NO. 1 THE REDEMPTION OF INDUSTRY.

For thrity years or more a considerable group of the people of the United States has been waging a systematic war on another considerable group. A Civil War it has been since the combatants are necessary partners in a common enterprise that of INDUSTRY; LABOR AND CAPITAL these partners call themselves.

Although not always active this warfare has never for a day been abandoned. Its periods of quiescence have been spent are in recuperation, in filling war chests, in studying points of attack, in cementing alliances, in enlisting and training recruits. Its active periods running sometimes into many months, have been are the more bitter and determined for these periods of apparent inaction. Many are the anomalous and irregular features about this war. What more extraordinary than that the general happiness and prosperity of a very large part of the country, people of the should be so great that they have never recognized that there is was a war! That is, they have been so little disturbed by it that they have been unable to realize that the campaigns were anything more than the spasmodic outbreaks of a few people who are were not getting what they wanted! What more curious than that in spite of persistant hostility between the two factors their joint production should be vastly more abundant and more profitable than it ever was before. What more contradictory than that labor should continue to be aggressive when it is certain that never before in the world's history was it sharing so abundantly in the wealth it helps to produce, never before was it working on the whole so safely and so happily, never before were so many stepping daily out of its ranks into that of capital. What more usrprising than that in spite of the fact that more abundant profits have followed every victory

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labor has gained, capital continues automatically to resist demands as obstinately as it did in the beginning. What above all so amazing that both contestants - small majorities excepted - should through all, and in this so-called Democracy, hold to the dogmas which are at the bottom of their unceasing war - that of economy of cheap labor and that of a master and servant relation in Industry.

The war goes on, bewildering, exasperating and discouraging many; gladdening, comforting and emboldening others. What is it all about? Ask the aggressors what they are waring against and they will tell you "conditions" conditions that keep them poor - that send women with children at the breast into the factories, and girls into the stfeet. Ask them to specify the conditions and they will tell you too long hours, too low wages; unhealthy and unsafe places of work; uninviting homes; few and debasing pleasures; no or few opportunities for self-improvement; no hope of acquiring permanent possessions, of safe-guarding against accident or death, of ensuing a peaceful old age - in fine, too little of good hopeful life.

Tell them that they must rise above these conditions - point out what others have done- and they will tell you that for every one that has gone up, one hundred have gone down, that the odds are too great; that it is only the exceptionally strong, lucky, bold, resourceful that can weather them - that it is a system for the exceptional man - not the average one- and a sure defeat for the weak, the timid or the poorly endowed - ~~it is the survival of the fittest - not the only principle mutual aid, a part of nature's plan.~~

Probe deeper into the unrest, pick out their grievances, help put them into words and you will find that what rankles in the souls of practically all of their leaders is a violated vision - that at some

period of life they have believed in the phrases poured into their ears - believed in declarations and creeds and songs - in "life, liberty and happiness", the brotherhood of man" ; "liberte", egalite" "fraternite" and these have not been realized. That is their unrest is not dissatifaction with the underlying ideals of this land; they still thrill to their nobility. Their unrest lies in the fact that for thousands of their kind these words have not come true. Their war is to put meaning into these words - make them true. It is founded on a great faith - faith in the possibilities of human life - in the essential soundeness of Democracy and Christainity. It is doubtful if any portion of the American people are today holding so hardily, and in the face of such discouraging conditions to the finest of our national ideals as those, who to many a loyal citizen, seem to be waring on basic principles

That they express their faith badly when they come to put it into words is generally true. It means concrete material things to them and they ask for that which they see the more fortunate enjoying. Take the picture of what is to be when they gain their war, drawn by one of their most radical leaders. When that times comes, he tells them, there will be no more sfattered plants in an Industry, but one great central plant.

