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Eleventh Special Report of the Commissioner of Labour. Regulation and Restriction of Output. (Washington : Government Printing Office. 1904. Pp. 932.)

THIS bulky volume, which, although it bears the date of 1904, has only recently been issued, treats of the Regulation and Restriction of Output in the United States and Great Britain. Considerations of space, however, make it impossible to deal here with American conditions ; but of the eleven chapters, which treat of our own country, a brief analysis will be given. The "Introduction" states, that "the serious discussion of the restriction of output as a policy arose with the issue, by the International Federation of Ship, Dock, and River Workers, of the famous Ca'canny circulars of October, 1896." The essence of this policy was thus expressed in the testimony given in 1902 by Mr. J. H. Wilson, General President of the National Sailors' and Firemen's Union of Great Britain and Ireland, before the Mercantile Marine Committee appointed by the Board of Trade : "If the shipowner, who can afford to pay wages, takes advantage of the men who are not sufficiently organised to get what I call reasonable pay, then the men, in my opinion, and in the opinion of others, are perfectly justified in saying to that shipowner : 'Then, if you will have cheap labour, you will get labour of a poor quality,' and that is Ca'canny."

It is, however, proper to remind the reader that Ca'canny was a practice (in the nature of a partial strike) advocated at a particular juncture as a means of securing from employers in certain trades the concession of conditions more favourable to the workmen than those obtaining at the time ; and this Report states that "in the last few years the officials of the National Unions have openly, and, it is believed, sincerely, discountenanced a direct restriction of output, and now do what they can to prevent it." It is, of course, easy to suggest, that "it is not at all impossible that, the doctrine having been preached, a general feeling may run through large bodies of men in the local unions that this is a proper and an effective weapon to use in order to get even, as they express it, with their employers. It is not at all impossible that under the pressure of public opinion a local union may formally abolish a rule, and thereafter act as if the rules were still on the books." But even the least good-natured hypotheses are not, in themselves, conclusive evidence of guilt ; and *credo quia non impossibile* would be a poor canon of judgment.

In the printing trade the Report states, that "there is a general belief, not only among the foremen, but also among the

compositors, that £3 10s. a week is enough for a man to earn in London, and that he should not be allowed to earn any more, for the reason that, if he does earn more, he is taking work away from someone else." But an examination of the circumstances attending this restriction will show it to be based upon special circumstances, being, as this Report shows, due to the fact, that the men in a composing room prefer to see the "copy" evenly distributed between them, rather than that one man should (possibly under some arrangement with the foreman in which the pecuniary interests of this official are not altogether neglected) have constant work while other men find work coming to them only in inadequate quantities. In any case, the matter cannot be fully understood without considering the effect of the non-recognition by the employers of "standing time" (payment for the time during which a compositor is kept waiting for "copy"), a system which obtains in the United States, but was abolished here some years ago. The full explanation of this matter given in the Report, but too lengthy for reproduction in this place, enables the reader to understand the conclusion there arrived at, that "the real restriction of output came about in the doing away with pay for 'standing time,' when machines were run on piece-work, and in the practically unrestricted regulation of the distribution of copy at the will of the foreman."

In the engineering trade complaints of restriction of output, or more often of practices which, however unfavourable they may be to the maintenance of the highest possible productivity of labour *plus* machinery, do not in themselves directly involve any restriction of output, were found to be loud and numerous. But the amount of clear evidence of real restriction of output, pure and simple, obtained in this investigation is by no means large. Take the first definite instance cited—the men's objection to work on piece-work, or under systems of premium bonus ("gain-sharing"). How much more (in the opinion of this American investigator) this objection really has to do with the men's wish to get sixpence, and no less, for "sixpenny-worth of work" than with any desire to limit output, whether in order to "make the work go round" or for any other reason, is shown by the observations made in this Report:—

