelve years ago, I think, there was an extensive strike on the New York Central Railroad. The Board at that time was composed of one Democrat, one Republican, and one member supposed to represent organized labor. The Board was clothed with absolute power to investigate the earnings of the Central Railroad and to report on it to the public. As a matter of fact, that Board voted not to investigate the Central Railroad, not to call for its papers, and thus the public were left in the dark as to the real merits of the strike. But I am glad to see that Mr. Adams wisely dispenses with permanent boards of arbitration under governmental control. It is the wisest thing possible if we were to adopt that course in settling disputes, that as the crisis arises so should the commission be appointed to deal with the specific case. But, preceding that, there must be some method whereby

the public may understand the status of a corporation. All the troubles affecting the industrial world to-day arise principally from newly organized men. There is very little trouble, if you take the country over, in the skilled trades that are well organized. When gigantic strikes occur, such as occurred in the anthracite coal district and such as occur on railroads, it is a great question, a question not even clear in my own mind, whether the interests of the people are not paramount in such crises; and whether it is not their right to say to two contending parties, "You submit this matter to us"; because it is the public that is concerned; it is their business that is stopped. What reason, in God's name, when you reason it out, had these men in Pennsylvania in denying the right to arbitrate, to stop the supply of what God placed there in the earth for His children, simply because they would not agree to arbitrate the simple question of wages or hours? Morally, they had no right, and, if a thing is not morally right, it cannot be right at all. When workingmen read statements like those credited to Mr. Baer, they are liable to make a great deal of trouble. When Mr. Baer singles himself out as placed there by Divine Providence to dispense God's bounties, don't you know that it starts a great many men thinking and wondering if this is all a fallacy—this brotherhood of man and this Fatherhood of God—and that that thinking bodes no good to what are regarded as vested rights? It is because men do not comprehend their true relations, their interdependence in this world, that all these troubles arise. We feel them more here in

America because we progress faster. We shall have to settle them in advance of any other nation because of our advance and our progress. And it is only by the method wisely taken by the leaders of capital and by the leaders of the large labor organizations in this Civic Federation that we shall be able to arrive at any satisfactory settlements of this industrial problem. Mr. Adams seems to think that this struggle will be interminable—will go on forever. I can scarcely think so. Out of these discussions, this fraternization of employer and employee, and the ever-increasing desire for justice among men some means will be found in the not far distant future by which man will reap the natural result of his labor. It may be by profit-sharing or by a system of industrial co-operation. I think Mr. Abram S. Hewitt advanced this solution of the trust problem a couple of years ago, and there are very few public men who have given such intelligent attention to economic questions as Mr. Hewitt has. But, for the present, the great essential thing is to preserve industrial peace in this country until we can arrive at a satisfactory solution of the whole problem. I heartily agree with Mr. Adams' proposition, with the simple proviso that it would be useless unless Congress and the several States took some definite action compelling publicity of the actual business of industrial corporations.

THE CHAIRMAN: In closing, I am going to ask to hear from one of our guests from the other side, and call on Mr. Barnes, who is connected with the Society of Engineers of England.

MR. G. N. BARNES: Mr. Chairman and Gentlemen—Your somewhat unexpected call on me to address a few observations to this distinguished audience finds me unprepared to do so as effectively as I could wish. And moreover, I remember Mr. Mosely's opening observations this morning, with which I perfectly agree, that the appropriate attitude for us here upon this occasion is one of modest listening to what goes on. We are here, sir, not to identify ourselves with this Civic Federation, but rather to ascertain the facts in regard to the Civic Federation and ascertain the facts generally in regard to your social and industrial life in this country, with a view to reporting on the other side, and with a view, furthermore, of adopting on the other side what seems to us would be of mutual advantage to both employer and employed. With your permission, I desire to cover in the few minutes that I shall occupy your time somewhat of the ground that was covered this morning by Mr. Mosely. And the reason why I want to do that is because, although no doubt Mr. Mosely has given you a truthful and honest statement of his impressions, I found, unfortunately, that that statement did not coincide with all my impressions, and I am sure Mr. Mosely will accord to me the right of stating what I have seen, the impressions that I have found, in regard to one or more points mentioned.

First of all, I want to identify myself in the fullest possible degree with what was said by Mr. Mosely as to the uniform courtesy and kindness which I have met with at all times. Mr. Maddison of the

Iron Founders' Society, and myself, separated from the main body of the commission at Chicago, and since that time we have traveled I think somewhere about 3,000 miles over your railways. We have interviewed, I think I would be within the mark in saying, some hundreds of workmen, foremen, managers and other people, from the president downwards, and we have met with the greatest amount of courtesy and consideration from every single one, and the utmost facilities have been given us for seeing what we wished to see and for forming reliable opinions as to what came under our observation. So that it was perfectly obvious to us that whatever may be the fact as to the improved methods—or shall I say rather the different methods—prevailing on this side to the other side, that you on this side feel that you have nothing to fear in showing us all that we want to know. We appreciate highly that kindness, and we hope that, if at any time a similar delegation should come from this side of the water, we shall have the opportunity of showing our appreciation of it.

Another point with which I was in hearty agreement with Mr. Mosely was in regard to that point—and here I am only giving voice to my personal opinion, which I always do anywhere, and possibly I may not speak for some of my colleagues or for the trades union movement on the other side, but I am going to give you my own opinion—Mr. Mosely contended that every man had a right to choose as to whether he should be a union man and as to whether he should belong to one union or another.

I absolutely agree with that sentiment. I have never in my own union used my influence or raised my hand to force or bring coercion to bear in any shape or form on any man to join the union of the engineers, and I never will. (Applause.) I believe in the force of moral suasion; I believe in having behind me, if I have an army at all, an army of willing men, of colleagues and co-operators instead of forced men. And I know that if I had a number of forced men behind me the probability is that I would find they were no good when the pinch came.

Now to take up those points on which I was not altogether in agreement, either as to the facts or deductions of Mr. Mosely. Mr. Mosely stated that as far as he could gather on this side piece-work was more general than on the other side. And further, so far as I could gather, he gave piece-work an unqualified endorsement and approval. As far as I can ascertain—I do not profess to have the knowledge of to what extent piece-work obtains on this side in all industries—I should be very much surprised to find that piece-work obtains on this side more, taking all industries, than it does on our side, where piece-work is the recognized system of payment in something like, if my memory serves me right—I am not far out at all events—some five-eighths of the whole of the organized workers of Great Britain. In my own industry on this side of the water I find that piece-work is very little more, if any more, in vogue than on the other side. So much for the facts. In regard to piece-work and

the attitude of trades unionism and organized labor upon it, I should say that we have no objection to working piece-work as such, and that the introduction of piece-work is very largely a question of the surrounding circumstances and the object with which piece-work is to be introduced. I have seen within this last week a workshop organized in this country under piece-work conditions where the sanitary arrangements were disgusting; where the workmen were poor, timid, spiritless looking creatures, the very aspect of whom told me they were afraid to call their souls their own; where the workshop was congested and dirty, and in every way unfit to work in. And I am thoroughly convinced that that state of affairs was brought about because of the system of contract piece-work in that shop; where the work was undertaken to be done by certain men who contracted for it and then employed boys and youths and specialists, who were cut down at the behest of the contractor until there is nothing more left to cut out from them, and the shop is in the condition I have given you. Here then the attitude of organized labor should be to see that in introducing piece-work into any shop that at all events the general conditions that obtained before, the payment of the ordinary rate of standard wages, of special payment for Sundays and holidays or other special occasions, should all be maintained, and that piece-work is not going to be introduced merely for the purpose of substituting individual for that collective bargaining that had previously obtained. That, in so far as it relates to piece-work,

is the view that I entertain and the view I believe of organized labor on the other side.

Again, in regard to machinery. I have not found here on this side any man working eight machines. I have found just the same as on our side, that certain machines into which you can put a piece of iron and it is gobbled up in an automatic way, fed forward when a piece is cut off and therefore needs no attention—I have found that such machines as those are tended sometimes by a boy, and sometimes half a dozen by a man with a boy to help him. Exactly the same thing obtains on our side. And I can see but very little difference in the use of machinery, so far as one machine to one man obtains. I have found, however, a general application of scientific knowledge. I have found a more general application of the latest appliances and the best style tools that can be had; and therefore a considerably larger product out of the machines than on our side. That is a matter that we might copy with advantage and which I mean to tell our people on the other side.

Well, now, coming to the point of the discussion, Mr. Chairman, and you will pardon me for this long digression, let me say that I am heartily in favor of the principle advocated by Mr. Adams, that is, the principle of reason and enlightenment in industrial disputes. We have got together now in organization. Employers are organized, workingmen are organized, and I am inclined to think that employer and employed are more disposed now to respect each other than ever they were before. Strikes, I believe, and lockouts have been necessary

in times gone by and have fulfilled a useful purpose. They have taught each side to respect the other and they have impressed the public at large with a sense of the seriousness of the labor problem. But now that labor and capital are both organized it seems to me that there is afforded an opportunity on both sides to bring the largest amount of common sense, we will say to develop the conscience both on the part of the employer and employed, and so bring the common sense of the employer or employed organization to deal with unscrupulous individuals either on one side or the other. On our side of the water we have found that employer and employed have met together, and, as the Archbishop pointed out this afternoon, the very fact of bringing men face to face with one another tends in a very large extent to minimize the difficulty between them. Each recognizes that the other has rights. Each recognizes that the other has difficulties, and therefore in bringing them together a very great deal has been done to bring reason and justice in and to put passion and prejudice out, and in that way a very great deal has been done to raise labor questions from the low plane of animal and physical contests on to the higher plane of reason and justice and common sense. Now here comes in the point of the paper, as I understand it. Labor is organized and capital is organized. As has been pointed out by Mr. Adams, the very fact of one or the other applying for any public authority or any one else to intervene between them is taken as an indication of weakness either on one side or the other. Never-

theless all the time, as has already been pointed out by Mr. Adams also, the very fact of their being organized implies that each is in a position to inflict a greater amount of injury upon the community than they had otherwise been able to do. Therefore that brings in the community as one of the parties and I should say in some disputes almost the first party to the dispute, and therefore brings in the community as a party having the right to intervene and the right to say that at all events some machinery shall be set in motion with a view of bringing the dispute to a termination. Now what is that to be? I was one of a committee recently on behalf of the Federation of Labor on the other side which discussed this matter. We brought in a report and recommendations, which have not been adopted, but which nevertheless I believe in at the present time. It may not be applicable on this side, but I believe would be on the other. I say that wherever a strike or a lockout has taken place an injury is inflicted upon the community in that place. Why not have the right given to the public authorities in that district, the local governing body, to apply to a central authority? This central authority should then set up a commission of inquiry, with a view of publishing the results. I don't know how you would interpret that here, but we well know how that is meant on the other side. I take it that is what Mr. Adams means, for the central body to have some authority which could be sent down into the district to call upon each side to ascertain in an investigation—to call upon each side

to submit the whole facts in regard to the situation and thereby to form public opinion as to the merits or demerits of the dispute. I believe that is a step that might be taken with very great advantage. I believe that that is a step that the public ultimately will have to take in its own interest. Whether it may be desirable to go further than that in the course of time is in the lap of the gods. I do not know. I am inclined to think myself that if the proper authority were in a few instances to investigate the facts and then report to public opinion, and then in spite of that, the proper authority, and public opinion as well, were flouted by either one or the other of the parties, that there would be some perfection of the machinery whereby such a thing could be avoided in the future. At all events, Mr. Chairman and gentlemen, such are a few of the thoughts that occurred to me in regard to the paper that has been read.

I feel that very great good has been done by bringing expert minds to deal with these problems in meetings of this character. I feel that very great good is being done in bringing together men of all classes and all sections in this community, either on this side or the other side of the water, to come together and discuss these questions, not in the light of any set hard and fast economic doctrines, not in the light of any hard and fast rule in regard to the interests of a class or a section of the country, but to bring people together to discuss these questions on the broad basis of humanity, and in proportion as that is done by this Civic Federation or any similar

body, either on our side or the other side, I believe that just in that proportion are you doing well for your day and generation and doing good not only to your own community here, but to the industrial community everywhere, the wide world over. (Applause.)

ADJOURNED.

The first session of the second day was called to order at 10:50 A. M. by CHAIRMAN HANNA.

THE CHAIRMAN: The Committee will be in order. The discussion this morning will be opened by Mr. John R. Commons, who has charge of the investigation in this country and Europe of the subject of the restriction of production. Mr. Commons is associated with the United States Department of Labor and has made this question a study as well as one of investigation.

MR. JOHN R. COMMONS: Mr. Chairman and Gentlemen—In talking with various parties and reading newspapers on the subject of restriction of output, it has appeared to me that a good deal of confusion exists in mixing up this question with other questions regarding labor unions, and the paper that I have prepared attempts to make distinctions between the question of restriction of output and the other restrictions imposed by labor organizations. This subject involves the entire problem of labor unions.

Technically speaking, and in the broadest sense of the word, every union that attempts to be more than a mutual benevolent society endeavors to restrict the employer at some point. It tries to restrict either the hours of work or the number of apprentices, or the employment of non-unionists, or the method and medium of payment, or the use of machinery, or the division of labor, or the speed of machinery and the speed of work. Even the demand for higher wages is a restriction on the freedom of the employer to pay as low wages as individuals would accept. In fact, the very reason for the existence of a union is an effort to interfere at one or more points with the liberty of the employer in managing his business. If all restrictions and interferences with employers should be condemned, does it not follow that all labor unions should be condemned?

But for some reason the condemnation of labor unions has not prevailed, and they have sprung up and have compelled formal or actual recognition. This means that they have compelled employers to submit to what, in a wide use of the word, may be called restrictions. I assume that if conditions remain as they have been, that is, if employers deal with labor in the future as they have dealt in the past, unions will continue to grow, and increasing numbers of employers and industries will be brought to face union restrictions.

If labor unions are, in the wide sense of the word, restrictive, the question arises, Are all restrictions alike? Are some of these restrictions necessary and justifiable and others superfluous and wrong? Do all

labor restrictions limit production? Or, are there some which limit production and others which do not? And of those which limit production, are there some where the limitation is justifiable, because of compensations in other directions? And are there others where the restriction brings no compensation or inadequate compensation?

Take first the question of shorter hours. Is the shorter work-day a restriction on output? A shorter work-day is simply one form of the demand for higher wages. It means higher wages for the time at work. The same question may, therefore, be asked of wages. Does increase in wages restrict output? Now, wages and hours of labor are questions exactly the opposite from those of output or restriction on output. By wages and hours of labor we mean simply the rate of pay per hour received by the workman. By output we mean the amount of product per hour which the workman gives in return. Higher wages and shorter hours may increase the cost of output, but this is a question entirely different from the quantity of output. Wages and output together determine cost, and if the shorter day or higher wages bring greater output per hour, then they are exactly the opposite from a restriction on output. This is, indeed, one of the reasons often advanced for shorter hours, namely that the longer period for recuperation furnishes strength for increasing the speed while at work. Closely connected with this is the contention that higher wages and shorter hours stimulate labor-saving devices in the shape of inventions and improved business administration, and that the coun-

tries of low wages and long hours are countries of small output, poor machinery and slow business methods. I do not ask what are the limits of truth in these contentions. I only ask, Is it not a source of confusion and even misrepresentation to identify the demand for shorter hours with the policy of restriction of output? Will not these questions be more candidly considered when it is recognized that in the labor contract there are two bargainers, each of which strives to get as much as possible for what he gives? What the workman gives is output. He wants high wages and short hours. The employer wants large output. The two demands are a matter of business agreement which depends on mutual confidence. Will not the negotiations be more successful when it is recognized that both demands are fair and honest, and that in making its demands each side is working not only for its own interests, but also for the good of the nation as a whole? Are not high wages and short hours, on the one hand, and large output on the other hand, the two grand objects of industrial progress? And where employer and employee, by reasonable concessions on each side, are able to strike a fair balance between the two, are they not thereby through self-interest working out the highest interest of all the people?

Take next the question of apprentices. The union apparently has two objects in view: To limit numbers and to give each journeyman an all-around education in the trade. Both of these objects tend, apparently, to restrict output. With the modern increasing specialization the employer does not need

all-around men and cannot afford to spare the time of his foremen and workmen to teach the apprentice for three or more years the several branches of the trade. Where the boy might become expert and speedy in one operation in six months, the union does not allow him to specialize until he has passed his apprenticeship. I do not know whether or not, in the long run and in all trades, this is a restriction on output. Apart from the question of wages, does the workman who spends three years in learning a trade and is then assigned permanently to an operation which he might have mastered with great speed in six months, does such a workman turn out more production than he would if he had specialized from the first? If so, does his greater versatility and superior quality of work as an all-around man compensate the employer for the time and expense of teaching him the entire trade? The individual employer probably says no, if we may judge from the large proportion of workmen who learn their trades in country towns, where competition is less strenuous, and then seek the cities for journeymen's wages.

Apprentices might learn their trades in trade schools. but this would take off the limitation on numbers which the union requires in order to maintain union wages. The uppermost questions in this matter, therefore, are these: Are high wages desirable, and if desirable, can they be maintained if the limits on apprentices are removed? Also, is an all-around education in the trade an advantage to the modern form of specialized industry, and if so, can this be secured by other means than apprenticeship?

The question of restriction on machinery is connected with that of high wages and apprenticeship. Is it a restriction on output when the union requires a three-dollar man to operate a machine that could be just as well run by a dollar-and-a-half man? When a machine, like the type-setting machine or the cigar-making machine, is introduced, the skilled workman may either continue to work at the machine at his former rate of wages, or he may give way to girls and unskilled men at lower wages. If the union is strong and wise, the former method will be adopted. If the union is weak and short-sighted, the latter will be permitted. But the question of restrictions on machinery is entirely different from the question of high wages for operating machines. One union may require three skilled men to a machine, where one skilled and two unskilled could do the work. This would not be a restriction on output, as it would be if the union required four men to operate where three would suffice. In the first case the union simply demands high wages, in the second it tries to "make work." I submit that the question of restriction of output cannot be discussed until it is clearly distinguished from the question of high wages and the means, such as apprenticeship or membership in a union, by which high wages are secured. A union may demand that only skilled men shall be employed on a machine. This is not restriction of output, though it may be discrimination against the unskilled man who might have secured an advance from common labor to machine labor. But is not the question whether organized labor discriminates against unorganized

labor entirely different from the question whether organized labor restricts speed and reduces output? As long as the two questions are confused, will it ever be possible to settle either of them reasonably?

Take next the question of a minimum wage. Here is a question of fact as well as a question of theory. The question of fact is this: Is it a minimum wage or a uniform wage that unions demand? And, if a minimum wage, is it so enforced as to amount to substantially a uniform or maximum wage? Do unions prohibit employers from paying a man according to his ability, or do they only prohibit him from paying less than the minimum and permit him to pay as high a maximum as he may wish? Here are two entirely different questions, and it is useless to discuss either until they have been clearly separated. The facts must be agreed upon first, and then the discussion must be held to the facts, or else nothing but misunderstanding and hostility will result. It is preposterous to denounce all unions for insisting on a uniform wage. The Typographical Union permits employers to pay more than the minimum. With \$27 as the minimum in New York, there are newspapers that pay no compositor less than \$30. The Bricklayers' Union, on the other hand, prohibits the employer from paying more than the minimum. But here is a question of the evil to be met. If the Bricklayers' Union prohibits a contractor from giving a swift man extra pay to set the pace for the others, can the contractor come into court with clean hands? Is this a case of higher pay for more efficient labor or, rather, a case of forcing

inferior workmen to do as much as superior ones at less pay?

There are also local unions like the tile-layers, plumbers and plasterers, which sometimes place an absolute limit on the amount of work their members shall be permitted to do, and these limits are enforced by fines and penalties. Before these restrictions can be remedied, we must know the reasons that have led the unions to adopt them.

These reasons may be discovered if we proceed to the live questions of piece and premium methods of payment. The ordinary man will turn out more work if paid by the piece than he will if paid by the time. In bicycle races there are paced races and unpaced races. An automobile or tandem keeps just ahead of the bicycle rider to set the pace. Consequently the records in paced races are 20 per cent. to 60 per cent. faster than the unpaced records, and the greatest differences are in the longest runs. The man with an incentive just ahead of him at every move he makes will throw more energy into each move, and there will be no alternations of letting up and then recovering. He will keep up the pace to the end without relaxation. If paced races are prohibited, only the slower records will be made. Just so, if a union prohibits piece and premium systems, it restricts output. It may advance different reasons for doing so. It may claim that speeding up reduces quality. But it is a proper question whether the quality of the work belongs to employees to determine. Is this not the employer's business? The employer is the one who studies the markets. His

success depends on making an article which will sell. If the public demands cheap goods, he must make them. If the public demands better goods, he must supply also that demand. Several machine tool-makers, finding that piece-work does not secure as good quality as they require, have changed to the day basis. Other manufacturers who find that piece work furnishes both quality and price suitable to their line of business, have adopted piece-work. Still others wish to experiment in that direction but are deterred by the unions. Now the employer takes the risk of the business. He guarantees wages and takes chances of profits. He is a kind of buffer between the wage-earner and the purchaser. If unions exert themselves to get higher wages, which the employer must pay whether he loses money or makes money, does it not follow that they should leave the employer free to find the ways and means by which the money is earned to pay the wages? If the union restricts the employer in the matter of wages and hours, is it not presumptuous and unbusiness-like that it should also restrict him in the kind and quality of goods which he sells in order to pay wages and reduce hours?

Again, the resistance to piece-work and the limitations on output are sometimes defended on the ground that increased output throws men out of work. I find the following statement coming from the head of the International Machinists' Union, intended to show the gains and benefits received by members of that union during two years. He says: "Thirty-seven lodges reported having prevented the introduc-

tion of the piece-work system in shops employing 4,500 men. This system, when in practical operation, reduces the force on a fair estimate one-fourth. Thus the positions of 1,125 men have been saved, which amounts to \$2,475 per day, or \$744,675 per year." He also says: "We prevented the introduction of the two-machine system in 137 shops, employing 9,500 men." It is safe to say that if this system had been introduced, the force of men would be reduced one-eighth; hence in this we saved the positions of 1,188 men, whose daily wages would amount to \$2,613.60 per day, or \$818,056.80 per year."

I do not know to what extent the unions endorse this line of argument and base their policies upon it. Is this the strongest argument or the only argument that they can advance to sustain restriction of output? Can restriction of output be rationally advocated on the ground that it "makes more work?"

There is another argument often brought against piece-work, namely, that it drives the workman to over-exertion, injures his health and shortens his trade life. The sweating system in the clothing trade is essentially a piece-work system. But the question comes up, Is it piece-work alone or is it other conditions connected with piece-work that have an injurious effect? In the clothing trade we have immigration, over-supply of labor, seasonal work, long hours, small contractors, cut-throat competition. These conditions would drive workmen to over-exertion on a day-wage basis, but the piece-work system probably intensifies the effect of the other conditions.

To what extent do these and similar conditions exist in other occupations? If employers wish to be free to adopt the piece-work system, should they not join with the unions in studying and endeavoring to remedy these other conditions that go to make unions hostile to piece-work? There are unions and workmen in many establishments who approve of piece-work and encourage an increase of output. What are the collateral conditions which reconcile them to this policy? Is it practicable to adopt the system of piece-work and increased output in such a way as to protect the health and prolong the trade life of the workmen?

This leads to the question of responsibility of employers for restrictions imposed by unions. The object of piece and premium systems is to increase output. The inducement offered is higher pay for greater output. If the workman increases his production fifty per cent. when put on piece-work, does it prove that he has been cheating his employer when he was paid by the day?

There can be no lasting solution of this problem as long as each side believes the other is dishonest. If the employer believes the workman has been cheating him, he at once proceeds to cut the price. He reduces the piece rate so that, even with the added exertion, the earnings are reduced to the day-rate level. Is it not true that workmen almost universally believe that this is what employers will do if they increase their output? Believing this, is there any other possible way for them to protect themselves except by restricting production? They say that the em-

ployers bring forward the earnings of the swiftest men as the standard of output for the others. Believing this, what other remedy is there than to organize a union and prohibit the swiftest men from earning so much? The question appears to be one of mutual confidence in the honesty of the other side. But it is more than honesty. It is also a question of psychology. It is a question of human motive. The paced bicycle race is 20 per cent. to 60 per cent. faster than the unpaced race. It is based on a different psychology and on additional motives that are called into play. It is not a matter of honesty; it is a matter of inducement. Is not the same true of piece and premium wages, compared with day wages? Is it not perfectly honest and human that men will turn out more work at a piece rate than at a day rate?

But this is not enough. It is equally important to know how much more. Should a piece rate be based on earning 10 per cent. more or on earning 50 per cent. more than the day rate? Should the piece rate be calculated on the earnings of the swiftest man, or the slowest men, or the average of all?

Again, what guarantees will be given for the continuance of the rates? How will they be revised when new machinery is introduced? Will they be guaranteed for one year or for five years? And at the end of the period, on what basis will they be revised for another year or another five years? Will this revision be on a 10 per cent. differential or on a 50 per cent. differential? Will it be on the basis, say, of the ten swiftest men, or on the basis of the average earnings of the shop? All these are questions which

it appears to me employers and employees should agree upon in advance and bind themselves to abide by their agreement. Is it reasonable to expect that with such an understanding and with confidence in its execution the strongest arguments of unions for limiting production would be met and overcome? And furthermore, can either side be held to its agreement unless there is strong organization on both sides?

I have touched on only a few of the questions which this subject presents. I wish to ask, Cannot this great problem be met frankly and openly without recrimination? If unions restrict output, can they not frankly admit it and give their reasons? If employers provoke restrictions, can they not frankly admit it? Cannot the two thus come together, eliminate the false reasons and remedy the true ones? Unions appear to be increasing in numbers and power. If they rely on unsound theories of political economy they ought to be thankful for honest criticism. If employers provoke them to unsound practices, employers also should welcome honest criticism. The outside public is vitally interested, but will not consent that one side shall use this as an excuse to crush the other. Yet the public cannot interfere in the technical details. It can only hope that the parties immediately interested will settle the matter fairly between themselves. Too long has the problem been left to ill-informed writers and speakers. It is an encouraging sign that through the trade agreement system employers and workmen themselves are taking up the question in a scientific way. The present conference

is an outgrowth of this system. Cannot this conference raise the question to a high level of discussion and lay down sound principles that will lead to a fair solution?

THE CHAIRMAN: Gentlemen, the next paper will be from Frederick A. Halsey, associate editor of the *American Machinist*, on the topic, "The Premium Plan of Paying for Labor."

MR. HALSEY spoke as follows: Mr. Chairman and Gentlemen—The first article of my creed relative to the treatment of the employee by the employer is that he shall treat him like a man, and one of the first conclusions following that line of policy is that he shall not make presents to him. I have very little faith in many things that are being done in the name of social betterment, because they savor so much of gratuities. Of course, in so far as these things lead to better living and higher thinking, they are commendable, but the systematic giving away of things which have a money value is not, I believe, permissible.

In this world men want pay, not gifts. Raise a man's wages and you add to his self-respect; systematically make presents to him and you cultivate the spirit of the waiter, dependent on his tips.

I believe we must base our solution of the labor problem on human nature. However well or ill we may think of human nature, one thing at least we know—that of all the things that come within human ken, this is one of the few that with latitude, longitude, nationality or lapse of time does not change, and hence, whatever is based upon human nature is.

at least, founded upon a rock. Instead, therefore, of building upon the shifting sands of altruism or of brotherly love, I believe we must build upon the rock of human nature. The personal pecuniary interest of employer and employee—these are the warp and the woof from which the fabric must be woven, these are the needle and the shuttle with which the seam must be sewn.

The system of premium payment is in a sense intended to split the difference between day's work and the piece-work systems. By that I mean that it is at bottom a rate of payment per day, just like day's work, but above that is placed an additional payment dependent upon the amount of output, the net result being that the employee's wages increase with the output, but not so rapidly as the output. In that respect it differs from piece-work alone. With piece-work and between cuts in the piece prices, the pay is in proportion to the output. With the premium method of payment the pay increases with the output, but not so rapidly. Since an increase of output is followed by a less than proportionate increase of wages, it follows that an increase of output results in an increase of wages per day, but a reduction of wages per piece of product, and the system is, therefore, in a sense, co-operative.

This is an appropriate place to say regarding Mr. Mosely's remarks of yesterday on piece-work, that I am quite sure it does not work as well in this country as he seems to think. That the American employer does not cut the piece rates as freely as is done in Europe is, I am sure, a thesis that cannot be success-

fully defended. At the same time Mr. Mosely's conclusions may have been the result of a loose use of words.

We have in this country a system known as the New England Contract Plan, which is often confused with piece-work, and, in fact, often goes by that name. It undoubtedly works more smoothly than straight piece-work, and because of the confusion of names piece-work at times receives credit which does not belong to it.

The result of the division of the gain due to increased production between the employer and the employee is at first sight paradoxical, *i. e.*, the wages go up and the cost goes down at the same time, and the one because of the other. It may be objected and it has been objected that this is not equitable to the workman; that it is only proper and right that he should be paid in proportion to his output, that is, by straight piece-work. To explain in general terms why I do not think this is the case is a long story, but a concrete illustration will explain it as well as a long dissertation would do. Not long ago I was at the works of the Lodge & Shipley Machine Tool Co., of Cincinnati. Mr. Lodge was showing me about, and he pointed to an old lathe that had come down to him from the early days of his business life, and remarked that that lathe had cost him \$625, but that to-day he would be glad to sell a lathe, better made in every respect, containing much more iron and of a better design, for \$300. Now, it seems to me as plain as anything in the world can be that piece-work rates, based upon a price of \$625, could

not possibly be maintained when the price had fallen to \$300. In other words, as I look upon it, cuts in the piece rates are the necessity and the result of falling prices. If an employer does not cut them from choice, he will eventually do it from necessity. These cuts are inherent in the piece-work system, and it is largely to get over the necessity of cutting the rates that the premium plan was devised.

Had that lathe been made by piece-work when sold at the old price, cuts in the piece prices would have been inevitable before the present price was reached. This condition of falling prices when considerable periods of time are considered, is universal, and it necessitates repeated cuts in the piece prices paid to the workman. In other words, payment of wages in proportion to the output—that is, by a price per piece—is, when considerable periods of time are considered, impossible, and it was to remedy this condition that the premium plan was devised. By giving the workman a portion only of the gain due to increased output and giving the remainder to the employer, the workman is rewarded for increased effort, while a reduction of cost is provided to accompany future reduced prices, and the necessity for repeated changes in the rates under which the employee works is obviated. The premium plan, in short, looks into the future, whereas the piece-work plan shuts its eyes to it.

The plan recognizes further the difference between the points of view of the employer and the employee as regards wages. The employer, naturally, measures wages in units of output, whereas the employee

as naturally measures them in units of time. No man who earns his own living has any way of estimating the value of his labor except by the income it gives him per day, per month or per year. That is true of all grades of labor; from the man who carries a hod to the President of the United States Steel Corporation. It is true of all trades, professions and occupations. The ignoring of this difference in the point of view of the employer and the employee leads to an apparent antagonism between them which does not, in fact, exist. We say that their relations are essentially those of buyer and seller, and just as the interests of the buyer are with low, and those of the seller with high prices, so, we say, the interests of the employers are with low, and of the employee with high wages. That statement of the case is one of those half-truths that is as pretty nearly as good as a whole falsehood, and it is a half truth because we ignore the difference between these points of view. Stated fully, the statement becomes, The interests of the employer are with low wages per unit of product, while those of the employee are with high wages per unit of time, and when we recognize the full statement of the case there is no resulting antagonism whatever. The premium plan brings about just this condition of high wages per unit of time with low wages per unit of product, and it would seem that if there is any possible basis of united and co-operative action it is found in this system.

I hold in my hand a collection of letters from a number of employers who use the premium plan. Of these the first is from Mr. James Rowan of Glas-

gow, Scotland, in which he says: "You will see from the newspapers that our federation has come to an agreement with the Amalgamated Society of Engineers. This has given a tremendous lift to the premium system and everybody is anxious to get it into their workshops." This agreement between the association of machine shop proprietors of Great Britain and the chief union with which they have to deal, is the most important event in the history of the premium plan. It shows what I have often remarked, that this system has been taken up a great deal more intelligently and energetically in England and Scotland than here. Of course here I have an excellent opportunity to direct attention to it which I have improved. In Great Britain, while Mr. Rowan has been quite active, he has had no such opportunity as mine, and the plan has grown in use there because of its merits and because the people are alive. I am quite sure that those of us who imagine that England has gone to sleep will wake up some day and find that it is we who have been dreaming.

In such accounts of the workings of the plan as I have heretofore made, the aim has been to emphasize the employer's side of it, because, in the nature of things, it is the employer who must take the initiative. The workman's side has not been ignored, but at the same time the emphasis has been on the employer's side. These letters have been brought out by correspondence, in which I asked for the results which have been obtained by the workmen, by which I mean the actual increase of wages that have resulted from the workings of the

plan. It so happens, however, that this information is not easy to get from the usual set of cost books. Any respectable set of cost books will enable one to compare the total premium earnings of a department with the total wages of the department, but as some or many in the department may not have premium work, such an exhibit may give the premiums of a few as a percentage of the wages of many. To compare the premiums with the daily wages of those engaged on premium work is another matter, and this, while the comparison needed, I shall not in all cases be able to give. Under many systems of cost keeping it can only be obtained by laboriously summing up the individual time tickets, and no one can be criticised for declining to do this. In these letters are various expressions of opinion of the employees' views of the system. Of course these views come through the employers' spectacles, for which allowance must be made, taking the statements for what they are worth.

My first letter giving figures is from a shop in which the system has been in use for ten or eleven years, it having been one of the first to take it up. In this letter I find: "We find our men ask for premiums whenever a job is given them where the number of pieces and the time of operation is sufficient to warrant it. We find that the premium plan gives stimulus to many otherwise monotonous repetitive jobs, which in our case, where most of our employees are young men, is a great factor in keeping them with us." The difficulty of obtaining the average results for a period of time to which I have referred

has caused this correspondent to send some representative jobs from different departments, which, while not so satisfactory as a general average, are nevertheless worth giving. In one department the average increase of wages in doing thirteen pieces of work was twenty-six per cent.; in another department the average increase in doing fifteen pieces of work was thirty per cent. All of the earnings of one man who has been pretty steadily engaged on premium work for an entire year show an increase for the year of fifteen per cent.

The second letter reads: "I send herewith a list showing the wages before we started the premium system and afterward." Then follows the list, which includes the eight operations of one department, the average increase in wages for the whole department being fourteen per cent.

The third letter is from Scotland, and you will observe that the results are not affected by geography nor nationality. The letter reads: "We have had this system in our works for about four or five years. We are very well pleased with the results, and as far as we are able to learn our men are also well pleased. We have selected at random the following twelve men, and we give you their rate of weekly wages and we also give you the money they have earned per week on an average over three months." The figures show average increased wages of eighteen per cent.

The fourth letter is signed by a British name that stands so high upon the roll of great and honorable achievement that it is a genuine hardship not to be

permitted to give it. The premium earnings of those earning premiums in a department are compared with the daily wages of all in the department, but as the percentage of those earning premiums is given allowance may be made for this. The exhibit is in tabular form thus:

FITTING WORK

Date	Percentage of Employees Earning Premiums	Average Percentage of Increase in Wages to Entire Department due to the Premiums Earned
July 9	51.1	10.35
" 16	63.5	14.1
" 23	68.8	17.1
" 30	63.4	12.75
August 6	80.	17.73
" 13	79.7	19.29

ORDINARY MACHINE WORK

February 12	20.7	3.29
March 5	63.5	21.3
August 13	71.	19.53

MILLING WORK

August 6	100.	36.9
" 13	95.6	34.

The total amount of work from which this table was made up exceeds 36,000 hours.

A western machine tool building company reports: "We are running our entire productive force on it, and the premium earnings average about eight per cent. of our pay roll, but increasing daily. We have

heard of nothing but expressions of satisfaction from our men, and venture the opinion that should we discontinue using the system the cream of our employees would hunt up a premium shop."

I have next a table which was published in the *American Machinist* about three years ago. It is quite comprehensive and is free from any possible suspicion of bias in its compilation, because it includes all the work that had been done in this manner up to that time. It includes 20,000 hours of work, and shows an average increase of wages of twenty-nine per cent. The next letter gives twenty-four representative cases, in which the average increase of wages was twenty-eight per cent. A second letter from the same party gives the average increase for all who worked on premium work during the then last pay period. The total number of hours of work included is 15,430, and the average increase was seventeen per cent.

The next letter is from Scotland and reads: "We beg to say that we have only had the premium system in operation in our works for a few months and it is not yet sufficiently developed for us to give you any detailed information about it. We can only say generally that we consider it to have been a great advantage, both to ourselves and to the men who have worked under it. Roughly speaking, we think the premiums earned have been about twenty-five per cent. over time wages."

The next exhibit is the most comprehensive of all, as it gives the average gains for a period of thirteen months. During this time the total amount

paid out in premiums alone was over \$22,000, while during the last six months the amount thus paid out was over \$15,000. During the whole period covered by the table the average increase in wages was 8.3 cents, and during the last six months of the period nine cents per hour.

The next letter is from Scotland and reads: "We have taken three sample fortnightly pays, one each in 1900, 1901 and 1902, and we give you the results, but the figures for 1901 are slightly abnormal, owing to an unusual amount of overtime at that date. The effect of overtime is to reduce the percentage of premium to ordinary wage, because the premium rate is calculated only on the normal wage rate, whereas the payment is made with an extra for overtime. This is the reason for the apparent reduction in percentage of premiums in this case.

Following are the increases for the three pay periods:

1900.....	16%
1901.....	13.4%
1902.....	17.6%

Another letter from Scotland pleads lack of time and includes no figures, but says: "Generally, however, we may say the premium system has been with us a great success. The men like it and we like it, and the men are continually asking that jobs which are at present not made on the premium system may be placed on the system."

A manufacturer of electrical machinery gives the increases on general classes of work, which run thus:

Class of work.	Premium per hour, Cents.
Lathe	5.7
Boring mill	8.7
Shaper.	2.0
Commutator building.	5.5
Punch press	7.3
Armature winding	6.9

Still another letter from Scotland says: "In 1899 the average earnings per hour of all our men at machines were increased by 20 per cent. In 1900 they were increased by 23 per cent., and in 1901 1901 by 31 per cent."

Practically all of the above letters are from machine shops, for which the system was devised and in which it has been most largely used. The next, however, is from a firm of manufacturing chemists, who say: "In talking the subject over with the men I find them well satisfied, and in most cases they have averaged twelve dollars a month in premiums."

A firm of steam engine builders gives figures for the average increase during the first six months of the present year (1902) to all who have worked under the system. These figures show the increased wages due to the operation of the system to have been 18.2 per cent. The system has been in use in these works for about three years, and the above figures thus represent a fairly matured state of the system's operation.

A firm of brick and clay working machinery makers say: "The average increase in wages to our men

when working on premium work is at least twenty per cent. over the amount paid them when working day work."

Another exhibit includes over 86,000 hours of work, and is especially interesting because the work is that of feeding automatic machines, which is done by boys. In this class of work there is apparently small opportunity for gain, but, nevertheless, the boys increased their average earnings by nine per cent.

My next and last letter outlines so clearly the differences between the workings of the piece-work and the premium plans that, coming from one who has both plans before him in the same works, it seems worthy of a more extended extract than has been given from previous letters. The letter says:

"The first three months under the premium plan the workmen averaged 6.2 cents per hour over their day ratings. After it was introduced we had no trouble whatever with the system. The men seem to like it, and much prefer to work under this system than by contract. We have occasionally had to transfer a man from this department (the premium plan is used in but one department of the works, F. A. H.) to others a short time, in which the regular force would have contract work. In a short time the men thus transferred, if not returned to their old job or department, would ask to go back, or, failing in getting back, would leave our employment rather than work under the contract system.

"I know other systems will perhaps reduce the cost of the labor just as effectively as the premium system, but they do it with much more friction and

the management soon loses the confidence of the workmen. The greatest evil of the other systems is the continuous slashing of the piece prices. We have tried to handle this with tact, but we find a man will stand it until he believes he cannot endure it longer and then leave. His price may have been perfectly proper, and still the idea of continually cutting him has caused him to lose his confidence in the company and he leaves."

A GENTLEMAN: Some gentleman here desires that you give a definition of premium system.

MR. HALSEY: The premium system is that system, or any system, by which the gains due to increased effort by workmen are divided between the workman and his employer. It is, in a sense, profit-sharing applied to the individual workman. Profit-sharing makes a division of profits from whatever source they may come. The premium plan divides the gains made by the individual workman.

A GENTLEMAN: How is the division made?

MR. HALSEY: By making a payment in money for all time saved in producing a piece of work.

A GENTLEMAN: But how is it divided?

MR. HALSEY: From one-third to one-half of the whole gain is given to the workmen. In the majority of cases the workman gets one-half and the employer the other half of the gain.