In this large nest "there will be a wonderful dining-room where you will enjoy the best food that can be purchased; your digestion will be aided by sweet music, which will be wafted to your ears by an unexcelled orchestra. There will be a gymnasium and a great swimming-pool and private bathrooms of marble. One floor of this plant will be devoted to masterpieces of art, and you will have a collection even superior to that displayed in the Metropolitan Museum in New York. A first-class library will occupy another floor.

The roof will be converted into a garden. There beautiful flowers will fill your eyes and their sweet perfume your nostrils. The workrooms will be superior to any conceived. Your work chairs will be morris chairs, so that when you become fatigued you may relax in comfort."

The vision has brought anathemas on the head of the seer. It has been held as a proof that the ambitions of the laborer was to escape

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work and recline in easy chairs! The critics forget that this is a vision of a plant - a place of industry where useful things are to be produced, not a vision of a club-room or of the offices of an interstate corporation. Is not its chief offense that it is couched in terms of the average capitalistic comfort? To sit on a roof garden, to eat to music and recline in a morris chair is not this the vision of the prosperous world to-day. Strip the picture of the prejudice that certain phases arose - "unexcelled orchestra", "swimming pool", "the best food that can be purchased" and it is unreasonable? Is it unreasonable that the workers of the world should aspire to turning the world's work rooms into places of beauty, comfort and convenience? Is it unreasonable that they aspire to the joys of music and books and plenty of fresh water? It is unreasonable that they ask good food and a comfortable chair when fatigued. There is no logic that can prove that they ought not to cherish such aspirations. There is much sound argument for such aspirations. Moreover those who cry out with dismay and disgust against this vision but show their ignorance of what is going on to-day in the Industrial world. All that this vision encompasses, and much more, - and more important - is in one place or another coming true in these United States Here one thing; there another - unrelated experiments efforts to meet a condition, to realize a dream - our industrial to-day is alive with them. No program of industrial betterment ever outlined - no vision of an industrial Utopia ever seen, that is not at one point or another of our land in our process of realization. There is many a factory in this land to-day which is quite as much of a social as of an industrial center.

The redemption of this Industry from the reproach of greed, of inhumanity, of sins against Democracy and Christianity; that is one of the chief problems in the minds of more than one manufacturer in this land.

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How all this has come about is no part of out present study. It is due to many things, to dreamers and to fighters, to preaching and politics, to organization and to individuals. Its beginning are with the prophets of old; with Confucius and Christ - its end is the far future. The point here is that an appreciable part of the American industry is today almost as busy establishing new human relations standards for itself as it is in producing goods. Taken as a whole, though there is no point, which so far as my observations go at which they appear as a whole, these experiments go to prove the soundness of every dream of a regenerated industry that men have cherished.

Now there are things that have been done and still can be done! Moreover they have the convincing quality of paying. As a rule, the more nearly Utopian conditions and relations have become, intelligence and energy conceded, the more money is made for the group, not for the one or a few. That is, visions are profitable when realized!

To illustrate my meaning take the work that has been doing for a quarter of a century by a certain Brooklyn drop-forging company. Thirty years ago this house was one of the smallest of its kind in the United States. The two men who owned it, made up with the men at the hammers practically its entire force. They managed it; kept its books; and sold its putput. One of their subject of friendly chaffing in those early days was that the junior partner worked at a desk which had costed $7.00, while that of the senior partner cost but $6.00

This senior partner at the $6.00 desk, James F. Williams by name, was then a man about forty years of age. He held as a principle of success a doctrine so in contradiction to that held by most American Manufacturers then and now, that even to have stated it would have brought down ridicule

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upon him. ~~Mr. Williams believed that the American manufacturer's hope for growth lay quite as much with the men who did what is called the labor, as it did with the men at the top; those who finance and manage, who buy and sell.~~ He put hope of success, not alone, or chiefly in himself or his partner, in his bank or his market, in tariffs and rebates. It was the men who make a business successful he said. And they do it if relations of mutual good will, justice and ~~mutual self~~-respect prevailed. This being his belief Mr Williams set himself to carrying it out. He decided, inspite of the fact that he was running the smallest business of the kind in the country, to pay high wages. One of his chief concerns as the business grew, was to see that the men were getting enough - all that they earned. Again and again a man was called in and told that something had been added to his wages because he was earning it. But the reverse was never true, that is the pay was never cut below what was considered a day's wages.

