Company Mill Company Union

Rochester and Unionism:

It is twenty years ago now that I made my first acquaintance with the Rochester industry. One of the developments in the town that impressed me most was the effort, particularly in the German American Button Company and in the Hickey Freeman Clothing Shop, to develop understanding and co-operation between management - employer and employee - through the organizations which at that time was called by various names, and which we generally lump now under the title of Company Unions the effort to promote an inter-change then the desire to escape from unionism. The "tailor's" methods depended on co-operation. Where they were introduced into the shop the inter-penetration of management and labor began and it brought about a freer, more confidential, spirit. Whatever was back of the Rochester employee representation plan they were in full blast when I visited the town, particularly in the two shops that I have mentioned.

At the Button Works they called themselves the Progress Club. One thing that interested me very much was the way in which changes in wages were explained and discussed. Really everything that concerned the operative seemed to get onto the table. It was at the Clothing Shop that I found the highest developed organization and here they called themselves the Quality Club, the shop itself being called the Quality Shop. The Club was made up of (See Page 325 of New Ideals)

As time has gone on and industrial relations have been subject to attacks and reformations in the country, as the variety of unions have multiplied, and one form or another of employees

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representation has developed I have wondered many times what had happened to the Hickey Freeman Quality Shop that had so deeply impressed me.

I knew that Rochester was a center for the manufacturer of men's clothes had had a severe bombardment by the Amalgamated, but I didn't know whether my pet Company Union had gone down in the fracas or not. And so when I reached Rochester this week one of my first efforts was to find out whether or no the Hickey Freemen was still existing, still alive, and if they had an industrial labor department and if so would they see me.

I called up asking for the Director of the Labor Department and found that at once I was to be treated like an old friend, not only did this Labor Director whom I had never met - his name was Hauber - say , "Of course I would be glad to see you." But he said, "Mr. Hickey wants to talk to you."

So I found the fact that I was ~~sickness~~ in town had already been a matter of comment and that Mr. Hickey was eager to see me, looking on me as an old friend because of the few kind words I had dropped in my book.

What happened was this -

In ? some of the Amalgamated became so strong in Rochester that the Hickey Freemen employees evidently concluded that their representation, good as it was, and to which they had given so continuous and friendly cooperation was not enough. Very interesting, the flexibility of this man Hickey . His idea is that the employee is a partner and if ~~there~~ in some way that

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that partner feels he would be getting a fairer deal then it is up to Mr. Hickey to cooperate, to see how they can work it out. He seems not to be at all disturbed by the prospect of change. "Methods change - you must adapt yourself to them. You can have no set form."

I was interested as I listened to him later in the day to see how closely what evidently had been going on his mind was something I had written back in 1915 or '16 or whenever it was namely as such an enterprise as Hickey Freemen was running made it possible for the employer and employee to tackle unionism together. (See Page 327. O'Connell should be worked in.)

It seemed obvious to me at that time I remember that here was the basis for unionism if it should turn out that unionism was a stronger and more intelligent method than what they were trying. And that is the way it evidently had worked. They had come to the point where unionism confronted them and they were preapred by their experience in representation to consider it. They were prepared for that. Now the set-up of the Amalgamated, as I gather it, is this and this must be checked up at the Amalgamated Headquarters. A shop unionized elects at stated intervals representatives or labor leaders for departments and groups. Their business is to take care of the interest of the employee.

The employer hires a representative who shall represent his interest in handling the demands of the employes. Now, obviously, the man in the factory is going to get all he can. Obviously, the employer ~~[illegible]~~ in refusing or granting must consider the stability of his

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business. It all depends then upon how an all-around idea of the problem, the labor man has, whether he can see both sides and how good a diplomat and negotiator he is, what his spirit is, whether he meets the demand with a spirit of refusal or a spirit of inquiry into its justice. It takes a man who understands the problems of industry and all its factors, who knows the relation of wages to costs, sees clearly that wages over-load costs, ... The employee himself in the long run is defeated killing the industry on which he depends. He must understand the men's real desires and needs, ... their way of going at things, their technique.

Mr. Rauber, the most unusual man I have ever seen in labor relations, the least hampered by mechanisms, took me down to his office. Besides the chairs and tables the only notable thing in it was the number of pipes, stained and much used evidently piled on the table. I told him I wanted the background. He said, "Well, what labor is interested in really they did not get down to in the Company Union - a stabile job and the best wages possible, is his desire. Nothing else, he'll take care of the rest if he has those two things. Now under the Company Unions stabilization is left to management. You can do nothing about it. Also, to a very large extent wages. And he is not prepared by training or knowledge to prove that his wages should be higher, to combat a cut. His desire is a shop in which the work goes ahead steadily and which he has the best wages in his trade. Now, how can he get it? These are the two things on which the Amalgamated centers - not on machinery, but it demands that a shop must keep up its work and it knows so well the conditions of the clothing business. It is

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so informed about costs, about markets, changes, fluctuations, that it knows how to prevent its demands, to argue against changes which the employer inaugurates. The worst question then comes whether you can get on a basis of negotiation, not bargaining, but negotiation on the basis of facts. My experience with the Amalgamated is that their leaders know the actual, financial condition of a shop as well and frequently better than the management itself which is not always training in financial matters.