ARCHBISHOP IRELAND: I would ask, How do the labor unions generally look upon the premium system?

MR. HALSEY: The union leaders are here and can speak for themselves. As I have already stated,

the unions in Great Britain have agreed, through their leaders, to give the system a trial. In this country, so far as I know, no union has officially withdrawn its opposition to it, though many union men are working under it.

ARCHBISHOP IRELAND: The system, if adopted, would do entirely away with the objection that the man is kept down, would it not? It encourages individual skill.

MR. HALSEY: I think the criticisms of British employees relate to initiative as regards suggestions, rather than initiative in increasing the output. According to my observations, the chief opposition among the unions, at least a large element of the opposition, is due to the fact that they confound the system with piece-work. Their opposition to piece-work has my entire approval—not, of course, that I approve of all their reasons for this opposition, but some of these reasons cannot be gainsaid and are sufficient. In so far as they think this is the same thing in disguise, I cannot criticise them very strongly for waiting a while. At the same time, I do not know of any case in which the plan has been used for any considerable period in which the opposition has not disappeared. The object of the system is to encourage individual skill by paying increased wages for increased product.

A GENTLEMAN: How does it work in this country?

MR. HALSEY: I have made a list of those users of the plan that have come to me. It is very incomplete, and in fact, I found that I was missing so many names that, six months ago, I gave up trying to

extend it, especially as I had accumulated enough names to serve as references to those who ask for references. The list includes from forty-five to fifty names, although Mr. Rowan informed me six months ago that there were that number using it in Great Britain alone.

A GENTLEMAN: What are the objections to the piece system?

MR. HALSEY: The perpetual cuts in the piece rates.

MR. GOMPERS: Will you please state again how many hours the calculation was based upon? I understood you to say 86,000 hours.

MR. HALSEY: That referred to a single exhibit. There was one exhibit in which boys were feeding automatic machines. The number of hours included in that statement is 86,000.

MR. GOMPERS: That is in the aggregate.

MR. HALSEY: Yes. Of course you realize that in feeding automatic machines there is not the opportunity for gain there is in other classes of work.

MR. GOMPERS: Has any calculation been made between the earnings in the form of wages and the premium, as compared to the wages earned in other establishments in the same industry?

MR. HALSEY: Not to my knowledge. These comparisons all show the increase that has been obtained in the same establishment.

MR. GOMPERS: But it does not show whether the wages and premiums equal or exceed or are lower than the wages earned in other establishments of the same industry?

MR. HALSEY: No. It is difficult enough to get

such comparisons as those given. Your question is very pertinent, but I do not think such a comparison as you name can be had.

MR. GOMPERS: That is very true.

A GENTLEMAN: I should like to ask what happens when improved methods are introduced?

MR. HALSEY: That depends upon the locality, and to answer it fully would involve going into the matter quite deeply. Mr. Rowan, whose letter I read, has a modification which he works in Scotland and which he thinks is an important improvement by which no change whatever is made. My own idea is that when improved machinery is brought in, then the gains due to that machine do not by right belong to the men but to the employer, and there should be a new adjustment of rates. I have always insisted there should be no change of the rates except in cases of that kind. So long as the method of production is not changed there should be no change in the rates.

A GENTLEMAN: Have you any reason for supposing that the rate of wages paid in these establishments of which you have given us reports is less than the rate of union wages?

MR. HALSEY: I am quite sure it is not so far. I understand your idea to be the guarding of the workmen against reductions, regarding which there are many points of view. There is the large view that efficient labor is worth more than inefficient labor, and I hold that it is impossible to get the premium output without the premium wage, just as impossible as for the manufacturer to get an efficient workman

for an inefficient workman's pay. Again, a union gets an increase of wages by a strike. The men have no guarantee that the increase will be maintained, but they do not refuse to take it on that account. I maintain that an increase gained by the premium plan is more secure than by any other, because for the increase the men give an equivalent. The workman is still further safeguarded by the fact that *the acceptance or refusal of the terms offered always lies with him*. The system is not compulsory and cannot be made so. The employer offers a certain amount (premium) for each hour saved, and this the workman may accept or reject, as he sees fit. In this the plan is, I believe, unique, and this feature alone is, I believe, enough to safeguard the workman against cuts in the rates. At bottom, this system simply systematizes the recognition of merit. Instead of, as usual, leaving that recognition to general observation, with possibilities of favoritism on the part of foremen, it systematizes the matter and pays each one in accordance with his merits. It is a commonplace of the system that it discovers the good men. I have been repeatedly surprised at the broad views held by many employers regarding this question of wages. I have been told repeatedly: "Wages are secondary. What we want is output."

MR. MOSELY: I understood you to say the unions as a whole object to the premium system because it leads to the cutting of price. Is that your experience?

MR. HALSEY: That objection is legitimate as against piece-work, but not as against the premium system,

which was devised expressly to avoid such cutting. Piece-work is, on its face, a system of rewards, but in point of fact it is a system of punishments, and worse still, a system of punishments for doing well. A workman under piece-work does the best he can, and when he gets his wages beyond a certain limit his piece rates are cut. He is then compelled to work harder than before for the old income, and this is the direct result of his efforts to do well.

THE CHAIRMAN: Along the same line the next speaker will be Mr. James O'Connell, president of the International Association of Machinists.

JAMES O'CONNELL: Mr. President and Gentlemen—You have listened to the reading of two papers this morning, one by Mr. Commons on the limitation of output, incidentally touching upon the proposition of piece-work; and the other by Mr. Halsey, on the premium plan.

I trust, therefore, you will bear with me for a few moments, for as a practical man—having spent twenty years in the machine shop—and knowing something of the practical side of these questions, I feel that I can speak from the standpoint of one who has experienced the bad effects of piece-work, and representing as I do an international organization which has had much to do with questions of piece-work, premium plans and so-called restrictions of output.

I have had not only an opportunity of investigating these questions in the United States, but I have also visited England, Ireland and Scotland, and while

there made some investigation as to the conditions prevailing in those countries.

We have among us those who espouse certain ideas as panaceas for the cure of all diseases and ills to which the human family is liable. In our political life we have various forms of political parties, each believing it is right. The prohibitionists believe that if the liquor traffic was abolished all would be plain sailing; the populist believes that we should walk in the middle of the road; the socialist has his own theory, and the anarchist still another, but in practical every-day life we must have facts, and the best evidence of our success in the future must be to a large degree governed by the history of the past.

This morning we have listened to two gentlemen whose ideas very largely differ as to the practical method of operating the workshops of this country. One cites a limitation of the output in the machine shop and believes that restrictions exist, and that the piece-work system might successfully be put in operation. The other believes that the piece-work system would not bring about the desired result, but recommends a premium plan or profit-sharing. Both believe they are right, but in my opinion, both are wrong.

The piece-work question when presented to the American workman is like waving a red flag before a mad bull. History shows that piece-work means to the workman increased output, coupled with a reduction in wages, unfavorable conditions of employment, unsanitary conditions, cultivation of man's selfishness, loss of desire to co-operate with his fellow shopmates—in a word, the whole history of the piece-

work proposition in this country has been unfavorable, because of the enforced hardships under which the men worked and the inevitable reduction in their wages.

We are told that the employers want to be fair in this matter, and I desire to say here that we have many fair employers—in fact, thousands of them—but I have yet to find an employer of labor who has introduced the system of piece-work, profit-sharing, gang system, or any other means whereby the men worked by the piece, who has not at some time during the life of such a system reduced the rate of wages, and who has not sought to pit the swiftest, strongest and ablest man against the poorest and weakest one. The man who is beginning to grow old is, naturally, a little slower, sight beginning to fail, finds himself in the position of having his living dictated by the more speedy and younger man; his rate constantly decreasing because of the speed-maker or pace-maker against whom he is pitted.

To illustrate: In the city in which we are now holding this meeting a very large manufacturing establishment, employing thousands of workmen, has had a profit-sharing system in vogue for a number of years. The system provided that if it took ten days for ten men to build a certain machine and these ten men built a machine in nine days, they were given one day's profit. If the next machine they built took eleven days, one day was charged against them on the books and the next time they gained another day the books were balanced. The result of this method of paying the men was, that, although they

had never belonged to an organization of labor and had no use for one (as it is true where you find piece-work you find very little organization), the men struck for the abolition of the system after having worked under it for several years, and no labor leaders had anything to do with their trouble. They sent for Mr. Gompers and myself to come to New York and try and straighten the matter out for them. We did so, and succeeded. We found upon investigation that the men in that factory had not taken out of the company's coffers one cent in premium or profit for several years, but the books of the company showed that the men were indebted to the firm \$47,000, and therefore no premium on work performed by the men could be secured until the indebtedness had been paid and the books balanced.

Do you expect men to accept a system of that kind freely and without question?

Another firm in the State of New York adopted what Mr. Halsey is pleased to call the "premium plan." They say to a man, if it takes you ten hours to do ten pieces of work and you will do these ten pieces in nine hours, then we will allow you one hour's premium, to be divided between you and us. It worked out as follows: If a man was averaging 25 cents an hour and he secured one hour's premium the firm would allow him $12\frac{1}{2}$ cents extra for his hour and keep $12\frac{1}{2}$ for itself. What right, I ask, has any firm to take $12\frac{1}{2}$ cents from my hour's labor that I have honestly earned? What right have they to fine me $12\frac{1}{2}$ cents for my increased production? What right has Mr. Halsey to say to me, because I

am a young, active, energetic machinist, if I increase my output 10 per cent. that I am to be fined 50 per cent. of the output for my efforts? The firm is at no loss because of the increased output; its fixed charges are no greater, while on the contrary a very great saving must come to the company in fixed costs. It is absurd that because of special energy and increased effort on my part I should be fined 50 per cent. of my earnings for the ambition I had shown in increasing the output. But when we complain to the firm they say to us, Have you not been robbing us in the past? You have been loafing; you have not produced as you should; when my back was turned you idled the time away. I desire to say without fear of contradiction that this is absolutely untrue. The employer who makes these statements acknowledges the weakness of his position and asserts that the superintendency of his business has been of the very worst character. In my opinion, the entire fault with the whole question of so-called limitation of production or output is in the superintendency of the plants. Not the fault of the men nor the employer. In our growing institutions of to-day, the owners know but little of the real workings of their business inside the factory or workshop. They are the financiers, but the practical side of their workshop is unknown to them; they are unacquainted with their workmen; seldom visit inside their factories or workshops, but are constantly engaged in financiering their business.

A large pump manufacturing company, now a part of the American Pump Company, introduced a plan

similar to Mr. Halsey's premium plan, and said to the men, commencing on a certain date every workman who produced one-tenth more than formerly will be given fifty per cent. in excess of his former rate. The men did not quite understand the proposition, but went on in their usual way, put forth an increased effort to enlarge the output for a given time. At the end of a week an increase was shown, but the workmen received for it only fifty per cent. of the increased output, the firm taking fifty per cent. to itself, thus practically imposing a fine upon the men for increasing the production of the plant. There had been no additional costs to the company in operating its plant nor for the superintendency thereof. As a result of all this, the men refused to work longer under the system and a strike was inevitable, but the company avoided this by agreeing to return to the day system.

Piece-work, premium plan, gang-profit-sharing, etc., when boiled down all mean the same thing; increased production, decreased wages. We go to the employer and say, "We don't want to accept the piece-work system; we are willing to do a fair day's work for a fair day's pay, and we are perfectly willing that you should speed your machine to suit yourself. We further agree that you should furnish such tools as you believe will best operate your plant and we will agree to operate such machinery, but we are not willing to work under a system which we know will tend towards reducing our wages." The employer replies, "We don't want to reduce your wages; we are trying to increase your wages." That is given to us

on every hand, "we want to increase your wages." Then why not increase our wages on the day basis and stimulate us in this way? Why not stimulate us by saying, "We will increase your wages ten per cent. and allow you to continue working on the day basis, with the hope that increased wages and better conditions will stimulate you to greater things." We believe that with this incentive and proper superintendency of the works there would be no necessity for piece-work, premium plan, or any other system that is obnoxious to the men in order that we may be capable of competing for the world's markets.

More strikes have resulted in this country against the introduction of the piece-work and similar systems than, perhaps, against any other one system in the history of our country. Mr. Mosely said in his address yesterday afternoon that he believed that we had to a greater extent piece-work in this country than existed in Great Britain. I desire to say that Mr. Mosely is mistaken. Piece-work, premium system and other plans outside of the day system do not exist to nearly so great an extent in this country as in Great Britain. In all the great railroad systems throughout North America there are not over three systems where piece-work is in operation, and there are but two that I know of where the system has been in operation for a number of years. The Burlington system in the West and the Pennsylvania system in the East are two railroad corporations where piece-work in the mechanical departments is being operated. Just before leaving my office in Washington on Saturday, I received a telegram from

the men in the West, who are working under the piece-work system, and who, by the way, are unorganized, requesting that assistance be sent at once to bring about the organization of the road, in order that an effort might be made to abolish the piece-work system. They said, "Send some one to help us; help us to straighten this matter out; we are becoming slaves; our conditions are becoming more burdensome; we are employed long hours; produce excessively to make the ordinary wages that a few years ago we could earn in a much more reasonable time and with much less exertion on our part." These men are willing to go out on strike in midwinter as a protest against the system under which they have been employed for several years. When men protest to this extent who have worked under a system of that kind for a long time, and when that protest is made in midwinter and they are willing to go on strike for the abolition of the system, there is something back of it. There is something else other than the fact that the men may have an opportunity of earning a few dollars extra per year. It is because the system has proven unprofitable to them; it is because the system under which they have been working has become burdensome.

In my own personal experience of twenty years in the machine shops, I have seen piece-work, premium plan, and other so-called methods of increasing the output tried. I recall in one instance in a shop where I was at work the men were asked to take certain pieces of work on the piece plan. They were given a guarantee that the prices would not be cut for a

year. "We will not interfere with you," said the firm, "for one year; go ahead; make all you can; any new tools you desire to get up let us have your ideas and we will have them made for you." The men, being unfamiliar with the piece-work and its inevitable results, believing that it was an opportunity of a lifetime, accepted it. They pitched in and worked and worked and worked. I remember very well those who spent the noon hour chatting over their lunch began to separate from each other. There was no more shaking of hands and bidding each other the time of day. It was now a case of hustle, hustle, hustle. In fact, the opportunity for attending to nature was neglected during working hours. There were no more discussions as to measures pending in Congress; whether the President of the United States was doing right or wrong; whether the Congressman representing the district was the proper man or not; what the United States Senators were doing; questions of legislation affecting the welfare of all the people had no concern with the piece-workers any more. They were being taught only to work and hustle; you could see them watching as a cat would a mouse the time the engines would start, so that the machines would be put in operation. Men's avarice for the almighty dollar was cultivated to such an extent that in less than three weeks the shop that had been a home-like place, relations pleasant, men working as brothers, all interested in the advancement of each other, became a hell on earth. A strike resulted; they never had one before; they have never had one since; piece-work is abolished. Not-

withstanding the abolition of the system this shop has grown to be one of the great manufacturing institutions of our country; no piece-work, premium plan or its like has entered its doors since that time. And so it can be cited in thousands of other cases where the piece-work, premium or other plan has been introduced. They have been driven out because of the unholy state of affairs under which men were compelled to work, notwithstanding the apparently splendid inducements held out for them by their employers.

Mr. Halsey tells us that about forty-five firms in the United States and Great Britain are operating their plants under the premium plan. What per cent. is this of the total number of manufactories in the United States and Great Britain? Just think of it! The per cent. is so small that it is scarcely noticeable, and yet Mr. Halsey has been working upon his plan, to my knowledge, several years. How many firms in the United States are operating their plants on the piece-work system? The number is so small as compared with the total number to be scarcely recognized. More firms have given up the plan and gone back to the day work system than are now working under the piece system or premium plan. How many firms are working the gang-profit-sharing system? You can probably count them on your finger ends. Mr. Barnes mentioned yesterday a condition existing in one of the works that he had visited which was deplorable. I have not spoken to Mr. Barnes since he has been in this country, but I will wager any-

thing that I can name the works he had in mind. It is the Baldwin Locomotive Works of Philadelphia. Might I ask him if this is correct?

MR. O'CONNELL: I knew it. We can spot them wherever they are located. We know them. We can lay our fingers on the piece-work shops every time. Of course there are exceptions to the conditions existing in the piece-work shops. Here and there we find an institution where the tendency is to treat the workmen fairly. I have in mind a model institution—the president of the company is attending this meeting—the system of piece-work is in operation in Mr. Patterson's factory, and I have every reason to believe that he has always endeavored to treat his workmen fairly because he is interested in the happiness of his employees; but as a general rule, when the employer comes to us and says he is desirous of raising our wages and intends to introduce some plan whereby the output may be increased we are always skeptical, for fear the intention is to introduce the piece-work system, because we have suffered much under its baneful influences upon the various trades and the inevitable conditions following the introduction of this or similar systems.

Much has been said about the restriction of output. It is intimated that organized labor stands for restriction, or in other words, that we say to our members you must only do so much work per day. This opinion is absolutely without foundation. They say we won't allow our members to run more than one machine; that we won't permit them to work under

the piece-work system, hence we restrict the output. Then again we are charged with limiting or restricting the number of apprentices. Now the fact is that these restrictions are to a great extent imaginary from the standpoint of the employer, and especially do they exist only in the mind of the theorist or the men who, with a lead pencil, who have no practical knowledge, would lay down a policy for the employer and the employee to work under. These professional theorists make a good living by going around the country injecting their peculiar ideas and theories into the minds of the employer, and in a large degree prejudicing the minds of the manufacturers against their workmen, constantly setting forth that the workmen are restricting the output, hence not performing their proper duty. Mr. Halsey says to the manufacturer: "Introduce my system into your factory and you will largely increase your output, reduce the cost of operating your plant, and in a small degree raise the total earnings of your employees." The piece-work advocate tells the employer that he is being fleeced; that his workmen are not producing as they should, and by the introduction of the piece-work system the full capacity of the plant could be procured.

Organized labor restricts only when it is found that the employer is arbitrary and will not meet the workmen or their representatives with a view to entering into a joint agreement. We believe if the employer proposes to change the day system of employment to some other system, that the workman has a perfect right to say whether he shall work

under such a system or not. We believe also if the employer introduces modern machinery and insists on the workmen operating a large number of machines, that the employees have a right to say how many machines they shall operate. We believe also that we have a right to say to the employer that only a reasonable number of apprentices shall be employed in any factory as compared to the total number of journeymen employed, in order that such apprentices may have a fair and reasonable opportunity to learn the trade.

I have the honor to represent a large organization of highly skilled workmen. This organization says to its members, You cannot work piece-work. We won't allow our members to introduce piece-work in a factory where the practice has not been in vogue. We say to our members you can work under the system for the time being in a factory where it does exist because it is already there, but when you come into our Association you must not introduce the system. This applies alike to other systems, namely, premium plans, gang-profit-sharing, or the contract system. We also say to our members, "You can operate a number of machines of certain classes, but there are other classes of machines of which you can operate only one." There are thousands of machines in the factories and workshops of the United States where the men are operating more than one of them. This is certainly not a restriction on output. Automatic machines of every character have been introduced in the workshops of this country and there has been no re-

striction placed upon them at all. On the contrary we have encouraged, by our own genius and invention, the modern and improved up-to-date machine, in order that we may be able to compete for the markets of the world.

The mere fact that labor dares to question certain things in the modern factories of to-day is looked upon at once by the employer and the professional systematizer as a restriction on output, but if it were not for the position taken by organized labor the men and women who are the bone and sinew of our country would be walking the streets and the boys and girls would be performing the work in the factories, workshops, etc.

If you want evidence of the non-restriction of output go into the shoe factory. Where a few years ago a shoemaker was employed now he is only part of a shoemaker, and to a very large degree men have disappeared from the shoe factory. Women, boys and girls are found there now. Go into a nail factory, where a few years ago nails were made by hand. To-day they are forged by a machine faster than the human mind can count them. Does this look like restriction of output? Many of these machines are operated by little boys and girls, and in many of the factories the larger number of machines are being operated by girls. There has been no effort towards restriction of the machines. There may have been an isolated case, but as a whole organized labor stands for improved, modern and up-to-date appliances for operating the American workshops.

We believe that with a proper superintendency of the factory, the proper treatment of the employees and the introduction of a plan such as that outlined by Mr. Carpenter, representing the labor department of the National Cash Register Company's works, where grievances can be amicably and speedily adjusted, that it is possible under the day plan to secure for such an institution an output equal in quantity to any plant where the piece-work or similar system may be in operation; while in quality the work would exceed to a large degree that produced in the piece-work factory.

A constant effort, apparently, on the part of certain manufacturers and certain professional theorists to poison the minds of the employers against organized labor and especially against the leaders of organized labor, is a direct cause for many of the complaints heard from the employer's side of this question. When an employer can only see through one glass, and that glass indicates increased output, regardless of the conditions under which this end may be secured, he will unquestionably find himself sooner or later involved in some sort of a tangle with his employees. The workman knows full well that the employer of labor is not stating facts when he says we are going to introduce the piece-work or premium plan in order that you may have a better opportunity of increasing your income. The workman knows full well that this proposition has a very large string attached to it, and that when he has worked himself up to the highest proficiency the goal at which he is aiming is always moved fur-

ther back and he must start over, and finally the post is moved so far that he is compelled to give up his position in disgust. He has become discouraged, and those who come after him usually find that the pace-maker has established an output which they must come up to or their services are not required.

We are told that if we will pitch in, work, hustle and increase the output, the prices will not be cut and that we will be fairly dealt with; but I challenge any one in this room to cite a case where piece-work, premium plan or other systems have been introduced that the prices have not been cut. I have traveled all over this country and portions of Europe; have interviewed men, not only in my own trade but other walks of life, who have worked under the piece-work and similar systems. I have yet to find one who has worked under such a system for a reasonable length of time who has not the same complaint to offer—the prices have been cut. You say, make a contract for a year or five years. This would not cure the evil, for if the employer and the employees entered into a contract for five years and the employees had increased the output and thus temporarily increased their wages, there are employers who would, if they could not violate their contract in any other way, close down their works indefinitely, pay off all the employees, and at an early date reorganize the factory and open it up again to new employees. There can be no fairness under the systems in question until such time as the employers and employees are thoroughly organized, as was cited by Mr. Commons in his paper this

morning. Then both sides will recognize the rights of the other, and so-called restrictions of output will disappear, because the two organizations will meet in conference and adjust their differences. The rights of the weak as well as the strong workman will receive consideration. The pace-maker will disappear; the industrious workman will be used as an example for others to imitate, and the day of pitting the strong, energetic, active man against the less fortunate will be a thing of the past.

It is said by many employers who desire to introduce the piece-work and other systems, "We are not going to base the price upon the speediest workman in our factory, but we will take an average." That is all very well in theory, but history proves to us that such is not the case, and it is not reasonable to suppose that such a plan would be put into operation. This is a cold, business world. The manufacturing institutions of our country are combining each day; are now being controlled by Boards of Directors; individual owners are passing away. What peculiar interest has a Board of Directors in the every-day life of the workmen employed in their factories except to secure the highest possible output at the lowest possible cost? They cry out for dividends. They know not the workmen. They care less who they are; how they live; where they live. This does not interest them at all so long as profits and dividends are being declared.

Supposing I had a piece-work job and had increased the output, thus temporarily increasing my wages, and other workmen in the factory were

not so fortunate, many things probably militating against their success. When the directory of the company has its meeting, carefully scrutinizing the workings of the factory, and finds that one or more men have made more money than others, they say at once, "Get rid of the men who cannot produce as much as the best man you have." By these means you reduce the fixed cost of the plant. The weaker and less speedy men are discharged; others are taken on and they are told that "John Brown or Bill Smith is capable of producing so much or turning out so many pieces of work per day; you are expected to do the same." Instead of the average day's work becoming the standard the pace-maker has established the living rate and set the standard of life for all the workmen in the factory. Organized labor says this condition is absolutely wrong, for it has a tendency to lower the standard of manhood, to lower wages, and to cultivate man's most selfish nature, thus reducing the standard of citizenship, and as a consequence the markets of the world gradually slip away from us. Organized labor stands for just the opposite—higher manhood; higher living; cultivation of all that is good in man; getting more to-day and more to-morrow, and thus elevating the American citizen to the highest standard of ability as a mechanic; capable of competing for the markets of the world; enjoying the shortest possible work day with the highest possible wages paid in any of the civilized countries of the world.

The statement that organized labor interferes with the rights of capital is absurd. It is nonsense,

and the man who makes these statements is ignorant of the workings of organized labor; knows not of what he speaks. Organized labor aims to bring the employer and employee closer together. This is the work of the leaders; instead of advocating strikes and boycotts the leader's time is occupied to a very great degree in avoiding these very things which we are charged with doing. Organized labor believes in meeting capital more than half way; sitting down at the round table and threshing out any differences that may exist, but the trouble has been, the seed of hatred towards the leaders of organized labor was sown in the early history of our country, and there are yet a few employers who have refused to modernize their business or their methods of treating with their workmen. But the energetic, up-to-date employer appreciates the fact that we are living in a rapid age; that the industrial conditions have been revolutionized; that organized labor is here to stay and that it is best to meet the workmen in their joint capacity, or the representatives of organized labor, with a view of bringing about an amicable adjustment of all differences that may exist and in the end entering into a joint agreement whereby employer and employee will feel interested in the success of each other.

The National Civic Federation is doing its part in this direction. Employer and employee have been brought together; disputes have been adjusted when they existed, and disputes have been avoided by mutual conferences and mutual agreements. I believe that the employer and employee alike are

beginning to have more respect for the views of each other than in former days. As an evidence of this, our meeting here to-day. We have with us men engaged in the various walks of life, professors, business men, laboring men; all respecting the opinions of the other; realizing we are all human; liable to error; yet I believe conceding that we are all aiming in one direction, that of bringing peace and prosperity to all of God's common family. All are doing their part towards furnishing something that will make the sleigh run a little more smoothly over the rough and rocky road.

My friends, I do not desire to take up any more of your valuable time, only to say on behalf of the men that I have the honor of representing, who are constantly confronted with the piece-work and other similar systems, that as a whole we are in opposition to those practices, not because we are desirous in any manner of limiting the capacity of the workshops of our country, but because we believe they are wrong in principle, wrong in practice; and that the end to which we are all desirous of reaching will not be secured through the introduction of systems which have proven to us in the past to mean a decreased wage, and a degraded manhood.

I believe we will yet strike a happy medium of all our complaints, where charges of injustice will not be held against either side; the professional advocate of piece-work, premium-plan and similar plans will disappear, and the employer and employee will sit down together and in their own way solve the problems of production, hours and wages.

THE CHAIRMAN: Continuing the discussion along this line, I will now introduce Mr. Henry White, Secretary of the United Garment Workers of America.

MR. MOSELY: May I put one question before this is taken up?

THE CHAIRMAN: Certainly. I might have said if any of these speeches bring up any questions on which discussion is desired, we will be glad to hear from anybody.

MR. MOSELY: You just now referred to a remark made by Mr. Barnes in regard to a certain factory. I was very much struck by those remarks of Mr. Barnes yesterday, because he referred to the factory as being unfit really for men to work in, where the sanitary conditions were bad, and where everything was not at all of the idealistic character that both employers and employees like. He did not mention the name of the factory, but you have mentioned the name of a factory which I have not heard either confirmed or contradicted. Now I should like to say—

MR. JAMES O'CONNELL: I asked Mr. Barnes to confirm it and he nodded his head.

MR. MOSELY: If Mr. Barnes has confirmed it, that settles the question. I have been through that factory myself upon more than one occasion; more than twice. I do not pretend to be an expert, to say as to whether that factory is being run under conditions, from a machinist's point of view, of the very best, but what has struck me is this, that that shop is non-union. It employs a very large

number of men. The union has never come in there, and the men apparently are all satisfied and never have struck. Now if those conditions are so extremely bad, why is it that year after year those men do not strike? That seems to me to be rather a pertinent point in connection with this question.

MR. O'CONNELL: Mr. Mosely, I would say it is true that the non-union men at the Baldwin Locomotive Works have never struck, as far as I know. But in the Baldwin Locomotive shops—I don't wish to specify them in particular—but in that factory they have a system somewhat different from that in force in most other factories, and that is the contract sharing system. One man takes a contract for building a certain portion of a locomotive. He pays those who work on that particular job, himself. He takes a contract, say, for putting a cylinder on locomotives; \$100 for putting every cylinder on a locomotive. If he can get men to work for him for fifty cents a day, if he can drive them and can sweat them as much as he can, the more he makes. That is the system. That is the sweating system there; they sweat the men. They don't use a small hammer any more in Baldwin's; you have got to use a double handled hammer there. (Cries of hear, hear.)

DR WM. S. RAINSFORD (Rector of St. George's Episcopal Church): Apropos of one thing you said about limiting the apprentices, now isn't it true that if you start on a theory in which you say the number of apprentices in a certain concern should

be limited, because if you don't limit them you practically disappoint the hopes of these young men as they go towards manhood, you relegate to yourselves a knowledge of the conditions in that concern and of the whole country at large, which is a very difficult thing to assume? You gauge not only the advance individually in one plant, but all over the United States. And let me add to my question one more. I am aware, and, of course, I suppose you are, that year after year there is a very large increase in the number of trained workmen who come from Scandinavia and from Germany—admirable workmen they are—who come to New York, and, escaping the contract labor law, get work in New York, and for several large firms, which are known to many gentlemen, no doubt, in this room—get excellent wages; in some cases, get an increase on union wages; spend three, four, five or six months in this country, and go back to the Old Country to spend the money they have liberally made here, proving thereby, that the demand for skilled labor is so great to-day in the great centers, that the very largest firms are not able to meet it and are filling out and adding to the number of thoroughly skilled laborers by drawing largely on Scandinavia and Germany, many of whom are coming over and staying five or six months, and then going back with their earnings. Now I think that is a question that demonstrates what is radically a wrong and mistaken idea, of limiting the education of the youth of the land.

MR. O'CONNELL: Now I desire to say in answer

to that question, simply to ask him this: Isn't that an ideal situation for your German friends to find here, rather than to come here and find the trade crowded with boys, and not be able to get work at all? I mean to say, if you convey the idea that by limitation of apprentices in trade—and I speak only of my trade; other trades have different numbers employed—but if by limitation, if you put it that way, isn't it best to have the German machinist come here and get \$20 a week for working 54 hours—isn't that an ideal state to have exist here rather than to have him come here and only get \$10 a week?

DR. RAINSFORD: That does not exactly fit the question. That man's coming to this country and staying four or five or six months, and going back to the Old Country to spend his earnings, does not help the interests of this country, or build up the great democratic principles that exist here. I do not want to be misunderstood, but when a union takes a step like that they are going against the everlasting laws, and are bound to be beaten. You cannot limit the education and opportunities of the young of this land. The intention doubtless is absolutely good, but we do not recognize the place we hold between the two conditions, and we do not recognize the fact that it is not right in principle to limit the opportunities for education of our young men.

MR. O'CONNELL: The gentleman speaks of democratic principles; that is a very beautiful sentiment and always strikes a responsive chord, and I ap-

preciate that. But there is also the hard business side of this question which has got to be looked at, and we have passed through the hard knocks in this country and got up to that position where your German friend can come over here and work under fair conditions, and it is by hard knocks that we have come to the conclusion that there should be a certain reasonable limitation upon apprentices in this country in every trade.

A DELEGATE: I do not see that Mr. Mosely's question has been answered as yet.

MR. O'CONNELL: Mr. Mosely did not continue to ask that question, because he did not recognize that Mr. Barnes had confirmed my statements.

MR. BARNES: I am rather sorry I am to be forced into that question and would much rather have my observations taken in the abstract, or as not referring to any particular shop. I think that is only fair to every shop in this country, that my remarks should not be taken as referring to any particular shop.

MR. GOMPERS: If I may be permitted I should like to take a moment or two to say something in connection with the questions propounded by Mr. Rainsford. I suppose in desiring to speak of a higher position my friend Mr. O'Connell did not take cognizance of the question put, and did not answer it.

In regard to the matter of apprentices, this must be taken into consideration; that is, that the opportunities for apprenticeship have gone in American industries, and when we talk of the oppor-

tunities for a boy to learn a trade, the opportunity of an education in the trade, we are talking of the past. We are not taking cognizance of the fact that the division and sub-division and classification of labor has eliminated the question of apprenticeship, the question of apprentices learning a trade. What the boys now learn is a very infinitesimal part of a trade. The attempt to have an apprenticeship system is simply another name for the wholesale introduction into one or two or a few establishments of a large number of boys, eliminating the question of wages to adult labor, the employment of one as an expert, and the plant of which is turned into a nursery. This must be borne in mind, that it is not a question of limiting the number of apprentices for a trade, but it is the limitation or the regulation of the number of apprentices in each particular establishment of a trade. While in the aggregate that may seem a limitation, yet in any particular trade or classification of trade in which there would be any election the employer could, and many of them would, and many of them do, introduce into their plants a system of bringing an immense number of boys in the plant, and with the superintendency of an expert the plant is enabled to get out some sort of an output, some sort of a product, which is brought into competition with the fairer manufacturers in that industry, and tends to force down the selling price, and consequently the wages received by the men. It is because of this immense classification and division and sub-division of labor that has gone on

in our country that the boys have no opportunity to learn a trade and the companies and manufacturers and employers find it necessary to send over to European countries to send some of their skilled workmen here. The great classification and division and sub-division have not gone on in those countries to the same extent that they have in our own. (Cries of Hear, Hear, and applause.)

MR. JOHN MARTIN: Would Mr. Gompers therefore support trade schools, which would give opportunities for the boys to learn the trade, under, of course, some regulation by the trades unions to prevent excessive filling up of a particular trade?

MR. GOMPERS: I should be opposed to trade schools. I should favor and do favor manual training schools. The trade schools have demonstrated themselves to be the hothouse of strike breakers in the United States. The training schools have given the young men of our country a knowledge of the use of tools, making them more easily adapted to learning the different branches of any particular trade.

MR. MOSELY: Mr. Chairman, may I be allowed to put a question to Mr. Gompers as representing labor? I have not heard any reply made to my question. I have heard a description of men working under conditions that are unfit for human beings—a very large number of men working in perhaps almost the largest of any factory in the United States. Why is it that these men are apparently satisfied with their condition, and why is it that the union has not come in there, and why is it that year after year has gone by and there has been no

trouble and no strikes? And these men I understand uniformly earn more than union laborers.

MR. O'CONNELL: I have but one thing to say to Mr. Mosely, and that is, he is absolutely mistaken in his statement that the wages at Baldwin's Locomotive Shops are larger than union wages. He is absolutely mistaken in that statement; absolutely incorrect.

MR. GOMPERS: Mr. Mosely asked me this question, see if I comprehend it: How does it happen that if such unfair and improper conditions obtain in that particular establishment to which reference has been made, that no protest has been made by the men? Unionism has not taken root there. No strike of any character. My answer is this: That in the whole history of the world you will find that the people whose conditions are the worst are those the least capable of resistance and protest, and that is equally true in industry as it is in political life.

A DELEGATE: Cannot those men strike?

MR. GOMPERS: There are in that establishment to which reference has been made small captains of industry. Men who are the employers of five or six other men, and each man is a little minimized captain of industry himself.

THE DELEGATE: Well, if those men are improperly paid why can't they strike against that little captain?

MR. GOMPERS: I don't know why they cannot strike, except they may have had all ambition crushed out of them.

MR. MOSELY: I wish now to make one statement

in regard to the Baldwin Locomotive Works. I am sorry their name has been called into question, but I think it only fair to the Baldwin Locomotive Works to make this statement: I saw one of the members of the firm and I asked him what percentage of union men were there. He said the percentage was very small, practically none; perhaps one in a hundred or over. I said how do you account for the fact that you have never had trouble in this factory? He said, "Because we are fair to the men and the men recognize it." Now I think that is a statement that will go a long ways to convince any fair minded man. You have been shown the thousands of men working under conditions that on one side it is urged are not human. There is no trouble; there are no strikes, and the proprietor of that establishment informed me as one who is seeking information, it is because the men trust them and know they will treat them fairly.

MR. GOMPERS: The people of India do not protest there, but they are starving by the millions.

MR. HANNA: I now have the pleasure of introducing Mr. White.

THE PROBLEMS OF MACHINERY.

MR. HENRY WHITE (General Secretary of the United Garment Workers of America): Mr. Chairman and Gentlemen.—The subject assigned to me I approach with considerable misgiving, because the problem of machinery involves the entire labor question, for it is the complexity of conditions due to machinery that has given us the labor problem.

This age is pre-eminent in mechanical achievement; still, many believe that labor saving methods are detrimental, that only a few profit by them, to the disadvantage of the rest. The strange paradox is thus presented of an ingenious and enterprising people actually doubting the value of means that renders labor more effective and increases human capacity.

The confusion upon this subject is due to the difficulty of understanding the workings of our complete industrial system, the inability to discriminate between the benefits society derives from labor saving methods, the disturbances they cause, and the abuses associated with them.

The economy of a primitive community that consumes all it produces is readily understood. It is seen how every increase in the productiveness of the members adds to the general prosperity, and how each one participates in the wealth of the whole. If the farmer has abundant crops, the tailor, the shoemaker, the blacksmith, obtain cheaper food. If the other workers through improved tools are enabled to produce cheaper, the farmer, including the workmen, receive cheaper goods or better service. The purchasing power of money is thus increased, and each one is enabled to buy more with his earnings and indulge in new comforts. The new occupations that in turn open up give employment to those who happen to be displaced by improved machinery. This result is dependent upon a wholesome (not ruinous), competition being maintained, so that profits will

be kept down to a minimum, and provided the wage earners are able to command a just compensation, and prevent wages from being decreased whenever the cost of living is lessened. The principle of co-operation that underlies private enterprise is thus evident. It works out in a rough way, and more perfectly as the defects of the system are corrected. In a more developed society with its highly specialized and therefore more efficient methods, only a part of the plan is observed at a time, and its intricate operations become confusing. Suddenly the laws that work so beneficently in the small community appear to be reversed. Labor saving methods become a calamity, because the effect is to interfere with present pursuits and deprive some of their accustomed means of a livelihood, to render useless skill acquired after a life-long training. The benefits all seem to accrue to the person who first uses an invention, while the ones displaced are apparently shut out of the industrial system. It is not noticed how they are gradually absorbed into other channels of employment that open up as the cost of production is decreased. If such were not the case, the whole industrial mechanism would soon come to a standstill, considering the progress of inventions supplemented by the army of aliens that arrive yearly and the increasing proportion of women breadwinners. An adjustment coincident with the displacement must evidently take place somewhere or the number of unemployed would be appalling. This is the pith of the problem. The example cited of the prim-

itive community explains how by lessening the cost of commodities the spending capacity of the consumer is increased, and in that way industry expands. The immigrants and the women introduced into the factory become in turn buyers, and hence create a demand for goods that results in the employment of as many as they have displaced. The evil of immigration is not that the aliens take the places of native laborers, but rather is due to the crowding into the most available occupations that offer them the means to temporarily subsist; to their lower standards of living and general helplessness, all of which is taken advantage of, to the detriment of those who are striving to uplift the standards. The same applies in a degree to the women partly dependent upon their earnings, and who do not possess the ability of the men to act in concert, and therefore are made to accept less than the men for the same work.

When the sewing machine was introduced by Howe in 1846, I have heard old tailors say that the direst consequences were predicted, but instead of depriving them of work, the machine was the means of augmenting it. The cost of clothing having been lessened, the consumption was vastly increased. It is estimated to-day that the average person wears two suits a year, while formerly, when made by hand, an inferior suit had to last a year, and often had to tide over another year by reversing the cloth. The well known evils of clothing manufacture are not the result of the machine, but are due to a pernicious system of work. It is sought to

remedy this condition by manufacturing upon a large scale. The substitution of electricity for horse power in the operation of street cars has immensely expanded this service. Although an electric car goes twice as fast as the horse car and carries at least twice as many passengers, instead of decreasing the number of employees, many times that number are employed. The patronage simply increases as the facilities for travel are improved.

There are also many undertakings that could not be carried on at all were it not for improved machinery, as, for instance, great works of construction, such as tunnels and bridges, railroads and steamships, and the erection of large buildings. As self-evident as this seems when attention is called to it, it is lost sight of when discussing the problem. The temporary loss of employment by some is alone considered, while the compensating features pass unnoticed.

There are some occupations, however, where the perfection of machinery proceeds faster than the increased consumption, and the effect, therefore, is constantly to decrease the number of workmen required. In such cases it is far better for the workmen to face the stern realities of the situation, and make up their minds that some will have to relieve the pressure by seeking employment elsewhere, than by intensifying the distress by keeping in the trade more than it will sustain, otherwise wages will tend to lower, or be prevented from rising and work will become more unsteady. Mr. Gompers has explained how this situation can be best

met—by giving our young men a general training in mechanics, so that they can quickly adapt themselves to the changing occupations.