By closely studying his men he decided that they working too many hours a day for their own or for his good. The day at that time was ten hours, but he come to believe that nine hours constituted a fair day's work. There was a "tired hour" in the period which was bad for everybody. He, therefore, put the factory on a nine hour basis, paying the same total wages, and after keeping the strictest account of the wages and output found that at the end of a year the output had not suffered material shrinkage. But he was not entirely satisfied with the operation of the fixed daily wages. He believed that it did not give the men a sufficient chance or the maximum incentive. Accordingly fully fifteen years ago he introduced where ever he could a system of piece work. It was at a time when this system was highly and justly unpopular but Mr. Williams in introducing it made it an iron-clad

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rule that the two practices which had made its bad repute should never be allowed in his shop. In the first place the regular day's wages was guaranteed whatever the man's output. In the second place his piece work rate was never to be cut whatever the conditions -if it was ten cents a piece, ten cents it should remain. "You may earn all you can and the more it is the better we shall like it". The rate was immediately successful. Earnings of workmen rose in some cases to $6.00 or more a day and at one period in two years the shop's output was doubled.

What this amounted to was that Mr. Williams decided that while there should be such a thing as a minimum wage there should be no maximum, and what he had proved was that an increasing wage means a decreasing labor cost per unit. There were certain other phases of this wage policy which Mr. Williams insisted on; for instance, if dull times came, as they always do come, the work went on, stock being made up in order the keep the men together. If this lasted longer than the resources of the firm could stand, half time was tried and men were employed alternately so as to give each a fair chance.

Along with Mr. Williams' conviction that among his chief duties as head of the shop was seeing that the men who did the work got a fair return, went an equally strong conviction against anything that savored of paternalism. I believe that he sometimes felt that a mistake was made in providing the shops with baths before the men had thought of wanting them. It was in 1893 that the baths were put into the plant - the first in any American factory. For a time they stood idle; then one day a man who was faint was advised by the foreman to take a shower. It did the work and soon other men made use of them. Today many of the men never appear on the street

in their shop clothes. They keep them in their lockers and they are washed periodically - a relief to their wives which only a woman who has tried to cleanse such garments can realize. They provide their own bath towels and "wash up" after working hours, going home in "street clothes". All of this procedure they have worked out for themselves except that the company provides the steam drying apparatus.

The men's club room was managed differently. In 1903 and 1904 the factory was enlarged and Mr. Williams left a certain room unoccupied. "The day is going to come", he said "when the men will want a club room". "I'm leaving that place for it". Perhaps it was telepathy that did it for finally the men did want the club room and talked to Mr. Williams about it. "We can spare that space", he told them. "Fix it up and the Company, I am sure would like the privilege of helping with the furnishing". One way in which the firm helped is worth thinking about. In 1900 and before, the firm took several awards at the Paris Exposition and elsewhere. They naturally were proud of them. The office is the place where such testimonials are generally hung to impress visitors - it is a legitimate pride, but Mr. Williams said no. "Give them to the men for the club room. They earned them".

It was to be expected that a man, who twenty years ago, had provided his factory with baths and who foresaw club rooms, would not be slow in foreseeing or adopting other devices to make life more tolerable for workers - nor was he - practically every "condition" on which we have had agitation and legislation he long ago, at least tried to met in some way. Mr. Williamw was not given to talking much about his ideas. He never used them to advertise ~~them~~ himself or his shop. As far as "welfare work" was concerned - that is makin shop decent and comfortable - he did not like the term and never used it in ~~reference to his own work~~ reference to himself. Nor did he lay any undue stress on its importance in making a shop a place of peace amd satisfaction. I rather think that he

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felt that a man should no more boast of decent conditions in a factory than he should in his own home. He took it for granted that these things should be. What Mr. Williams did lay more stress upon was his "aim" with his employees. This he outlined for some ten years for an inquirer interested in finding out how the factory had been brought to so high a point of success and good will.