"The more the subject is investigated the more one comes to feel that, broadly speaking, the employers are struggling to change the methods of work and pay, with a view to cutting down the labour cost per unit of product, and that, viewing the experience of these [the last seven or eight] years as a whole, the piece-price has actually

been largely used, as working-men allege it has been and will be used, to demonstrate the fact that the working-men are not working as hard as they can, and when this fact is demonstrated, the piece-price will be abolished and the men put back on day-wages and an attempt made to compel them to keep up the pace established under the piece-price system. This, of course, is simply going back to the stint or task method, namely, day-wages, under which it is required that a certain amount of work shall be accomplished by the workmen under penalty of dismissal. The working-men quite generally believe that they are giving a fair day's work for the pay they are now receiving, and that the preservation and extension of collective bargaining are absolutely necessary for the preservation of the union, hence they are strenuously opposed to the introduction of piece-price rates by individual bargaining, and insist on collective bargaining and on a guarantee of the previous time-wages. This they consider a necessary safeguard against holding the men on piece-wages in the shop and not furnishing them with sufficient material or facilities for doing work enough to earn their standard or time-wage. For the same reason working-men, believing that the pay per unit of product to-day is not excessive, oppose piece-price because it is customary to fix a maximum which one may earn under piece-price at from one-and-one-third to one-and-one-half times day-wages. This points to the old trouble, namely, pressure on the part of the employer to reduce the price per piece, which becomes irresistible when employees begin, on an agreed price, to earn more than about one-and-one-third or one-and-one-half times day-wages. In justification of this position, it should be added that many employers admit that both the piece-price and the bonus systems were intended to be used, and are frequently used, just as has been indicated above."

With respect to the opposition offered by the workmen to the introduction of machinery, the Report states that "the knowledge is gradually permeating the English working world that, whether they will or not, improved machinery will eventually be introduced into English shops. Therefore, the tendency is for controversies over the machine question to become less frequently a question of one man tending more than one machine and things of that sort, and more frequently a question of the rate of pay to be received under the new conditions which, as such, the workmen are opposing less and less."

In relation to iron moulders, what looks like a real case of restriction of output is described as follows: "The secretary of an employers' federation alleges that the moulders had a formal rule limiting the amount of work to be done, a rule which they attempted to keep secret; but he procured a copy of the rule, and

when the moulders found it out they pretended to abolish the rule, but lived up to it, under a general understanding, quite as thoroughly as they did when the rule stood on their books." This statement may very possibly refer to a district bye-law more or less identical with that quoted (as in force in this trade) in *The Times*, November 21st, 1901 :—

"Should any member of these branches consider that any of their shopmates are doing work in less time than it has taken formerly to do, whether set work or day work, or, if piece-work, doing for less money than the amount previously paid for the same work from the same pattern, it shall be the duty of each and every member in the shop to warn such members of the consequences attending the same, or be fined 2s. 6d.; and should the offenders after this notice still persist in the same course, it shall be the duty of the shop steward to acquaint the president of the same, &c."

It is, however, proper to remark that a rule of this nature is by no means necessarily aimed at "making the work go round," but may very possibly be mainly intended to prevent the employer from being able to obtain, whether on time-wage or on piece-wage, more than "sixpennyworth of work" for sixpence, an intention inevitably present under any and every form of collective bargaining.

A very large part of the chapter which deals with shipbuilding is taken up with evidence "of the fact that the keeping of the irregular time, as well as the small number of hours worked per week, on the average, are among the greatest evils in the shipbuilding trades." But this fact has only an indirect connection with the subject of this Report, which is the diminution of output caused, not by working-men "playing," when they might be working, but by their intentionally working, when they are at work, with less intensity than they are, without undue exertion, capable of displaying.

In the particular case of the caulkers, who "usually have a formal limitation of the amount of work to be done per day," if it be true (as this Report appears to admit) that "if they are to earn their traditional wages they must keep pretty steadily at it," this limitation, which is mainly due to the desire of these time-wage workers to prevent their employers from getting "seven-pennyworth of work" for sixpence, can hardly be considered as an instance of what M. Yves Guyot so happily terms "*le Malthusianisme du travail*."

As to piece-workers, the statement made by a "noted ship-

builder," that "in his opinion the old hostility against piece-work was that it was coupled with a limitation of earnings to one and one-half times the time-wages, but since abolishing this limit the firm has had no trouble," goes to the root of the whole matter.