Here we touch the vital question of limitation of output. The British unions are charged with pursuing the policy of limiting the product of the members as a means of providing work for all. The American unions are also charged with the same tendency as they gain in power. The answer is that the restrictions placed upon the speed of the worker are intended to prevent rushing or undue haste; that if such was not done the quickest workmen would be made to set the pace for the rest, and whether the pay be based upon week or piece-work, the average wages or prices will be determined by what the most rapid workman is able to perform. Restrictions imposed for the purpose of correcting abuses of that kind are clearly justifiable. There is, however, a conviction that the unions go beyond that; that the ability to enforce such restraints prompts them to go further, and that they actually encourage the members to shirk reasonable tasks. That is, of course denied, but there is an inducement for them to do so, just as there is for manufacturers, when the opportunity offers, to create an artificial scarcity, or for merchants to sell inferior or adulterated goods. As to whether their action is right, whether it is to their best interests, is another question. The labor unions stand for high principles, and groups of people or institutions are judged by their performances. It is the exalted aim of the labor movement that gives it strength

and infuses the members with the common spirit essential to its success. They are therefore expected to be above the considerations that actuate others, and they would more firmly establish themselves in the public confidence by taking the broad economic ground, instead of being influenced by momentary advantages. As they are themselves the result of industrial development, they cannot afford to stand in its path.

In England the inclination to limit work is more marked than here, because the mechanic is unable to adjust himself to varying conditions as readily. When he enters a trade, usually that followed by his parent, it is with the intention of staying in it for life. Here workmen are more prepared for changes, and the division of labor is developed to a point that enables them more quickly to accommodate themselves to new environments.

It is customary in English factories for workmen, when there is a shortage, to share the work with one another. Where this is done to tide over a slack season it is commendable, but where such is a permanent condition, the effect is demoralizing. The restricting of output, therefore, follows as a policy whenever the workmen have the power to enforce it. The result is to limit their earning capacity and prevent their advancement. How much better it would be to insist upon a just share of an increasing output? The American unionist has progressed to the point of recognizing the futility of fighting inventions and has therefore been resigned to them as an unavoidable evil. He does

not as yet appreciate that they should not be opposed, even if that could be done.

The limitation of apprentices can be defended by economic reasons wherever there are enough to do the work, as those already in the trade have a right to protect their standards from being lowered through an influx of other workmen tempted by the higher wages, which the former have upheld. In conceding this, it follows that if there be more workmen than required, the obligation is likewise imposed upon the unions to help the excess number find employment somewhere else. If things in that respect are permitted to take their course, the least competent workmen, by being without work, soon accommodate themselves to other employment, and in that way the normal level would be maintained. One of the good effects of the late coal strike was the elimination of the large proportion of surplus laborers who found themselves elsewhere during the strike, otherwise they would have remained a hindrance to the rest in the belief that they were destined to eke out a living where they were. While such is the conclusion from a purely economic point of view, we cannot expect the artisan, losing his job through some invention, to regard it with the complacency of the student, who has in mind the welfare of the whole rather than the interests of particular individuals. You cannot convince him that industrial harmony and the larger interests of his class demand that the superfluous workmen in a trade find work where their labor is needed, where they can be of better service

to themselves and to society; but an understanding of economic laws will help to modify the severity of this situation by preparing the workers to meet it. The eight hour work-day is advocated as a means of curtailing production rather than as the normal working time made possible by machinery. Such a plea is an argument against machinery, and is based upon the false and absurd notion that an abundance of wealth is an evil. There may be too much of a particular article, but there can be no limit to the variety of useful things needed, to the resources to be developed, to the new fields of enterprise awaiting cultivation. The one essential condition is, as I have said, that the purchasing power of the average person be sufficient to consume the bulk of the things produced.

The workman as a consumer is a very important factor in production, as the present industrial order is so constituted that its well being is determined by the status of the working class.

The insufficient share of the laborer in the fruits of industry is responsible for glutted markets, the bane of modern enterprise, and it is hastened by machinery. In order to overcome this predicament, foreign markets have been relied upon as an outlet for the surplus goods. During the early part of the factory system in England, when wealth was vastly multiplied, foreign markets became her chief dependence, because of the impoverished condition of her working class, and it was even held by the economists of that period that it was unavoidable that the workers be reduced to a bare subsistence, so

as to enable England to sell goods abroad. In that case cheapness was obtained by sacrificing the worker, and machinery was used to subdue him. The stupidity of such a policy became apparent in time by the dreadful consequences. That accounts, in a measure, for the laborer's fear of machinery. Under the conditions described anything that intensified the struggle between them was rightly regarded as an evil. Whatever advantages they derived from it as consumers by obtaining cheaper products could not compensate for their plight. The foreign markets were always inadequate as a distributing factor, because of the small purchasing power of semi or partly civilized people. In our case it is estimated that only five per cent. of our products are exported. Sound economy, without considering the humane side, demands that the people of a country be capable of consuming what it produces, save where things can be made to better advantage in one country and sold in another, which is simply a method of specializing effort, and is equivalent to a mutual exchange.

Here I touch very closely on the tariff question, but I hope my hearers will not be alarmed. I won't drift into that subject; I simply want to emphasize that the economic advantage derived by division of labor and specialized effort should be applied internationally as well as locally; that a country which by reason of its climate, soil, location and the aptitudes of its people, can produce certain things best, should be permitted to do so and exchange them with the products of other countries similarly situated.

To summarize: Where the laborer can offer no resistance and the so-called iron law of wages operates to keep him down to the life line, machinery adds uncertainty to his other woes. He is, as it were, cut out of civilization. Wherever he presses upward and secures a larger share of an ever enlarging product, machinery becomes an uplifting force.

The influences that operate in favor of the latter are education, which increases the wants of the worker; organization, that enables him to participate directly in the benefits of machinery, and a better conception of the relations between employer and employed, that serves to minimize the hardships of the industrial strife and tends to promote fair dealing. With such a tendency the worker is bound in time to become reconciled to the machine, and instead of fighting it as a curse will welcome it as a means that makes possible higher wages with shorter hours, while enhancing at the same time the purchasing value of money—a three-fold gain—a prospect that makes the disadvantages of machinery pale in comparison.

In conclusion: Useless labor cannot be justified, or anything that limits or curtails human activity. Where labor saving inventions become a means of oppression it would be wiser to meet that situation with a view of correcting abuses than to deprive ourselves of the inestimable advantages they afford. Economic efficiency should be our objective point, save where it tends to injure the worker, as in the case of child labor or the sweating system. Restrictions are commendable that serve to modify

the harshness of competition, such as factory laws and trades union regulations, but, as a policy, advancement is in the direction of increased economy. Like the mariner in the night, we should be guided by this fixed star, instead of varying our course by every shifting light that comes into view. (Applause.)

The afternoon session was called to order by the Chairman.

THE CHAIRMAN: The first speaker this afternoon is Professor George Gunton, of the Institute of Social Economics, who will speak upon the eight hour day.

THE EIGHT HOUR DAY.

SHORTENING the working day is a necessary accompaniment of modern progress. I say modern progress because that might not be true of all progress. While the essential element in progress is the same under all conditions and in all states of civilization, the methods and conditions which promote progress differ in the different states of civilization. Progress is always a change or movement towards a more varied experience and complex state of living, and finally greater individuality. The one condition essential to this movement is opportunity. That is fundamental and universal; but opportunity is not always the same. What is opportunity in one country or state of society may be the reverse in another; yet opportunity is always necessary. In some states of society opportunity involves discipline, pressure, almost coercion, in another, repose and social experience. For instance, where life is simple the

needs are few, the means of satisfying them are too easy to stimulate activity, and there is little precision, order or discipline.

This was largely the condition in Europe throughout the Middle Ages; it is characteristic of all periods of slavery and serfdom, and largely of hand-labor methods of production. This social condition represents the same relative degree of civilization, no matter in what century it occurs. Russia is in the fourteenth century as literally as England was in the reign of Edward III. In that period the influences which stimulated progress were not so much leisure as work. With the growth of industry and development of the factory system this condition underwent a radical change; the masses became important to society and civilization, not merely as workers, but also as consumers and citizens. Historically, the first phase of progress is the development of the masses into workers; the next is their development into consumers and citizens. With the dawn of the factory system came this second phase of progress. Under modern industry with its enormous output, the need of society is not so much for more workers as for larger consumers.

Besides furnishing the spur to economic order, discipline and efficiency, the factory system in its later development has brought a democratic expansion of political power and representative government, greater freedom, greater influence of the individual citizen, so that society now rests on a new economic and political foundation. In the old

regime, laborers were needed only to furnish productive power, and the aristocracy furnished the government. Under modern industrialism, both political and industrial institutions rest upon the masses, who were excluded from either economic, social or political consideration prior to the nineteenth century. Improved machinery is successful only in proportion as it supplies the demands and consumption of the masses of laborers. It is what the laborers consume in their general daily standard of living that furnishes the only reliable foundation for the success of the most highly developed methods and undertakings in modern industry. As consumers, therefore, the masses have become the very foundation of the modern market. On the political side they have become the determining element. Prior to the factory system, the opinions of the laborers were of no concern. It was of no consequence what they thought or whether they thought at all, and indeed it was regarded as rather better if they did not think, because they were not recognized elements in the political constitution of society. They were not consulted, they had no effective way of registering their opinions, if they had any, and as a matter of fact they had no need of an opinion. Their wants were so small, their lives so monotonous, that to have the wherewithal to meet the meager needs of a circumscribed round of life was all that was necessary, just as it is now in many of the less progressive countries of the world. But, with the growth of industry and rise in the standard of living, all this changed. They not only came to be larger

consumers, but they came to have opinions and acquired sufficient power to demand the right of recognition for those opinions, as a part of the political institutions of the time; so that to-day the wage workers, the great mass, or as we like to call them, "the common people," now furnish both the market basis for industrial success and the political basis for government.

Opportunity, therefore, to-day means quite a different thing from what it did in the fourteenth and fifteenth centuries, and in this country from what it does in Russia or India or South America. The first stage has passed, namely, that of industrial discipline. The factory system brought that. It brought the whip of economic coercion. It brought the pressure of activity or work as a necessary condition to getting a living. It practically removed from the life of the laborers that paternal hand which had always been the last resource, first through the church in its charity, and then through the state in its provisions for pauperism. It said, noiselessly but most effectively: You must rest on your own foundation; you must be the source of your own supply; you must earn your living or not live. This was the discipline; it transferred industry from the home to the factory; it took the hand laborer out of his cottage with his hand loom and spinning wheel and put him into the factory and made him a part of the great machines, almost as in a tread mill; he had to keep time or get hurt. This brought, first the orderly industrial habit; then it brought something else—repression. As in so many instances

in history, what was at first a necessity ultimately became oppression. The free towns, in the Middle Ages, were the very essence of freedom, and without them modern civilization probably could not have come, certainly would not have come the way it did and when it did; but the usefulness and special function, as it were, of the free towns disappeared when they had produced a certain degree of progress. After that, they became an oppression. They were at first the protectors of freedom and of the right to work and to enjoy the results of production, but they finally became a paternal, repressive dictator of what should and should not be done. The very elements that were at first protective became repressive paternalism, not because the power had changed, but because the progress of the people had gone beyond the stage of needing the same functions performed, and the towns continued to do what they had at first done after that became unnecessary.

It is very much like the paternal authority with the child. That is very important at a certain stage, but then there comes a stage when it ceases to be either important or beneficial. Paternal authority and chastisement may be wholesome at ten, but it may be very unnecessary at twenty, and may produce the directly opposite result. That is because it is performing a function that has ceased to be necessary.

This is exactly true of the disciplinary influences of industry. Under the factory system, that which was at first useful came to be repressive coercion. The employer still thought of the laborer simply

as a workman, only as so much of a machine, and consequently the thing to do was to make him work as long and as hard and for as little as possible. Hence we find in the early stages that fourteen to sixteen hours' work for a bare existence was the rule, with children working until they fell asleep; and these conditions began to produce numerous diseases, individual deformities, and finally led to many social vices. This was because the methods of the Middle Ages had outlived their usefulness.

Opportunity, in the twentieth century, calls for an entirely different policy; something quite unlike what was opportunity from the thirteenth to the eighteenth centuries. Then, opportunity was to be compelled to work; now, opportunity requires leisure. This is necessary because of the radical change in the relation of the workers to civilization, to which I have referred.

Under ordinary conditions, the first and prime necessity is an increased market. That underlies all else in modern society. It is the result of the last century's progress. If anything should occur which would reduce the consumption of factory goods by fifty per cent., modern progress would be turned into chaos, progress entirely arrested, and society would become demoralized. The whole modern structure of industrial and social civilization finally rests upon the permanent, daily, habitual consumption of the products of modern industry—not by the owners of stock in the large corporations, not by the rich who can ride in their carriages, not by the aristocracy of the world, not by those who

can pay high prices for point lace and hand-made products—but it rests upon the normal consumption of those who work for a living and consume the machine-made products of the world.

First of all, then, it is as consumers that the laborers are now important to civilization. They are not so important as individual workers, they are not so important as handi-craftsmen; invention, machinery and the harnessing of the forces of nature are the great forces which are bringing the increase in the world's production of wealth. The production goes on, and it will go on; the ingenious devices have come and will continue to come just as fast as the opportunity for their profitable use is assured. It is a mistake, therefore, to rest the considerations of the welfare of society upon the capacity of the laborer as an individual producer. That was once true, but it is no longer true, at least in the modern industrial countries. The laborer's importance now is, I repeat, as a consumer. That means as a social factor, not as a physical force. This fact recognized, the important question that presents itself is how to expand the laborer as a consumer.

In another phase of the matter, it has now become true that our societary institutions depend on the laborer's growth as a citizen. Civilization is practically in the laborer's hands. Whether we shall have this form of government or that; whether we shall have democracy or despotism; whether we shall have intelligent and honest government or corruption and jobbery; whether we

shall have political cleanliness or merely party demagoguery as the moving force in our public policy, depends upon the intelligence and social character of the masses. It does not depend any longer upon the opinions of the well-to-do. It depends upon convincing the masses of the wisdom of this or that policy. Now, their capacity for intelligent conceptions and convictions, the understanding of the influence of this or that public policy, depends upon social development. It depends upon the growth of character, the capacity for forming and having intelligent opinions upon public affairs.

This requires, just as any other development requires, opportunity; but the opportunity now must be of an entirely different character from what was necessary in the Middle Ages or from that which is necessary now in Asia, Africa, Russia or South America. In this country the opportunity for growth in these two lines, as consumers and citizens, requires first of all release from the excessive pressure upon the nervous and physical energies that the factory system has developed. Opportunity now means leisure, more time for touch with the educational, socializing and civilizing elements in society.

There is only one way at present to increase the consumption of the laborer. I can imagine somebody saying: Increase his wages. Oh, no! That is not the way. If wages were suddenly increased to a very large extent it might easily result in demoralization instead of development. There is practically no large group of workers in the world

who could stand a doubling of their wages. Individuals could, but certainly not any general group. Wages are only essential to the individual and social development of a people when they represent the normal consumption, the daily wholesome expenses. Wealth civilizes only to the extent that it is habitually consumed. Wealth that is suddenly thrust upon people easily demoralizes.

Increased wages help only when they come as the result of a social pressure arising from the need of more things, from the growth of new wants, of new desires. Just as fast as people learn to need new things, it matters not what they are, whether slippers or carpets, whether books or art products or whatsoever, just as fast as the new things come to be a necessity, to go without which creates annoyance and friction sufficient to make them put forth new efforts, even to undergo sacrifice to secure them, just so soon will the having and consuming of these things contribute to character development. It is, therefore, in the development of the social life, increase in the variety of demands, that the progress from now on must get its general stimulation, and this, too, among the working classes. It is no longer a question of increasing the consumption by the small "upper" classes; that has ceased to be an important contribution to the industrial growth of the community. It is too small. It is the consumption by the masses that must grow if society is to progress. This can come only by the opportunity to increase and stimulate new wants and habits.

Opportunity here necessarily means more time, closer touch with broadening influences, with all that is going on in society. The laborers must see more; they must come in contact with more; they must have an increasing variety, or there can never be very much growth in their social wants and habits. On the political side this is also necessary for the development of citizenship. Wholesome leisure is the essence of opportunity for growth and intelligence. We recognize it in our own individual experience. We recognize it in our children. We are careful that they shall not associate with the wrong people, that they shall not live in the wrong quarter of the city, that they shall not go to the wrong school, that they shall not have the wrong kind of companions. Why do we guard all this? Because we know that it is largely by the influences of the child's environments that its character is formed and that its individuality will eventually take shape. What is true of our own children is true of society.

Everybody knows that intelligent understanding of political, social and economic conditions and measures is a matter of long familiarity and study. It is the result of an understanding touching all the various sides of these subjects. That is why we spend millions on universities and more millions for common schools, and why we attach so much importance to the fact that every citizen should know something of the history of his country, its institutions and the principles upon which they are based. But the great masses cannot go to college;

they can go to school only a little while; they must get their education for citizenship in the daily life, alongside of and contemporaneously with earning their living. It must be a part of their daily existence, and for this there must be opportunity, and opportunity here means *time*. It means some release from the pressure of getting a living.

Moreover, it is necessary for physical reasons. So long as the laborer works to the point of being exhausted, so far is the possibility of this educational opportunity destroyed. To work in the factory until exhausted disqualifies a laborer for reading a book, for instance, and for enjoying the social influences of family and friends. It fits him for the saloon, it fits him for the need of stimulants; he comes to the point where he wants the quickest relief, and unfortunately, that is too frequently the saloon. But to quit work before exhaustion sets in, before the really tired feeling has taken possession, is to relieve him with some vitality, some ambition to touch the other side of life, to be like others. Under all these lines, economic, educational and physical, opportunity means more leisure, and more leisure means a shortening of the working day.

The factory system makes this more and more necessary in proportion as it is perfected in its mechanism. It becomes all the time more and more exacting. The greater the perfection of the machinery or the method, the more attention is required. The really effective side of the productive enterprise of society, as I have said, is no longer the muscle of the man but the perfection of the ma-

chinery, and it becomes therefore more and more important that the worker should be an intelligent and competent man, rather than a physical drudge. Throughout the factory system this is true. It is becoming more and more obvious to all who have studied this question.

We are apt sometimes to complain of the employer for the exacting demands he makes on his men. But the intention of the employer is to make the most of his machinery; not to do that is to fail as a captain of industry. And whatever is necessary to make the most of the machinery is important to the successful conduct of the industry. If that makes the laborers tired, then, so far as the employer is concerned, they must be tired; if it calls for too much strenuous attention, too much nerve exhaustion, then the nerve exhaustion must come or the machinery is a failure. The remedy for this cannot be found in slackening up on the demands for economic output and effectiveness in the machinery. Simply to slacken on that side is to defeat the importance and the advantage to society of the improved method. The remedy for that must come on the other side—shortening the day, not slackening the effort. The tension may not be lessened, but the hours may be reduced. The exhaustion on the laborer must be avoided, but it cannot be avoided by reducing production; it must come through cutting off a piece of the time required. This has become now almost a necessity. Not that everybody recognizes it; on the contrary, it is surprising how slowly the great employing

classes of the world come to recognize this. They will all recognize it with reference to themselves individually; they find that modern business is more exacting than ever, and they find that to slacken is to fail. Consequently they find that long vacations are necessary to avoid physical exhaustion. But long vacations are impossible for laborers; it would mean delaying business; and, since the laborers cannot be relieved by long vacations, they must have relief by lessening the duration of the pressure every day.

This has become as obvious as it is necessary, but, curiously, it has not been finally accepted by the majority of employers. That is because, as employers, as capitalists, they feel themselves under the responsibility to succeed, almost at any cost. But they all see it for others. For instance, the employers of the North can see quite readily that the hours of labor should be reduced in the South; but the southern employers cannot see it. English employers could not see it at all for forty years, and in fact they did not see it until after it was done against their will; but after it had been done, after the hours of labor had been reduced, after child labor below ten years of age had been prohibited, and after more than half-time work had been prohibited under fourteen years of age, they saw it and wondered why America did not adopt it. They exclaimed, with much philanthropy and surprise, that America did not shorten the hours of labor. They had seen in their own case that, while they thought they were going to be ruined, they

had not been; that reducing the hours of labor had not lessened profits. It had not created drunkenness among the laborers, but on the contrary had diminished disease, lessened crime, increased sobriety, and had greatly added to the intelligence, honesty and ambitions of the laboring classes. And production did not diminish; on the contrary, the production per laborer, in every line of industry where this had occurred, increased. They saw all this, to which they were very blind at the beginning, but experience made it clear that it was not detrimental, and they were surprised that New England manufacturers were so thoughtless of the welfare of their employees and so blind to the economic consequences of so humane and progressive a policy.

New England, in its turn, after it had adopted some shortening of the hours against its will, ultimately went through the same process. It resisted all the efforts to reduce the hours of labor, to restrict the age at which children should work in the factories, to furnish compulsory education for factory children, to protect dangerous machinery and improve the sanitary conditions of the factory, and provide fire escapes and other obviously humane requirements. It resisted all those, but after they came, through the sheer force of civilization, through the sheer force of the growing broader conceptions of the times as to the needs and opportunities of the masses, they were surprised, quite surprised, that the South should be still so blind.

The reason none of them saw it until after it was accomplished is that they looked at it as employers,

as capitalists, as wealth producers. They did not look at it from the point of view of society, not even from the point of view of the future market. They thought a bird in the hand to-day better than the possibility of a future development to-morrow. That may continue to be the view of the short-sighted, but to the extent to which that view prevails are the influences which permit progress checked and stultified. Of course, in dealing with this, it must be admitted that there is a cautionary aspect that must be considered. Whatever is done to stimulate progress, in whatever country or under whatever conditions, must be done consistently with the economic interests of society, and the economic interests of society always involve the industrial interests of each and all producing factors. Therefore, while the shortening of the working day is absolutely indispensable to the continuation of modern industrial progress and political superiority and freedom, it must come in such a way as not to interfere materially with the economic possibilities of the employers. In other words, it must come gradually, and as far as possible, uniformly.

There has been enough experience already in this line to convince a very considerable portion of employers that it would be all right to reduce the hours of labor if it could be done for everybody at the same time. Of course, this is very often presented as an insurmountable obstacle and therefore as a reason for not doing it, rather than as a reason for doing it. It is said by some that if we shorten the working day more than they do in England or Ger-

many or France and other foreign countries, we are put at a disadvantage. To begin with, we ought to meet that frankly and squarely by ruling it out of court. Competition with other nations has no standing and no claim to consideration on this subject. It is competition only with our own people in this country that is to be considered. The public policy of America can relate only to the conditions of America. We say to manufacturers, and we say it frankly, against the competition of all foreign countries we protect you. If your wages are too great, or your hours of labor too short, or if our civilization is too high to compete with the cheap labor of the lower civilizations, we will protect you. Our public policy says that they shall not undersell you in this country for any such a reason, and therefore foreign competition is entitled to no serious consideration in discussing this question.

But the shortening of the working day should be brought about, and indeed must be brought about, by means that are consistent with the economic success of domestic industry. For that reason it should be general. Eight hours, for instance, in the cotton mills of one State and twelve hours in the cotton mills of another is injurious in a double way. It is injurious in that it gives to the capitalists of the one State an unfair advantage over those in another State. In other words, it gives the advantage of long-hour labor coupled with modern machinery. That means that it gives the lower civilization, the more backward social conditions,

an advantage over the more advanced. Against that kind of conditions in other countries we impose a protective tariff; between States we cannot do that, and for that reason we should, as far as possible, insist that the ordinary conditions under which business is conducted should be approximately the same. In the hours of labor and the employment of children this is eminently important, and it is important also from the fact that giving the long-hour employers an advantage tends to cut off the better conditions for the laborers. So long as we can make barbarism pay, we will continue barbarism. If we permit conditions to exist in which sixteen hours a day have an advantage over ten or eight hours, then we protect the sixteen hour a day system, whatever the result on civilization. Anything that pays will succeed, and if we can make pauperism and barbarism pay we can prevent civilization from coming. So far as the general conditions are concerned, we should always see that civilization pays.

In our protective policy, as I said, we do that for the nation. In order to have a higher social life among the laboring classes in this country, with higher wages and other superior conditions, the capitalist is protected against any invasion from lower wage and less civilized countries. Clearly, therefore, if the policy of securing a shorter working day is for economic, ethical and political reasons indispensable to the future progress of the country, we must be wise and apply the principles of sound statesmanship in bringing about the shorter working

day. There are several methods; one is by legislation, another by trade union pressure, and another by co-operative agreement among employers themselves. The latter is by far the better. If the employers of this country would recognize the on-coming of this question—and they must be blind not to see it—and would put themselves sufficiently in line with it to apply the same kind of organizing and economic force to it that they do to developing corporations and the introduction of new methods, they will soon find a way to agree upon a system of gradually and generally reducing the working day.

For instance, suppose all the iron industries of the country should act together and agree that they would reduce the working hours thirty minutes a year, fifteen minutes each six months, until the working day in all departments should reach eight hours. This would be of no disadvantage to anybody; all who were competitors with each other would be undergoing the same general experience. What affects all alike could not be a disadvantage to any. If some are working eight hours already, they would remain untouched. If there are some working nine hours, they would remain untouched at first. All who are working above ten hours would be reduced to ten, say on the first of January, and all after that who are working ten would be reduced fifteen minutes on the first of July and fifteen minutes more on the first of the following January, and so throughout the entire industry, taking off fifteen minutes from those that were above the

minimum until the general level of eight hours was reached.

In some cases that might increase the cost of production; that is, if the output did not increase. Experience has shown that in the majority of cases this takes place. The increased output, however, cannot come from the increased work of the laborer; it must come from the increased perfection of the machinery. But if the shorter hours did increase the cost of the finished product, it would affect prices but slightly and temporarily. We have had an illustration of this during the last few years. The industrial boom that we have experienced did increase the cost of production in many lines; raw materials rose and finished products rose, and hence the cost of living rose, but the outcome of it all has been that wages have risen also, and we have practically reached the point where, instead of anybody being the poorer, everybody is the richer. Profits were never so great, wages were never so good, employment was never so plentiful, and conditions were never so satisfactory all round as they are to-day. There has been a great deal of rise of prices in this readjustment; but the secondary fact in that is the improved methods and organization, which ultimately cheapen materially the cost of production and consequently cheapen the product. That is now going on. Prices are beginning to decline; iron and steel and all the various products are tending downwards, not because profits are less, not because business is less, not because the demand is falling off, but because the improved appliances

and more economic adjustments have come along, and the working of economic forces is producing the usual and permanent results of greater economy.

Therefore, the outcome is no disadvantage. It is a net gain ultimately to the welfare and social improvement of the community. This same movement can take place in every other branch of industry, just the same as in the iron and steel industries, and here we have illustrated the advantage in the large corporations. The fact that the United States Steel Corporation controls sixty per cent. of the output of the iron and steel products makes it easier for the iron industry to get together and adopt this very method of gradually shaving down the working day. If the iron industry were in the hands of three or four times as many capitalists as it is to-day, it would be more difficult to organize such a policy, but the fact that it has come into the hands of a few makes it easier for the capitalists to act and generally adopt such a policy. The cotton industry, the furniture industry and all other industries could be, if the employing classes really desired it, treated in the same way, and with no great difficulty.

This is even in preference to legislation for bringing about the shortening of the working day. Many of the efforts to enforce special reductions are a mistake, and the laborers sometimes make mistakes in this direction. For instance, there is at this moment a bill before Congress asking that the present eight hour law, which applies to Government em-

employees exclusively, shall be extended to all contract work which is being done for the Government. That is to say, it is proposed that Congress shall pass a law providing that any concern which supplies the Government with any product must adopt the eight hour day for the laborers working on the products for the Government. This, it will be observed, carries the condition with the contract, that to supply armor plate or guns or ammunition or paper or machinery or ships, or whatsoever, the concern which bids for the Government work must agree to employ the laborers on that work only eight hours a day. That is injecting the reduction of the working day in spots, not even in industries, but in spots in industries, and is nearly the opposite of the true policy. If this bill should become a law, it would preclude a very large number of concerns from the possibility of even competing for Government work; it would make it so, for instance, that if a large concern wanted to bid for a contract to furnish armor plates, or clothes for soldiers, it must practically adopt the eight hour system for everything; the work for the Government may be only a small portion of its general output, and in that case that firm is compelled to put itself to a disadvantage with other competitors on its regular work in the open market in order to be able to bid for the Government job. This, in many cases, would make it impossible or not worth while to bid for government work at all. The result would naturally be that there would be very little competition to supply the Government, which would

probably compel the Government to pay exorbitant prices because of the reduction of competition, or get its work done abroad, or else become its own producer. The latter would probably be the tendency, thus making the government a manufacturer of armor plate, a builder of ships, and in fact a general manufacturer for all its needs. This is clearly not in the direction of the true social movement for the general shortening of the working day. It is asking for it under conditions that produce the greatest friction for the least results.

I confess considerable surprise and regret in noting that the Federation of Labor has become sponsor for this particular measure. Under the leadership of Mr. Gompers the Federation has been the most conservative and therefore the most effective element in the labor movement in this country. It has seemed always to move along the line of rational advancement. It has avoided the fireworks influence of the socialists, it has given no consideration to the vagaries of the single tax, but has insisted upon concentration of the efforts of the federation to shorten the working day and increase the wages and improve the factory conditions of the workers. Never before has it lent itself to any proposition that was not broad-gauged and along the lines of sound economic policy. In insisting upon this bill, grafting, as it were, the eight hour condition upon each individual contract, the Federation has moved into the field of ineffective and really unsound policy. If it is insisted upon, it is quite likely to injure rather than help the movement.

The shortening of the working day is not a movement which can have its best effect unless it moves on the lines of broad-gauged policy, which shall eventually include all the workers of the country. It must become a national policy, and not a mere attribute to government contracts. That would tend to create acrimony among employers who are otherwise favorable to the short-hour movement, because it puts them to a personal disadvantage. That should not be. The policy should always be to advocate the eight hour day or the shortening of the working day on lines and under conditions which shall put no employers to a disadvantage. Instead of insisting upon this contract stipulation which gives eight hours only in small and irritating spots, the demand should be presented as a part of the trade union policy, that the hours of labor be generally reduced and gradually, on some sliding scale; and the laborers, on their part, instead of trying to restrict the output, circumvent the use of machinery or other conditions of the workshop, should take the attitude that the employers shall have a free hand to use their machinery to the best advantage, and to control the methods of output, but shall co-operate in giving the laborers protection from excessive pressure, and a share in the advantages of progress by a gradual shortening of the working day. In other words, the laborers should demand relief, not by interfering with the production, but through increase of leisure time in every working day and every working week in the year. It is on the side of the relief from

work, and not the meddling with the methods of the work, that the laborers' improvement must come.

To have it come effectively, the short-hour system must come with the consent of all, as a recognized element of the social movement of the time. It is as much to the interest of laborers as it is of the capitalists and the community that all the forces, political, social and economic, should be united, not in forcing it for the advantage of a few, but in bringing it about by means and methods which would make it an advantage to all. That could be accomplished by a gradual, uniform reduction, by the co-operation of the laborers and employers by industries. That would be much more effective than by States. To adopt eight hours in one State, as against twelve hours in another, is putting certain industries to a disadvantage; but if it were introduced by industries throughout the country there would be no economic disadvantage, because every such agreement would affect all the operators of any industrial group alike, and whenever all are affected alike there will be the minimum of friction and resistance. Success in any one line, in such an experiment—in the iron and steel industries, for instance—would soon demonstrate the feasibility of this method, so that all the forces of public opinion and common sense, as well as of economic interest, would combine in extending it to the other industries of the country. In this way, or along this line, the shortening of the working day to the point of a national eight hour day is both possible and fea-

ible and altogether desirable, alike for industrial, ethical and political reasons.

THE CHAIRMAN: Our next paper will be presented by Mr. A. F. Weber, Chief Statistician in the Department of Labor of New York.

MR. MOSELY: Mr. Chairman, may I be permitted to carry the discussion back before the adjournment for one question that I asked for information?

THE CHAIRMAN: Certainly.

MR. MOSELY: It refers to that of apprentices. I ask only for information because probably I misunderstood what had been said. I quite see to-day with the systematization of work, the way it is subdivided, that there is no longer a necessity to take in apprentices in the way in which it was formerly done. There is no room for them. And that as a consequence the unions say that they must protect the boy from getting into work, because ultimately he would have found himself in a position of having tried to learn nothing. The machinery does all that now. I think that is a very wrong position to take and I quite agree that the question of apprentices should be one of mutual understanding between both employer and employee. But as I understand—I forget who the speaker was—he said that the unions arrogated to themselves the sole right to say how many apprentices should be taken. I do not know whether I misunderstood that, but if that is the position that the unions adopt, I don't think it is sound, I don't think it is one that is permissible. I should be glad if I could be put

right upon that point. Perhaps Mr. Gompers can give me that information.

MR. GOMPERS: Let the guilty party respond for himself. I have enough to answer for in my own conduct.

THE CHAIRMAN: Who is the guilty party, Mr. O'Connell?

MR. O'CONNELL: I guess probably I'm the guilty party. I desire to say that in the years gone by, before the evolution that has taken place in the industry of our country, when we went to an employer with a view to regulating the employment of apprentices, we were always told: "We are running this business; we will employ as many boys as we please, and we don't desire to consult you about the matter." That had gone on so many years that we decided we had to say something about it and we made a definite rule. We have never had any idea however, of not being willing to meet the employer at the round table with the view of discussing matters. We have never denied the right to take up with him for discussion the matter of the number of apprentices that should be employed. But the experience of years gone by, when we were denied the right of saying anything about that, necessitated the rule of saying how many apprentices should be employed, which has resulted in bringing about a regulation of the number in each trade, sometimes by conference and sometimes by reason of the refusal of the employers to meet the employees and discuss the matter.

MR. MOSELY: Then do I understand you hold

that the unions now absolutely dictate the number of apprentices that shall be employed?

MR. O'CONNELL: In a number of trades the organizations say how many apprentices shall be employed.

MR. MOSELY: And the employers have no say whatever?

MR. O'CONNELL: That is the result of agreement generally.

MR. MOSELY: With the employer?

MR. O'CONNELL: With the employer.

MR. MOSELY: That they have nothing to say?

MR. O'CONNELL: That they have nothing to say, but they agree to employ so many apprentices to so many journeymen. For instance, in the machinists' trade we have about 2,500 agreements in the United States in which the employer agrees that one apprentice boy to 25 journeymen shall be the ratio.

MR. MOSELY: That is a matter of agreement. Not a matter of dictation. I only asked for information.

MR. A. F. WEBER, PH. D. (Chief Statistician, New York State Department of Labor): The Secretary of the Federation has asked me to present the essential facts about the duration of the work-day in modern industry. For the purpose of discussion here to-day, it will be sufficient to describe the situation in rather broad lines, and I shall therefore summarize as briefly as may be some of the facts brought out in an investigation for the New York Bureau of Labor Statistics in 1900.

The most striking fact about this question of hours of labor seems to me its *universality*. In virtually every country dominated by Western civilization the daily work-time in mechanical industries is being cut down by successive movements that appear to be as inevitable as the tide, and that have the appearance of steps in the path of human progress. Even the most backward countries of Europe feel its influence—Italy, Hungary, Russia; and Spain not three months since announced that workmen in the government employ should work only eight hours a day.

In the second place, the countries of Europe—continental Europe at least—have in recent years made more rapid progress in this movement than have the Anglo-Saxon countries, wherein the hours of labor have been shorter than those prevalent elsewhere, and have thereby diminished the differences between various countries. Australia has for some years been an eight-hour country, and all other countries have been marching toward the same standard; the countries with the longest hours being farthest in the rear, have been setting the fastest pace. Thus England, where most of the trades had established the nine-hour day more than twenty years ago, has been moving rather slowly toward the eight-hour day; but in Italy, where a quarter of a century ago fourteen and sixteen hours a day were quite common, there are now only two factories in a thousand that exceed ten and one-half hours as the regular working day schedule. Italy has been an exception in thus

shortening the working time without resort to legislation, for most of the European countries have established a maximum work-day by statute which applies not only to women and minors as in the United States, but also to adult males. In France the compulsory day is now ten and one-half hours, but after April 1, 1904, will be the same as in most American States—ten hours; in the other continental countries, the statutory maximum is generally eleven hours a day, but numerous industries have shortened this period by private agreement among the employers and the employed. Thus the printers in several countries have established the nine-hour day (in Germany, the eight-hour day); while in Austria the hours of work in coal mines have been very recently reduced by law from eleven and twelve to nine per day, as a result of a strike. In Denmark the shorter hour movement has been making such headway that the average duration of the working day is now probably about the same as in the United States.

In the United States itself the tendency toward shorter hours has been slow but fairly constant, and when working-time has once been reduced in an industry it has almost invariably remained at the shorter limit. Premising that an average is a very crude expression of the widely varying standards of daily working-time, we may say that the average length of the work-day in the factories of this country has decreased from twelve or fourteen hours at the beginning of the nineteenth century, to about ten hours at the opening of the twentieth century.

This statement does not include the building trades, wherein the hours have always been much shorter; but over against these large classes of wage earners with the eight-hour day are the thousands of men employed in the transportation business—on railroads, steamships, docks, trucks, etc.—whose working hours will average more than sixty a week. Hence, on the whole, we shall come pretty near the mark if we accept ten hours as the average working time per day in American industries, as compared with eight hours in Australia, nine hours in England, and about eleven hours in Continental Europe.

The earliest movement for shortening the work-day naturally originated in the building trades, wherein competition is localized and agreements concerning the conditions of work thereby greatly facilitated. Very soon after the War of 1812 the ship carpenters undertook to substitute the ten-hour day for a schedule of work from sun to sun, and by 1825 began to realize their aspirations through the medium of strikes. In 1840 President Van Buren issued a ten-hour order for the government navy yards, and that led to the general adoption of the ten-hour day throughout the ship building industry of the country. By the middle of the century, ten hours had become the customary working time for the mechanics in the building trades of the cities; but it was some years before it became the standard in factories, which were invariably operated for eleven hours or more. In 1874, the year in which the British Parliament established the nine and one-half hour day for women and minors

in textile factories, Massachusetts copied the English ten-hour law of 1847. Other States slowly followed Massachusetts' example, and by 1890, ten hours constituted the normal work-day in American factories, except the new ones in the Southern States. While two or three State legislatures have further reduced the weekly working time to fifty-five (New Jersey and Ohio) and fifty-eight (Massachusetts) hours, such reductions have been counterbalanced by the growth of factories in the South with the consequent increase in hours, so that ten hours still represents the normal work-day of factory operatives in this country.

The movement toward the ten-hour day in factories, following the Civil War, was strengthened by a similar movement for eight hours among the building mechanics, who had already won for themselves the ten-hour day. Their desire for still shorter hours was perfectly natural, because as villages grew into cities their work places became farther and farther distant from their homes, so that the time required for traveling from one to the other made serious inroads into the time left them for the enjoyment of leisure and home life. Just why they demanded eight hours rather than nine hours cannot be readily explained unless we ascribe it to foreign influence. Some time in the first half of the nineteenth century the English workingmen had started the eight-hour movement with the slogan "eight hours for work; eight hours for play; eight hours for sleep, and eight 'bobs' (shillings) a day"; and as early as 1853 a great dispute occurred

in London which turned on the question of an eight-hour work-day. The London workingmen failed, but three years later a similar attempt on the part of some of the building trades at Melbourne, Australia, resulted in the establishment of the eight-hour day. It is not unlikely that these foreign occurrences found an echo in the United States; at any rate the General Workmen's Congress, held at Baltimore the first year after the war, declared the eight-hour day to be the first and greatest need of labor, and in the same year the ship carpenters unsuccessfully struck for eight hours. Legislation began at once, Connecticut leading the way in 1867 by establishing eight hours as a legal day's work in the absence of special agreement; the United States government followed the next year with an eight-hour law for its employees, and the larger commonwealths speedily enacted similar laws.

It thus appears that the eight-hour movement is no new thing, but is on the contrary a long cherished aspiration of the working people. The recognition accorded it by economists in these late years was foreshadowed by a committee of the Massachusetts Legislature in the last year of the Civil War. In a unanimous report made on April 28, 1865 (nine years before factory legislation began in that State), a joint committee of the Senate and the House said: "In the hearings before our committee the testimony and the demand were unanimous for a still further decrease of the hours of labor, praying for a limitation by law of eight hours as a legal day's labor. . . . The testimony of those who ap-

peared before us and who represented and spoke the sentiments of thousands of their fellow-craftsmen, demonstrated to our satisfaction that not only could the productive industry of the country bear this, but even more." But the obstacle in the way of State legislation for a maximum labor day was the fear that it might be at least a temporary handicap in the competition with rival States, and this apprehension prevented any effective legislation for several years. Even when it did come, it simply took the form of limiting the daily hours of work in factories to the normal day in general employment (ten hours).