"Our aim has been with our employees;
To establish good will, good fellowship and friendly spirit.
To lighten their labors and show interest in their welfare.
To promote interest and cheerfulness by fair treatment.
Never to interfere with the freedom of individual conduct.
Never to allow a faithful employee to be discharged.
To avoid paternalism or giving with condescension.
And above all to express our appreciation through good wages.

As to the results in the way of influence upon the men; while we make no pretensions as to "Welfare Work" we believe from our observations that the influence of a single institution of this kind is barely noticeable, but collectively and where other general conditions throughout the factory correspond, and where no spirit of paternalism exists, the results, though indirect, are excellent, and the appreciation, although not often openly acknowledged, is apparent. In our own experience we have been more than compensated for any expenditure and trouble from the demonstration that the establishment of one good condition stimulates an interest in, and leads to others."

Consider the heresy of the two most important points of this creed - LIGHTEN LABOR, EXPRESS APPRECIATION THROUGH WAGES!' But this is to pull the undersprings from the system which says that making things easy for labor spoils it. It upsets the dogma upon which our whole industrial policy is based, the dogma of the economy of cheap labor. You must pay labor as little as possible since this is the only way to produce cheaply and it is the interest of the people that things be cheap. There is also a moral reason for low wages. High wages give men more money to spend in drink and "idle amusement", hence a kind of social evil!

But Mr. Williams experience with his credd proved the soundness of it. That is it worked. It did not spoil labor. Today the little drop-forge

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hammers in 1882 and the smallest of the eight in the United States at that time, has eighty-seven and is the largest of some twenty-eight or more in the country. The average working life of the seven hundred men it employes is ten years. Fathers and thier sons are in the shop and the grandsons are expected. The present president of the company once worked at a forge. Moreover it took out of the shop all fear of "soldiering". Every man was intent on keeping its place at the head of the list. He gained by it. It lessened for Mr. Williams one of the chief problems under which nearly all of his competitors labored - that of strike. In thirty years the firm has had but one strike and that a revolt against an unpopular foreman - it was but of three days duration. Where the present contention of Unionism - higher wages, shorter hours and better conditions - are the creed of the employer; where there is a steady effort for justice and co-operation the Union is free to go on with higher work than that of war. It is one of the unspeakable crimes of the leaders of American Industry, indeed, that they have forced war on workingmen's organization until they have no time, money or heart for finding out what wonderful opportunities a Union gives labor for co-operation and cultivation.

Moreover his theory of wages, hours and conditions paid.

The more wages he paid the less his goods cost him. If a man earned $7.00 a day on piece work Mr. Williams earned more than if the man only earned $5.00. If a man worked nine hours both he and the man earned practically as much as when the man worked ten hours. He found that he could not only compete with those in the United States who paid less than he did, but could go into the market of the world where the men were paid a half or even a third less than his men and maintain a steadily increasing trade because of the superior skill developed by men with the right kind of incentive.

Now these were discoveries, profitable discoveries - trade advan-

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tages. Mr. Williams spent his life in establishing them as beyond question in the minds of his associates and men. That was his life work and some eight years ago he died, leaving behind him as I have said, a factory which has grown from the smallest of its kind in the United States to the largest, and a market, which once scarcely extending beyond Greater New York, literally embraces the World. There today his creed is law and it is being applied in the same matter-of-course way. To do what they regard as the square and decent thing is not in the judgment of the J. H. Williams Co. a matter for advertising.