The set-up is designed to keep both going while negotiations go on. There is a recognition that stopping work is injuring the thing by which they live. In the long run penalizing them. It may easily permit suicide for both. Therefore, when is a question of wage it is taken up in an orderly fashion through representatives and in no circumstances is the direct action - strike - allowed. This wage must take into consideration all the conditions, competitions, the holding up of firms, the breaking down of markets. S. Rauber says that H aim is to keep his customers in business. The plants are largely left to themselves; he recognizing that the conditions in each plant vary. That is, the plant manager's business is to secure look after security of job and wages. The union holds them to this but cooperates in achieving the end. Stillman recognizes and his followers recognize that there must be a balanced shop, that labor is more interested than the employer even in getting what he calls good labor cost. The aim is to keep everybody on the roll. Now a man who takes Rauber's position must understand this necessity of steady work and cost which gives steady work.

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This necessity of steady work and good cost, that is a steady process is not recognized by various types of leaders. You take the A F of L. type. Rauber says quite frankly they are simply job holders. They live easily and comfortably in grand quarters, have nothing under the surface he says. Obviously such type of men cannot function in an Amalgamated set-up.

An interesting point in the management side of it that under this plan, as Rauber outlines it, that all authority over labor, the hiring, the firing, the displacing, is taken from the foreman. The foreman, he says, is a technical man. He must look after operation; he has enough to do in seeing that his work goes steadily, quality kept up, etc., etc., without dealing for the individual. In the Amalgamated, so far as labor is concerned, it goes to another authority than the foreman to make its rate. Says the average foreman has no idea of labor policy. Mr. Freeman carried the building up of labormen perhaps further than anybody else, but what it amounts to in most offices is the instruction of foremen, etc., is giving them lectures on methods, relationship, etc., etc., and they interpret it in their own way. Their interpretation will be according to their intelligence, their experience. Generally it will be bad.

The labor head, that is Rauber, is sort of a Doctor. He has got to be a judge of the troubles. This, he says, is a new thought in labor relations. The labor relation man up to date has been largely a welfare man. With the proper labor head, such as his, they get out of their troubles by negotiation, arbitration. You have to be smart to arbitrate, he said. Each must have a chance.

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They must build up an arbitration technique and it is generally recognized that the smart way to settle is not to have a case, to stop the trouble before it matures. His business and the business of the labor people in the shop with whom he negotiates do not want cases. They want to get at the root of the cases. All of this takes intelligence and first of all it takes character.

When there is trouble it is because you did not see far enough ahead, that is you fell down. We are getting here so we can smell a case three months off. People here are labor conscious.

The biggest point is the security of jobs. We can't lay off a man nor throw a man out if we can help it. There was where foremen were often weak. If he disliked a man he threw him out but that man has cost about three or four hundred dollars to bring him to the point where he was a satisfactory worker. You have got to protect him as an asset of the shop. These union workers are smart; their leaders know and they can concentrate on what is to the good of their followers. In this office we hear everybody. Sometimes a case may have gone for months but production has not stopped - no strike. It is to the management's advantage to settle it, to come to some kind of a fair decision if possible. If the management is fighting an increase of wage and the arbitration finally goes against it it must pay the wage for as long a time as it has fought.

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It is a system which keeps everybody on his toes. When the Amalgamated was accepted in the clothing shops over the country - I take he means Rochester particularly - the labor relations man was generally chosen from the colleges and generally they were unsuccessful for two reasons. They drew up elaborate agreements - lawyer's agreements. They were ticklish for little things; they did not understand the relation of cost, that you have to fight cost, that the whole thing would show in the balance sheet. I remember one man in particular of whom he spoke. He said everybody liked him in the shop. He forgot the cost, forgot that if you have eight thousand people they may all like you but you are not serving them unless the shop is on a sound basis. Your provision is not a matter of beautiful speeches forgot diplomacy. You have got to understand that. Politics play a big part in all this business. For instance before the shop elects its labor managers - I never think of asking him to do anything that might be disagreeable to his force, that is if I think he is a good labor manager - I wait until after he is elected. A couple of weeks after that I ask what I want. It has got to be a give and take policy. If you want things from the men you must give them something.

These labor directors have wild economic/social and knowledge; but they have no practical sense. Most emphatically you can not deal crookedly with these labor people; they must know they must trust you; know that you will not double cross them.

Then, too, you must know how to translate the wishes of the different types of labor. We have hear Italians, and Poles, and Jews.

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You have got to put the case differently to them with each nationality. If you want to do something you must explain it in one way to the emotional Italian and another to the scalawag Pole and as for the Jew you must sit down and bargain with him. That is his psychology. He would rather have two weeks bargaining and give up than to win at the beginning.

There must be no double crossing here. Hickey and Freeman signed the contract with the Union and they felt it was their duty to find the best way to get along. Of course a fight goes always on; there is always something. But we learn the business of negotiating better. Here I am backed by management. I couldn't do it in any other way. The labor man is no errand boy. I depend on management. You cannot be too technical. You have to be practical, diplomatic, u. What we are doing is a pioneer job. My great point is to get ahead of the causes of trouble. You have got to be honest, no bribery.

Here is the outline at least of a labor situation. It is obviously an advance, difficult as it may be, subject as it is to politics and perhaps to force, the greatest advance on the Company Union that I know.

Pursell - D. E

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