While on public works the eight-hour day was established by legislation, in private industries eight hours became the standard only to the extent that it was agreed upon between employers and their workmen. A single exception to this rule deserves mention on account of the important decision from the United States Supreme Court that it called forth; I refer to the legislation of Wyoming, Utah and other Western States prohibiting a longer work-day than one of eight hours in all mines and smelters. The constitutionality of this legislation has been settled affirmatively by our highest court in its consideration of the Utah statute of 1896. Other legislation restricting the hours of work of adult males in private industries has been sustained by the courts of various States with reference to such occupations as those of bakers, barbers, railroad men, and so on; but this legislation, like that limiting the hours of labor of women and minors in

factories, simply enforces for such work the ten-hour standard existing in other employments.

There was a time when the impetus given to the eight-hour movement by the eight-hour laws of 1867 and following years seemed destined to place private industries on the eight-hour basis. The workmen and their friends organized eight-hour leagues, parades and other demonstrations, and through strikes or peaceful means established the eight-hour day in several of the building trades. But in the very midst of their successes the financial crisis of 1873 occurred, and in the long business depression that followed the workmen gave up their short hour privileges and rejoiced to find work under any conditions. It was nearly ten years before they resumed their campaign, first through the Knights of Labor, which developed their maximum strength in the middle of the eighties; and subsequently through the American Federation of Labor, which for the last fifteen years has held the hegemony of the labor movement in this country. In 1885 the union cigar makers won the eight-hour day, and since then most of the building trades—bricklayers and masons, stone cutters, carpenters, painters, lathers, plumbers and others—have reduced their hours of work to eight or nine daily—the eight-hour day, forty-four hours a week, being general in the constructive industry of the larger cities. Most of the miners, either through legislation or agreement with employers, have also reduced hours of work to eight per day. The printers who get out the German newspapers, and the operators of type-

setting machines, have likewise established the eight-hour day; while the other union printers have, by agreement with the American Newspaper Publishers' Association made nine hours the present standard in the printing industry. Union glass workers and piano and organ workers have also made nine hours the maximum working time in scattered localities, and the same applies to union machinists and blacksmiths, who are almost the only men in the iron and steel trades who have made a concerted effort to do away with the ten-hour day.

The extent to which American industry is moving away from the ten-hour day may be indicated by brief reference to the statistics of the Department of Labor of this State. Of the 647,000 persons employed in factories inspected by the Department's staff last year, only 62 per cent. were working more than nine and one-half hours a day, and in New York City the proportion fell to 46 per cent., or less than one-half of all the employees. Almost one-half of the organized working people in this State now work on the eight-hour schedule.

The proposal to establish a general eight-hour day is a matter of grave concern to everybody interested in the popular welfare, which depends in large measure upon the national product. Regarding the effect of such a reduction in the working time upon the aggregate product of our industries the experience of the past affords useful lessons. I think that any person who makes an unprejudiced study of the historical tendency to shorten the hours

of labor during the nineteenth century will inevitably come to a conclusion in favor of the shorter work day, which has meant (1) increased physical efficiency (2) greater intelligence and inventiveness among the workers, and (3) a purer family life, which in turn signifies in the succeeding generation better trained and more trustworthy workers on the one hand, and on the other fewer paupers, criminals and other unproductive persons to be maintained out of the social product.

The bearing of these conclusions upon the present discussion may be illustrated with one or two concrete cases: A few months ago the New York State Board of Arbitration was called upon to mediate a difficulty in several saw mills in the Tupper Lake region, where the workingmen had refused to continue to work eleven hours a day. They asserted that they had been able to endure work for eleven hours so long as the mills depended upon water power, but that with the introduction of steam power and the consequent speeding of the machinery they were completely exhausted before the day closed. And investigation in fact showed that these laborers were obliged to lay off every other week or month and seek recuperation in hunting or lumbering work. The employers in this instance declined to submit the dispute to arbitration, on the ground presumably that they found the eleven-hour day more profitable than a shorter day. But to the community at large the system is unprofitable, for it leaves the men no time or energy to perform their duties as citizens and wears them out at an early age. If they were

slaves instead of freemen, it would pay the master to take better care of them.

This illustration shows that the real crux of the question of hours lies in the point of view taken, and nowhere has it been more tersely stated than in these words of Professor Clark, of Columbia University:

“If you want a man to work for you one day and one day only, and secure the greatest possible amount of work he is capable of performing you must make him work for twenty-four hours. If you would have him work a week it will be necessary to reduce the time to twenty hours a day; if you want him to work for a month a still further reduction to eighteen hours a day. For the year, fifteen hours a day will do; for several years, ten hours; but if you wish to get the most out of a man for a working lifetime, you will have to reduce his hours of labor to eight each day.”

Here is the eight-hour question in a nutshell. Because the community had a vital interest in the life-long efficiency of its workers, it reduced the hours of labor to ten hours a day at a time when many employers insisted that the reduction meant a serious curtailment of output. And yet the experience of a few years showed that such curtailment was temporary only; within three years after the English ten-hour law of 1847 went into effect, the Chief Factory Inspector reported that operatives employed on piece work were as a rule making as good wages as ever;* and so overwhelming were the

* Factory Inspector Horner reported that “in all those departments of the factory in which wages are

proofs of enhanced efficiency a few years later that bitter opponents of the ten-hour law became earnest supporters of a bill to extend the law to non-textile factories. Precisely similar results followed the enactment of the Massachusetts ten-hour law of 1874, as proved in Carroll D. Wright's official investigation of 1881, which led to similar enactments in the other manufacturing States.

That the time is now ripe for another general reduction in the daily working time is indicated by the testimony of physicians and the mortality statis-

paid by piece-work—and these constitute probably not less than four-fifths of the whole—it has been found that the quantity produced in ten and one-half hours falls little short of that formerly obtained from twelve hours. In some cases it is said to be equal. This is accounted for partly by the increased stimulus given to ingenuity to make the machines more perfect and capable of increased speed, but it arises far more from the work people by improved health, by absence of that weariness and exhaustion which the long hours occasioned, and by their increased cheerfulness and activity, being enabled to work more steadily and diligently and to economize time, intervals of rest while at their work being now less necessary."

In a recent study of English factory legislation, George H. Wood voices the general conclusion when he says that "as a rule the effect of each limitation of the hours of labor has been to raise wages, though for a while they may have fallen a little. This usually operates through an increase in the efficiency of labor, which maintains or increases the former output in the lessened hours."

American experience has taught the same lesson of the dependence of efficiency upon a high standard of living. After the enactment of the ten-hour law in Massachusetts, proprietors of cotton mills in that State complained that

tics of occupations. Medical research shows that a ten-hour day in modern industry calls for an expenditure of either muscular or nervous energy or both—depending upon the nature of the work—that inevitably shortens life. If we ask for stronger proof than that furnished by individual physicians, it can be found in the English mortality statistics, which show that the death rate among occupied males is almost twice as great in the industrial as in the agricultural districts. Taking 1,000 as the standard of measurement for all males, we find

they were unable to compete with rival factories in the neighboring communities of New England and New York, which were operated eleven or eleven and one-half hours a day. They submitted their books to show that the labor cost of their goods had increased almost proportionately with the forced reduction of hours. While they could not prevail upon the Legislature to repeal the law, they succeeded in having an official investigation of the question made by the State Bureau of Labor Statistics. The report of Carroll D. Wright, then chief of the Massachusetts Bureau, vindicated the ten-hour law.

Colonel Wright's famous report of 1881 declared (page 457) that "Massachusetts with ten hours produces as much per man or per loom or per spindle, equal grades being considered, as other States with eleven hours or more," and also that "wages here rule as high, if not higher, than in the States where the mills run longer time." As a matter of fact, the cotton industry of Massachusetts has outstripped that of all her rivals in the North in every decade since the enactment of her ten-hour law. In 1870, four years prior to the passage of the law, Massachusetts had only 39 per cent. of all the cotton spindles in the North Atlantic States; since then Massachusetts has gradually increased its proportion to 54 per cent. at the census of 1900.

the mortality among dock laborers to be 1,829 as compared with 604 among schoolmasters. The enormous disparity points to a most unprofitable organization of industry. In the United States, according to the unanimous testimony of American and foreign observers, the workingmen are worn out at an even earlier age than in England or elsewhere.

THE CHAIRMAN: Our next speaker will be Mr. Lewis Nixon, President of the United States Shipbuilding Company.

MR. NIXON: I did not intend to do anything but come here and listen to you. It seems, however, that there is an impression—certainly I have gathered it myself, and I fear that some of the others may have gathered it—that those of us who are on the executive committee as representing the manufacturers' side have been content to sit and listen to a number of reflections upon the manufacturers as distinguished from the men who labor for the manufacturers. There can be no question, I think, among those who have studied conditions in this country, but that one of the great successes in manufacturing in America arises from the fact that the wage earners and the man who employs them are co-laborers and that they both work. Hence, I did not want the impression to go forth that we were satisfied to have reflections as to our sense of right and justice in our dealings with the wage earner go by without answering them. I think that you will all agree that the manufacturing interests of this country have produced such results, in the re-

finement of their product, in the economy of production, and in the way that they have ennobled the action of those who engage in manufacturing, that they are on an equality with any profession or any occupation. Therefore, I arise to speak to-day for the manufacturer, and I do so because I realize that I am a worker. I do not believe that any man can rise in this country unless he is a worker. It is in that respect that our industrial conditions differ so much from those described by Mr. Mosely as prevailing in England. He spoke of the difference between Master and Man. Here we work with the men, not over them, and welcome every suggestion which they have to offer. I therefore wanted simply to emphasize the fact that we, as manufacturers, do not acknowledge that we hold the sword over the workingman and keep from him those rights to which he is justly entitled. I have heard it said here absolutely, without any denial, that the whole system of piece-work—one of the things that has done so much for the upbuilding of American manufacture—was based on injustice; that we stand and watch a man, and if he increases his daily output we cut down the rate so he cannot make a living wage. That may be so in individual instances, but it is not true of American industries generally; otherwise, they would not be what they are to-day. (Applause.) It is not true.

Now, we have had a great deal of talk here to-day on the eight-hour question, and I wish it understood very plainly that I speak as a friend of the laboring man and one who believes in reducing to the lowest

possible degree the hours of labor. I have reduced them myself. You have all heard the story of the crowd of men who were watching an unfortunate man who had been hurt on the street. After many people had expressed their sympathy, one man took off his hat and put a dollar in it and passed it around, saying: "I sympathize with this man one dollar's worth, how much do you sympathize with him?" My sympathy has cost me forty or fifty thousand dollars a year in the last five years, so I know just what these conditions mean, nevertheless I consider the money well expended. But I think that we, as manufacturers, if we are going to say anything and assume our responsibility on this committee, ought to give you something from a manufacturer's point of view. You have heard it said that the rapid increase in the number of inventions of labor-saving machinery are expressions of our wonderful ingenuity in the form of tools and appliances for lessening the amount of work which has to be put upon the unit of production—has been one of the great causes of our advance. We have great tools and great machinery. It is the custom here in this country to scrap a whole machine shop if it is out of date. We wipe it out if we possibly can, rather than patch it up. The consequence is that when you reduce radically the hours of labor, you do not simply put a number of men out of the workshop, but you let that great tool lie idle. Now, I am perfectly satisfied as a manufacturer that we shall come to the time when we will let that tool lie idle. The advantage of a dual shift running sixteen hours has been put forward. That

is very well in theory, but you have to cipher every thing down in manufacturing, gentlemen, and I want to tell you that, while we have heard a great deal of industrial philosophy and a great deal from the dilettante, the workman and his employer know that the basis upon which they are going to settle everything is, "Does it pay?" and unless you apply that criterion, you will not arrive at any definite result. (Applause.) If it does not pay, a manufacturer cannot continue to operate. Now, I would like to see every man who works for a wage in America able to enjoy the delights and pleasures of his family, to have recreation at night, and not be driven into the bar-room, the condition of which Mr. Gunton speaks. The latter is rapidly coming to be the case in this country; but the manufacturer sometimes has a little worry himself. If, on Saturday night he must produce ten thousand dollars to pay his workmen—and that is one thing that is never held up in this country—and after scraping the bottom of his till and passing all the notes that he can possibly do, he can only get nine thousand, he has worries that come home about as straight as any of the wage-earner's troubles. And, therefore, when men come to him in a perfectly fair, square way and say, "we want more money or we want less time," there should be that communion between them, that understanding as between man and man, which will let them talk it over. And that is what my conception is of the advantage and the aim of this committee that we have now which has brought about this most interesting discussion. I know that there is admitted here—and almost uni-

versally throughout the country—the divine right of organization, but those who are most anxious to assert the divine right want to draw the line. Now, where does the line stop? For instance, if we had all the garment workers in any one district, and if ninety per cent. of them were to combine for their mutual protection that they might make better profits and get along better in the world and improve their production, and the other ten per cent. would stay out, have the ninety per cent. a right to compel the factories to close and tell them they cannot work? Of course they have not, and no one thinks they have. And I have been very much struck by the conservatism of those leaders of labor who have spoken here. They have not been nearly so radical in what they have said as the dilettante and the professor of labor. (Laughter.) But they have given us good, real common sense, and they have given us reasons why they want certain conditions, and I am very well satisfied that we want to arrive as near as possible to what they advise.

I have heard it said here that we did not need foreign orders—let us stick to the home markets. Now, the wonderful industrial and commercial up-building of this country has been on such a scale that we are liable to have periods of industrial depression due to overproduction and congestion, and, I may be in a minority in believing it, but I do believe that one of the great balance wheels of our whole industrial economy lies in the fact that the surplus or overplus can be taken care of. If we can arrive at that delightful condition of affairs where we are able to

consume everything that we produce, that is splendid, and it is a condition of affairs, of course, that is pleasing to everyone. If, however, there comes a time when somebody must shut up his shop because the people cannot take his product, it means disaster all through the country, and hence I think that we do need a foreign market. Countries are getting closer together. Nations are awakening to new desires, and, as you know, when a man wakes to new desires, he somehow develops a capacity for satisfying them, and hence the world deals with the world. The United States cannot afford to build a Chinese wall around itself and shut itself up and say: "We are going to consume everything we manufacture, and when we cannot do it we will shut down the factories to make the production profitable." Mr. Mosely said yesterday: "If that is the case and you are going to depend upon your home market, you have too many workmen in the United States." Now, the workmen are the men who are developing our wonderful resources, and they are the men who are going to develop and bring out America, and we cannot have too many of them. We want to bring on the conditions that will not only keep them employed, but enable us to continue those high wages throughout all time, and if we are going to do that, we must consider the foreign market and consider it seriously.

Mr. Mosely spoke yesterday, too, about comparing the European and English workmen with the American workmen. He lost sight of one thing. I do not know whether I will tread upon the toes of any prohibitionist in stating what I shall say on the question

of liquor in England. I lived in England for three years. I went among the men who worked because I went abroad to study shipbuilding—and that is the great nation of shipbuilders—and I wanted to know how they lived and to get their ideas and to understand something of their point of view. The climate of England is such that no man can do a hard day's work unless he drinks. (Laughter.) That may seem a startling expression; but it is absolutely true. (Applause.) In America we are blessed in a way that we can hardly conceive. The very air we breathe is tonic and exhilarating to such an extent that a man can do more work here, and he does not need stimulating liquors. Really their use is a hurt and detriment to him, and if he does more work he ought to and does get more pay.

There was another thing that struck me very forcibly in Mr. Mosely's remarks. I am going to take a text from everybody that I can. Mr. Mosely said: "I see you call large corporations trusts." I am sorry to say that a great many people do. It is because this country, which owes its great industrial upbuilding to the stability and permanence given to industrial conditions by corporations, has taken the trouble also of manufacturing something that has always worked at its full capacity, the bogy man. And while there are a great many bad things about corporations which would put down wages and restrict the output, the great corporations of this country are the laboring man's friend. He can always deal with them; can get his rights and his hearing any time, and he knows it.

Now, of course, I am not one of those who believe in too much law, certainly law that interferes with the individual. I believe that all the questions affecting the good of both the wage-earner and those who pay him or those who employ him are going to be settled by evolution and by a gradual understanding on the part of each of the real claims of the other man. And as we find with our development of tools and our facilities and our inventions that we can produce more work in fewer hours, then those fewer hours are coming. They have practically come already, and I want to say that if you will make them universal and fair, I believe the manufacturers will meet you more than half way. But I must state an illustration which comes straight home to you. If I work nine hours in my shipyard and compete with a man who works ten hours in Philadelphia, you know just exactly where I am going to come out. The question of ships is not settled on sentiment but on price, and hence the man that works ten hours will get the business. They say, "No; that is not true. The men who work nine hours are better men and will come here." But unfortunately that is not true, and I want to tell you something that has happened. I just called up on the telephone before I came here to find out what the men make who are paid by piece, and I find they are getting six, seven and eight dollars a day, depending largely upon the weather. The men who work for them, the more skilled men, they pay four dollars, and they pay their laborers a special wage of twenty-five cents more than the rest of the yard. Now, we endeavored to

settle the piece-work scale on some drilling. The men were then getting \$2.25 per day. We wanted to give them so much for drilling a hole. All right; we gave them finally exactly what they asked and they are making now \$3.85. Now, they either loafed on us at the \$2.25 on which we based the payment, or they have not been fair. Anyway, I am glad they are getting \$3.85, because I am getting the work done, and I have not cut them down, and I don't believe any other manufacturer will cut them down either.

So let us, if we can, bring about this condition that we are working for without shock. Let us do as we have done and meet together. When we have to come to a point where we cannot settle things, we will fight it out. Now, I rarely have any fight myself, but I am talking generally. It sometimes clears the atmosphere and settles the question which you cannot settle otherwise. I do not believe in coddling any man who works for me, because I would not let a man do that to me when I was working. So I say to men, if you want to give men libraries and things they don't want, turn around and give it to them in hours and money and they will be better satisfied. (Great applause.)

MR. MOSELY: Mr. Chairman, may I arise again?

THE CHAIRMAN: Yes, sir; you are a privileged character.

MR. MOSELY: It is a question more of sentiment perhaps than anything else. Mr. Nixon made the remark that in England he thought drink a necessity of the people. I beg on behalf of England to

offer a protest to that statement. (Laughter.) I have done in my time a good many hours of work, sixteen, eighteen or twenty, whatever it was necessary to do when I was in business, but I have never been a drinker, and I know a great many men who have never been drinkers who have been able to put in a better day's work than those who do. I should like to know if he considers drink an absolute necessity to our race.

MR. NIXON: Gentlemen, I have found that the Englishmen who come over with me sometimes drink pretty hard for a year, and then they loosen up and become better men. I do not know whether Mr. Mosely considers he has worked his eighteen hours a day with a hammer or something of that sort. I am talking about hard physical work that takes the very life out of you. I know very well a man can work eighteen hours a day. I have done it myself, and whatever little measure of success has come to me has been because I have worked longer than eight hours a day, because when I work eight hours I am on the same basis as the other men. And when in England I probably did take a drink. But I talked to the men themselves and they said it was necessary and I have to take their evidence. (Applause and laughter.)

THE CHAIRMAN: The next speaker will be Mr. Marburg, a former large employer of labor, and Vice-President of the American Economic Association.

MR. MARBURG: A Scotch judge who was disturbingly prompt in rendering his decisions, had said of him; "He has nae fears, he has nae doots, He

gangs by instinct like the brutes." If you find a dearth of statistics and historical allusion in the short paper I am about to present I hope you will not attribute it to an over-reliance on instinct. There are some questions that cannot be solved by statistics and history; Would any amount of investigation of economic conditions in the South have helped Abraham Lincoln to solve the slavery question, or is it likely that the most impartial and enlightened commission he could have sent there would have recommended abolition? We are all apt to think existing conditions founded in necessity. Furthermore, both business men and scientific men are prone to neglect the dynamic side of questions; *i. e.*, the new forces that are brought into play with new conditions.

Few of us doubt that the career of unexampled economic activity upon which our own country has entered points to ascendancy in the field of industry. What concerns us is to study the forces that are calculated to make our position secure and enduring. There is reason to believe that the cycles of growth and decay that mark the history of nations were born of conditions that are being modified. The new places of the earth, the cultivation of which moved the centers of human activity, are rapidly filling up. We shall probably not escape the fate of other nations, but we may postpone the day of decline, and show some lasting gain to humanity as the result of our activities.

Attention to the ethical side of the labor question is one means of bringing this about.

In approaching this subject we need as perspective a consciousness not only of the contribution of machinery to wealth, but of the part it has played in increasing opportunity for employment and in increasing wages. The great increase in the number of people following gainful pursuits, not only in America, where the phenomenon is explained partly by the existence of new land to be cultivated, but in Europe too, has taken place since the advent of power-machines. It has been shown that in America money wages have advanced 82 per cent., and real wages 132 per cent., since 1840. There is no question but that machinery means increased opportunity and increased wages. Now this increase of wages is bound to come to the laborer whether he makes an effort to secure it or not. If it does not come in the form of an increase in money wages, it will come as cheaper commodities, which is an increase of real wages. The betterment of the conditions of labor does not come thus automatically. There is no such economic force in operation there as that which cheapens commodities. To bring about an important improvement in the conditions of labor, including shorter hours, calls for conscious action on the part of society or of some group of men.

There is every indication that long before the beginning of the industrial era the working hours in England were approximately eight per day. The industrial era which brought with it such incalculable ameliorations for men in so many directions did not produce what might have been expected

of it, an important lightening of the burden of labor, and conditions calculated to promote physical vigor. As it developed, the hours of labor increased until they reached sixteen per day; then through interference of Parliament, through the pressure of public opinion, and of trade unions, and through the force of public opinion, they were gradually reduced, until now the average working day in England is nine hours. In the United States the average is close to ten hours.

We are all familiar with the way in which machinery increases our command over the forces of nature, but a few instances of its marvelous aid may not be out of place.

One hundred years ago men pointed with pride to the fact that by means of division of labor it was possible for a workman to produce 4,800 pins a day. Now by the aid of machinery one man produces one and a half millions. The making of a pair of shoes by the latest machinery calls for only one-fifth of the labor required a few years ago. The hand loom produced about 45 yards of cotton cloth per week. To-day one weaver directing six power machines produces about 1,000 yards per week. The production of plows by machinery costs one-seventh as much as by hand, and watch movements one-fortieth as much.

It is possible to compare the results of old methods, still persisted in in England, and new methods in vogue in America. The English nailmaker and his assistant turn out 200 pounds of nails per week, earning together less than \$4.00. The Pittsburg

nailmaker and his assistant turn out $2\frac{1}{2}$ tons per week, earning respectively \$30.00 and \$9.00.

In the early part of the nineteenth century it took 236 hours to produce a given quantity of cut nails, which are now produced in two hours. The cost was then \$20.24, and is now 29 cents.

The laborer gets higher wages, and more for his wages as time goes on, but much of his expenditure is dictated by the necessity of conforming to the habits of his neighbors. The money he spends on the education of his children, on better housing, better food and clothing, and on recreation, is well spent, but it is a question whether the gaudier appearance of the household, and the fancy dress of the women, add much to the household's real happiness.

The nucleus of the position here taken is that adequate leisure for the laborer will mean more for society than a further increase of wages. The progress of industry in the past justifies the hope of further progress, and the legitimate object of a movement for shorter hours may be to divert the benefits of this progress from the channel of increased wages to that of increased leisure. That progress, we feel, is assured. To reduce the hours of labor is simply to discount this advance of industry; or, if the reduction of hours be sufficiently gradual, it need do no more than keep pace with the advance.

It might be urged that it matters little whether industry gives away the increase in the form of wages or in the form of leisure, but such an assertion needs to be qualified. If the gain goes to the laborer as increased pay in money wages or real wages

it increases the purchasing power of this class and stimulates industry. For the moment, industry would gain more by the increase in wages. But the true interests of society are best subserved by increasing the mental, moral and physical stature of the working man, and in the long run the interests of industry and society in this respect are identical.

The greatest machine is man. If we improve him, if we increase his personal powers, the effectiveness of all other machinery is increased thereby, since it is he who invents and operates it all. This is what we mean when we state that a shorter work-day than the present average of nearly ten hours in the United States can be justified on purely economic grounds.

But we may err in laying stress unceasingly upon the duty of increasing commerce and industry to the exclusion of other interests. No one to-day disputes the importance of commerce. Without the wealth which commerce creates progress would be difficult. But after all, it is only the means to an end; if we cease to so regard it, we abuse it.

Create wealth. That is the first injunction of modern society. But create it for a purpose. The happiness of employer and laborer alike may be sacrificed under the iron rule of economic dictates and men forget the object of it all. Mere growth of numbers and trade is not progress. In the ancient world we saw the hordes stationary, whilst little Greece moved forward the human mind and spirit so wonderfully. To-day it is western Europe and America, with comparatively small numbers, as

against stationary China and India. I recently visited an interesting man on the hearth of whose study were wrought the words, "No wealth but life." This conclusion of Ruskin had been adopted by an eminent economist thinking on the subject of wealth. In its final analysis he could find nothing material in wealth. Life, in this sense, is the natural and healthy exercise of human faculties, and this is at the same time a definition of happiness. It is the intellectual and spiritual, including the æsthetic, which differentiates us from the animals, and if this is so, the highest life and happiness are found in the healthy exercise of these faculties. Feeding and keeping warm, and gathering the wherewithal to feed and keep warm are but the means of life; they are not only not an end in themselves, but are not life, and those whose activities cease there have not lived.

To say that a proper use would not be made of increased leisure is a reflection upon our race. We are a nation of strong moral motive, have shown ourselves capable of great disinterested acts, and can be trusted to use wisely additional leisure. Some men would spend their leisure at the tavern, but indulgence to excess is often the result of reaction, or the outcome of a lack of balance of the nervous system. Lessening the strain on men is not likely to increase such indulgence. The actual experience of communities where hours have been shortened points to improved morals in the working man.

Plato defines the free man as he who is sufficiently

master of his passions to follow the dictates of reason in choosing between good and evil. The definition might well be extended to include sufficient mastery over environment to free us from conditions which hamper growth.

With more leisure the laborer will share more in the mental side of social life, and will be compensated in a measure for the loss of the interesting work which engaged the attention of the old handi-craftsman. Give him a little plot of ground in which to dig, a taste for reading, light the spark of intellectual pleasure, no matter of what kind, and awaken that wonderful desire for self-improvement which has carried the spirit of man so far on its way, and the leisure will not be misspent. He will feel that the conquest of mind over matter is his inheritance too, will feel it all the more because of his growing intelligence, will feel it not only because he participates more largely in the fruits of that conquest, but in the work of conquest. We have yet a long way to travel before we make the conditions of labor so easy as to impair character.

The economic cost of shorter hours will vary accordingly as the proposed reduction of hours is inaugurated abruptly or gradually through a period of years. To abruptly reduce the working day by two hours, supposing that to be the reduction contemplated, would cause a dislocation of industry which a gradual reduction of hours would avoid. A programme which would call for a reduction of a quarter of an hour each year through a period of eight years would appeal to most of us as the safer

and wiser programme. Gradual as against abrupt change expresses a principle the importance of which cannot be overstated in connection with measures affecting industry.

Our industries grew under the Clay-Calhoun compromise, which reduced the tariff 5 per cent. per annum through a period of nine years; the gradual reduction acted as a stimulus to invention.

Economic cost must be considered from the standpoint, first, of what the industrial world as a whole can afford; second, of what any particular nation can afford in view of its competition with other nations.

If the hours prevailing in a particular country are such as to dull the faculties and lessen the energies of men, manifestly there will be an immediate gain from reducing them; otherwise it is deceptive to look to increased vigor or application for a full repair of the loss in personal efficiency per day which shorter hours would bring. The demand for increased leisure in the industrial world as a whole may be justified by the ever increasing efficiency which arises from industrial progress, irrespective of any improvement in the laborer himself. The improvement in the laborer may come—it will come—but the argument need not rest upon any such supposition.

Upon the question of economic cost from the standpoint of what any one nation can afford in view of its competition with other nations, English experience throws considerable light. We have seen the working day in England reduced from sixteen

hours per day in the early part of the last century to an average of nine hours per day. Before this reduction of hours began in 1835 the number of operatives in the textile industry was 220,000; in 1890 it was 528,000.

Macaulay made an eloquent plea for the eight-hour bill of 1847, dwelling upon the prime importance of preserving the physique and energies of the race. The opponents of the measure protested against it as an "invasion of the rights of property," and as preventing the laborer from using the faculties with which God had blessed him. It was urged that hours could not be reduced without reducing wages; that the trade of England would be ruined if the bill passed. Such an enlightened and progressive champion of the people as John Bright went entirely wrong on the question. He called it a proposition "injurious and destructive to the best interests of the country; contrary to all principles of sound legislation, a delusion practiced upon the working people, and the worst measure ever passed in the shape of an act of legislation." He predicted its early repeal if passed. Outside Parliament the political economists were arrayed against the measure, Senior explaining that the profits of manufacture were made exclusively in the last hour; that "to shorten the day would be tantamount to letting the machine stand idle."

In this connection I cannot refrain from quoting a bit from Charles Dickens given by Brentano:

"Surely there never was such fragile china-ware as that

of which the millers of Coketown were made. Handle them never so lightly, and they fell to pieces with such ease that you might suspect them of having been flawed before. They were ruined, when they were required to send laboring children to school; they were ruined, when inspectors were appointed to look into their works; they were ruined, when such inspectors considered it doubtful whether they were quite justified in chopping people up with their machinery; they were utterly undone, when it was hinted that perhaps they need not always make quite so much smoke. Whenever a Coketowner felt he was ill-used, that is to say, whenever he was not left entirely alone, and it was proposed to hold him accountable for the consequences of any of his acts—he was sure to come out with the awful menace, that he would “sooner pitch his property into the Atlantic.” This had terrified the Home Secretary within an inch of his life, on several occasions. However, the Coketowners were so patriotic, after all, that they never had pitched their property into the Atlantic yet, but, on the contrary, had been kind enough to take mighty good care of it. So there it was in the haze yonder; and it increased and multiplied.”

We see the Englishmen with a shorter working day and higher wages competing successfully in the world's markets with his continental brethren. The number of operators per 1,000 cotton spindles is 17 in many factories in Russia as against three in factories in England. A comparison between the cotton industry in England and Germany a few years back, given by Krapotkin shows the following:

	England	Germany
Hours of labor	9 hours	12 hours
Average weekly earnings of operatives	16s. 3d	11s. 8d.
Yards woven per week per operative.	706 yds.	466 yds.
Cost per yard of cotton.	0.275d	0.303d.

We cannot assume that because the shortening of the working day to nine hours has not increased the cost of production in England it would be safe for her to make a general further reduction.

It is true that the England of to-day is somewhat in the position of an individual living on his income. Her enormous excess of imports over exports is really payment in kind for the interest due to Englishmen from their foreign investments, allowance of course being made for profits of her great carrying trade, from her security and banking business with foreigners, and the money expended in England by visitors. These notwithstanding, the only way in which she at present feeds her large population is by exchanging manufactures for food stuffs. A duty on imports would protect her home market, but if she lost her foreign market for manufactures she would be unable to feed her people. The growing rivalry of Germany and America makes England's position to-day much more delicate than formerly. We are forced to ask ourselves whether England will be able to lead any longer in reducing the hours of labor in factories. In local services of course she can act independently of other nations. The miners in England are very properly enjoying a working day shorter than the average, and in a few industrial establishments the hours of labor have been reduced to eight. The testimony regarding the workings of the eight hour day can hardly be said to have scientific value, for the double reason that the testimony is not unanimously favorable, and that the establishments observing the short day are so few.

The experience of England on the whole leaves it undetermined whether men can produce as much in eight hours as in nine hours. For the present we are forced to assume that for certain races the nine hours day is the economic day. I mean by the economic day the time in which the laborer can produce in the long run the greatest amount. It is different for different races. A Spaniard would not wear himself out in the same number of hours as an Englishman or American. Our claim for a shorter working day than nine hours in America must be based as already postulated, principally on the growing progress of industry. Any other position is speculative.

But the workingman is not merely a machine. Is it fair, after all, to approach the question of hours from the standpoint of the economic day, *i.e.*, from the standpoint of the greatest amount of work that can be gotten out of the laborer? He is a creature of feelings and aspirations, and it is proper to ask ourselves whether the question of the length of the labor day should not be approached rather from the standpoint of what industry can afford.

Turning to the United States, a glance at our trade statistics reveals the fact that we are in the exceptional position of having an enormous amount of food stuffs to spare for foreign markets, and at the same time sending abroad more manufactured products than we import. A country may be developing its internal resources and domestic industry so rapidly that it can well afford to buy from the foreigner more than it sells him, and may derive a great advantage from acquiring abroad things which

promote industry at home. But when it can show an enormous surplus of exports over imports, in addition to great domestic prosperity and growth, surely its position is advantageous.

Why should we work from three-quarters of an hour to an hour longer than England each day? As a first proposition, would it not be entirely safe for us to gradually reduce the working day from the present average of nearly ten hours to the average of nine hours which prevails in England? Next, have we not an instrument at hand in our tariff to protect our home market from invasion, if we feared such results from a further gradual reduction to eight hours per day?

Surely with the aid of the tariff we could lead the way in the direction of lightening the task of labor. Would it not be such a thing as the world expects of America, in line with her history, her unselfishness and her progress? Would it not be a noble final use to make of a system which has played such a notable part in our economy, but the necessity for the continuance of which under present conditions is rapidly passing away?

The tariff could not insure the continuance of our foreign trade in manufactured products, but are we not prone to overvalue foreign trade, to regard the country as an individual who must exchange his wares with other traders? National boundaries are, at best, arbitrary lines, and a great country like ours has within it what is equivalent to many lands. To be Irish, our greatest foreign trade is done at home, between the empires of North and South and

East and West. And moreover, we are more than traders swapping. We are great producers ourselves, creating wealth that breeds wealth. Two-thirds of our exports are still agricultural products, the price of which would not be greatly affected by the proposed reduction of hours, because such reduction would not apply to agriculture.

If we hope to take the lead internationally in the direction of shorter hours, it is important that the movement should be inaugurated before our exports of manufactures become too large a proportion of our total exports, so that too wide a field of industry may not be disturbed by cutting them down. Again, if we conclude that the tariff will be needed at the start to protect our home industries from invasion, we have here another reason for the prompt inauguration of the movement. The logical basis for our protective tariff is the infant industry basis. When manufactured products can be exported to advantage, and when the formation of trusts breaks down the competition within the country which has served to keep down prices despite the tariff, the citizen begins to think about modifying protective duties. When once abandoned, it would be asking too much of the people to restore the duties for the express purpose of lessening the hours of labor.

The position taken in this paper is: First, that a gradual reduction of hours would not seriously increase the cost of manufactures, and therefore would not affect our exports; second, that even if it did increase cost, with the result of cutting down

our exports of manufactured products, the game would still be worth the candle.

We have here a force which would make for the upbuilding of American manhood, and it is worth while sacrificing a portion of our foreign exports, if this were necessary—which I question—in order to accomplish it. (Applause.)

Now as to the instruments. We have seen the reduction of hours brought about thus far principally by two forces, the law and the trade union. The latter is expensive, because it implies strikes. The suggestion is made that the desired end may be secured by concerted action on the part of particular trades, the employer conceding shorter hours in consideration of the laborer abandoning limitation of output, which most of us believe is practiced, despite what Mr. O'Connell told us this morning. This practice we all know is exceedingly harmful to society and to the laborer himself. The laborer's wages depend ultimately upon what the laborer produces. And if he consciously produces less, he in the long run is consciously limiting his return. Mr. Easley, our Secretary, reports many favorable responses to inquiries sent out in this connection. Over 60 per cent. of the replies from the communications sent to employers were favorable. The movement is to be heartily commended, but I should like to point out one or two weaknesses in the programme which it might be well for us to realize now, so that we may not be discouraged when they turn up. In 1885 there was a general movement in the smoking tobacco industry for a reduction of

the working day to eight hours. Without any actual understanding the larger manufacturers adopted the eight-hour day, one following the lead of another. The wages of the day laborer were not reduced, and the price of piece-work was increased one-fifth, so that as much might be earned in eight hours as formerly in ten. But what was the result? These factories were scattered all over the country. There was no strong local sentiment, nor effective trade union to maintain the shorter day. It was impossible to resist the temptation in a growing industry—and most of the industries in a growing country like ours are growing industries—to work longer than eight hours; to work ten hours and even more. In a short while we were back to ten hours, and the net result of the movement was solely an increase of wages.

Again, supposing the eight-hour day be established under the plan we are considering, new employers entering the field would be inclined to violate the rule of the trade, and might do so successfully away from the centres, the increase of such new comers in numbers and importance gradually undermining the system. The growth of the printing business in small places, such as Madison, Wis., is to be explained by a similar desire to escape the control of trade unions.

If the working day it is proposed to establish by law is shorter than the economic working day, it is going to be most difficult to maintain it otherwise than by law. To what extent would the Sabbath be observed in our big cities were it not for the law? One man would open his shop, then his neighbor

would open his shop, and presently every shop would be open. The preponderant sentiment, four-fifths, might be in favor of Sabbath observance, but the other one-fifth would destroy the possibility of it.

Still another danger which we must be prepared to meet. After the laborer has come to believe himself secure in the enjoyment of an eight-hour day, and has ceased to regard it as part of a compromise, what is there to prevent his returning to the pernicious practice of limiting output?

We might be compelled, after all, to fall back upon the law. But the plan presents commendable features as an entering wedge for the shorter day, and to the minds of many an appeal to the law to fortify existing practice is always more acceptable than looking to it for initiative.

Coming now to the law as an instrument of our purpose, we turn naturally to the form it has heretofore taken in America, namely, State legislation. The successful lead taken by Massachusetts in reducing hours, and its effect upon legislation elsewhere, are so well known that they need not be dwelt upon. This notwithstanding it must always remain risky for a State of the Union to reduce its working day in competitive industries below the average working day of other States. To hope that our legislatures can ever be brought to display the good sense of acting in concert in regard to this and other important legislation which ought to be uniform in all the States, is expecting too much of them.

In non-competitive industries, such as the telephone, telegraph, gas and electric lighting, water

works, street railways, retail shops and everything partaking of the nature of local services, it will be seen at once that the State can insist with safety upon shorter hours, independently of the action of other States. States and municipalities, in granting franchises, may make the hours of labor a condition of the grant. It is seldom that municipalities make a proper charge for franchises, and such a provision is not likely to cause franchises to go a-begging.

It is, of course, always possible for the government, local, State or national, to give a shorter day to its own employees, and to provide for it in connection with contracts given out. But unless this can be shown to operate strongly as a propaganda, its justice and expediency may be questioned. There are few countries in the world where the government employee works as honestly as the man in private industry; he already receives higher wages, and why should he be given shorter hours?

Moreover, if small groups of men enjoy a working day shorter than the economic working day, they do so at the expense of their fellow-workers. Social justice requires that the shorter day be secured for the many. If there be variation, let it be in favor of the difficult and dangerous trades.

The moment we propose to regulate hours, it is immediately objected that men have a right to work as many hours as they like. Now, all social right resolves itself into social expediency. The old idea that the individual has certain natural rights of which the State cannot deprive him is rapidly passing away. The doctrine of natural rights was set up to safeguard

the individual at a time when tyranny often took the form of interference with the free action of the individual in fields in which it was best for society that his action should be free. Instead of following this circuitous path, we now appeal directly to social expediency. Whatever it is expedient that the State should do, it has a right to do. It deprives the criminal of the foremost of his so-called "natural" rights, the right to life. It forbids us now to do certain work on Sunday. If it be socially expedient that it should limit the hours of labor on week-days, it has a right to so limit them.

To enable the Federal government to regulate hours in the general field of industry might call for a change in the constitution. We know how difficult this is to bring about, but in itself there is no objection to such a grant. The three most liberal governments of Europe, viz.: England, Switzerland and France, all have this power. Switzerland made special provision for it in her constitution. They have all used it most conservatively, and there is little ground for a presumption that our Congress would abuse it. Such an amendment would simplify the whole problem, the right to regulate hours then being in the hands of the body who could accommodate the tariff, if necessary, to the change. Confering such power on the central government is sure to be objected to as making for centralization, but when we think out many of the problems of the day, are we not forced to fall back on centralization for their solution? Modern transportation and communication have lessened the sharpness of State lines.

Interests which were formerly local are become national. There are many questions which we can continue indefinitely to regulate locally. Others have entirely leaped the boundaries of the separate States and can be dealt with successfully only by the central government. It has been suggested that a law regulating hours might be optional for trades: *i. e.*, not come into force until a majority of operatives in a given trade had declared in favor of it.

I want to say in conclusion, gentlemen, that for many years I have had this subject in mind, as an employer and a student of economics. I have ceased to speculate about it. Introduced gradually, as is proposed, it would be entirely safe, and the men who should carry such a measure for lightening the burden of labor in our broad and rich land would be doing for the white laborer something akin to that which Lincoln did for the black man. (Applause.)

THE CHAIRMAN: The programme of the afternoon calls on Mr. George H. Barbour, who is connected with the National Association of Manufacturers, of Detroit, to address us next.