An honest achievement is always a fertile thing. It casts its seeds to the wind and one never knows where they will fall and sprout. It will be remembered that Mr. Williams had a partner - he who sat at the $7.00 desk. His name was William C. Redfield. Because of what he learned by watching his senior partner working out his industrial creed - because of his faith in it and his practice of it - Mr. Redfield is now United States Secretary of Commerce!

Mr. Redfield did not take the Williams' creed as a matter-of-course. He could not, for his work in the firm was such as to constantly impress on his mind the wide difference between his factory and others. The goods made there - and which he spent much of his time putting on the market - were used by manufacturers. To sell them, visits to other factories were necessary. Not only did Mr. Redfield become familiar with factories in the United States, but he visited those of many other countries. Trained to believe that the foundation of a business is its men, their relation with them, and their wages, spirit and all important - those were the things he noted and compared. His observations and experiences in selling only strengthened his belief in Mr. Williams' wisdom. He came to feel that principles had been established, which accepted, would revolutionize American Industry. One of the first conclusions

he came to as he travelled about the world on his business was that many, if not all, American manufacturers were making a terrible and costly mistake in believing that they were hampered in the world's market by the cost of their labor. This came from a series of personal experiences in selling his own wares and in observing what other American firms were selling. He found that he could make and deliver goods to competing English manufacturers at a price which would enable the Englishman to make a ten cent profit. He found that in Belgium where wages are among the lowest in Europe he could fill orders satisfactorily to the buyers, in price and quality and that the one thing that stood in his way of getting the order was, as one possible customer who was also an importer into the United States, told him: "Your goods are satisfactory and the prices are right, but I will not give an order, because you shall not come to me with one hand saying "Thou shalt not steal", and with the other "Give me your business".

He found that in Paris where he at one time had had an office the work of the French carpenter at $1.90 a day was dearer than that of a Yankee at $4.50.

He found that in Japan he could underbid native manufacturers of locomotives although the American worker received wages three and a half times greater. He found standard American goods of a great variety, sold in the markets of Europe and Asia in competition with goods produced by labor which was paid far less per day at prices lower than they are here. In Calcutta he could buy an American made $5.00 shoe for $3.85. He found American lead pencils in Central Java and shaving soap made in New Jersey in Hong Kong. How was this possible, if the theory that high wages are dear wages is true? It isn't true, that was Mr. Redfield's conclusion. He watched labor at work where ever he went and every where it was forced upon him that the low wages

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of Europe and the East are costly - terribly costly and wasteful. That the man or woman who works for a sum which will feed and clothe and shelter him, who works without a certainity that as his efficiency increases his pay will increase in a just and definite ratio - who works without a consciousness of the sympathetic interest and co-operation of all those over him - that man or woman's output is the most costly in the labor world.

These were the conclusions that Mr. Redfield formed from ~~live~~ experience ~~with Mr. Williams' creed.~~ A few years ago he left the firm and entered public life for the purpose of preaching the gospel of what he calls the "New Industrial Day". His preaching led him to Congress where for one term he fought for a reduction of the tariff. His contribution to the discussion of the "cost of production in the Congress gave, high tariff one of the rudest jolts it had in fifty years. Incidentally too, they administered a tonic to the debates which was as effective as unexpected. From Congress Mr. Redfield has gone into Mr. Wilson's Cabinet, where he is working on the stimulating theory that the one essential element in industry - the one element upon which progress depends is the man. To neglect the man in his judgement is to strave the industry - take from it vitality, freshness, and initiative. Unless men are considered first he continues to preach, you cannot cut your cost of production, consider them first and there is practically no end to your progress. And what does this consideration primarily mean? It means first wages - higher wages, and still higher wages, pushing them up constantly as a man's effeciency grows. It means giving him the best conditions and safe-guards for his work of which you know and improving them as better ones are devised. It means respecting him as an individual and co-operating with him for all the rightful ends of industry, recognizing him as your partner in the enterprise. Do this and you need fear no competition on earth - you need fear no new theories of government labor or commerce, economics. You are one with him, and whatever changes pass

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