HON. GEORGE H. BARBOUR: Mr. Chairman and Gentlemen—The speakers that have preceded me have given this subject so much careful attention and consideration that I do not wish to tire you, because I feel if I take too much of your time on this subject you will feel somewhat exhausted.

I have been invited by your secretary to present to you my opinion of the subject of the eight-hour proposed law, known as Bill No. 3076. Representing

the chairmanship of the legislative committee of the National Association of Manufacturers, and being connected with an institution that is a large employer of labor, I realize the importance of this subject, and have decided to give you my opinion of the same from the standpoint of the manufacturer.

This is no new subject to me. I am on record as having expressed myself freely, and in 1897 I wrote a paper at the request of the Hon. Charles H. Morse, then Commissioner of Labor of the State of Michigan, which paper was in response to one written at that time by Samuel Gompers, President of the American Federation of Labor, and published in the Fourteenth Annual Report of the Bureau of Labor Statistics of Michigan, 1897. I may, during my remarks, take the liberty of referring to some of the arguments I presented at that time.

During the month of May of this year I appeared with other members of the legislative committee of the National Association of Manufacturers, before the Senate Committee, in Washington, at a hearing on this eight-hour bill.

My position in 1897 was about the same as it is to-day; there is but one position to take on a subject of this kind, and that is to endeavor to deal with both sides impartially and justly.

The eight-hour movement has been much discussed and has received a great deal of attention during the past six years or more. I do not favor long hours of labor if they can be shortened in any way which will not prove to the disadvantage of all interested parties; but before adopting any such measure, we

must carefully consider the effects. In these prosperous times is it not of the greatest importance that we do nothing to disturb or affect this universal prosperity?

Changing the hours of labor from ten to eight a day means a twenty per cent. reduction in the manufactured product. Take a manufacturing institution that is running on the basis of ten hours a day, to its fullest capacity, with a demand for its entire product on this basis, and with this reduction it has to do one of two things; it must either increase its capacity twenty per cent. and increase its laboring force twenty per cent., which means additional expense for its manufactured product, or else it must curtail its production. I feel that I am taking sides with labor as much as I can possibly be defending the manufacturer, when I say that a condition such as above referred to would mean that the manufacturer would have to get increased prices for his product or else he would have to decrease the wages paid to labor to produce it. I am one who favors good wages to the laborer at all times, believing that the manufacturer should give to labor all the advantages he possibly can, especially when there is a condition of prosperity.

If the government should pass this eight-hour bill, all concerns contracting with the government for any work or supplies of any kind would come under its provisions; suppose a manufacturer working on the eight-hour basis has a contract from the government for certain machinery, and some of the articles entering into the construction of the same—it may be

bolts, lubricators, or a hundred different things—were made on the outside by concerns running on the ten-hour basis. What would be the condition? Sufficient pressure would be brought to bear upon the government so that it might refuse the product of the manufacturer who would, in his own institution, be working on the eight-hour basis, but who was compelled to purchase some article or articles made by a concern working on the ten-hour basis, and here would be a very serious condition, and one which would affect many people.

Let me say right here I would never oppose the eight-hour bill if the law would become universal, but I do oppose it if it is to be a sectional law, or is adopted by some States and not by all, because it places the manufacturer at a great disadvantage, and is certain to also affect the employee.

The manufacturing interest of this country is one of its most important factors; it is growing, it is becoming more important; it is giving employment to labor; it is daily increasing in importance, and I say to you that wise judgment should prevail and nothing should be done without the most careful consideration of the results involved, that would have a tendency to revolutionize basic conditions which have required a century of careful study to formulate.

I am not considering this subject solely from the interests of the manufacturer, because I believe the manufacturer and his employees should at all times work in perfect harmony, as their interests are undoubtedly mutual. I should, however, like to see a different condition existing between capital and labor

than at present. I want capital to deal rightly with labor, and I want labor to deal justly with capital, or those who employ it. The business men of this country must use extra efforts to bring about closer relations between capital and labor. I sometimes think that labor does not fully realize the fact that in this country some men will have greater wealth than others, and it seems to consider this a great injustice, but I never expect to see the time when there will be a more equal division of money than exists to-day.

In this I am reminded of an incident that occurred in connection with Mr. George Vanderbilt at the time he was building his beautiful home and expending an immense amount of money in North Carolina. He was at that time employing laborers, artists, mechanics and all classes of workmen. Walking into the grounds one morning he met one of the laborers who did not know him, never having met him, and who said to him: "Does it not seem wrong that this great amount of wealth should belong to one man? It should be divided." Mr. Vanderbilt said to the man: "How much do you think your share would be, providing it was divided with the laboring classes of the United States?" The answer was: "I think about five dollars." Mr. Vanderbilt put his hand in his pocket and handed the man five dollars, saying: "There is your share." The incident was related by the man at the hotel that evening, and he said that he had his share of the wealth of the country.

But to come back to the direct subject, the eight-hour law. Will you allow me to read from my paper published in 1897? If the eight-hour law could be-

come a universal one, and if all the manufacturers in the United States were working on the eight-hour basis, I would not oppose it. But if this were the case, some provision would have to be made to increase the production. Let us consider the condition of today. Working on the ten-hour basis, many manufacturers are unable to produce sufficient of their products to meet the demands. I cite the pig iron product and the sheet iron product, and many articles produced from iron and steel. The shortage of the coke product is becoming most serious, and is at the present time somewhat alarming, as the late coal strike has compelled many people to substitute coke for that fuel, at extravagant prices, and the laborer has felt this seriously.

When a manufacturer has to compete with another in the same line, one working on the ten-hour basis and the other on the eight-hour basis, he certainly would be at a great disadvantage, and is there any one who can stand up and argue that with this twenty per cent. difference the manufacturers working eight hours could possibly compete with the one working ten?

I admit that shortening the hours of labor would in many instances allow the employee to spend more time with his family, and have an additional amount of recreation; but is it worth the attempt to have this bill become a law, even nationally, with the disadvantages which I have explained, which would certainly follow with government contracts, and which, in my opinion, are sure to reach the pockets of the laborers?

The laborer would be affected if the manufacturers' product were reduced twenty per cent., and it means that the expense of production would be increased at least a certain percentage. Who is to pay for the increased prices that would follow increased cost of production? The consumer, of course, and labor is a large consumer of all products, so where is it benefited? If the manufacturer, by reducing the hours of labor, has to curtail his production and thereby increase the prices, the laboring man has got to stand his share. So I repeat, in discussing this question, I am taking the side of the laboring man as much as I am considering the manufacturer.

Should this eight-hour bill pass the Senate (I admit for the time it would only affect government employees and those having contracts with the government), it would establish a precedent which is liable to affect State legislation. One State might pass an eight-hour law, another State continue under the ten-hour law, and here comes the competition between manufacturers in the same line of business, one working on the eight-hour and the other on the ten-hour basis.

I cannot but feel that the eight-hour bill, if passed in its present form, would injure instead of protect the laboring classes. A laboring man earning on the basis of 25 cents per hour, working ten hours a day makes \$2.50; if brought down to eight hours a day, is there any one who would believe that he would be as well satisfied to receive one-fifth less wages, earning only \$2.00 instead of \$2.50? Do you not agree with me that a manufacturer changing from the ten-hour

basis to the eight-hour would have to reduce the wages of his employees in proportion?

In considering this subject carefully, as I have for several years past, I am led to believe that the present bill calling for eight hours, if passed, would be what I term class legislation, as the bill itself (clause 21-24) exempts railroads and transportation companies. The hours of labor in this country have never reached what they are in foreign countries, and I hope they never will. I was asked by the chairman of the committee of the Senate this question: "Do you not think that it is possible for a manufacturer to secure sufficient labor, so that if he were extraordinarily busy and his institution was arranged for it, he could make three shifts of eight hours each?" My answer was: "That would be an impossibility at the present time." When there was a lack of business, and some particular manufacturer was crowded in his line, and labor was a drug on the market, he possibly might accomplish that, but when business is as it is to-day, it would be an impossibility, because all labor is well employed, and I am told by men connected with the largest institutions of this country working twenty-four hours, that it is almost impossible to get two shifts. So, what are we to do with a condition like this, when the capacity of the manufacturer is driven to its utmost to meet the requirements of the trade, and he is hardly able to get the labor that he requires, which is our present condition? I like to see labor employed. It is a much more satisfactory and beneficial condition to have labor employed than to have it seeking employment.

I am one who believes it is advisable sometimes to "let well enough alone." Not that I do not believe in conditions being improved, but we do not want to do radical things; we do not want to take chances of disturbing a condition that is as satisfactory as the present one, by passing an eight-hour law or doing anything else that will injure the present conditions.

I could give you a number of reasons why I think the eight-hour law, unless it became universal—don't make any mistake in this statement of mine—would be disastrous to not only the manufacturer, but to the laborer as well.

I have endeavored within the brief time allotted to me to give you some reasons why both sides will be seriously affected. If time permitted, I would give still more. That this subject may have the benefit of anything I have ever said regarding it, I would like to submit, with what I present at this time, the paper which I wrote in 1897, to which I have previously referred, as well also as the paper which I submitted to the Senate committee at its hearing in May.

There are two words in the English language that carry a great deal of weight with them—they are "supply" and "demand." We are benefited or injured, as the case may be, by the conditions of supply and demand. When there is a demand, as exists today, for the entire products of the manufacturing institutions of this country, we certainly must be in a very satisfactory condition; if it requires, as it does, the products of the manufacturers working ten hours

a day—and I am free to say if certain manufactured products were increased twenty-five or fifty per cent. their entire output would be called for—is it wise and is it to the advantage of labor to insist upon this eight-hour law? When there is a good supply and a large demand, I will guarantee prosperous times and all classes of labor are sure to feel the good effects of the same.

Now, for the sake of the argument, I am not sure but a nine-hour law might be brought about to the satisfaction of both the manufacturer and the laborer, providing some abuses could be remedied. Some men are always prompt and ready to commence work at the blow of the whistle, while others will often be, say, five to ten minutes late, and they will take an additional amount of time before they get to work. Again, during the morning hours, they stop to take lunch and use up ten minutes time at least; after this the noon hour approaches; they are anxious to hear the whistle blow, and may stop work ten minutes before noon so that they can wash; and a similar condition of things goes on in the afternoon. Now, you can readily see if we only calculate on the time lost in their morning's work we have fifteen to twenty minutes time against them, and imagine if you can with a large force of employees what this means to the employer. The machinery is running all the time, and the employer has a right to expect an honest day's work, but such things as I have mentioned creep in. If these objectionable conditions could be removed, I believe I might personally favor nine hours as a day's work. I think this could be accomplished by both

the employer and the employee giving due consideration to each other's rights, and if the employee would give nine hours honest work, I do not hesitate to say I believe it would compensate the manufacturer for the additional hour granted, but it certainly would have to come about in this way, if equal justice is to be shared between both parties interested.

This on the face of it means a ten per cent. reduction, but I believe if the manufacturer will do his part and the laborer will do his part, and be honest and endeavor to make up during the nine hours of the day the extra hour given him, which means he would have to gain about six minutes to each hour; in other words, by working a little harder during the nine hours, paying a little closer attention to his work, he would be able to turn out the same amount of work that he did in the ten hours—this would work to the satisfaction of all interested.

Of course under these conditions the manufacturer would have to pay for the nine hours work the same wages that he formerly paid for the ten. I do not say for a certainty this would be accomplished, but I believe it is the wisest thing to consider. The manufacturer might be willing to concede this, providing his employees would accomplish in the nine hours what they are doing now in ten. This may be a solution of the problem. I am satisfied that an eight-hour law at this time, unless it be universal, will produce serious results to both the employer and the employee. Do not let us do anything that will place a check upon the present condition of prosperity. I would like to see every

laboring man in this country the possessor of a nice home, comfortably furnished, grounds beautified, but I never expect to see this. I am glad to know, however, that we have many attractive homes owned by the laboring classes of to-day, and I believe this condition can be shown in no other country. And I thank God I can go through New England, I can go through the West, or the Northwest, among the homes of the laboring people, and find there some sunshine and some happiness.

If I could in any way, by working days, nights or Sundays, improve the condition of the laboring man, I would most cheerfully give the time; but I hesitate. I am afraid the leaders of the organization would not agree with me, and that the labor that I might devote to the subject would prove of no avail. Every employer of labor should feel interested in those who assist in making his business a success; they are entitled to a fair compensation for the services rendered by them. No one feels more interested in, or is willing to do more to improve the condition of the laborer than I am. If anything can be done to harmonize all differences and cement the mutual interests of employer and employee it should be done, and no one is more interested in bringing this about than I.

I consider the subject of the eight-hour bill one of most vital importance, and is it not entirely a business proposition? And it should not be decided without the most careful consideration and sufficient time given to it to understand what it really means. Let us be just, man to man, if we

would succeed, and success is what we would strive for. Do not allow any legislation which will prove to the disadvantage of either the employer or the employee. We should only enact such laws as will benefit both. Let us throw aside petty strife and give this subject earnest and careful deliberation, endeavoring to reach such conclusions as will prove of the greatest benefit alike to all interested. The manufacturer is the greatest employer of labor, and is, therefore, vitally interested in this question. If a mistake is made, both parties must suffer, as it is important that this question of an eight hour law should be given the most careful thought, and that only such legislation may be enacted as will fully protect and advance the interests of both. (Applause.)

Adjourned.

The opening session of the third day's meeting was called to order promptly at 10:30 by Secretary Ralph M. Easley, in the absence of Chairman Hanna, and he then read the following extract from a letter received from Mr. Fred A. Underwood, President of the Erie Railroad Company.

"Arbitration to be such must first be carried on by men who have some knowledge of the subject and are not in any way interested. The difficulty with the arbitrations we have thus far undertaken has been that the labor organizations have insisted upon having their partisans upon the board. Our experience with them has been that they have, in no instance, been able to rise above a state of feeling

which leads them to think that they must have a 'friend on the jury.' An example of this was recently had in this city, where a body of skilled artisans was offered arbitration. They insisted on putting in the head of their order, whose plan was to secure for them what they asked. All efforts to induce them to choose a competent, disinterested arbitrator were futile. The other party to the controversy named a man who had no direct interest in either side, but was fully competent.

"When both parties can agree on a competent, disinterested Board of Arbitration, whose members, aside from their technical knowledge of the subject to be arbitrated, shall have independence of character, then we have gone a long way towards solving the differences between labor and capital. In furtherance of this a permanent Board of Arbitration might be instituted, something on the order of the National Civic Federation. For example: a board of mechanical engineers, to consider the differences between mechanics, also other technical boards, whose knowledge would render them efficient in their various specialties. . . .

"The principle of competent arbitration is sound, and we will have to enter upon the missionary work of converting owners and managers to a sense of fairness. They must drop the personal and deal with their men as they are, and not as they think they should be. No employer's personal opinion of labor organizations or his personal inclinations in the matter of dealing with them are worth anything in business. He must recognize the fact that they

are here and are a factor. Prejudices against them on the part of employers and managers must be sunken. The existing conditions must be dealt with in the same manner as are climatic disturbances or others of an impersonal nature.

“The prejudice that the laboring class has against capital must be recognized and dealt with as a human attribute. Given a man with education and the power of money, he must recognize the state of mind of the man who has neither, and he must go half way, and more at times, in consequence of the mental state of the other.

“The employee must be educated to realize the fact that the employer is his friend; that their interests are common, and the idea that his employer seeks to take petty advantage of him must be eradicated. These prejudices have been created by employers, dating back to the days of small enterprises, where the owner exercised a personal supervision over every detail and was not above taking petty advantages. While the personal method of conducting business has changed, owing to the great enlargement which has taken place in every branch of industry, the prejudices which were born of past injustice are yet present.”

Mr. Easley continued as follows: The Civic Federation recently sent out a letter to the large manufacturers of the country containing a number of questions. This list of manufacturers contained none of less capital than \$500,000. One of the questions in that circular was: “Do you regard it a practical proposition to gradually reduce hours by

voluntary uniform agreement through a given industry, providing the employees agree to abandon any arbitrary restriction upon output?"

With that question went this explanation: "On the question of shorter hours it is clear that agitation is increasing, and where not settled by voluntary agreement or through a strike takes the form of effort for legislative enactment. An eight-hour bill is now before Congress supported by the labor organizations and opposed by the employers, especially by the National Association of Manufacturers. Judge McCammon, representing large ship builders, in his address before the Congressional Committee, said:

" . . . In presenting the final argument on behalf of certain companies and individuals, it seems incumbent upon me to disclaim any opposition either to the theory of those who advocate an eight-hour system or to the practical application of an eight-hour system where the consent of various trades and manufacturers which produce the same or similar articles is unanimous. This consent must of necessity be practically unanimous or universal, else the advantage must be with the establishment which employs men to work ten or twelve hours in producing substantially the same product as those working shorter hours. Our opposition is to no theory, to no principle, but directed to the vicious attempt to compel a contractor to be placed at a disadvantage in connection with producers in the same line of business if the bill under discussion should become a law."

The plan of securing a shorter day through voluntary agreements by trades is one to which our committee has given considerable attention. Investigation shows that a great many of the large employers of the country would not oppose a scheme of that kind. The employer who manufactures hats cares nothing about the hours adopted by the employer who manufactures sewing machines or vice versa. He is concerned only about his competitors who manufacture hats. As a business proposition he probably would not object to a nine hour or even an eight hour day provided it came gradually and all of his competitors were on the same basis, and provided further the industry was not one where an increase in cost of production would destroy it through substitution by the public of another commodity, or where international competition would interfere. When the clothing cutters of the United States threatened last winter to strike in thirty days, unless granted a reduction from nine and a half to eight hours per day, Marcus M. Marks, the President of the Wholesale Clothing Manufacturers' Association, said: "Speaking for myself, I would rather see the clothing business of this country upon an eight hour than upon a nine and a half hour basis, if it could be brought about gradually and uniformly throughout the trade, but a proposition to go to eight hours in thirty days is revolutionary and could not be considered for a moment. In the first place it would call for an increased number of cutters, and they could not be obtained, for we can get barely enough for our business now. But, if we had the

increased number we would have no room for them in our factories as now arranged. We also have contracts for future delivery which are based on the nine and one-half hour schedule. There must be plenty of time to adjust to the new condition."

I will not attempt an argument here either for or against a shorter working day, but I have been surprised to find the growing sentiment among large employers in favor of a shorter working day, provided, of course, it would be brought about in a business-like way. The superintendent of one of the largest plants in this country recently stated that while running on a ten-hour basis they found it necessary to work three hours and twenty minutes overtime. He said he soon felt it was a mistake, as common experience in manufacturing plants demonstrates the fact that after a certain point in the working day, no appreciable gain in either the quantity or quality of the product is made by increasing the duration of work. He found the men were all fagged out when they came back the next morning. He then cut the working day to nine hours, and was better satisfied with both the quality and quantity of the product.

As the employees want a shorter working day and the employers want an unrestricted output, would it not be a practical proposition to couple the two together, making one a *quid pro quo* of the other? In fact that idea was incorporated in the agreement made in 1900 between the National Metal Trades Association and the International Association of Machinists.

There were nine hundred and twenty answers to this question, six hundred and seven of which said "yes" to the proposition, of course with the idea that any restriction existing should be given up. The idea of combining those two principles in one is the idea of the basis of the contract made between the National Metal Trades Association, an organization of some five hundred manufacturers, and the International Association of Machinists, some year and a half ago. While that contract was afterwards broken, it did not go to pieces on account of that principle. The same idea is contained in the contracts between the International Typographical Union and the American Publishers' Association, and also with the Printing Pressmen's organization and the Publishers' Association.

CHAIRMAN: Will Mr. Marcus M. Marks, president of the National Association of Clothing Manufacturers, kindly address us?

MR. MARCUS M. MARKS: As manufacturing establishments grow and grow and finally organize and then become parts of other organizations, the direct personal touch between employer and employees is gradually diminished. Misunderstandings are more likely to arise when the personal element is removed. The only solution of the labor problem then lies in the "round table." The horns of the labor leader and the hoofs of the trust magnate soon disappear when labor and capital meet in a friendly discussion of the situation. Each one should try to put himself in the place of the other. It is usually discovered

after threshing out the situation that they are not so far apart as had been expected, on the various questions discussed.

Let me speak from the standpoint of the employer. For fifteen years, since I first began to study the labor problem practically, I have heard with a thousand variations the same old song, "the workman needs shorter hours," but not once have I heard any one say the employer needs shorter hours. Strange, when the employer admittedly bears the greater burden, the greater care and strain! His responsibility continues during the entire time his men are actually at work, particularly in the average sized concern, where there is close touch between the employer and employed.

He leaves his home early in the morning, often without seeing his family; is at high pressure all day; the telephone, the telegraph and the stenographer make the strain of the day greater than heretofore by condensing more brain effort into each hour. In the evening he comes home to his wife with the remnants of a tired brain; his children have retired and his refuge is sleep. Is he doing business to live or living for his business?

I plead for shorter hours for the employer; time to breathe, to think, to do some good in the world. Why, before the average employer has saved a competence he is a car horse, happy only when the bell rings to start him off to trot on the road he is so used to. All the higher desires, the better tastes, have frequently gone to decay through disuse during the years of his entire absorption in the game of business.

Liberal-minded as the employer may be, an argument regarding the welfare of his workmen will not affect him as quickly or touch him as deeply as an argument showing that his own welfare is concerned. For that reason, in my desire to help bring about the gradual shortening of the working day, I appeal to employers for their own sakes.

The change must be worked gradually, as conditions warrant, by agreement between employers in various trades throughout the country, and along the lines of least resistance.

For the employers and for the employees a shorter work-day would bring great advantages, the principal one being time for education for the higher life, which will tend to raise our standard of citizenship and better the chances of industrial peace.

I hope to see the time when employers will take the initiative in movements to shorten the working hours. (Applause.)

There is an intimate connection between shorter hours, unrestricted output, and trade agreement. I will give you a practical illustration.

Several thousand workmen in a branch of the iron trade wanted to cut their day from ten to eight hours. They promised to do their best and to make it to the interest of their employer to inaugurate the change. The employer agreed, and the result has been that with an eight-hour day, working on the piece plan as before, the workmen earn twenty-eight per cent. more than they did under the ten-hour system. There are two reasons for this increase. First, a man can do more per hour in an eight-hour day than in a ten-

hour day; and second, the existing restrictions were removed when the day was shortened.

A most flagrant case of restriction was recently brought to my attention. Men in an important part of a large manufacturing plant were earning \$4 a day on the piece plan. No one produced more or less than that amount daily. For some reason they struck, and were replaced by inexperienced men at twenty-five per cent. less compensation per piece. These new men averaged \$9 per day. The proprietor, realizing that he had been imposed upon by his former workmen, and not wishing to suffer further, cut the piece price fifty per cent. The new men were thus enabled to earn \$4.50 per day, and yet the proprietor saved a total of sixty per cent. in this department.

Another set of workmen, also on piece-work, restricted their output to \$3 per day. This was done by resolution of the local union. As the men had formerly earned from \$3.50 to \$4.00 per day, this restriction caused them a serious loss. They did not love their union. An earnest plea to the union leaders to withdraw this \$3-a-day law resulted in the promise to do so if the proprietor would agree not to cut the piece price when the men turned out a larger product. Such agreement has since been made.

Restrictions, I think, are caused mainly by the fear that the employer will cut the piece price if full energy brings the workman's earnings beyond the normal. In England this fear is based on sad experience. Here comes the connection between restriction of output and trade agreement. The em-

ployer who wishes his men to do their best must assure them and guarantee them that the piece price will not be cut. Then the quick, bright workman may safely come to the front, may use the talents which nature has given him to improve his condition, and get the just reward of industry.

I do not believe in the "premium" plan. The surplus output of a worker, beyond the standard, is worth just as much as his other work. He should get one hundred cents on the dollar for it. (Applause.) What right has his employer to go in partnership with him on that surplus energy? Who is doing the whole work?

The system that urges rapid, bright workmen to go slow and restrict their efforts so as to do no more than their fellows whom nature has not favored with equal ability, the system which establishes in fact the dead level of production, is a curse to our wage-earners; it kills hope in the breast of our people, hope which alone makes life worth living. It is un-American; our free institutions guarantee the right to develop our energies and to strive to bring out the best that is in us. I appeal to employers to assure their men of full compensation for their full day's work. I appeal to wage-earners to deliver their best efforts each day. The English trade unionists who are represented in America to-day, through Mr. Mosely's princely generosity, state in positive terms that their unions stand for a fair day's work for a fair day's pay. They do not stand for the "cannny" or go-slow fiction. Our great American labor leaders, also, are frank in their statement that restric-

tions of energy are bad for the wage-earners. They should freely spread the news of their convictions to the many local unions, some of whose leaders do not yet realize the error of restriction.

Let employers and employees work together to bring about the following conditions: shorter hours, gradually, as trade warrants; full development of energy; a full day's work; a full day's pay. (Great applause.)

A DELEGATE: I would like to ask Mr. Marks a question: In the illustration you used about paying the men \$9 a day, don't you think it was better for them to work for \$4.50 a day rather than have the manufacturer put out of business?

MR. MARKS: The manufacturer saved twenty-five per cent. by paying \$9 a day, besides the additional saving in fixed expenses by requiring less men to do his work. However, I cited the case to show an example of flagrant restriction of output, as well as the fear inspired in men in other departments by this fifty per cent. cut in the piece price.

THE DELEGATE: Would not competition in time put the firm out of business?

MR. MARKS: The manufacturer in question had been deceived by the employees, who kept their output down to the \$4 mark in the first place. At that time he was paying more than market rates for his labor, and it was fortunate that he discovered it in time. However, as I said before, the \$9 rate would not put him out of business as quickly as the \$4 rate would have done.

MR. WILKINSON: What kind of a factory was it? Was it a cotton goods factory?

MR. MARKS: It was not a cotton goods factory. I prefer not to give the name of the concern now, unless there is a very urgent reason. I regret very much that the name of the Baldwin Locomotive Works was mentioned in this room. When folks show us the courtesy which the Baldwins and others did in taking us through their works and allowing us to inspect every part of their interesting establishments, I think we should not bring personalities into our discussion of the questions raised. (Applause.)

CHAIRMAN HANNA: I now have the pleasure of introducing to you Mr. Samuel Gompers, president of the American Federation of Labor.

MR. GOMPERS: Conscious that a movement of this character by which the Civic Federation was formed could be of great service to the wage-earner, to the employers of labor, I gave whatever assistance it was in my power to give in the effort to make its work successful. To me a thing is not good or bad simply because it exists, or because it is formed, but simply by the work that it does, the work that it accomplishes, the good that it secures; and while always working for the best I am prepared to meet the worst.

For that reason I am never much disappointed and seldom over elated. The difficulty with some of the plans of our industrial department or executive committee of the National Civic Federation is—and this, I think, applies both to friend or opponent—that there is an over anticipation of what it does or can

do. The promoters of our movement, though, know much more has been done than the general public is aware of; while, on the other hand, those who look askance on the movement say that nothing at all has been done, since they started out with the expectation that this industrial department of the National Civic Federation was going to accomplish the solution of the entire industrial, social and economic problem simply by its having been called into existence. I shall not attempt to state what it can do, what it has done—that has been already referred to on several occasions and by several of the gentlemen who have addressed these gatherings for the past three days; of the fact of bringing men together to discuss the things in which they are both interested and about which they can intelligently speak. We know that when men have a difference and are addressing each other at long range, they usually drift further apart. If a correspondence is the result of their differences, men as a rule do not look for the strong points in the letter or the intention of the opponent. They look for the vulnerable point and make the attack upon that vulnerable point, and again they are driven further apart, with much more keenness and bitterness entering as a part of the controversy, while, on the other hand, when men meet and discuss the things in which they are mutually or both of them interested, the tendency is to look squarely into a man's eye and to read not only that which is upon the surface, but that which moves his heart and mind; to penetrate it and to delve down deep into a man's conscience and his heart and try to see whether there is

not there some bright spot which can be touched, and to bring about the recognition of the mutual respect to which the other is entitled. We realize that, after all, neither of us is as black as we are painted, or as we imagine. And this is, after all, the greatest, perhaps the best, work which the Civic Federation can perform. (Applause.)

If you will permit me, I want, as near as I can, to give you cognizance of a few points which have been brought out at this conference, and to make a running comment on some of the things which I believe ought to receive consideration.

We are all of us interested in the mission in which our British friends have come to this country, the enterprise of Mr. Mosely, which we admire in having the delegation come here. My only regret has been that I have been so tied up with the work in connection with our movement during their visit to our country that I have been unable to render them any further material assistance. I have heard, however, from our representatives and organizers of the American Federation of Labor, and I am pleased to be informed by the delegation that the local representatives of organized labor in the various cities and towns visited have placed themselves at the disposal of the delegation and rendered them every assistance within their power. I think that our British trade unionists when they go back will have something to report of what they have seen, and they will have something to report of the differences they have seen, and that is the enormous, great contrast which they have been led to believe is the condition between the

American workingmen and the British workingmen. No man is more conscious of the fact of the splendid development and advancement that has come into the condition of the American working people than I, but it is a mistake to believe that that change and that differentiation is of such a character, so marked, as to appeal to the sense of vision at once. And let me say, too, that the very largest part, if not all of that improvement, is due to two things: one, to the great material wealth of our country, and the second and most potent, the organized effort of the wage-workers of our country in their trade unions. I am sure that no one, I feel confident that no one, would take exception to criticism of statement made except as we may view differently what we intend to convey.

I understood Mr. Mosely to say that the general trend was that men wanted more, were entitled to more, than wages, and that if good wages or more than mere wages was not granted, they would organize and demand it. Now, I don't know exactly whether Mr. Mosely made that statement or one of the other gentlemen did, whose name I did not catch, but at any rate, whether made by Mr. Mosely or by another gentleman who followed him, it is a fact, and it explains what Mr. Mosely took for an act of philanthropy on the part of some employers within the past few months in the United States when they made a voluntary increase in wages. It was not philanthropy; it was not of the good will of the employer towards the employees, but it is the consciousness of the fact that the pendulum in the industrial history

of the United States has, for the past few years, swung in the direction of prosperity and activity, and that the working-people of the United States, who for a period of four or five years suffered untold misery as a result of industrial stagnation, reduction after reduction of wages, are now determined to get more — a larger share out of their production of the wealth of our country.

Mr. Mosely joined with a number of perhaps very well-meaning friends in the cry for the “freedom of labor”; the right of the workingman to work for whom he pleases, for what he pleases, and where he pleases. As if the trade union movement was opposed to that principle. It is a bugaboo that is raised by those who are opposed to our movement or who do not understand it. The labor movement does not deny a man’s legal right to work for whom and when and where he pleases, but there is something beside and apart from the legal right, and that is, the moral obligation.

A man can, upon the prairie, build himself a hut and apply the torch to it. Let him attempt to do that in any one of our metropolitan cities and he will be arrested and put into jail, for out upon the plain he does himself the only injury that is being done, but in the city he endangers the life and the property, and the peace and tranquility of his neighbors. If in the old, old time, a man wanted to sell his labor to another under the old and primitive conditions, if he desired to accept poor economic conditions as the result of his work, he injured no one but himself. In our day of highly developed industry, with con-

centrated wealth under the direction of the few—or comparatively few—the individual workman who attempts to make a bargain with the directors or the representatives of such a directorate simply places himself in the position of a helpless, rudderless craft on a tempestuous ocean. If he but did himself a wrong we might pity him and concede not only his legal but his moral right; but the workman who toils for wages and expects to end his days in the wage-earning class, as conditions seem to point, it will be a necessity, his bounden duty to himself, his family, to his fellow-men and to those who are to come after him, to join in the union with his fellow-craftsmen and fellow-workmen to uphold the standard of life and to make joint effort for the uplifting of the craft, the wage-workers, and with it the whole social fabric of our time and for the time to come.

I have heard here severe criticism and arraignment of the labor movement, the strike and the boycott. But I have not heard a word in criticism of the black list; I have not heard a word of the victimization of the workingmen; not a word in adverse criticism of it. And, gentlemen, when you undertake to criticise the faults or what you believe to be the faults of labor, it would not be amiss to turn your gaze inward to see whether there is not fault on your side. The lockout and the black lists are the weapons employed against labor.

For years and years the advocates of trade unions, organizations of labor, have stated that the best thing that could occur for our movement would be the organization of the employers and to meet the

organized employers' representatives with the representatives of organized labor.

One of the gentlemen addressing this conference referred to the fact that organizations of labor should be met and dealt with, and I agree with that. And he suggested that if you are going to fight it at all, fight it when it takes its inception into your plant; in other words, fight it *out*. I should prefer that you do not do anything of the kind. I should prefer that our attempts to organize the employees of your several factories and plants would meet with your cordial approval. But let me say this to you: that whether you approve it or disapprove it, we propose to organize anyway. (Applause.) And frequently the attempts to fight against the organization make you our best and most effective organizers.

One gentleman suggests bonding the union and bonding it before arbitration. Incorporate the unions so that "we can reach (the funds of) the union." A few days ago I had the privilege of addressing myself particularly to this subject while in the city of Boston, and it seemed then as it seems strange to me now, that the gentlemen who discussed this proposition avowedly upon the high plane of "benefiting the workmen," constantly have their eyes upon the few dollars in the treasury of the union. A gentleman stated last week to me that the unions ought to court just such a thing and that no money that the union could expend could be put to better advantage than the payment of damages in which it might be mulcted by a decision of the court. That is one way of putting it, but perhaps, like

Claude Melnotte, he thought that, assuming the character of a prince, he ought to be generous with other people's property. It is, indeed, strange how many gentlemen are solicitous for the trades union to become incorporated and to be placed within what they call the purview of the law in order that it may be mulcted in damages for any suit that may be brought against the organization. We leave out the opportunity for harassing the union by interminable law suits. And besides this, the union attacked from any and from all sides would be in constant litigation, and it is unquestioned that our organizations could not attempt to retain counsel, either in numbers or in talent, comparable to the counsel which is always at the command of wealthy concerns.

Now, to avoid these interminable litigations, to avoid a possible repetition to attempt to do in our day or in the near future what was done in the days gone by, the confiscation of the funds of the union, as was done with the guilds, organized labor is opposed to the incorporation of the trades unions.

Criticism was indulged in in regard to the working-people taking advantage of a corporation desirous of renewing a franchise—securing a new franchise or a new privilege. I do not believe that in the ordinary affairs of life men ought to do these things, but in the case cited, the Chicago Street Railway, there the policy of the company was to discharge any man who showed an inkling to join a union, and that eighty men—the employees of the company, against whom not a word of adverse criticism was made here—eighty men were thrown upon the streets because

they dared to make the attempt to organize a union! Of course, for a time the spirit to organize was crushed out, but the company just then had in view the application for a new franchise, a new privilege. Can you blame the men when they thus saw their opportunity and took advantage of it, and insisted that they should have the right to organize, and have better pay than the miserable wage that they were receiving, and that they should have shorter hours and a better arrangement of their trips? They took advantage of the opportunity presented to them. They are deserving of our commendation rather than our condemnation.

It is strange how many panaceas are offered for the ills of mankind, and particularly, the ills of our industrial problem. Compulsory arbitration is but one of them. I am exceedingly pleased that upon the platform of this conference for the past three days no one has openly avowed himself as being in favor of compulsory arbitration. Thank the Lord, we are just a few years ahead of that. We have got that behind us, and it was through the sturdy fight made by the men who understood what that proposition implied, that now the atmosphere is clarified and we no longer hear of compulsory arbitration. But indirectly, our friend Barnes, from England, intimated the possibility resulting from the adoption of the proposition contained in the paper of our friend, Mr. Adams.

Without attempting to quote literally—because I have rather a bad verbal memory.—Mr. Barnes stated that he favored Mr. Adams' proposition, for he felt sure that after one or two attempts, after one or two expressions of opinion, that if either the employer

or the employee would refuse to abide by the opinion expressed, that the *defect* would be soon supplied. And I think, knowing what Barnes believes upon that proposition, I have in mind the thought that he had in his mind but did not express; the thought being that after the enforced investigation was had and opinion expressed as to who was right and who was wrong, and the failure of the party against whom the opinion was expressed to yield a ready willingness to comply, that the lawmakers would supply the other limb of that tree and clothe such a commission with power to decide and compel the obedience of either the one or the other side to comply with the terms of the award. I want to say, my friends, that if a law founded upon the points raised by Mr. Adams in his excellent and valuable paper could be framed, and the assurance *positively* felt by the people of our country that there would be no step in the direction of compulsory arbitration, I should gladly give my acquiescence and use what influence I may possess to see that there would be compulsory investigation and simply an opinion rendered. But I, too, know something of the trend of legislative effort, and knowing this, I am not inclined to give an assent to what might possibly bring about an awful condition of affairs, which I know must inevitably follow in the wake of compulsory arbitration

I, with others, deplore the strike of the miners; deplore the necessity for the strike, but after we have got through the troubles that are now upon us by reason of that strike, by reason of the obstinacy of the presidents of the companies, I think that we will

all agree that the miners' strike made for the general good. It compelled people to think upon this great economic and social problem who went on year after year living and being dragged through the world without consciousness of the struggle that is going on. We now understand, or are beginning to learn, the more rightful relations that should exist between employer and employed; the more rightful relations that should exist between man and man. If the strike had done nothing more than that, the strike of the miners made for the general good. No man that has given the question of labor any consideration will, for a moment, stand before the people as an advocate of strikes. No man of reason advocates conflict, but there are some things that are worse than conflict; there are some things that are worse than strikes, and among them is a debased and degraded manhood.

There are times in the history of industry when workmen who would refuse to strike would sign themselves as forever bondmen, cowards unworthy the name of either American citizens or British subjects.

Strikes, when unavoidable, are really the crucibles out of which the industry of humanity emerges with renewed vitality and progress and success.

One would imagine, hearing all the attacks that are made upon the one or the other side, that these two great powers, these two great empires—the United States and Great Britain, were drying up of dry rot, instead of which they are the two virile nations of the world. Proud, haughty, human, humane, considerate—more considerate than any

other nation on the face of the globe; more humane in spite of their own faults, against which we protest whenever we discover them. They are making the fight of to-day and making the fight for to-morrow, and meeting the new problems as they confront us and dealing with them, sometimes engaging in conflict to eradicate them, but we emerge out of them with stronger convictions of the right and with a greater and higher determination to do right. Industrially, commercially, politically, humanely, the United States and Great Britain stand at the head of the world; and while it is a splendid service which we are rendering to our fellows of our own country and elsewhere in endeavoring to minimize the conflicts which occur, to avoid them whenever possible, I resent the notion or thought which may be lurking in the mind of any man, that through the industrial struggles through which we are passing, we are not making good progress.

Let me say further that I believe that men engaged in a cause must be right. I don't believe that might makes right, but I am confident that those who are simply right and have no power usually have their rights disregarded. So that, with right might is required in order to enforce it.

One of the greatest complaints that I think organized labor has to make against employers is the action of too many who refuse to recognize the union by conference with its representatives. We claim that the walking delegates, if you please, the business agent, or a committee of the union, is the union's counsel. Politically, in our governmental affairs, we have

recognized the right to be heard by counsel in any of the courts of our country, or our States or municipalities; in every place where our rights are at stake, the right to be heard by counsel is a constitutional guaranty. Workingmen have more cases in which they are interested in the court of industry, where their employers are interested, too; and they demand the right—the extension of that political right to the industrial field—the right to be heard by counsel. He who denies that right to wage-earners flies, theoretically at least, into the face of the right guaranteed by the constitution of our country and the States of our Union.

I realize that out of all the struggles that come, out of this great fight that is being made, there is conflict, but you will usually find resulting from it a conference, then a conciliation, and then arbitration and agreement. These are the various stages through which the industrial struggle passes, but we don't want that arbitration unless it is of that order voluntarily entered into, and the awards voluntarily and faithfully complied with.

Now, there is another danger to which Mr. Mosely called attention, and he was supported in that by the statement of two or three others, and that was, he called attention to what he believed to be the danger of the American employers consenting to a reduction in the hours of labor unless it was general, unless it was universal. Now, I want to say to my friend, Mr. Mosely, that in that I take issue with him absolutely, and those who take sides with him. Are we to wait in the United States and in England with us,

until Germany and France and Italy and Spain and Austria and Russia and several other continental European countries—to wait until they shall establish the eight-hour working day before we introduce it in the United States? We say to you, gentlemen: “We thank you for your suggestion; thank you for your good intentions, but we cannot follow your advice.”

Incidental to that, I want to take cognizance of a remark made by my friend Mr. Gunton, last evening in connection with that same subject, when he said that he had known me for many years, rather favorably; that he had always agreed with me and that he finds himself at odds with me on the eight-hour bill which has passed the House of Representatives of the United States and is now before the Senate Committee on Education and Labor. He said he was opposed to that bill because it would result, if enacted, in establishing the eight-hour day in “spots.” Now, I appreciate—I am sorry Mr. Gunton is not here—I appreciate the friendship of Mr. Gunton as I appreciate the friendship of any good man, but simply because a man goes wrong or makes a mistake, it is not my fault that he is not in accord with me. (Laughter.) The fact of the matter is that there never yet in the whole world was a great industrial reform inaugurated universally. It always has been inaugurated in spots.

Supposing we were to follow the advice as workingmen and join with the employers of labor in the United States in saying that we will not make any effort to introduce the eight-hour work-day in the

United States until it becomes universal. Well, perhaps Mr. Rockefeller might send a delegation of trades unionists of the United States to Great Britain, and then we will learn and teach in turn. Then the workingmen of the United Kingdom and the workingmen of the United States, having agreed that they are up-to-date, send a delegation overseered by Mr. Mosely and Mr. Rockefeller to Germany, and then we will undertake to inaugurate a campaign of education until we have secured the assent of the German manufacturers and the German workingmen. And then we will still continue and jointly, the three, perhaps, with some successor of Herr Krupp, or some other gentleman of that character, will send over a delegation to France, and so on and so on. And in the meantime little Japan will develop into a great industrial country, and then we will have to go to Japan, and then we will have to wait until China is prepared for the universal eight-hour day.

I say to you, Mr. Mosely, and gentlemen, that we won't wait; we won't wait. We know what a shorter work-day means; there is not any man upon this floor or anywhere who dares dispute the proposition that a shorter work-day means better men, better workmen; more productive workmen; more intelligent workmen; better citizens, better humane men. (Applause.)

And when that is not denied, when that is a universal fact, God speed the day of the workingmen of a country who shall have the intelligence and foresight to see that the introduction of the eight-hour day is brought about soon. (Applause.) The country

that will inaugurate the shorter work-day for labor is the country that is going to have the commanding influence in the industry of the world. The country that lags behind in the movement to reduce the hours of labor is the country that will suffer in the markets of the world as well as in the deterioration of its own people.

Our friend, Mr. Nixon, referred, and very genially and ably, to the eight-hour work-day, and I want to say that I agree very largely with him in the same things, except that he says he would like to see it done by law. Well, we will try to do that by law. If we can we will do it upon the economic field by agreement with our employers, where we cannot do it by law. As a matter of fact, let me call your attention to this: During an investigation by the House Committee on Labor some few years ago, Mr. Cramp, of the Cramp shipyards, stated that in a competition for the building of a warship for the Russian Government, in which the French shipbuilders competed, Mr. Cramp undertook the contract to build the Russian battleship in just one-half the time that the French shipbuilders demanded, and for less money. In other words, that the French builders wanted five years to build a battleship that Mr. Cramp contracted and succeeded in producing within two years and a half.

Now, there is another point I want to touch on, a statement made by a gentleman, that he would rather see the eight-hour work-day established by the law than by trade unions, with all the laws upon the statute books of our State and of our

country in regard to the hours of labor—as if they were better than that of the trade unions. Now I should like to inquire of him whether he imagines that these laws upon the statute books providing for the hours of labor were enacted through philanthropy or whether they were enacted through the efforts of trades unions? I wonder whether he can imagine the enforcement of any of these labor laws unless it was through the organization, the agitation and the demands made by the trades unions. As a matter of fact, there are some States in which there is no law upon the statute books providing for the hours of labor, and yet the unions of a number of trades have adopted and inaugurated universally for that trade an eight-hour work-day.

In an investigation before the same Committee on Labor of the House of Representatives, an employer said that the normal life of a machine to which he referred was five years, but that in his plant it was speeded up to that degree that it seldom lasted more than two and a half years. Is it not strange that in our country, where per capita the workmen produce much greater wealth than do the workmen of any other country, that some here, too, indulge in an unjustified charge of a “restriction of output?” I grant you that, here or there, such a thing may exist, as, perhaps, I could point out that here and there throughout the country people still make moonshine whiskey, and that here and there is one of these plague spots known as Chinatown, but no one would attempt, in speaking of American conditions, to refer to these as typical. The fact is that in the United

States, for all practical purposes, there is no limitation on the output of labor, but we have insisted that there shall be a reduction in the hours of labor, so that there may be better opportunities for our mental and physical development, and for the enlargement of every capacity of which we are capable.

I want to speak of our friend, Mr. Barbour, who says that he opposes the eight-hour bill, and one of the most potential reasons that he gave was that we are enjoying prosperous times and he was one of those who believed in "letting well enough alone." Well, I want to ask Mr. Barbour, or any other sane man, when does Mr. Barbour expect that the hours of labor shall be reduced? When we are working too much or when we have no work at all to do? Does he expect that we shall advocate a reduction in the hours of labor when the working-people of our country are generally unemployed? The very statement carries upon its own face its absurdity. It is because of the fact that we are running pell-mell and producing haphazard without regard to results, without stimulating or encouraging the consuming power of the working-people, the great masses of the people, that the danger confronts us. Produce! Produce! Produce! is the cry we hear. We need to cultivate the power of consumption and use among the working-people if we hope to carry on the great era of industry and prosperity which we now enjoy. Otherwise you will keep on producing, producing, producing, and the storehouses will be filled and the channels of industry will be choked, and then will come what some gentleman mistakenly called a finan-

cial crisis, but which, indeed, is an industrial stagnation.

Even Mr. Barbour could not leave the charge unmade of a limitation of work and limitation of output, in that he said that the American workingmen would get into their shops and their factories five minutes after the whistle blows and get to "washing up" five minutes before twelve; and then come in five minutes after one, and then wash up again five minutes before the whistle blows for the shutdown of the day. He said that he might consent to the nine-hour day, he might consent if the workmen would make up their minds to eliminate those five minutes and then **WORK HARDER. Work harder!**

Who among the men have observed the way the working people of our country toil, the industry with which they work; who among the employing class, who have observed their own employees and the workers in other industries, but have been struck with the great velocity and intensity with which the toilers of our country work. If they doubt it, let them watch the men who come from any part of the world to the United States and put them to work in any industry and you will find, as many of them have said to me when working, "Why, I have simply become dazed with the rapidity with which my shopmates have worked." **Work harder! Work harder! Work harder!** My heavens, it reminds me very much of what a friend of mine sometimes said and which struck me as very apt, when he said that it seemed some men believed that they were put on earth not only to work but to be worked,

and that inasmuch as they were but a very short time on earth, for heaven's sake, work him harder; you don't know when he is going to drop off. (Laughter.) The idea of suggesting that the American men work harder! (Laughter and applause.)

Well, we are going to do our duty, and I want to say to you gentlemen that there are no men in the world who are more impressive in the lesson that they desire to teach their fellow workers than are the men—mistakenly called the labor leaders of our country—who try more to impress upon the minds of labor and union men the necessity of doing a good, thorough hard day's work. When a man who is always pleading and demanding that the working men of our country shall work harder, and knows no other policy, and knows no other relief, well, I simply want to enter my emphatic protest. That is all.

We believe in the organization of labor, and we are not ranting against trusts and corporations as such. As citizens and men each has his own view and does just as he pleases; his is the responsibility to himself and to his conscience and to his country. That is what his duty is, but to a wage earner and to a union man there are good trusts or corporations and there are bad trusts. To us as unionists they are employers of labor, and they are either good, bad or indifferent.

My friends, we believe that the organizations of labor are moving in the right direction, trying to bring the workers within the fold, not by force, but by moral suasion and by interest trying to bring

the wage earners within the purview and influence of the trades union movement, and trying to make the men in our trade unions careful of their interests and of the interests of their fellow workers and their fellow citizens; conscious of the responsibility that devolves upon them to instill manhood, dignity, independence and fraternal and humane regard for the considerations and interests of others, and to move along the lines, not of revolution, but of evolution; not to borrow trouble, but to prepare for it; not to be carrying the chip of defiance upon their shoulders, but to be always organized and prepared to resist an invasion of their rights or the imposition of a wrong. To continually work for a better life, for a higher wage, for a reduction in the hours of their daily labor, until a normal workday may be reached. To be honest and faithful as men and as citizens, and to try to bring as we now find in our country, a democracy, a sovereignty of our people politically, so we may inaugurate a greater degree of democracy in industry, in which the workers shall have a full voice in determining the better conditions under which labor shall be performed and industry carried on and developed to the highest pitch of possible success. (Prolonged applause.)

MR. MOSELY: I have listened with great pleasure to Mr. Gompers' speech, and I agree with very much that he has said. It has been a very forcible speech, but as Bismarck remarked: "Force is not necessarily an argument." I will, first of all, refer to the eight-hour day, in connection with which my name has

been mentioned. I may say that in theory I am absolutely in favor of an eight-hour movement, but in practice I am not sure that it is possible at present. Mr. Gompers referred to my statement that it was necessary to bring all workers into line, which is quite true. I made that remark. But when I referred to all workers, I didn't mean Kamschatka or the Fiji Islands. I referred especially to the great industrial nations—the United States, England and Germany.

I have been a man who has been connected with a large variety of businesses; I have studied economics, and I do not hesitate to tell the workingman in this room that if he is going to attempt to introduce an eight-hour movement before he has got the workingmen of those three industrial countries into line, he is assuredly going to make trouble for himself—and you have too many workmen at present in the United States to support its industries. The United States formerly was essentially an agricultural country. Within the last few years it has passed from that stage to the industrial. You have built large factories; your inventing genius has created great machinery. You require an outlet outside of the United States for your products, and if you are going to attempt to work eight hours while the rest of the industrial world—I refer particularly to the United Kingdom and Germany—are going to work ten, you will surely be bringing about a bad state of affairs which will precipitate a crisis. I say that I am prepared to stand by that statement. Set to work and it is not a difficult thing to bring the Anglo-Saxon

workmen into line. It requires no mere Rockefeller, no mere millionaire. You have your own trade organizations; let them send their delegations to England and Germany and attempt to interest the bigger minds in trades unionism in that great idea. I don't think it is difficult if you can set about it in the right way. I warn you to set about that first, before you introduce an eight-hour movement.

Mr. Gompers also referred to the unions versus free labor, with regard to what he thought my views on the subject were. I am a union man, and I stated publicly that I am a union man, because I believe the unions are making for a better state of things; because I believe that it is owing to the action of the unions that the men are now, both in the United Kingdom and in the United States, receiving the wages they are getting to-day. But there is a limit to the way in which unionism shall be allowed a free hand. They have not the whole of the workmen enrolled. There are, in the United States and in other places, men who venture to think—I don't say rightly or wrongly—who venture to think that unionism has done harm, and it is in regard to those who differ in opinion to ourselves that I say a free voice should be given.

Unionism is good, in my opinion—others may differ with me. There must be free and unencumbered right among the workers to unionize if they please; there must be an equally free right among those who differ from us to work and sell their labor as they please. (Applause.)

It has been remarked by Mr. Gompers, or rather,

an object-lesson was given by him, that the workers who wished to sell their labor in the free market were very much in the position of the man who, having built a house, decided to destroy it by fire. I take exception to that example; I don't think it is a fair one. I think it could be equally well argued by the free labor advocate that the man who sought to combine was in the exact position of the man who sought to sell his free labor. I can only think that there must be equal freedom on both sides, if there is to be any true progress and any equality.

The black list was referred to by Mr. Gompers. I mentioned nothing about the black list, but I will say this in regard to it: I think the unions are strong enough to take care of themselves and to protect the interests of the men who have been so-called black-listed. I am heartily in sympathy with the unions in taking up the cudgels for those men who have been discharged, if they think that that discharge has been unjust. I am perfectly in sympathy with that, and I don't think there are many employers of labor who will take another view. Anyway, if there are, they don't count; they don't represent the intelligent employers of any country.

Now, that is all I have to say with regard to the three points concerning which Mr. Gompers used my name; there are one or two questions that referred to the discussions of yesterday that I wish now to address Mr. Gompers about, and they are these: I will take them in rotation—there are only two.

Speaking of the Baldwin Locomotive Works, I regret exceedingly that there should have been any

name mentioned. Mr. Barnes, with one of my delegates, mentioned a factory in which he thought the conditions were abominable. It ultimately transpired that he referred to the Baldwin Locomotive Works. Let me say that I don't agree with the remarks that have fallen from the two gentlemen with regard to those works. I do not believe it would be possible for many thousands of men to be working contentedly for years if those conditions prevailed. There is one point I would like to ask Mr. Gompers for information. I have made some inquiries during the last twenty-four hours since their name has been dragged into prominence, and I am told that those who are responsible for the works, who are in charge as foremen and in other high places of authority, even the partners, are men who have risen from the ranks. Now, is that true or is it not; that condition of affairs? If it is true I think that it says a great deal for their system, that has allowed the men to come from absolutely the bottom of the ladder to the top and run those great works. They are non-union, but because they are non-union I don't think it is fair to attack them. If non-unionism means that men can rise from the bottom of the ladder to the top in a great concern of that sort, I think it says a great deal in favor of non-unionism, if that is the result universally. It may be, however, only an isolated instance.

But there is another point with regard to these gentlemen being partners and organizers and responsible for the conduct of those works, and I don't know whether it struck our friend. Those remarks,

it seems to me, look like throwing mud at themselves, because if it is true that these are the men, the workmen who are responsible for this state of things, it is the workmen themselves who, having been put into these positions, are oppressing their brother workmen, and I don't think it sounds well that the workman of this country, when he rises rapidly, will use his power to oppress the others. If that is the case, I say let us have the millionaire; let us have the capitalist—because he doesn't do so. (Applause.) I shall like to ask if it is true that largely or more largely those responsible for the Baldwin Locomotive Works have risen from the ranks?

The second point, to which I should like to ask Mr. Gompers to answer as one who is responsible for the organized labor of this country, is with regard to the apprentices. I may be very dull, as I have not yet elicited an answer, at least not what appears to me to be an intelligible answer, as to the apprentices. What I want to know is: Is it the employer who is responsible for the number of apprentices, or is it the unions who are responsible for the number of apprentices, or is it a matter of mutual understanding between the employer and employee. I should certainly like definite information upon that point.

MR. GOMPERS: Of course, if the United States and Great Britain and Germany were to move forward and develop industrially, and the other nations of the earth remain in absolute status and no change in them occur industrially, the position taken by Mr. Mosely would be justified. But, whether he likes it or not, whether we like it or not, though France and

Austria and Italy and Spain and Russia may not make as fast a progress industrially as do the three other nations you have named, Mr. Mosely, yet depend upon it that they are making industrial progress and will make greater industrial progress, and the nearer we get to the shorter work-day, the nearer they may be to us. It may not be known generally, but when the hours of labor are, say from fourteen to sixteen hours a day, they are not reduced to thirteen and fourteen, but as a rule they are reduced immediately, whenever a change occurs, either to twelve or eleven or nearly ten. I doubt that there is an industry to which any gentleman here can refer in which that has not been the case, when there have been exceedingly long hours of labor, as I tried to indicate, fourteen, fifteen, sixteen, and in some instances eighteen hours a day, that when a reduction has come about, it has been to about twelve, eleven, sometimes ten and one-half or ten. And what is true in the industries in the United States is equally true in the particular case I have cited in the industries of the whole world. Wherever you may find working-people in Europe or in any other country, where they change their hours of labor, it is to twelve or to eleven or to ten, and in that same degree that we shall move for a reduction in the hours of labor for the United States and Great Britain—because I think Great Britain is pretty close to us—you will find that the same reduction in the hours of labor will come in Germany and a corresponding reduction in the hours of labor in France and Austria. You cannot wait. My friend may think that that is

“force”—it is simply “emphasis”—that is all. (Laughter.) I cannot help the manner of emphatic statement any more than my friend, Mosely, can be absolutely deliberate and apparently without feeling.

Let me add this: My friend Mosely may theorize as much as he pleases, but we are not going to wait; we will prove to him, as we have demonstrated to others in the past, that a reduction in the hours of labor does not mean injury, industrially or commercially, or in any other way, but that it means the very reverse. The whole history of the movement to reduce the hours of labor is full of proof of that fact, and I might cite, as proof, the case of Great Britain and the United States, which are the two great countries of the world that command the markets of the world as compared with any other two countries—the United States and Great Britain, sending our product all over the world, while working less hours in those two countries than in any other country in the world.

In regard to the Baldwin Locomotive Works, I feel that it was very unfortunate that the name was mentioned here, and I will give you my reasons. Apart from any other considerations the employers of America have at all times been very kind to place us in possession of facts and opportunities, and have thrown open their factories to the delegation which Mr. Mosely brought over, and that fact in itself ought to have been regarded as sufficient to have prevented the name of any house being mentioned which extended the courtesy of opening its doors to visitors. And I want to say that as far as

that particular establishment is concerned, I only knew of certain things from other men who have worked there for the purpose of securing the information. I am speaking of the conditions there, and I think Mr. Mosely and I should prefer really that the particular case be dropped, and wish that it might be expunged from our memories as well as from the records.

I do not want to indulge in any particular case. I don't think it is right; it is hardly fair to the people of that company. I want to tell you candidly that if I could organize them, the men in that plant, I would do it in a minute, with the consent of the Baldwin Company, and as I said, I would organize them in spite of the company if I could do so. But I don't want to drag them into a discussion before the public, which is profitless after all.

In regard to the matter of apprentices I want to say that the division of labor, its sub-division in the United States, and its classification, are going on to that degree that one scarcely can believe, unless he makes a thorough investigation of it, so that by entering into a factory he might be there for a week or month. In a month he will know perhaps the branch of the business as much as he will know it in a year or in two or three years. He may become more adept, as it were, at it, but he will know just about as much of it. And for that reason I should say that in those trades there is seldom in the matter of apprentices any difficulty. We have such an immense number of what are known as "helpers" and "handy men," who are limitless

in number. In some trades which yet retain some vestige of organization there is a regulation of the apprenticeship system, and that is reached by an agreement by conference, an agreement with employers.

Now, I want to say this: I don't want you for a moment to imagine that the union always agrees with the employer that his judgment is right or as to what he is willing to do, for very often we only know what the employer is willing to do after we have put him to the test. It is all the difference in the world between what he says he is willing to do and what the conditions demonstrate he is willing to do. I don't know whether I have answered the question fully, but I have tried to do so.

MR. MOSELY: It is still not at all clear to me how you arrive at it; is it through the employer, is it through the union or by joint agreement?

MR. GOMPERS: Usually by joint agreement; and I will add this—I want to be fair—that the agreement is very often reached after a contest. (Laughter.) It is then only that we really learn what the employer can really give. (Laughter.)

ARCHBISHOP IRELAND: This question of freedom of labor is a matter of considerable importance and we should understand one another. Mr. Gompers seemed to distinguish and did distinguish between the legal right of each one to sell his labor and the moral right. Well, admitting the distinction and saying that the union did not deny the legal right, but did deny the moral right, I would ask whose business is it—the business of the State or the busi-

ness of unions or of individuals to enforce what they believe to be the moral right?

For instance, the unions believe that independent workers have not the moral right to sell their labor in opposition to the union labor. They believe that it is wrong for non-union laborers to sell their labor in opposition to the union laborers. Very well. Admit that for argument sake. Will the union be willing to leave to the State the enforcement of the punishment of moral wrong on the part of non-union laborers, or will the union take it in their own hands to discourage moral wrong and prevent non-union laborers from selling their labor? (Appluse.) The enforcement of that is a question as to which you could, Mr. Gompers, possibly clarify the atmosphere.

MR. GOMPERS: Every association, when forced, establishes for itself a system of ethics. Whether that association be that of religion, of law, of medicine, of any of the other sciences, or of industry and of commerce; and each for itself uses every legal power that it has to enforce what it believes to be its legal and moral right. Trade unionism and the labor movement do exactly that thing. So far as their legal right is concerned they exercise every legal right that they have, infringing on no other man's legal rights, but undertaking to establish for themselves, as every other institution on earth establishes for itself, an ethical code, and that code it seeks to enforce by every legal and moral right.

I hope I have now made myself clear.

ARCHBISHOP IRELAND: I think I understand

Mr. Gompers. Of course every association has the right to establish its own code of ethics, that is true. For instance, every church establishes its own creed, or rather puts forth a creed that is its own, but not every church has the right to go out in the streets and the public places and say: "If you don't come to my code of ethics, well, I'll fix you." (Laughter.)

I believe that unions have the right to say, to believe, to hold as their doctrine, that it is wrong for non-union men to sell their labor, as it were, in opposition to union men, but then—and I believe with Mr. Gompers—that the union men have the right to take all legal means to keep the non-union men out. But would such means as are sometimes practiced—threatening and making it impossible to live almost if they come into work, in other words, punish them, be in accordance with this code of ethics? Now, the State, if it is a moral wrong, the State is the party to punish moral wrong. The individual may believe that another is doing a moral wrong, but he has no right to punish him. The association may believe others are doing what is a moral wrong, but the association cannot in any way punish them. The State alone has the authority to enforce the law, hence, I hope that whatever the rights of the unions are and however they may by persuasion strive to persuade non-union men coming in to sell their labor in opposition to the unions, still I hold that they cannot interfere physically or in any moral way that would be equivalent to physical force in keeping out non-union labor. If they do they erect themselves into a police tribunal, into

a legal tribunal. They would take into their own hands, in other words, the authority of the State. That is the point. I did not mean to say that all moral suasion could not be used to keep out non-union labor, but anything approaching physical force, or intimidation which would be equivalent to physical force, is wrong.

MR. GOMPERS: I dislike very much to appear even to differ with Archbishop Ireland. We know how we all have had the highest regard for him. I think that the difference is rather more apparent than real. I don't know of any organization or any labor man that will justify a union, or a union man going out and saying to anybody who disagrees with the union or pursues a different course, "I will fix you." Any such thing would be an illegal threat, an improper threat. I differentiate the proper and the improper threat. For instance, any man has the right to threaten me that he won't speak to me. If he has the right to refuse to speak to me he has the right to threaten that he won't speak to me. The word "threat" has been used so often that we are likely to be misled by what it really means and what is intended by it.

Organized labor is opposed to physical force or even the semblance of it. We don't want it; we don't rely on it. That is not the enforcement I had in mind when I gave an affirmative answer as to the right of the organization to enforce its moral code—not physical force, nor anything that smatters of it. We have the right, however, to say to those with whom we do not care to associate, that we do

not wish to speak to them. That is a privilege accorded to every citizen and a right which we take to ourselves.

ARCHBISHOP IRELAND: I think we rather agree. Really, under that plea the treatment which would be awarded by union labor to non-union labor would be pretty liberal. If you only say to them, "We don't want to speak to you," (Laughter) that of course clears up a great deal, because I did myself hear in public that any physical or moral intimidation, which is equivalent to physical force, would be construed in such actions as picketing, if they see that non-union men are going in, and then pull them out and say to them, "If you do go we don't know what will happen."

As to the moral aspect of the question, I am sure that from a certain standpoint the unions can well undertake to say that there is something immorally wrong in men trying to pull down labor and to keep labor down to such a condition that it will be poorly paid, etc. Still, of course, we must bear in mind that there are other aspects of the non-union cause, and that we at least should be willing to give freedom of opinion and to say that, while unions have the right to say that it is morally wrong for non-union men to sell their labor, still, the non-union men have the right to believe that it is not morally wrong. It would be in other words an open question, and each party may use of course moral suasion, in order to bring the other to his way of thinking.

MR. O. C. BARBER: I am speaking, perhaps, from

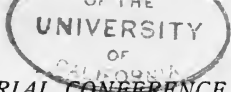
the standpoint of a manufacturer or an employer of labor. As I have followed the arguments and papers read by the different speakers, this one thought has occurred to me:

Has the strength of the position of America in the markets of the world, and in the home markets, been derived by the assistance furnished by the trade unions? The disposition of the people to organize, from the lowest labor organization to the highest organization of capital, is a very natural one, but as my recollection takes me over that period of the greatest prosperity of America, it does not seem to me that that prosperity has been achieved by labor unions, but that it has been achieved by men of strength, coming from the shop in all branches of business, who have aimed at a high standard. I would like to ask if that standard means high standard of hours of work, or of hours of play? Man gets all he produces from nature by labor, therefore, the laborer is worthy of his hire, but if he wants much he must work much. If his wants are primitive, as they were in olden times, he can spend his time in hunting. In primitive times he did not have all the comforts that the home furnishes to-day. His life was primitive—he dwelt in the forest, where nature showed him that the fittest survived. The great tall trees got their strength from the ground; the lower limbs fell off, and the old trunk kept growing up and up, and dominated. In the life of man as well as in the life of the forest the same principle prevails and governs: “The survival of the fittest.”

Now, if you so organize your trade unions that they are the fittest way of handling the labor of the country and increasing the production of the country, and making the country able to compete in the markets of the world, then you will have done well, but to-day the supremacy of the United States and her manufactories over that of any other country, the most civilized country, comes not from trade unions, but from the genius and efforts that have been made by the individual man.

The trade unions do not better his position, as now organized, or increase his productive power. There is a great clearing house that you will all have to account to in these transactions. If you want the great position that America has acquired in the markets of the world, and in the commerce of the world, you must continue along the lines of the "survival of the fittest," but if you commence and organize your labor on the principle of force, you will find that prices of commodities will go up equally with the price of your labor, and in the clearing house the balance may be against you, and wages which you think you have increased will have been diminished in their purchasing power. You may force your wages so high and so reduce the hours of labor, that in this clearing house your markets will slip away from you, and the labor that you were so dependent upon will have been lost in the competition that you yourself, through organization, have created.

I know something of England and the conditions that prevail there. I have been there on two sep-



arate occasions when great industries were prostrated by what we call strikes. Where the labor unions dominated, and had dominated to such an extent that the products produced from their labors could not be marketed in the markets of the world by England, and per force, the people engaged in these industries were obliged to fight the union to a finish that they might even retain their home trade. I refer to the strike, first, of the engineers, where the manufacturers were unable even to control the machines in their own factories, the whole business being dictated by trade unions.

I refer also to the shoemakers' strike, where the unions kicked against progress and against the introduction of labor-saving machinery. and 250,000 shoemakers went out on a strike. I was there at the time of this strike, and the arguments that they brought forth, the force that they proposed to introduce in boycotting and against scabbing, so-called, were both disgusting and revolutionary, and had the effect to kill the industry for a long time. While the strike was pending American and German shoes entered the market and so filled up the markets that when the shoemaker was ready to go back to work he found his vocation gone for several months, and they have been laboring under the disadvantages of that strike ever since. I say to you, gentlemen, that I think the days of prosperity have passed away, in an industrial sense, for England, and largely on account of the trade unions, who have so thoroughly dominated all parts of Britain.

I have listened to the greatest tribute paid to

non-union labor, by Mr. Gompers, this morning, in his speech—a much greater tribute than he has paid to union labor. That tribute referred to the success of the Cramps in securing the building of the Russian battleships, by competition in the markets of the world. The Cramps were enabled to procure this work because they were able to produce the work at as low a price and in shorter time than any of the other ship-builders.

MR. GOMPERS (interrupts): I made no such statement, and I wish to correct the last speaker, and to say that what I said was this—that the ship-yards of France were the ones I referred to, and the ship-yards of America. It was a competition between the ship-builders of France and the ship-builders of the United States.

MR. BARBER: Between the two countries then? But I have reason to know that the business was thrown open to the world for competition, and the Cramps of America were able to produce the work in half the time that any of the ship-yards of France could produce it, and on a competitive basis in price, and it was largely due to the Cramps being in a position where they could control and get out of their labor the maximum amount of work for the hours employed.

I do not think this hour question has much to do with the real problems at issue. In the Cramp ship-yards there were employed thousands of people on a non-union and competitive basis—on a basis of the “survival of the fittest” in their particular branch of business—the machinist in his—the

carpenter in his—the blacksmith in his, the riveter in his, and so on, and the Cramps paid them for their work according to their ability to produce, and in that way they got the contract, and in that way America has been reaching out in the markets of the world in different lines of production.

As I said before, we have to account to the great clearing house of conditions, and before you undertake, arbitrarily, anything, it will be well for you to study the conditions. The closer you sail along the way of the least resistance, and follow nature's laws instead of trade union laws, as now constituted, the greater will be results and your prosperity. The cheaper will your homes be built and the comforts that you put in them. All things come from labor, therefore the laborer can produce what is needed in proportion as he labors. Let labor be free. Let the legal labor day be eight hours, if you so wish, but do not force the man who has the energy and ability to work ten hours, to work less. Give him freedom. You must, of necessity, work along highly competitive lines. It is nature's law, and while you work together, do not interfere with those laws, but follow the lines of least resistance and you will get the best results.

THE CHAIRMAN: The next speaker is Mr. Frederick Driscoll, Commissioner of the American Newspaper Publishers' Association.

MR. FREDERICK DRISCOLL: We have assembled here to-day to learn what progress has been made in the establishment of policies and the accomplishment

of experiences which have tended to promote industrial peace, public interest in which has been greatly increased by the stirring history of the past year.

Upon request, I appear before you as the representative of the American Newspaper Publishers' Association, to briefly relate what has been done by our organization, to maintain friendly relations with the labor unions with which we have to deal.

Our association, comprising about two hundred of the leading daily newspapers of the United States and Canada, was organized for mutual benefit in 1897. For many years it took no positive action on the subject of labor. During the closing years of the last decade a number of our publishers had suffered from a severe experience with strikes, notable among which may be noted the instance in Chicago, in 1898, when the stereotypers struck on the eve of the great naval battle of Santiago. All the papers in Chicago united in closing their offices, and no newspaper was issued in that great city for four days during the most intense news excitement of the Spanish War. The losses to the publishers of Chicago resulting from this famous strike have been estimated to amount to more than a quarter of a million dollars. The publishers finally manned their offices with outside stereotypers and the strike failed. In December, 1899, the Typographical Union of Pittsburg declined to complete its labor contract at a time when it had but a week to complete the term contracted for. Seven daily papers united in resistance, and a struggle of three months' duration en-

sued, involving boycotts and the usual disturbance. At the end of that time the union gave up the struggle and the strike was lost.

In February, 1900, at the publishers' annual convention, the subject of labor was taken up. Resolutions were unanimously adopted to appoint a permanent special standing committee to take charge of all labor matters affecting generally the publishers of our association. Authority was also given this committee to appoint a commissioner who should devote his whole time to this important work.

The committee then issued a circular, which contained the following paragraph;

"This committee feels charged with the sacred task of settling disputes whenever possible and, to that end, will labor to secure the establishment of joint national arbitration committees to adjust labor troubles between members and their employees that cannot otherwise be settled.

"The committee was not appointed to provoke controversies or to antagonize labor, but on the contrary, to promote a better understanding between members and their employees. The services of the committee and its commissioner will be at the disposal of any member of the association."

The commissioner was appointed and an office opened in Chicago, on April 1, 1900. Various statistics were gathered, and it was found that between eighty and eighty-five per cent. of the members had union offices in one or more of their departments.

In August, 1900, the commissioner appeared before the annual convention of the International Typo-

graphical Union, and in a short address urged it to join with our association in establishing a plan of arbitration for the settlement of all disputes which could not otherwise be settled. Authority was given the executive council to do so, and in the following November our committee and this council held a prolonged conference, which resulted in the formation of a tentative plan, to last, if approved, for one year, from May 1, 1901. This plan was unanimously endorsed by our association in February, 1901, and was then submitted to the referendum of the International Typographical Union. The vote resulted in 12,544 in favor and 3,530 against the adoption of the plan. Thus intelligent labor formally approved the principle of arbitration by a vote of nearly four to one.

The arbitration agreement in accordance with the plan was then executed by both organizations interested. This agreement provided that in case any publisher of our association should bind himself to arbitrate any difference arising under his verbal or written contract with the union, the International president would then guarantee the complete performance of the contract; and also that the local union would arbitrate all differences which might arise incident thereto. A form of contract was prepared, which was to be executed by the president of the International Typographical Union and the publisher, which contract embodied all the provisions contained in the agreement with the American Newspaper Publishers' Association. The experiment was for one year only. During this time but one case

came before the national board of arbitration, which was composed of the International president and the Association's commissioner, who, if they could not agree, should choose a third party to determine the dispute. This case was decided in favor of the Union.

In August, 1901, I appeared again at Birmingham, Ala., before the International Typographical Union Annual Convention, and asked that authority be granted the executive council to extend the term and broaden the scope of the existing arbitration agreement. This was granted, and in January last, at a joint conference, the new agreement was framed and a period was fixed for five years, from May 1, 1902. The scope of the new agreement was extended to cover the settlement of disputes which might arise in framing new scales as to wages and hours of labor. This was a distinct advance upon the previous agreement, for there is always more danger of trouble and differences arising, in forming a new scale, than in performing a current contract. We believe now that very great progress has been made in securing the continuous and peaceful prosecution of work in our offices. For obvious reasons this is more important in the publication of a daily newspaper than in almost any other branch of business.

During the year 1902 there have been settled on the part of members of the National Arbitration Board by conciliation or arbitration, labor differences in Toronto, Saratoga Springs, St. Louis, Springfield, Ill., two cases in New York, and one in Boston, Mass. In all but one of these cases the matter settled per-

tained to new scales. A great many more cases have been settled locally, without the aid of the national board, by reason of the fact that the publisher had an arbitration contract with the International Typographical Union.

This organization has jurisdiction over the Typographical, Stereotypers', Mailers', and Photo-Engravers' Unions. It can enforce its discipline even to the extent of revoking the charters of these subordinate unions. No strike can take effect or be legal until the same is ordered by the International Typographical Union Executive Council. I can most cheerfully testify to the honor and good faith which has characterized the International government in the multiplicity of business which we have transacted with them. It is for the welfare of their crafts that the governing organization should be faithful to its obligations, and I am sure its guarantee can be depended upon as well as though it was incorporated and was otherwise financially responsible.

As the peaceful operation of every mechanical department in the newspaper office except the press-room was thus provided for as stated, steps were taken last year to make the same arrangements for arbitration with the International Printing Pressmen's and Assistants' Unions. An agreement was executed with this organization and our association on substantially the same terms and for exactly the same period of time, from May 1, 1902, to May 1, 1907. This was an aid to us last March in settling threatened trouble in some of the principal newspaper offices in New York City.

So that now all the mechanical labor employed in the newspaper offices is covered under these contracts.

I have always found both the International presidents ever ready to co-operate with me in adjusting differences and settling trouble when it first arises. By reason of this policy of mutual conciliation, it is gratifying to be able to state that since the establishment of our industrial bureau there has not been a single strike in any of the offices of our members covering a period of two years and eight months.

For the information of members of other branches of business, whether organized or unorganized, I will state that the American Newspaper Publishers' Association is a voluntary organization: its action cannot obligate its members; each publisher certainly so far as labor matters is concerned is absolutely independent and free to hold any attitude toward organized labor which he deems for his interest. Thus, there are about ten per cent. of our publishers who have no relations with the unions. I state this diversity of views and action because it is probably the case, to a greater or lesser degree, in all branches of manufacturing business. It seems the facts as related show that any branch of manufacturing business can adopt a similar system to ours, for the benefit of members who feel compelled or who desire to establish harmonious relations with the unions. Its practicability has been demonstrated, and its adoption is cordially recommended.

I am not here to expound any theories on the relations of capital and labor. This is a rather practical world, and a prudent business man will always en-

deavor to profit by the experience of others. If such experience is profitable in its results, it will be wise to be guided thereby. If, on the contrary, no good results follow, it can safely be rejected. Tried by this test, we feel sure that the members of any branch of manufacturers, or other employers of organized labor, will make no mistake if they follow in the footsteps of the American Newspaper Publishers' Association. (Applause.)

MR. GOMPERS: We shall now hear a brief address from Mr. Samuel Mather, of the Pickand Mather Company, of Cleveland, O. Mr. Mather and his company deal principally with longshoremen, the longshoremen's organization.

MR. SAMUEL MATHER: It is only about five minutes ago that your all-compelling secretary, Mr. Easley, came to me and requested that I speak on this subject. I told him I was here entirely as an apprentice, coming here to listen and to learn, but apparently he believes in no restriction of apprenticeship, for he insisted that I say at least a few words on a subject that I know something about, namely, the working agreement that has been existing for the last three years between the Longshoremen's Union and the dock managers. That covers the business of handling iron ore and coal on the discharging docks of the different ports of Lake Erie, from Buffalo to Toledo; Buffalo, Erie, Conneaut, Cleveland, Ash-tabula, Fairport, Sandusky and various other ports. I must confess that I have not the detailed information on this subject which you should hear, for that

branch of our business has been under the direct management of a junior member of our firm; but Mr. Keefe will go into that, undoubtedly, fully and in detail.

I am very happy to be able to testify that since that continuous arrangement was inaugurated, about three years ago, our business has been conducted with very great advantage compared with what prevailed before. Prior to that time the longshoremen at the different docks had to be treated with separately and for different causes. Now, at the beginning of each year, delegates from each local union—two delegates, I think, from each local union—meet at Cleveland. They have their own meeting, lasting between three and four days, during which time they thresh out what they think they should have, what wages and hours and turns they should have for the ensuing year. Then they meet the dock managers and give their ultimatum or state their claims. The dock managers confer together and meet in conference with them, during all which time the work continues without interruption, and when the terms are finally agreed upon, as they have been in each year, without serious difficulty, we have found that they have been lived up to. And if any occasion of dispute arises, it has not caused the work to terminate, but it has been first locally settled, if possible, and if occasion necessitated has gone up to the chief council. That has worked satisfactorily, as I say, for three years, and is a great improvement over the arrangement, or rather the lack of arrangement, that existed before. I can testify a little as to the im-

provement, for before that, as I said at first, each dock claimed different wages, frequently different terms, and it had to be fought out individually. I recall very well at one time that our honored chairman's brother, Mr. L. C. Hanna, and I, had to go down to Ashtabula to meet the workmen there and try to settle a dispute that had arisen there. We went down there ostensibly to meet the foremen of the different gangs, but when we reached there we found we were to have a sort of mass-meeting. A great hall had been hired and all the men were there. We had to make little addresses to them and state our side of the case, but I saw speedily that very little was to be gained by that; a great many of the men did not understand us; they did not speak in our language, did not understand English well, and I said we would have to present our claims in circulars, which would have to be printed so as to reach the individual men, which we accordingly did, and had our circulars printed in Hungarian and several languages, and finally worked out some result. This with the shovelers and day laborers.

Then the engineers had to be treated with, and that was agreed to be left to arbitration. Mr. Hanna was to present our side; a laboring man by the name of Pat Ryan was to present the side of the engineers and hoisters, and they agreed upon a merchant there who was to be the referee. Then Mr. Ryan conducted Mr. Hanna down to the harbor again, telling him not to be afraid, that he would protect him. Mr. Hanna was even a more stalwart specimen of humanity than our good chairman, and Mr. Ryan was a scant five

feet. (Laughter.) Upon arriving, Mr. Hanna arose and made an elaborate argument in presenting his side, and after he had finished and when Mr. Ryan's turn had come, he arose and simply said: "Mr. Referee, the byes want an increase." Upon getting back to Ashtabula Mr. Hanna said to me: "I think we will have no difficulty in getting a verdict in our favor, for no argument was made on the other side." But he had hardly finished telling me this before he was called to the telephone and informed that "the 'byes' had it." (Laughter.)

I have nothing further to say except that I am very glad to testify that for three years this has worked very satisfactorily and a great deal better than before. I hope it may continue to work as satisfactorily hereafter.

MR. GOMPERS: We shall now hear an address by Mr. Daniel Keefe, president of the International Longshoremen's Association, representing the longshoremen themselves. (Applause.)

MR. KEEFE: Mr. Chairman, I am in favor of annual trade agreements, the meeting of employers and workers and adjusting their differences. However, in order that the workers may be able to present a practical argument, it is necessary that all the men of that particular trade or calling be a part of the organization; for if we expect to get conditions for the men, we must be able to represent all the men, and say to the employers that they are a part of the organization.

Our agreements date back for several years; I am

not aware of any violation of them. Mr. Mathers has referred to an instance that occurred four years ago, which is true in a sense, but an amicable understanding was arrived at; and since that time the employers and workers have seen the advisability of meeting once each year for the purpose of renewing those agreements. We do not issue ultimatums, nor do we encourage the other fellow to do so. We take the position that if we are not able to present sufficient arguments showing why our demands should be complied with, we are not entitled to the changes asked for. (Applause.) We acknowledge the employer has a perfect right to present such argument as he deems in keeping with his side of the question, showing that the conditions will not admit of his complying with our demands. We have, perhaps, established a different system than most business organizations, for ours is a business organization. First, we have every man in the organization, from the low wage-worker to the very highest and best paid man on the Lakes, whether he be an engineer, fireman, captain, or longshoreman, whose work is directly or indirectly connected with the dock or water front work. When the time arrives to make our annual agreements, there are notices sent out from the general office to the different locals interested, to elect delegates to the conference. Those delegates are obliged to bring credentials from their local organizations, showing that they have agreed to whatever understanding may be arrived at the conference. The delegates have absolute power to make such agreements, as they deem best for the

men. After we get together, as Mr. Mather well said, there are several days devoted to general discussion. After that we have the convention, and select a committee to meet with the employers. The satisfactory feature of it, however, is that there are some hundred and twenty delegates present, and you cannot constitute a committee of that number. The committee is composed of five, as a rule, but as the hundred and twenty have discussed the matter pro and con for some time, and understand the situation very well from data and different reports of the cost of production, transportation, and other costs, among themselves—before the committee has arrived at an understanding or an agreement with the employers—the delegates have a general idea of what it is going to be. We do not return to our convention and report that we have done something subject to its approval. It is natural for the working-people to suppose that all that is required of their committee is to prepare their demand, present it to the employer, and have it signed and returned. But through these discussions we have been able to bring out the strong and the weak features of our side of our demands.

We have no strikes, it has been well said, for this reason: Every man is a part of the agreement, whether he handles lumber, coal or iron ore; or is an engineer, hoister or fireman, or whether he is an elevator employee or tug captain. That, of course, prevents any misunderstanding. Our agreements provide that any question arising not covered by the agreement must be adjusted by some method of arbitration which is provided for. There is no get-

ting away from that; if a question does arise which can be only of a detailed nature, or of no great moment, the committee on arbitration will adjust it, the work continuing, and both sides abide by the decision.

We have had during the last year two important strikes that we were indirectly interested in. One was at Algiers, La., with the freight-handlers employed by the Southern Pacific; the other was the Great Lakes tug strike. The first was settled through your chairman communicating with a member of the board, Mr. Krutchnitt, vice-president of the Southern Pacific, who took the matter up with myself, when I was on the Pacific Coast, where arrangements for conference were made, and it required only a very short time to adjust the difference satisfactorily to both sides.

The tug strike was of considerable importance; both sides contended they were right. The commerce of the Lakes was being interfered with. Your chairman made an effort to get both parties together, but at first failed; there was more or less correspondence passed between your chairman and our office. The commerce was being interfered with to such an extent that something must be done. We had some thirty-seven thousand men who came directly in contact with the handling of the cargoes carried or transported from one place to another. However, we did not become involved in the strike. Our folks realized they had agreements, and they must be carried out. Every member of the organization is furnished with a copy of the agreement in book form,

which he carries with him; the rules of the organization are that he must have a copy with him at all times, so that if a question arises he can take out his book of agreement and see what is expected of him, and in this way no friction will occur. The tug strike was finally brought to a satisfactory settlement through your chairman. One of the conditions is that future agreements will be entered into. The tugmen are now a part of our organization, and we do not look for any future trouble; there has been no friction whatsoever since the agreement has been made. The same is true of all the Lake interests, and is true largely of the Pacific Coast. We have agreements with the important interests there along the same line. We have been able to reduce the number of hours of labor, and in some instances have advanced the wages. Yet, while the employers were very determined against both of these conditions, the one thing that seemed to appease them was, that after they had entered into an agreement with us, they were satisfied that it would be carried out in both letter and spirit.

The Civic Federation—and as a member of it I just want to say a word or two regarding it—the policy pursued by it has been the policy of our organization for many years, and we are very much pleased to know that there is an organization like the Civic Federation, and that it has taken the broad view of having the employer and employee meet with each other, and encourage them to enter into annual agreements. (Applause.)

I made a report to our last convention at Chicago

on the policy of the Civic Federation. I took the position that if the Civic Federation was a good thing, or its policy was good, all the workers ought to know it, and I submitted to them the subject for their consideration, and I am pleased to say that it was approved of, and the executive office was instructed to have a representative at each meeting that the Civic Federation might hold. I want to take a moment or two of your time to read an extract from my report to our own organization, and I think that you will understand the policy of our association.

I cannot do better than to quote from my report to the eleventh annual convention of our organization, held in Chicago, July, this year, relative to the aims and of the National Civic Federation, as well as its recommendations, especially on annual agreements.

“Since our last convention, I have been honored by an appointment on the National Board of Conciliation and Arbitration, as a representative of organized labor. The board is composed of thirty-six members, namely, twelve employers of national reputation, twelve members of leading international labor unions, and twelve citizens who in the past have taken active interest in questions of public concern, especially those questions of a social and economic character.

“The purpose and object of this organization I propose to explain, and place before the rank and file of our members, in an intelligent and exhaustive treatment, as far as my ability will permit, to the end that each and every member may have a thorough

and comprehensive understanding of the subject, so as to enable one and all not only to give an intelligent explanation of the same, but also to be able to defend, if need be, our position from the assaults of the unthinking or schemes of the extremists—who would annihilate and destroy everything that would tend towards a peaceful solution of the relations between capital and labor.

“The purpose and object of the Board of Conciliation and Arbitration is to bring about the amicable adjustment of any and all differences that arise between capital and labor. While the organization possesses no legal right to enforce any of its decisions or findings, yet the force of public opinion is all-powerful in enforcing justice and right, and can mitigate the evils of industrial contests, placing blame of oppression on the shoulders where it properly belongs, and becoming a most potent social force in the adjustment of disputes between employer and employee.

“My conviction has been for years that if the great mass of the public had an opportunity of thoroughly understanding the origin, cause and nature of most of the differences that arise between capital and labor, it would certainly redound to the benefit of the workers. The wage-worker is frequently represented as an unruly, arbitrary and unreasonable being, whereas if the light of public opinion were thrown upon the controversy, it would demonstrate the reverse, and show the other fellow was unjust.

Those of us who have been in the movement prior to the formation of the I. L. M. & T. A., say twenty years, can distinctly remember, that if the press or

public at that time had any notice of a labor dispute or difficulty, there was but one side, and that of the employer, and all differences, no matter how honest the difference, all believed should be settled by the policeman's club.

“Public sentiment is unquestionably stronger than any law, and has awakened the public to a higher sense of duty, that will to-day hearken to the voice of the toiler, who cries out not for charity, but insists on justice as the natural reward of industry and intelligence. The great progress we have made up to date is demonstrated in the belief of the public, to wit: The public to-day recognize, first, there are two sides to every question; second, the creation and cultivation of social amelioration, and laws for the regulation of the hours of labor, child labor, etc.; third, the fact that the intelligence of the wage-worker appreciates the full meaning of co-operation of capital and labor, as essential to his own prosperity, and that his reward of a life of toil ensures him the desired comforts he needs in his old age and the education of his children.

“This appointment upon a board of this character is certainly a great compliment to our organization.”

In my conclusion, relative to how annual agreements can be brought about, the reduction of the hours of labor, and eventually the introduction of the eight-hour day, I say, “no other reform in my judgment offers the same wide field for intelligent effort or promises the same practical and lasting benefits to society in general.

“The trades union movement, like the mariner,

never loses sight of its objective point, or its promised haven, and while the radical and conservative alike have places side by side in its ranks, and while at times some spasmodic outburst may seem to have clouded the course of the mariner, yet the good ship is steered through the fog and continues her course unerringly

“ We cherish the hope that through the intelligent efforts of organized labor, assisted and encouraged by an enlightened public opinion, the day is not far distant when the hopes of the toiler relative to the shorter work-day will be realized.

“ The cardinal or fundamental idea of the National Civic Federation is one that our organization can, with pride, boast of being one of the pioneers, namely, the signing of annual agreements or contracts. Long years ago, prior to the organization of the I. L. M. & T. A., our local unions favored this method, and, I might add, without appearing egotistical, that our great success and the respect that we command as an international organization is due primarily to the fact that we entered into agreements and religiously respected and recognized our honor in every respect.

“ The I. L. M. & T. A. has made gigantic strides since its organization ten years ago, and our tenth annual anniversary cannot be better celebrated than by looking backward over the past ten years, and in a calm and reflective mood studying the causes that have been instrumental in promoting our great progress, from a few feeble isolated local unions, into the magnificent international organization of over seventy thousand members, represented by you as delegates

to this convention. And to-day we can point with pride to the fact that we never made an agreement and then broken it, notwithstanding that at times unwise or unprofitable contracts have been made. We challenge any person to prove any case wherein we violated the same. We took our medicine and charged it up to profit and loss. (Laughter.) In the present condition of society it is absurd to expect wage-workers to work without organization, and a great reflection on our system of public education, to say that intelligence will not rule in the deliberations and meetings of organized labor, and the wholesale indictment that there is an entire lack of honor among the rank and file, who will repudiate any agreement or contract not to their liking. These are but the utterances of those who declare they have nothing to arbitrate, and who have a divine right to the earnings of their fellow-man. Were employers to treat with labor organizations as a collection of rational human beings, who recognize their labor as their capital, and who desire to sell the same to the best possible advantage—in a word, if common sense were applied, with a proper spirit of compromise, it would effect a lasting and permanent solution of the relations of capital and labor.”

MR. GOMPERS: We shall now hear from Mr. Frederick T. Towne, president of the National Founders' Association, the association of molding foundries, which has, and has had for the past six years an agreement with the Iron Molders' Union of North America, and a most satisfactory one to both sides,

I am informed. I have the pleasure of introducing Mr. Towne. (Applause.)

MR. FREDERICK T. TOWNE: Mr. Chairman and Gentlemen of the Convention—I have been particularly interested in the remarks of the speakers this afternoon, because they have dealt with the very practical part of a question which we are here to discuss. They have told us of the practical organizations which are working along practical lines in a manner to give practical results—at least, we should judge so from the statements they have made. And I know, as far as our association is concerned, that it has accomplished practical results, which were not beneficial merely to the founders of the country, but to the molders as represented through the molders' union. I will present to you in a very few words the work of our organization, as it has been the secretary's request that I should do so.

Your secretary has asked me to speak a few words concerning the relations existing between the National Founders' Association, which I have the honor to represent, and the Iron Molders' Union of North America. It occurs to me that it might not be amiss to preface these remarks with a brief explanation to those who are not familiar with the facts, of the scope and objects of the National Founders' Association, what it represents, and what it has accomplished.

An association of employers operating foundries, either exclusively or as an adjunct to their main business; an association which has for its objects the establishment of a uniform basis for just and equitable dealings between its members and their em-

ployees, whereby the interests of both will be properly protected; an association which has a membership of 500, *i. e.*, firms or corporations having a collective capital of over \$300,000,000, and employing 27,000 men in the foundry trades; an association founded six years ago, which has steadily increased in membership, strength and usefulness until it has not only justified the hopes and expectations of its founders, but has demonstrated to the foundry industry of the country that the existence of such an organization is the best assurance which its members can obtain of industrial peace in their foundries; this, in brief, gentlemen, is what the National Founders' Association represents.

The means employed to accomplish this end have been many and varied, but the underlying motive has always been the firm conviction that the successful solution of the so-called "labor question" can only be reached by dealing with it in the spirit of justice and broad-mindedness, and with due regard to the interests of both parties to the issue.

The Association has had to contend with many difficulties during the formative period, the greatest being to awaken an interest in the work and an appreciation of the necessity that exists for combined action on the part of employers in order properly to protect their interests. But the net result of each year's work has been progress—progress along the lines of a better understanding between employer and employee. This, I understand, is the chief purpose sought to be accomplished by the industrial department of the National Civic Federation, and is, indeed,

the condition which all thinking employers and employees alike, whether they be organized or not, are seeking to establish.

The question, therefore, which concerns us all, and particularly the employers of the country, is how best can this condition of mutual confidence and understanding with our employees be brought about? What practical plan can be adopted to attain this end? As already stated, the National Founders' Association believes that the first step is to meet organization with organization—not for the purpose of attack or oppression, but rather for co-operation. We believe that in consequence of the organization of labor, it is incumbent upon the employers similarly to organize, for no matter how high-principled an organization may be, nor how conservative its policy, there is a danger that it will, if unrestrained, impose unfair conditions upon the unorganized, and therefore weaker, body, whether it be employer or employee. On the other hand, with both sides organized, there exists a mutual respect on the part of each for the other which tends to minimize unjust or unreasonable action by either party. There is, furthermore, a sense of responsibility, conservatism and stability in an organization, which is oftentimes lacking in the individual, and a better realization of the fact that the relation between capital and labor is reciprocal, and that no adjustment of a dispute arising between them can be just or permanent unless settled with due consideration to the interests of both parties.

It was a realization of this fact—the importance of organization—which led the foundrymen to form

the National Founders' Association, and the same motives which prompted them to organize have likewise appealed to employers in other lines of industry, until to-day it is safe to predict that the time is not far distant when the employers of this country will be as effectively and usefully organized in all trades as the men whom they employ. We are pioneers in this new field of organization. Our methods are doubtless still crude and the results slow of accomplishment, but we have conviction in the wisdom of the general policy, and faith that upon these broad lines the labor question may be solved.

The methods pursued by the National Founders' Association in conducting its affairs are interesting as illustrating what has proved to be a thoroughly practical scheme of employers' organization. But the time at my disposal is too short to permit of detailed description. I will say, however, that the control of the affairs of the association is vested in the hands of the executive officers and a Council of eighteen members representing different districts into which the country is arbitrarily divided. The Council meets quarterly, or oftener if necessary, and in the interim its authority is vested in the executive officers and a commissioner, who with a trained corps of assistants conducts the detail work of the association. In the event of a labor disturbance occurring in the foundry of one of our members which he is unable to adjust to the satisfaction of himself and his employees, he refers the case to the commissioner as representing the association, with the request that he investigate the issue and en-

deavor to reach a settlement which will be mutually acceptable. If this effort should fail the case is referred to a committee of arbitration composed of three representatives of each side of the controversy, and not unless this committee fails to agree does any cessation of work occur at the instance of either party, nor is recourse taken to the more drastic measures of strike or lockout.

This brings me to the subject of this paper, viz: the relations existing between the Iron Molders' Union of North America and the National Founders' Association, for without an explanation of these relations the plan of procedure in the event of a labor disturbance occurring in a member's shop is not readily understood.

A few years after the National Founders' Association was organized it became evident to both members of the association and to the Iron Molders' Union of North America that unless some understanding was reached between the two organizations they would be in a continual state of warfare; therefore in the year 1899, a joint conference was held and as a result of much discussion a resolution was passed recommending the adoption of a joint agreement between the two associations. This recommendation was afterwards approved by the members of both organizations and the agreement duly ratified. To say that this was the most important action ever taken individually or collectively by either of these two associations is, I believe, not overstating the fact. Indeed, it is not too much to say that it was of great significance to every in-

dustry of the country as an indication of the progressive tendency of the times and as an example of what could be accomplished by the co-operation of organizations representing employers and employees. This understanding, which has since been known as the "New York Agreement," has been the means of averting many serious strikes and untold loss to both parties. The adoption of the agreement was such a notable step in advance, and its application has proved to be of so great mutual benefit, that I believe it would be of interest to quote the resolutions in full.

"WHEREAS, the past experience of the members of the National Founders' Association and the Iron Molders' Union of North America, justifies them in the opinion that any arrangement entered into that will conduce to the greater harmony of their relations as employers and employees, will be to their mutual advantage; therefore, be it

Resolved, That this Committee of Conference endorse the principle of arbitration in the settlement of trades disputes, and recommend the same for adoption by the members of the National Founders' Association and the Iron Molders' Union of North America, on the following lines:

"That in the event of a dispute arising between members of the respective organizations, a reasonable effort shall be made by the parties directly at interest to effect a satisfactory adjustment of the difficulty; failing to do which, either party shall have the right to ask its reference to a committee of arbitration, which shall consist of the presidents of the

National Founders' Association and the Iron Molders' Union of North America, or their representatives, and two other representatives from each association appointed by the respective presidents.

"The finding of this committee of arbitration, by a majority vote, shall be considered final in so far as the future action of the respective organizations is concerned.

"Pending adjudication by the committee on arbitration there shall be no cessation of work at the instance of either party to the dispute.

"The committee of arbitration shall meet within two weeks after the reference of the dispute to them."

It will thus be seen that in the event of trouble occurring between members of the two associations, open hostilities may be prevented; indeed, even cessation of work at the instance of either party may be avoided until the case has been thoroughly investigated and an attempt made to settle the difference amicably. Surely no words of mine are necessary to impress upon this body the importance and far reaching consequences of such an agreement. We all know that the object most to be desired in the settlement of any controversy is that time should be allowed to enable the parties in dispute to investigate and understand thoroughly both sides of the question. Truce once established, a settlement is much more likely to be reached when the principals have had an opportunity to consider calmly and dispassionately the claims of the other side. And finally, if it becomes necessary to refer the dispute to a committee of arbitration, there is a strong

probability that by means of outside influences an agreement can be reached which will be acceptable to the parties at issue. Experience has proved this to be the case between the National Founders' Association and the Iron Molders' Union, and it is gratifying to state that although there have been instances where the terms of the New York Agreement were not adhered to, they are the rare exceptions.

In addition to the practical results accomplished by the New York Agreement, it has also made possible a better understanding between the governing boards of the two associations on many issues which are necessarily constantly arising between the two bodies. Growing out of the mutual confidence inspired by the original joint conference, there have been other conferences held to consider and if possible formulate other agreements to govern the two organizations on matters relating to the mutual welfare of their members.

Among the more important subjects discussed may be mentioned a national wage agreement; a shorter work-day; the establishment of more equitable conditions relating to apprentices; restriction of output; limitation of a man's earning capacity; the abolition of a flat minimum wage rate; the establishment of a differential wage rate for molders, and many other issues of a similar nature.

As might be expected, these conferences have oftentimes led to no practical results, but they have been educational to both parties and as such have been of great value. Progress has been slow

but none the less sure, and the disposition evidenced by both sides to give full consideration to the claims of the other, and the openly expressed desire to reach a settlement on the many points of difference which will be mutually acceptable, is the best assurance that the day is not far distant when many of these issues will be adjusted to the satisfaction of both organizations.

This very brief statement of the relations existing between two organizations representing employers in the foundry industry, and of the results which have been accomplished in a short space of time, should make evident even to the skeptic the benefit to be derived by co-operation between two such representative bodies in any industry. It is a fact, however, that although the truth of this statement is to-day generally admitted by the employer, many fail to act or profit by it. The apathy and indifference of the employer to this subject is astounding and does not reflect credit upon his intelligence or breadth of view. He apparently believes that he can better afford to give his time and attention to the conduct of his immediate business rather than to lend his services or even his sympathy to a movement which has merely a general bearing upon his affairs. He is content to let others bear the brunt of the battle and carry forward the work through the early and difficult formative period until success is assured, and then step in to enjoy the fruits of their labor.

Fortunately this attitude of mind is becoming less and less apparent in this country to-day. There

seems to be a rapidly increasing disposition on the part of employers to study the problem and to assist in its solution by joining with their fellow employers in devising means to that end.

It seems to me that in this field the National Civic Federation can be particularly helpful to the industries of the country and can accomplish much good. With its splendidly representative executive committee it can create public opinion and exert a strong and widespread influence. It is an independent and disinterested body, and its recommendations carry great weight. I hope, therefore, you may see fit to use this power to urge upon employers in all lines of industry the merit of organization, to impress upon them the fact that by organization the employer may derive many of the benefits which have heretofore been obtained by labor alone. By such means and under such conditions much of the present uncertainty surrounding conditions and employment of labor may be removed, and co-operation and mutual confidence established. (Applause.)

The following is an extract from a letter received by the Secretary of the Civic Federation from Mr. Jas. F. Valentine, vice-president of the International Molders' Union:

I take pleasure in expressing myself as being personally in hearty accord with all attempts to avoid labor conflicts, and believe that the policy of conciliation is much the best adapted for this purpose and brings about more satisfactory results. As

Mr. Fox has told you, in the past we have had an experience of eleven years with the Stove Founders' National Defense Association, under an agreement which provides for the decision of a committee of conciliation, erroneously called a committee of arbitration by some, before any rupture can take place. So successfully have the two associations conducted their business since this agreement became operative, that it affords me pleasure to say not one strike has occurred to disturb the continuous harmony.

Since 1899 we have had dealings with the National Founders' Association under a similar form of agreement and have, on the whole, been fairly successful in preventing many serious industrial disputes. We have not yet reached the ideal stage in which it can be said, with absolute assurance, that there is no possibility of conflict, for, unfortunately, there are many points of difference yet unsolved between employer and employee, not only in the foundry industry but in practically all others. These points involve cardinal principles, and I feel that I am not going beyond the truth when I say that both sides require further education before we can hope to reach a complete understanding. There are certain inalienable rights both of employer and employee, that must be clearly defined and understood before industrial peace can be assured. Notwithstanding that fact, however, which is patent to all who give the subject any consideration, I remain firmly of the belief that any joint agreement which carries with it the obligation to bring contend-

ing parties together, is in the best interest of all concerned, in the best interest of the industry with which they are identified, and in the best interest of the community at large. Sentimental objections to recognition of a labor organization as such, are, in my estimation, serious bars to the success of this policy, and it appears to me no employer nor association of employers compromise their position, weaken their case, or injure their rights in any degree, by recognizing the rights of their employees to organize, and to do business through their organization and its authorized representatives. If there were no labor organization, there could be no conciliation nor arbitration, and I am in hopes that such meetings as those that are now being held under the auspices of the National Civic Federation will assist materially in clearing up this point at least.

Mr. Hanna here entered and assumed the chair during the remainder of the session.

CHAIRMAN HANNA: I will next call on Mr. M. M. Garland, of Pittsburg, former President of the Amalgamated Iron and Steel Association. (Applause.)

MR. GARLAND: Mr. Chairman and Friends—I came here as a listener, and if I had had anything particular to say after the last three speakers, it seems to me I would be left without anything to add. They have covered the ground that I believe in. For thirty-six years the iron and steel workers of this country have been meeting with the employers, year in and year out, each and every year, and making settlements of wages and conditions for the

following year. I have heard a great deal of talk of the round table at this meeting. My experience, friends, has been the long table. (Laughter.) We meet yearly in a long room, with a long table, almost the length of the room. On one side are the representatives of not thousands, but millions of dollars when collectively figured, and on the other side representatives of thousands upon thousands of workmen. We need a long table because the manufacturers find it necessary at times to come forward and pound, and then we go forward and pound, and sometimes both sides are pounding the table at once. And in other instances we even get on the table, and I have known extreme cases when we got over the table (laughter) in order to impress each side with our views of the debate. (Laughter.) We bring in our box of stogies and put it on the table, and the manufacturers their box of cigars and put it on the same table. We trade smokes, and when the smoke of the conference has cleared away an agreement signed by both sides lies on the table. My friends, you can talk of these plans of settlement all you please, but it seems to me there is only one plan, that of the employers and employees getting together as a family (applause) taking up the situation and going through it thoroughly and settling it. Remember when they get there together there are a lot of things come in that cannot be introduced into an outside committee for arbitration, because on the one side are the employers who probably were working men in the mills at one time.

On the same side are the bosses, the managers, who with a very few exceptions were members of our organization, who were taken up from the meetings of the conference; who were taken from the ranks of the workmen and made managers, because of their ability to thresh out and fight out justice between themselves and their employers. I hear a great deal of the idea that we are not—and everybody agrees that we are not—opposed to organized labor; that we believe that workmen should be treated fairly; but how are you going to get a concrete plan of treating them fairly? If an agreement is made without consulting the workmen, is it an agreement—oh, no. But by the encouragement of organization of labor you produce a concrete form, a committee as it were, who have charge of these affairs. Let me tell you that in our organization when we meet as described by Mr. Keefe, of the Longshoremen, we thresh over what we desire for the coming year, and then we put it into the hands of a few men and say, "Here you have got power to go and meet the employers and make a settlement, absolute power." It doesn't matter what they do, we stand for it. We have had our say in our conventions; we have advised what we think is right, but we put on them the power and also the consequence of non-settlement.

This Civic Federation is a body composed for the purpose, as I understand it, of urging and inciting settlement of differences between employer and employed. I have been somewhat surprised at the statements made by some of the committee, and

also by the very well worded article written by the secretary of the committee, that they were not intruding; that they did not have the idea of forcing themselves into making arrangements unless they were invited, but that they stood in the position of being willing to. I want to say to you that this committee is all-important to my mind. It is practically a conciliatory board, but this is the idea I want to bring out: It is simply whether they are invited into a difference that arises between employer and employed or not, when one of great moment occurs this board is established for the purpose of getting in there and assisting settlement if possible, if desirable. But refusal on the part of either of the sides of the dispute to permit this committee to go in and advise sets the authority of public opinion as against the side who would not permit it. Practically then it is an arbitration committee. I believe their greatest office is in compelling settlements along the line that I have described. The idea of an agreement between employer and employed, without interference on the outside, is strongly urged in every action that we have seen. For instance, in the recent coal strike a commission, so-called—"a rose by any other name is just as sweet"—which commission was appointed for the purpose of investigating. It might have been just as well called an arbitration board, because that is its office. But after it had been voluntarily agreed to by those who were most bitterly opposed to organized labor, and this commission no sooner meets, talks and brings up this problem and starts

in on its work, than voluntarily they who advised for the appointment of a commission now advise for a settlement between themselves. They ask now, as I understand it, if I am well informed, that it be taken out of the hands of this commission and that they settle the matter themselves between them and the miners. That is the strongest kind of argument for the old homemade stamp, the old style of getting back neighbor to neighbor, man to man, employer to employee. It used to be in the mills—I remember it well, having been brought up in the rolling mills from the time I was a little pull-up at the door of a heating furnace, until very recently, having been associated with organized labor, and now in a small way a manufacturer and treating with organized labor in the mills—it used to be when the president of the company or the secretary of the company, because we then knew them well personally, would walk through the mill every few days, saying, “how are you, boys?” and shaking hands, “How is the furnace working to-day, how is the family, have a chew or a smoke?” Something of that kind. We could meet in conference in those days on a basis of friendly understanding. How is it now? The stock of the great rolling mills is held by the great public. The owners never see the men who work the mills. The only touch between the men and the firm now is through the boss or manager, and the system now under the combinations is to promote the boss who brings the best returns. Whether he does it by lowering the wages, by working longer hours, or what not, mat-

ters little, so long as he brings the returns. Hence I say the competition and the condition of the man who works are getting to that point where greater organization of labor is necessary. At one time there was a feeling in common, but now there cannot be anything warmer than that permitted by the promotion system to the boss who has charge of the men, and who has little or no money invested in the concern.

The effort, then, of the committee, is to promote this plan of settlement. To my mind a greater organization of labor would be an excellent plan for them to advise, for the purpose of bringing about the conferences necessary between employers and employed.

I have heard the question raised as to whether a company may prosper when they deal with organized labor. For thirty-six years I want to say to you that a large number of the iron and steel manufacturers have been dealing with their employees year after year and none of them that I know of have gone to the poorhouse. They have emerged from small manufacturers to great manufacturers. They have gone from the thousands to the millions. The piece-work system is in operation throughout the mills, and I stand here to say that I think it is the only system. It is an agreement entered into by conferences—a tonnage system we call it. You may call it piece-work; it is practically the same thing. So much output for so much money, for the reason that it incites the man on to his greatest effort. Leave him without any in-

centive of that kind and his inclination will be to get along just as easily as he can and get his wages just as easily as he can. The tonnage system was introduced at the inception of our agreement. To-day, per ton, where the conditions are the same, the wages are twenty per cent. higher than when the agreement was entered into thirty-six years ago, proving that the idea of the piece-work system meaning a reduction of wages is not correct—at least, it is not so with our rolling mills.

We have no apprentice system. The requirements in rolling mills are a broad back and strong arms. Under the system of piece-work a man can start in as an apprentice, and if he does not produce as much as a man who is a well-skilled worker he only gets paid so much less, but it doesn't lessen the producing power of the man who can turn out more work. If old age comes on his capability of producing is less, but he gets as much per piece, per ton, as the man who is able and strong enough to make the product, and as a consequence, he doesn't interfere with the able-bodied man in securing the wage. Therefore, I say to you that I believe in the incitement of paying piece-work or tonnage.

I don't believe in the premium plan. The premium, I think, has been pretty well proven here, and the argument on it proved conclusively, that it was not the thing. This premium plan puts me in mind of John Morgan and Tom Marlow, an Irishman and a Welshman, who were working in the mills where I was. They had a great deal of trouble over a shovel which they used and which had been stolen. One

day they were changing turns when Morgan said to Marlow, "Tom, I was just thinking about the trouble we had with that shovel and was thinking that if we were to put a mark on the handle of the next one we get, we would know if any one stole it." Tom scratched his head a little and said: "John, I don't think that would amount to much. The man who would be mane enough to steal the shovel would steal the mark, too." (Laughter.) The premium plan strikes me as on that same idea.

I don't believe in pensions in old age. I don't believe in inciting a workman to serve in a place by promising him after he has been there a number of years that he will get a pension. Pensions are, I rather think, necessary so far as war veterans are concerned; but when you introduce it into every-day life you take away the incentive of the man to put forward his greatest effort. You take away his aspiration to earn enough money that he may get up in the world. You take away the incentive to lay by enough against dependence in old age. It is paternalism in another form. I am opposed to anything in the way of paternalism. I believe in inciting men to greater effort and better work, and shortening their hours.

Now, I have heard much of the eight-hour question and how it would work, and what a great hardship it would create on the manufacturer. I had hoped that some one would touch this phase of the question. Up to 1884 in the rolling mills there were ten or twelve hours at all times. In 1884 we got up a discussion of experimenting on sheet mills; as to whe-

ther we could work three turns of eight hours, and it was discussed and gone through with the manufacturers; some of the workmen were at first alarmed and were opposed to the change. But we finally agreed that we would make the experiment in one particular mill for a year. We were then working ten hours on sheet mills, two shifts. We were turning out eight heats in ten hours. It was agreed to lessen the number of heats to seven, in order to put on three shifts, working eight hours. Within a few years we were working nine heats instead of seven on the three-turn system, and from the one sheet mill the system was introduced practically in every sheet mill in the United States

The tin plate industry came into this country in 1892, and every mill in the United States was put on an eight-hour or three-turn basis. Not alone this, but the example set proved that it was possible in mills where we never expected to see it operated, and we have introduced it now into the puddling departments, into the finishing departments, in fact, into every department of the rolling mill has gone the three-turn system of eight hours to a greater or lesser degree.

The effort along this line has increased the output. It did not disturb things, and I want to say to you to-day that if we, as an organization, went to the employers and asked for a return to the twelve-hour system, they would combat it more furiously than they would a large advance in wages. They believe in it. They have seen the benefit to themselves of men who are working shorter hours; that they can

do better work. Their whole being is more alive for eight hours; they can watch a machine better; there is less breakage of rolls; there is less breakage of machinery; their whole person is alert for that time. Drag them on for twelve hours and you don't get that return; you don't get that full-effort of the man. I have only known in my experience one case in which a return from eight hours to twelve was made, and that was said to be because the competitors in the same line of work would not come to it.

I have heard a good deal of discussion as to the great hardship it would be to put on eight hours in the mills and factories throughout the United States. No one here has stated where they have learned that any firm or company working eight hours went back to long hours. To my mind there is none. Hence the best possible proof that the system of shorter hours is a benefit. Those things are worked out to see how they pay, as was stated here the other day. They are worked out simply on that line. Hence, if a mill is operating on eight hours and they continue on eight hours and do not advise a return to the old system, does not that prove that the system is good?

In addition to that it has been stated here that it is absolutely impossible to start the work of eight hours in factories. Do you know that in this age of electric lights, generally speaking, factories are running more than ten or twelve hours. I think there are very few exceptions where factories that are working single turn are not giving the men overtime in the evening, working two, three or four hours in the evening and paying them time and a half.

Now, if they can be worked ten, twelve and fourteen hours, why not work them two shifts of eight hours each? The cost would be lessened by straight time in wages. Looking at the subject from this to me practical side, I cannot see that this committee could advise more wisely than by urging the settlement of disputes between employers and employees themselves. If either one makes a mistake in demands, this committee stands as a reproving committee. Its office is to discover whether either of the parties in a dispute is unwilling to expose to the light of day their side to the difficulty. If they are, then they have not got a good case. They have been acting foolishly, and as a consequence this committee can say to them: "Quit foolishness; meet with the other side and deal on a business basis."

After all, there is nothing to the subject except this, that the employee works for wages, and the more he can get the better for him. He wants to work shorter hours because of bettering his condition, to have time to associate with his family, and to educate himself and to meet with others and lift himself socially, instead of dragging on twelve hours, going home and sleeping and eating, and coming back again to work day after day. Now, when it is proven that the output is greater, when our capacity to compete with countries that have been working longer hours has been proven, we say to you that we think it is well to advise the adoption of this eight-hour bill that is now before Congress at Washington and that has been disputed here to-day. It has been said here that it would impose a hardship upon some

manufacturers who might bid for government work to require them to work on the eight-hour system. I want to say to you that where labor organizations, where agreements have been entered into between manufacturer and man on the eight-hour basis, and there is no provision that the contract shall be let on the eight-hour basis, does it not impose a hardship on the man or company who is working the eight hours? Is it fair to them? The government, it seems to me, should be willing to aid and abet any improvement in the condition of the people and the greater number of the people. (Applause.)

CHAIRMAN HANNA: I will now introduce to you Mr. A. Beverly Smith, secretary of the Lithographers' Association of the United States

MR. A. BEVERLY SMITH: My time is limited, and as I come from an industry not so large nor so broad as those which have preceded us, probably this is as it should be. At the same time, I feel that our association has evolved some thoughts along the lines you have been discussing in this last session of your convention, and that these ideas may be of service.

Our association represents at the present time fully seventy-five per cent. of the lithographic output of the entire United States, and although lithography is a small industry compared to some others, it contains within itself all the elements that enter into, and all the factors that are a portion of the problems presented to the greatest corporation or the largest industry in the country.

It is useless for me to review the present conditions of trade as related to labor. We all know what they are, and those who, up to this time, have not realized them, have had the importance of these conditions fully demonstrated at this convention by abler tongues than mine. These conditions are, some of them, bad, many onerous in the extreme, and altogether form a most serious handicap upon the progress of our industries. I hold, however, that the apathy of employers, as a class, is most largely responsible for the present situation and for the ills of the present condition. Employers failed to see the potentialities for good or ill in the organization by their men, and neglected the golden opportunity afforded in the beginning of such organization to make themselves part of it, as it were, and by wise counsel and friendly co-operation to direct the movement to the betterment of trade conditions. Had they done this, the history of trade unionism in this country would have been very different from what it is.

As matters stand to-day, separate organization on the part of employers is an absolute necessity. Not merely organization along broad lines, such as has been attempted in the past, and which has failed in almost every instance to produce any good or permanent result—but close, truly co-operative organization, such as the trade unions themselves possess. Such an organization, duly recognizing the labor organizations, and working under a policy of perfect fairness and scrupulous good faith, presents the only means at hand to-day by which the employer can

hope to cope successfully with the mighty forces which have been called into being by the men. Isolated action by even the largest employer will no longer suffice; even groups of employers by cities are not strong enough. It is only by the combination of a *whole trade* into a compact organization that it is possible to accomplish any good and permanent result.

Under the old regime we had, first, the isolated employer dealing directly with his men, and through the demands of competition, or for less noble reasons, driving bargains with them which were not always fair; this bred antagonisms on the part of the men; next came associations of employers loosely put together, with no discipline, and not always with the spirit of fair dealing—ready to disappear, as most of them have, at the first breath of storm, or disrupted by the sharp practice of those who sought to use the organization for their own selfish purpose. This form of association also begot antagonisms between employer and employee, and increased the feeling of bitterness between the classes. Open strife, reprisals and arbitrary measures by the party temporarily in power were the result, and thus it stands today.

There seems to us to be one solution for all this, and that is to form of the employers an association having a business head and place of business, working under strict discipline, through which each member shall be obliged to live up to and abide by the laws mutually agreed upon, and *dominated by the policy of fair dealing*, to which I have before alluded. Such

an organization can well afford to accept the organizations of the men as necessary to them and a very proper thing—as a good thing for the employer as well as themselves, and to consider them as partners in an operation to which there are always three factors, namely, the employer, the workman, and the public that purchases the product. That idea is carried out, as you know, in the Civic Federation. In the doing of this, we believe in setting up between organized labor and organized employers a condition that we have termed “mutual government,” together with “preventive arbitration.” It may be well to explain what we mean by these terms.

“Mutual government,” from our point of view, means the establishment of a joint body which shall have full and absolute control over matters of mutual concern between employer and employee; getting together *before* there is any trouble, *before* there is any dispute to settle, and determining the fundamental conditions upon which the trade shall be conducted in its relation to labor, and governing the mutual relations of both parties absolutely. “Preventive arbitration” means that should any question at all fundamental arise, upon which the joint governing body is unable to reach a conclusion, it is not to be allowed to become an issue between the parties, but, then and there, *before* antagonistic feelings have been engendered, *before* friction has come, it is to be submitted to the arbitration of disinterested individuals and their decision accepted as final.

We do not profess to have a panacea for all the ills that trade is heir to—there are too many such

offered us—but we do believe we have gotten down to fundamental principles and are progressing along the road to better conditions for both capital and labor. Trade agreements are good, although they leave unsolved that most important question of the *mutual* relation of employer and employee to the product of *both*; so are those agreements by which capital and labor get together in localities and establish mutual relations under which yearly scales are determined; all these are steps in the right direction, but they are only steps after all. It is only by the *mutual* determination of *all the elements* of the problem that industrial peace, or better, industrial harmony, can be assured.

Under conditions such as I have briefly outlined, the restriction of output and limitation of apprentices cease to be the vitally important questions which they are at present. We all know that both these evils exist, and we all know that they exist as the direct action of trade unions. It seems to me that evasion in this matter is both foolish and futile. Trade unions *do* restrict output, and by their constitutions and laws restrict the ratio of apprentices in any given trade, but the leaders of organized labor have done this to perfect and strengthen their organizations, under conditions in which it seemed to them the proper—and what is more to the point—the easiest way to accomplish this, and because, through the apathy of the employers, they were left to do pretty much as they pleased. Short-sighted they were, of course, and they have almost emasculated some industries by their restrictions, but they

have had no one to teach them better, to counsel them against it, or to otherwise restrain them.

No union can afford, or will be willing, to go upon record as sanctioning anything which will tend to retard or destroy its trade; the union is equally interested with the employer in preserving and fostering the business that affords both a livelihood; it is because they do not believe the statement of employers that restriction of output or of apprentices will injure business, that the union enforces such restrictions. Perhaps the very best proof of this is to be found in the fact that in our own trade, where mutual conditions such as I have described have been established, and the employers thereby enabled to *demonstrate* the harm likely to occur, the unions have manifested a willingness, and even a desire, to have the ratio of apprentices fixed by *concerted action* of the employers and themselves, at a figure sufficiently high to *insure meeting the legitimate requirements of the trade*, as demonstrable by the facts only possible to be obtained through *united action*.

Another advantage to be obtained by the working together of the unions with the associations of employers is the immense strengthening of each by the moral and active support of the other. No organization has yet been formed that has not had its enemies without, eager to take advantage of any opportunity, and its foes within, ready to desert the cause at any time immediate self-interest should prompt. Both organizations, standing together, and using their united power against those who refuse to abide by the conclusions arrived at by fair-minded,

mutual effort, would be irresistible. We have heard a great deal here of the only weapon labor has with which to protect itself, and we are told this weapon is the power to strike; that without it labor, whether organized or not, is powerless. This is not true. There exists a weapon the unions have not attempted to use, which yet lies within their hands; this weapon also lies unused within the armory of the employer, although potent against trade unionism, and against any attempt it might make outside its moral or legal rights; this weapon is the *self-interest of the opposite party*. If unionism will go hand-in-hand with the employer, and the employer go hand-in-hand with it, acknowledging its partnership—a limited partnership, it is true, but a partnership nevertheless—it will then become the direct self-interest of each to strengthen and increase the other, to keep faith with and defend the other, and in all ways to oppose those who are antagonistic to either. This weapon is the most potent and powerful that can be wielded, and one to the use of which there can lie no objection, either moral or legal.

Arbitration is at once the most lauded and the most condemned of all methods of arranging disputes between both nations and individuals; lauded, because it is founded upon the eternal principles of justice and equity; condemned, because, in its application, the principles underlying it are too often sacrificed to policy, and what should be the decision of a principle too often becomes merely a compromise between right and wrong. The reason for this is not far to seek, at least so far as the industrial field is

concerned. It is because arbitration is usually *only resorted to after active warfare has begun*. Then, when all the bitterness engendered by strife is arrayed on either side, and blows struck in anger, and reprisals are brought forward, they too often smother and replace the original issue. Under such circumstances, policy, and sometimes even *necessity*, requires of the arbitrators a reconciliation of the conflicting elements, rather than an equitable decision of the question, and this, however acceptable it may be to the parties at the moment, when viewed in the clearer light of after-thought, becomes a reproach, and the method by which it was obtained is unsparingly condemned.

The remedy is to be found in the application of arbitration *before*, not *after*, an issue has been set up. This method works good in two ways. First, under the conditions named, arbitration is applied with freedom from bias, and the decision rendered is directly upon the question presented, unclouded by suspicion of mere policy; second, with arbitration present and ready to determine in equity any question, the fair-mindedness (and most men are fair-minded in the abstract) of the parties leads them to use every endeavor to arrive at a conclusion between themselves, rather than to present the question to the court. Thus, the invocations of arbitration become fewer and fewer, while the application of the principles underlying it are more and more often made by the parties themselves.

Hence, arbitration works only for good, and far beyond what, at first glance, would seem to be its power. This is because it is educational in character,

and affords a feeling of security and peace obtainable by no other means yet devised.

I did not expect to address this convention at all. You have heard more eloquent speakers than I, and they have covered the ground very fully. I think I have fulfilled my duty and function in presenting to you the thought of mutual government and preventive arbitration as remedies for the troubles now existing in the industrial world. With this thought, and thanking you for your kind attention, I leave you.

THE CHAIRMAN: I will now call on Prof. J.W. Jenks, Professor of Political Economy at Cornell University.

PROFESSOR JENKS: In the late coal strike—in nearly all of the great modern strikes and lockouts, we have had illegal attacks upon individuals. I have never yet heard any employer of labor or any of the great labor leaders who would openly say that such illegal acts were to be advocated or to be directly defended; nevertheless, it is not uncommon to have these attacks explained at times, even to have them excused on the ground that in time of “war” such things, however regrettable, were inevitable, were to be expected. In war, it is said, private property even of non-combatants, is sacrificed; treachery is not merely allowed; it is even praiseworthy. And so, it is said, inasmuch as a strike or a lockout is like war, these unfortunate occurrences are, at any rate, to be expected, and possibly to be excused.

We know, also, that of late members of trades unions have been at times forbidden to join the militia,

because they might be asked to fight against their brethren. They have sometimes, on the other hand, been urged to join the militia, in order that they might not fight against their brethren if called upon.

We heard yesterday, we have heard this morning, contrariwise that the normal relations of capital and labor are those of peace; that the real interests of both are harmonious.

We have then this analogy of the relations of capital and labor to war and peace. It is, perhaps, worth while to analyze this curious but false analogy. How does it happen that on the one hand peace is said to be a normal condition, while on the other hand acts like those of war are justified?

The relations between the capitalist and the laborer are two-fold. In production, their interests are in the same direction. Both parties wish to have the largest, the most valuable product possible, that there may be more to divide between them. It is for the interest of both to pull together. If one is unwilling to pull his full share the other naturally resents it; and it might be that under these circumstances a larger share of a smaller total product would be better for the person injured.

On the other hand, in the division of the product, capital and labor naturally pull in different ways. The more the employer has, the less is left for the laborer. There is where the conflict comes. Each party wants all that he can get without hindering progress too much. If the other is too grasping, it may be that it would be better to check production somewhat than to let him have all he asks for. But

there, in the division of the product, is where the conflict comes.

As I understand the matter, while trade unions have education and benefit features, they are organized primarily for the purpose of strengthening the individual laborer in this natural normal contest with the employer for his share of the product. It is said that a workman standing alone has not an even chance. He must take what wages are offered him. Of course, if dissatisfied, he may quit work; but to quit work may mean to starve. He feels that, standing alone, he is a bondsman. United with his fellows, he is free. He is not willing to take an increase of wages from his employer as a gift. He wants to bargain. He says he is not a pauper to ask for gifts; he is a free man. He is right, in my judgment, in this feeling. He has the spirit of a free man, which all ought to have in this country.

The laborer claims also that the union is the champion of the cause of all laborers, non-unionists as well as unionists. Gains in wages, fewer hours of labor, protection of machinery, better sanitary conditions, are all largely the result of the union's efforts. In these benefits all, non-unionist and unionist, alike share.

When in the conflict for a larger share of the product, the strike, a workman turns and joins the employer, he destroys the advantage of the laborer and turns against his class. His fellows naturally feel that he is disloyal, false to his trust. They call him from this false war analogy a traitor. Their class feeling does not distinguish between their class and

society as a whole, their class and the State. The strikers feel that he is a traitor and that the punishment of a traitor would not be too severe. The feeling is natural enough; the conclusion is wrong, ruinously wrong, as all strong labor leaders know. A class, however important, is not a whole society or a State. It is only an important part, possibly the most important part of the State. Legally, the strike breaker is right; he may work for whom he pleases; morally, he may be wrong, he may be right.

The question of right or wrong in his act depends upon his motive. He may be a conscientious, high-minded individualist who objects to the trammels of any organization, who does not wish to be hampered by the rules of any union, because he thinks it is better, not merely for himself, but for society, that each man stand as an individual. If he is that kind of a strike breaker he is morally right, however mistaken his views may be. He is acting from a worthy motive and deserves only respect. If, on the other hand, as is, perhaps, usually the case, he is merely a selfish opportunist seizing every chance to profit for himself even at the expense of his fellows, taking the good they may bring him through their action and not being willing to sacrifice anything in return, he may be within his legal rights in acting as a strike breaker, but he is a selfish wretch, worthy of the contempt which he receives.

If he sympathizes with his fellows, is not willing to take the lower wage, but shrinks from the suffering either for himself or family which the strike involves, it is probably right to call him a coward. He is un-

willing to sacrifice for the good of his class, even when his class is right. Under those circumstances his fellows may drop him. They cannot punish him. Selfishness and cowardice are contemptible, but they are not crimes. We may despise the strike breaker who acts from either of these motives; not even the government, and certainly not we, have any legal right to punish him.

Now a word or two regarding the difference between a strike and war.

In war there is no arbiter of the conflict, there are no rules except those self-imposed under the public opinion of the world, and those, we know, are shifting and unreliable. Property may be destroyed, even that of non-combatants. The country may be laid waste; treachery is allowed. In a strike, on the other hand, there is an arbiter of the conflict, the government. The rules of battle are laid down in the laws. Both sides must and ought to abide by these rules, otherwise a greater wrong is done than any which can have brought on the conflict. In fact, in labor relations, both sides often break the rules. Employers combine, regardless of the law, neglect to protect machinery, neglect room regulations, willingly join the parents in hiring children under age. In times of strike their hired police forget that it is their duty to keep the peace, and at times incite to violence.

The workers commit these acts and in time of strike often commit violence. In such violations of law the workers, as a rule, lose most. The upholding of government and order is a need especially of the

weak. In the Middle Ages the feudal lord was above the law, was a law to himself; the weak had no rights. The establishment of stable government has been in the interest of the poor; the establishment of popular government means government for all by all. The progress of civilization has been marked by the abolition of the vendetta, private vengeance. Before the establishment of stable government the individual had to right his own wrongs; now the State rights his wrongs. Doubtless there are abuses to-day; the State sometimes neglects its duty; the weak are wronged; so are the strong. The remedy is through peaceful agitation, by showing clearly that the wrong exists. When the issue is clear, the masses, our final law-makers, are always, in my judgment, on the side of right, on the side of order. Order under law is absolutely fundamental. In any civilization it is the first condition of a good status of the poor. No one, least of all the laborers, can afford to question that principle. Better lose a dozen strikes than to appear on the wrong side of that question. The police properly used are to keep order; they are not for either side in any social conflict. The militia is for order only, not for either side. The army is for order under law, at the command of the chosen government. The one condition of social progress is law; the one method of change is by reason, persuasion.

We have our arbiter for our social contests; we may properly fight, we must fight, for our rights in many cases, but we must fight under law, with the government as umpire. In war you may at times

ignore the umpire, for the public opinion of the world is very indefinite and slow in action. Within the State, if you ignore the umpire, the government, you put yourself out of the game.

I think it is worth while to ask the question whether it ever pays a labor union to commit deeds of violence in order to keep the strike breakers away and thus to win the strike?

I ask the question because I have heard it asserted many times. I have heard it asserted in reference to the late coal strike that the one condition of success was that the union intimidate the non-unionists. In my judgment it is not true; but if it were true, even then, from the point of view of the union, the worst possible course of action that could be taken would be to violate the law, because, as I said before, the fundamental condition of all progress, especially for the weak, is the keeping of the law. When the law is wrong it should be changed. We have heard to-day how powerful the trades unions are in changing the law. Any one who looks at the statute books knows very well that much of the progressive legislation of the last few years is due to the power of the trades unions. The unions might better lose a strike and wait a year or two or even more (as the employers might) to get proper, just legislation, than to violate the law. That act puts them out of court.

Just one word more. Loyalty means devotion to the law. Loyalty to family, loyalty to class, is only figurative. The preservation of the family, the advancement of class interest, whatever the class, can come only under stable government. The conse-

quence is that the only true loyalty to either family or class is through, first, loyalty to the government. The man, the organization, rich or poor, labor union or corporation, that stands for law as it is and for its improvement only by legal means, wins in the long run, for whatever other conditions may be desirable (short of armed revolution, justifiable only in extremest need) the one indispensable condition of all progress, especially for the weak, is the supremacy of the government, order under law.

A strike is not a war. It is a conflict under government. Any attack, direct or indirect, upon the government, except to reform it, since order is essential to growth, is morally as well as legally wrong. In the past both sides, capital and labor, have sinned in this regard. Capital has probably sinned most before the strike, labor most in time of strike. Both have committed crimes. Both they and the public should see to it that hereafter both keep the law. (Applause.)

THE CHAIRMAN: The next speaker will be Mr. John Graham Brooks, of Cambridge.

MR. JOHN GRAHAM BROOKS: Mr. Chairman— During the last fifteen or sixteen years I have been keeping track of the so-called remedies for the diseases we are here discussing. The list has now reached eighty-seven. Each was confidently believed by somebody to be a sovereign remedy for social ills. This gives us a good deal of incredulity about panaceas. I will, therefore, avoid the mistake of adding an eighty-eighth remedy to the above list,

yet I am very confident that we have been discussing this afternoon a better remedy than any one of the eighty-seven. This is the joint agreement, in favor of which employer and employed alike have given the most convincing testimony. This trade agreement helps us at the present time precisely where our weakness is greatest. The trade union is as great a fact as the trust, and is now rightly struggling for every privilege that goes with federated organization. In every industry where the joint agreement has been tried it strengthens the trade union at the same time that it disciplines it, and helps it to overcome its most serious weaknesses. I would have come to New York if for no other purpose than to hear one of these English delegates at the head of one of the most powerful trade unions say that the question of arbitration, the walking delegate, incorporation, have all been settled as the spinners have perfected their common organization with the employers. A powerful union under a few years of the joint agreement will keep its contracts as faithfully as the employer. We do not any of us care for remedies further than their educational effect. Whatever educates most and best is best.

Toward this the joint agreement will help. I do not make the absurd claim that this systematized understanding between the two parties is a panacea. Because the word panacea is rejected, it does not follow that the more modest proposal may not have what is relatively a very supreme importance. The evidence is overwhelming that this importance may be fairly attributed to the joint agreement if only

employers will bring to it something of their real strength and sympathy. It gives us arbitration in its very highest form; that is from within. It gives it in the one way to secure every enlightening educational advantage. It is to the joint agreement that we must look for our best answer to all premature calls for trade union incorporation. At present, the unions are right in rejecting it. Multitudes of men, especially among the newer immigrants, would see in the power of the court a reason for not joining the unions. Until they have reached a greater strength and stability, incorporation would hamper them in the best work they are now doing. But the point I urge is, that the joint agreement does a far better educational work. To keep agreements voluntarily is a much higher discipline than to do it under force. For many years unions have actually kept contracts when employers have genuinely and heartily cooperated with the joint agreement.

There is no such convincing proof of this as the fifteen years' trial between masters and men in the Boston building trades. The agent of the employers, Mr. Sayward, who brought about this agreement, conducting it with growing success for eighteen years, allows me to say that under it scores of strikes have been prevented, millions of money saved, and the most delicate questions, like the limitation of output and apprentices, the use of the boycott, the conflicts between different unions and the sympathetic strike, are now so far understood, as a result of this education, that they are no longer feared.

Speaking from the side of the employers, Mr. Say-

ward says: "My experience has convinced me that labor, thoroughly organized and honestly recognized, is even more important for the employer than for the workmen. It makes possible a working method between the two parties which removes one by one the most dangerous elements of conflict and misunderstanding."

It is from these building trade unions in cities like Chicago and New York that many of our worst abuses have come. It is here that the architect, as between the devil and the deep sea, has his most tormenting experience. It is here that the bribing and buying of walking delegates have done their pernicious work. Mr. Sayward says: "Not one of these evils is necessary; they can be educated out of the way." Where the union has been openly recognized under this joint agreement, and the representatives of employer and employed have learned the habit of meeting difficulties as they arise, the terrors of the walking delegate and the "scab" begin to disappear. The name "walking delegate" is replaced by "business agent." Mr. Sayward says: "I no longer either fear or object to the walking delegate. I see that he is a necessity to the best work of the union." In an address before the National Association of Builders, Mr. Sayward criticises the employers for saying that they will not treat with the unions until they are improved. "This," he says, "is like asking the child to swim but not go near the water." The employer must take part in this educational work as a very condition of its success. In closing this address, Mr. Sayward said "that either for the building trades

or other lines of work, these intricate and involved matters will not take care of themselves; they cannot safely be entrusted to one of the interested parties alone; both parties must have equal concern, must act jointly, not only in their own interests, but, in effect, in the interests of the community."

For that trouble-breeding portion of industry, here discussed, the joint agreement is all that any solution can be, namely, the next best practical step toward a rational industrial method. This agreement applies at points where unionism is inevitable; where the wage system is under such strain as to require modification in the direction of a more democratized management. Every scheme that is not inherently educational is worthless, because the clash of the trust and the trade union is raising new issues for which an enlarged social morality is necessary. A wise use of the joint agreement, made elastic and practically adapted to varying conditions, is a long, sure step towards the common educated good will upon which industrial peace depends.

MR. G. N. BARNES: Mr. Chairman and Friends:— It had been my intention to avail myself of an opportunity Mr. Easley had promised me of offering a few observations on some points that have been covered to-day and yesterday. I shall not now avail myself of that opportunity further than to say a few words about one or two points in connection with which my own name, or the organization which I represent, has been mentioned. I am sure you have not lost much, because anything I might have said

would have been stale, flat and unprofitable as compared with that forceful, eloquent and, on the whole, persuasive speech of our friend Gompers this morning.

First of all I want to avail myself of this opportunity of expressing my sincere regret that my name has been associated in a most maladroit manner with the name of a particular firm that has been dragged into the discussion of these last two days. I have not assented to the name of that firm as being identical with that alluded to by me, nor do I assent now. I am very glad that the opportunity is afforded me of having that fact recorded upon the minutes of this meeting.

Second, I have had brought to my notice something that was said by a gentleman just before dinner, and I have been out and copied the remarks. I want to make some reference to it, because it refers to the men of the organization with which I am connected.

The gentleman in question stated that he had been over to England; that he had been there while great strikes were in progress; that one of these strikes was in the engineering industry. It had relation to the manning of machines—that the union in question was trying to dominate the employers in regard to the working of those machines—and, to use his own words, “That as a consequence, the products produced from their labor could not be marketed in the markets of the world by England.”

I want to say, Mr. Chairman, that is not true. This is no time for circumlocution, nor is there any need for it. I simply say that that is not true. The

strike in question was one, not about machines, but was one in regard to hours of labor in the London district, and was a demand for a limitation of the hours of labor which I think was absolutely justified by all the facts of the situation. I believe with our friend Gompers that you are not going to get a universal eight-hour day or a nine-hour day—not all at once, at all events. You are going to have limitation of hours “by spots,” as was said yesterday. Lord Shaftesbury and the others, sixty or eighty years ago, didn’t wait until they could get an agreement with Germany or some other country before they reduced the hours in Lancashire. They saw the pressing evil right ahead of them and they went about and remedied it. Our London men were doing the same thing five years ago, and that precipitated the strike to which allusion has been made.

Then the gentleman says that our engineering products, in consequence of union restrictions, have not sustained themselves in the markets of the world. What are the facts? Twenty-five years ago, before the strike to which allusion has been made, the engineering products that were sent annually abroad amounted to seven million pounds sterling, or \$33,000,000. Five years ago, the year prior to this great strike in question, the engineering products exported from Great Britain amounted to eighteen million pounds sterling, or \$90,000,000. Now it seems to me that these facts do not fit in very well with the statements that have been made by our friend, and I am very glad to have had this opportunity of putting our side before this meeting.

Third—this was in connection with the discussion yesterday, initiated, I think, by Mr. Halsey, but I won't be sure. At all events it covered two questions, piece-work and the premium bonus system. Some discussion took place yesterday upon those two systems, and I want to give you my view upon them, and I want to do that because Mr. Halsey especially mentioned my name in connection with the arrangement that had been made.

Discussing the question of piece-work yesterday I think that the matter was dealt with from the wrong point of view. Piece-work produces more. The individual man produces more, but it does not necessarily follow, as was argued yesterday, that, therefore, it means a displacement of labor. I believe that in proportion as labor is made more efficient and productive, that the product will be cheapened, the demand will be increased. The probability is that the demand for labor will also be increased; but that is only one phase of the question and not the most important phase to my mind. There is the way of looking at it from the point of view not as to how much wealth you are going to produce, but what sort of a man you are going to produce, and it is from that point of view that I am against unregulated piece-work all the time and overtime.

You remember that glorious series of pictures drawn by Bunyan some one hundred years ago. One of them was the man with the muck rake, always looking downwards. For him there was neither moon nor stars, no intellectual development, noth-

ing of those finer attributes of consolation, but simply raking—raking his little heap of mud all the time. That man, under any system of unregulated piece-work, is the man we find in our workshops to-day. I was around another workshop the other day—and here it cannot be mistaken for the other one mentioned, as it was in Canada. It was at the meal hour and I saw a man at work. I inquired why that man was not off to dinner like the others. The answer was, “Oh, the molders are working piece-work. It is not unusual with these men working piece-work not only to come in here to the mill during the regular hours, but they often get to the shop at five o'clock or six o'clock in the morning, two or three hours before the regular time.” That is piece-work. I am totally opposed to it, unless it is safeguarded in the proper manner.

Now, it seems to me that Mr. Halsey's plan has to a certain extent this defect of piece-work or system of payments by results; but it does seem to me that it provides to some extent, at all events, the safeguards that I have in mind. With your permission I will just read to you the agreement to which Mr. Halsey referred, and which has been made quite recently between ourselves, the Amalgamated Society of Engineers, representing the engineering industry on the one side, and the Federated Employers, representing the employers, on the other side. It runs as follows:

In the first place, we agree to accept the premium plan of payment, subject to four conditions.

In the first place the wages to be in all cases guar-

anteed to the man, not only for every week, but for every single job, so that in the event of a man having a job that lasts five hours, if he fails to make a bonus on that job and makes bonuses on other jobs during the same week, he is not deducted in respect to the bonus he has earned because of the bonus he has failed to make on these five hours. That is to say, every single job stands on its own basis. If he fails to make a bonus on any job he has at the same time a guarantee that his rate of wages for the day that he has been on that job will be paid.

In the second place he is assured of extra payment for overtime, or for Sunday work, which had been prevalent prior to the introduction of the premium plan.

In the third place it is agreed that there shall be no cutting of the time basis once fixed, unless there is an alteration in the machinery, or methods of production, and then only after full and free discussion between the parties who are doing the work and those who are paying for it.

In the fourth place it is agreed that the employer shall not introduce the premium bonus system unless he has the intention of adhering to it. That is to say, we make provision by that clause against mere experimentation with a view of not pitching up a man to his top pitch, and then resorting to ordinary day's wages when the man's capacity is gauged.

I venture to say that the problem is not insoluble if this question of piece-work and payment by results were approached in a proper spirit. That is to say, if both sides were anxiously looking for some

way out of the difficulty or some means which would maintain that fellow feeling in the workshop which we as trades unionists must stand for. It is essential that we get some system which shall not break up that fellow feeling, as piece-work systems in the past have done, and at the same time succeed in getting the best amount of product in labor from the machine. I venture to say further, that this agreement recently made, a modification of Mr. Halsey's plan of some ten years ago, will contribute to the development of the engineering industry in the Old Country.

But just let me say in conclusion that England is not so decadent as some would seem to imagine. There are some things you put up with here that we would not tolerate in England for a single day. I have heard from Mr. Gompers of the flood of handy men and specialists who invade all your occupations, and I have been surprised to learn here in this room the pleasant manner in which specialist labor is accepted as being inevitable. It seems to me that it is just the same with that as with many other things—the more you talk about them being inevitable, the more inevitable they will be. I believe that specialization in this country has got beyond the point of permanent well-being and efficiency of your workmen, and if it were not for the fact that you are constantly drawing from our country, from Germany and the Scandinavian countries, if it were not for the constant influx here from these countries, you would have had to train a few more mechanics yourselves.

MR. O. C. BARBER: I am the man referred to by the last speaker as having made the remarks referring to the strikes in England. I heard the speaker's explanation and I am inclined to accept his apology. I was in England at the time of these strikes, for a duration of several months, and was reading of them daily—of the position that the proprietor took against the employees, and I stated at least what was common information over there, or misinformation, as the case may be. He says it was misinformation. The facts will bear me out, if the thing could be properly investigated, that I have stated the condition correctly. I may have placed myself in a wrong position this morning, and I want to apologize. I am not against trade unions or labor organizations. I think it is the spirit of the times that people should organize in all the different branches of business, and that all laborers should organize. These unions may be practicable for accomplishing specific purposes, or they may be educational only. I have no objection to the laborer getting the full amount and value of his hire, and I do not believe, as a rule, that you will find manufacturers in the States opposed to giving labor its full value. Competitively, we have all got to go to the clearing house and find out the clearing house values of all our commodities. If the clearing house gets out of joint, or if we slip a cog, we are all thrown into disorder.

My friend states that he is opposed to piece-work, yet he has just previously stated that the depression in the engineers' strike was not caused by the limiting of work of machines. This to me seems a dual posi-

tion. I would like to ask him if it is not a fact, if piece-work was permitted to go on in the factory, that these machines might be made to do double the work, in competent hands?

It seems to me the surer way to reduction of hours of labor is to increase to the maximum the amount of work that can be done within the hours that are labored. If these lines were followed by union labor, it would not be long before in eight hours as much could be accomplished as now in ten hours under union labor.

You want your freedom—the laborers of this country want their freedom from these unions. They may belong to them and yet should have their freedom from them so far as the amount of labor each may or can do. Let your motto be “The more work the more money,” remembering that if they do less they should receive less.

I know something of the conditions of labor in England. We built a large factory there, and knowing something of the conditions, we took our men from America. We took three or four brick men, carpenters and builders in each different line, and we made arrangements with the non-union people on the other side, giving them one shilling a day more than the regular price, for the privilege that we might hire and discharge our people at will. The principle worked very well. We did not put a half dozen people along the line of a brick building that we were constructing, proportioning the men along the line, to have every man wait for the slowest workman to put in his brick, the fast workmen lying idle, but we

gauged them up to a reasonable fast workman, and discharged those who could not keep up their end. By working along these lines, and by giving them a shilling a day more than their regular wages, we were able to put the building up quicker than anything that had been done in that neighborhood for years.

I believe in paying labor all that it is worth, and giving them their freedom to work as long as they have a mind to, making eight hours a day a governmental day, or six hours if you like, to make that the standard, it matters very little which. It finally resolves itself down to so much an hour. I do not think the majority of manufacturers would, but they ought to be able to run their factories ten hours a day if they have the men who have the strength to work ten hours a day, but you should not try to make all men equal in the factory. The brighter in that way have no chance to rise.

I think I have said quite enough to explain my position. I believe in trade unions, where they are educational, and where by their organization men can get fair and just wages, and where they are not opposed to the proprietor, but work along in harmony together, but you cannot force matters. You will have to follow along the lines of least resistance, and you will get the same, if not better results in the great clearing house of events.

MR. MARCUS A. HANNA: Gentlemen of the Committee—To those who have favored us with their presence during this session, I want to return our thanks for your efforts and your attention. It would be a

pleasure to me to review briefly some of the topics which have been under discussion, but time has saved you from that, and in closing our sessions I wish to bring up a summary from my standpoint of the good that has come and will come from this meeting. This free interchange of ideas and unlimited discussion will go before the public—the great audience of the American people—and the benefits derived therefrom will be apparent in the near future in the criticism and opinions which may come personally and through the public press.

For myself, I feel greatly encouraged by the renewed interest in this great subject; by the close attention and attendance from those who are joining with us, encouraging us by their presence and by their efforts to continue along the lines which we have laid down.

Summing up the good that may yet come, in my judgment we saved the best for the last, because the result, the last analysis of this great question, will be found in the industrial agreements. (Applause.) It will be intelligence, as it is understood from the standpoint of the merits of both sides. It will be effective in its results as it is best understood and appreciated. I for one do not expect that we will reach the best results in one year, or two or more years; but under the influences and inspiration and the encouragement we have had so far, I am sure that our committee will go forward along these lines; will keep up the effort, inspired by the same desire to do good to all classes. We will expand our influences; we will extend the scope and personnel of our

committee; we will keep abreast or a little in the lead of public opinion, and as we receive that support from the people we will go on to the fruition of our effort.

I intended to have said a few words upon this agreement proposition. I have had experiences for many, many years in that sort of negotiation and settlement of labor troubles, but I will only cite one incident which is so fresh in the minds of everybody.

I agree with all the speakers upon the proposition of compulsory arbitration. I am opposed to it. The new question of compulsory investigation deserves consideration. I believe there is something in that, but I do believe that the power to settle all differences, outside of law making, outside of coercion, outside of undue influences, will result from the conference of the employer and the employee, with the one desire to do that which is best for both. (Applause.) I do not believe under the present condition of things in incorporation of trades unions.

Referring to the coal strike for a few moments: In the discussion during that great strike many expressions were made as to a better way to settle those differences, and that was one of the suggestions—the incorporation of labor organizations—so that some authority might be given under the law, if law must be resorted to, to save the conditions which were precipitated by that strike, and in the interest of all the people.

I heard the argument that it was an absolute necessity that such incorporation must be had, because a contract with workingmen was worthless. The test has come, for, when in their dire extremity,

the anthracite miners of Pennsylvania appealed to their fellows in the bituminous fields in the West to come out and strike in sympathy, in order that conditions might be forced upon this country which would enforce a settlement of the trouble, it is known to many others that the bituminous coal miners thus appealed to were under contract for a year, known as the Interstate Contract, between the producers and the operators of those sections of the country. Under the constitution of the United Mine Workers it became the duty of their president to call together a delegates' convention to act upon that question. Those of us who had followed this trouble from the beginning with interest and anxiety felt that it was an important moment in the history of the labor question as to how that would be settled. For my part I had confidence as to the outcome. The convention met at Indianapolis, represented by persons or proxies of 1,000 delegates, and the appeal was made coming from the striking miners of the anthracite region to their fellow workmen under most distressing circumstances and conditions, under influences which are so potent among that class—brotherhood sympathy. That convention appointed a committee of twenty-three to consider the application. They spent nearly a whole night considering it; they were confronted with the fact that they had made a contract with their employers, which for the fourth time had been made, to work for a scale agreed upon, to be in operation for one year, upon which the sales of coal were made and contracts binding upon the operators

were made. After full consideration, allowing sentiment to play its part upon the minds and hearts of those men, with calm, cool judgment and loyalty to their agreement, that committee reported unanimously against a sympathetic strike. (Applause.) That report was made to that convention the day following, and was adopted unanimously by 1,000 votes. They agreed to stand by the word they had given in making that contract.

Now, gentlemen, that case came up at a time when all the conditions surrounding it were as aggravating and forcible as could be brought into play. Therefore I say that the test has come and the men have won the confidence of the whole people of this country. and as far as I am concerned, satisfied me that we want no incorporation of labor organizations. (Applause.)

But that is not all. If this good work is to go on and we are to succeed, those who control the labor organizations of this country and are putting the truth before the people of the advantages which may come from such organizations, must be just as careful that all things connected with unions which shall in any way detract from their usefulness, which shall in any way rob them of the support of the whole people, must be carefully eliminated. There are good trusts, they say, and bad ones. There are good labor organizations and bad ones. There have been means used in strikes which cannot be defended, and I was glad to hear Mr. Gompers say, what I have known always, that most labor organizations of to-day are opposed to any such measures,

and I know further, that those who are co-operating in this work are using all the means and influence in their power to eradicate such measures. I know that it is their intent, and I know that operators and employers are co-operating with them, in order to make organized labor attractive to all classes of labor; and to do that the individual rights and privileges of American citizenship must be observed. There must be nothing that will come athwart men's consciences, even to lead them to hesitate, much less than to declare against organizations which are for the mutual benefit of all classes.

I hope we may all be spared to come together a year from this time in this city to bear witness, to give evidence of the fruits that have come from these discussions; to testify that the industrial committee of the Civic Federation is doing good work, which should merit the support of all classes of people in our country,

I am not afraid of criticism of our efforts along these lines; I do not shrink from any sort of discussion as to the motives which prompt us. But year by year, if I am spared, I want to point to results in justification of the integrity of purpose and endeavor that this organization is striving for. I hope that when we meet again we will have to hire a larger hall—I am sure we will.

As I said, I have been greatly encouraged by the attendance from day to day and the interest manifested in these discussions. While they have been without limit, at the same time I know they have been within the lines of proper spirit and consideration for others.

Adjourned.

INDEX.

- Adams, Charles Francis, Investigation and Publicity, 58-78, 88-91, 263
- Amalgamated Society of Engineers and Premium System, 110
- American Methods of Production, 5, 6
- American Newspaper Publishers' Association, 294-300
- American Pump Company and Premium System, 127-128
- Anthracite Coal Commission, 327, 328; Strike, 365
- Apprentices, 95, 96, 144-149, 158, 187-189, 280-283
- Arbitration, 243-245, 341-342
Commission, 68-71
Compulsory, 49, 63, 263
In England, 24
National Civic Federation, 327
Newspaper Publishers', 296-298
- Baldwin Locomotive Works, Philadelphia, 133, 144, 150, 151, 255, 278, 279, 280, 282, 283
- Barber, O. C., President Diamond Match Company, 288-293, 361-363
- Barbour, George H., National Association of Manufacturers, 231-243, 272, 273.
- Barnes, G. N., Secretary Amalgamated Society of Engineers, Great Britain, 84-92, 132, 133, 143, 263, 264, 279, 354-360
- Boston & Maine Railroad Company, 61, 62
- Boycott, 16
- Brooks, John Graham, 350-354
- Carpenter, C. U., National Cash Register Company, 38-48, 137
- Chicago Street Railway Commission, 50-56, 262, 263
- Clark, Prof. J. B., quoted, 199
- Commons, John R., 92-105, 123, 138
- Compulsory Arbitration, 49, 63, 263
- Contract Sharing, 144
- Driscoll, Frederick, Commissioner American Newspaper Publishers' Association, 293-300
- Easley, R. M., Secretary National Civic Federation, 226, 243, 245-249, 300, 354

- Eight Hour Day (see Hours of Labor)
- Employers, Organization of, 39, 315-316, 336-338
- Factory System, 164-173
- Foremen, 40, 41, 44-46
- France, Ship Yards, 292
- Franchise Grants, Street Railways, 50-52
- Garland, M. M., ex-President Amalgamated Association of Iron and Steel Workers, 324-335
- Germany, Hours of Labor, 14
- Gompers, Samuel, President American Federation of Labor, 120, 147-151, 184, 188, 232, 255-275, 280-287, 292
- Great Britain, Arbitration and Conciliation, 22
- Conditions of Labor, 291, 362
- Engineers' Strike, 355-356
- Premium Plan, 109-116
- Gunton, Prof. George, 163-187, 268
- Halsey, Frederick A., Associate Editor *American Machinist*, 105-123, 126, 128, 134, 358, 360
- Hanna, Senator M. A., Chairman Industrial Department National Civic Federation, 1-2, 363-368
- Hours of Labor, 163-187, 189-202, 203-206, 211-243, 246-249, 254, 268-273, 292-293, 331-334
- Investigation and Publicity, 58-78, 88-91
- Ireland, Archbishop, 28-37, 284-288
- Iron Molders' Union of North America, 317-319
- Iron and Steel Workers, 324-329
- Jenks, Prof. J. W., Cornell University, 343-350
- Justi, Herman, quoted, 39
- Keefe, Daniel, President International Longshoremen's Association, 303-312
- Labor Departments for Large Industrial Organizations, 38-48
- Low, Mayor Seth, 2-4
- Machinery, 11-18, 88, 97, 135-136, 151-162, 174, 214
- Marburg, Theodore, Vice-President American Economic Association, 211-231
- Marks, Marcus M., President National Clothiers' Association, 249-255, 247, 248
- McCammon, Judge, quoted, 246
- McMackin, John, State Labor Commissioner of New York, 78-83
- Mather, Samuel, of Pickand-Mather Company, Cleveland, Ohio, 300-303
- Minimum Wage, 98
- Mosely, Alfred, 4-25, 84-86, 106-107, 122, 143, 149-151, 187-189, 210, 275-284
- National Cash Register, Labor Department, 38-48
- National Civic Federation, 2-3, 18, 22, 23, 26, 27, 28, 30-31, 33-34, 57, 67, 79, 83, 84, 141, 244, 245, 255-257, 307-312, 314, 324, 326-327, 363-368

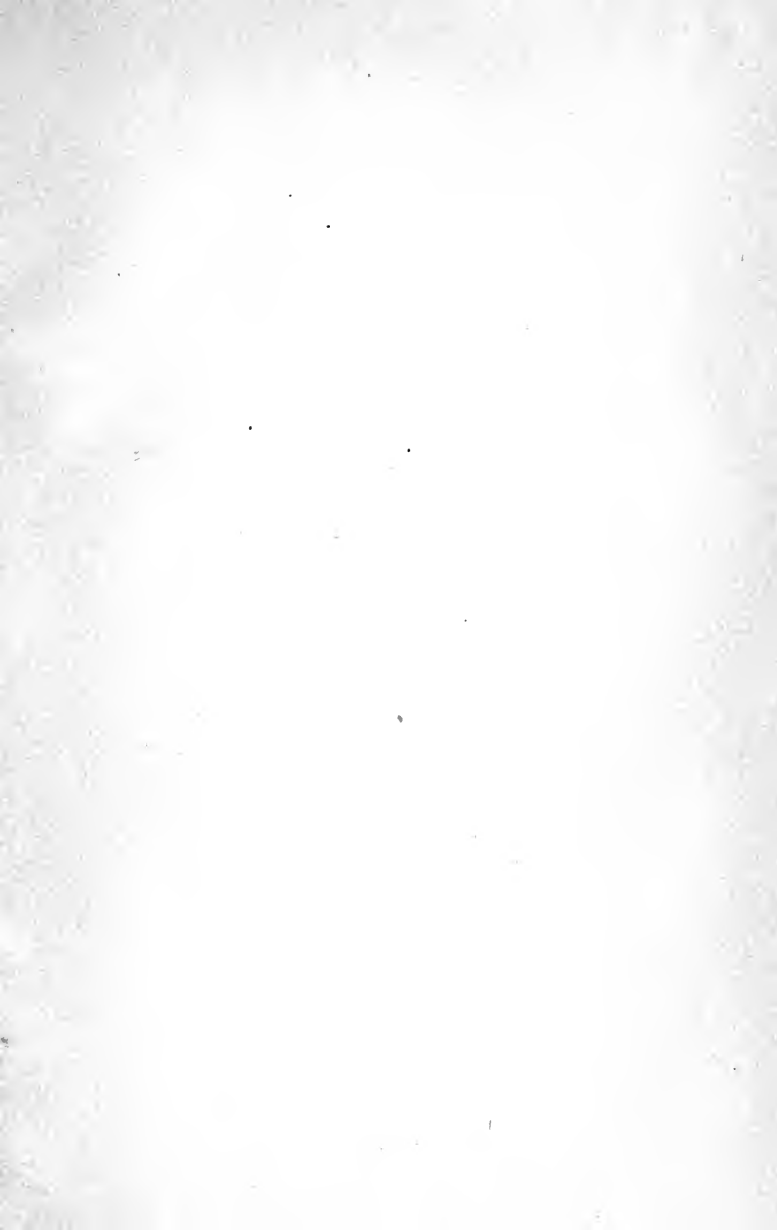
- National Founders' Association, 312-324
- Newspaper Publishers' Association, 293-300
- Nixon, Lewis, President United States Shipbuilding Company, 202-211.
- Non-Unionists, 259, 284-288, 293
- O'Connell, James, President International Association of Machinists, 124-151, 188-189
- Pensions, Old Age, 331
- Piece Work, 8-9, 86-87, 100-108, 120-140, 203, 209, 357-359
- Premium Plan, 105-144, 358-359
- Publicity, 58-82, 88-91
- Rainsford, Rev. William S., Rector St. George's Church, New York City, 144-146
- Restriction of Output, 15, 16, 92-105, 134-136, 156-157, 252-254, 271
- Sikes, G. C., Secretary Chicago Street Railway Commission, 48-58
- Smith, A. Beverly, Secretary Lithographers' Association of the United States, 335-343
- Street Railways, 48-57, 262-263
- Towne, Frederick T., President National Founders' Association, 312-322
- Trade Agreements, 293-343, 351-354, 364-365
- Trade Schools, 149
- Trusts, 18, 78
- Typographical Union, 295, 296
- Underwood, Frederick A., President Erie Railroad Company, 243-245
- Valentine, James F., Vice-President International Molders' Union, 322-324
- Wage, Minimum, 98
- Walls, P. J., Secretary Blast Furnacemen's Association, England, 25-28
- Weber, A. F., Chief Statistician, Department of Labor, New York, 189-202
- White, Henry, General Secretary United Garment Workers of America, 151-162

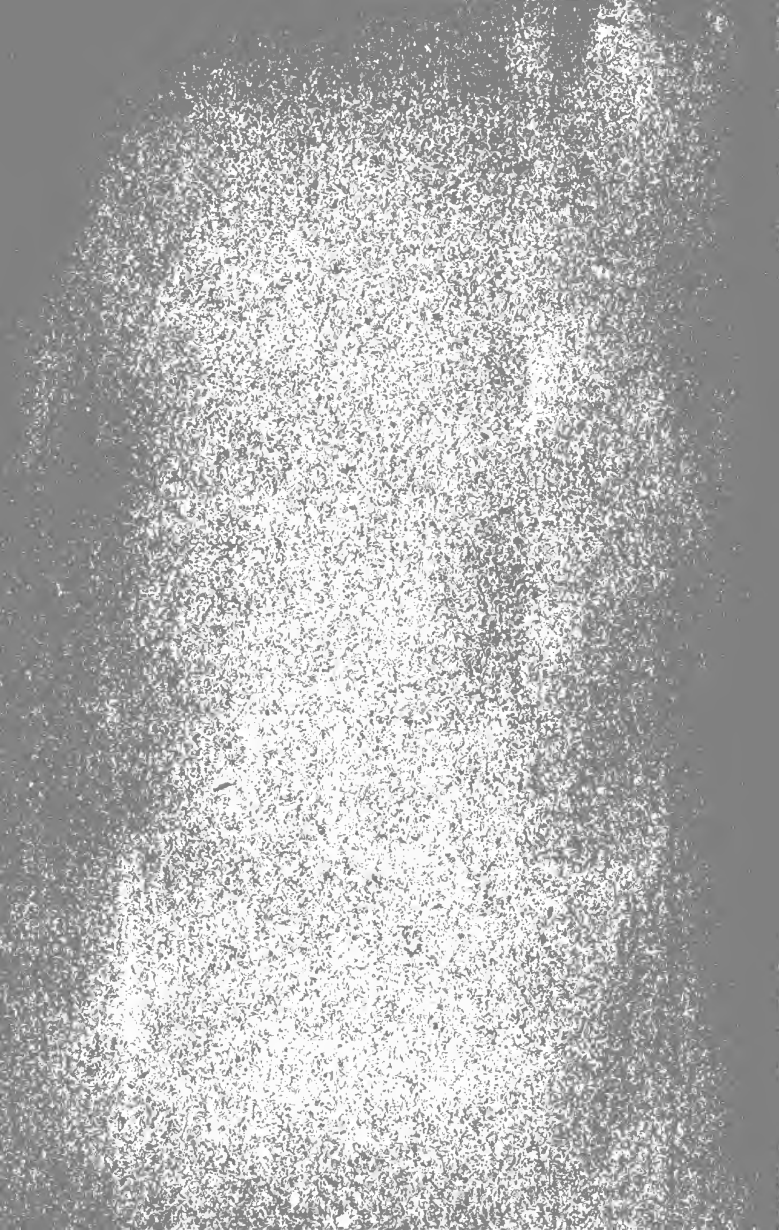












**HOME USE
CIRCULATION DEPARTMENT
MAIN LIBRARY**

This book is due on the last date stamped below.
1-month loans may be renewed by calling 642-3405.
6-month loans may be recharged by bringing books
to Circulation Desk.

Renewals and recharges may be made 4 days prior
to due date.

**ALL BOOKS ARE SUBJECT TO RECALL 7 DAYS
AFTER DATE CHECKED OUT.**

REC. CIR. APR 7 '75

MAY 2 1987

AUTO. DISC. APR 21 '87

LJ21—A-40m-12,'74
(S2700L)

General Library
University of California
Berkeley

U.C. BERKELEY LIBRARIES



8003017644

HD 5503
.N3
1902