In the boot and shoe industry there is a good deal of evidence tending to show that the men were not allowing the newly introduced American machines to yield anything like the full output, which could be got from them, if properly worked. Here we have to deal with the difficulties inseparable from the adoption of payment by time instead of payment by the piece, the method to which these workmen had always been accustomed; and the remark of "a leading manufacturer of boot and shoe machinery," that "what is needed more than anything else is a proper and fair piece-price list, which, if it could be once established and guaranteed, would in his opinion induce the men to do as much as is done in America," may possibly point to the direction in which we should look for the ultimate solution of these difficulties.

The Report states that "it is probable that the building trades, especially bricklaying, have given as much occasion for discussing the question of restriction of output as any other." One would have thought that in this case some clear evidence—at any rate of diminution of output as between the present time and, say, twenty years ago—would have been forthcoming; but in fact "few, if any, records exist which make possible a determination of the number of bricks laid per man per day on any specific kind of work." However, the Report contains an account of an investigation made into the circumstances of a particular building job, in which evidence, apparently of much importance, but far too voluminous to be cited here, is brought forward to support the conclusion arrived at, "that there was great and deliberate restriction of output in the various branches of the work," the bricklayers, in particular, doing considerably less than one-half of a fair day's work.

In regard to the cabinet-making trade, the restriction of output, which, according to the statements contained in this Report, is extremely common, appears to be really due, in the main, to the desire of the workmen to get as much money for their labour as they can, and for this purpose to make the size of "sixpennyworth of work" as small as possible. An instance is cited, in which men were put on to make a new article, and dawdled over the job so much that its labour-cost was 22s., below

which price the men refused to make it. Ultimately, the employers got the work done on time-wages at 9s. 5d. Under such circumstances, it is only natural that employers should complain of restriction of output. On the other hand, "the foreman of a large cabinet factory" gives it as his opinion that, "regarding the Ca'canny policy of the workmen, to them its adoption was necessary," and cites the case of a man who "worked with three different employers at stated periods. With the first he received 27s. per week; the second first paid him 32s., and afterwards 34s. per week, while the third firm paid him 38s. per week. Query: Should circumstances cause him to re-start with the first firm, can he be blamed for restricting his output when working for a firm who pay him 11s. per week less than another?"

In street paving such restriction on output as exists again appears to be to a great extent due, not so much to the unwillingness of workmen to do their best, as to their reluctance to give their employers more than "sixpennyworth of work" for sixpence. Thus "one of the large paving contractors of Great Britain" writes:—"My experience with the different tradesmen is that where more than the union wages are paid I get more work out of the men, and it is my invariable practice to pay more than the union wage, as I find where only the union wages are paid the men have an understanding that they will not do more than a certain amount of work, and wherever possible I put the men on piece-work, but this is not allowed by the union in some towns."

In cotton spinning and weaving it is gratifying to learn that no restriction on output was found. This the Report attributes mainly to the fact that the operatives realise the severity of the foreign competition to which this industry is exposed.

In regard to coal mining, the only evidence of restriction of output put forward in this Report has to do with "stop-days," that is, "certain days and times when the mines are closed without due consent of the employers by the fact that the workmen simply do not appear to go to work, or just before they wish to take a holiday give notice without consulting the employers that they will not work on certain days." But the incapacity to resist the attractions of race-meetings and football matches, which is the principal cause of the circumstances here referred to, is surely a very different thing from laying 300 bricks per day, when 600 constitute a "fair day's work."

In the concluding chapter it is stated, that "it will probably appear to one who has read the foregoing Report that a study of

the question of restriction of output in Great Britain is not as simple as it has been supposed to be." This is a conclusion which the brief analysis of the Report contained in the preceding pages will, it is believed, explain and justify.

DAVID F. SCHLOSS

The History of the Standard Oil Company. By IDA M. TARBELL.
(2 vols. 8vo. Pp. xix + 406, xiii + 409.)

It is difficult to write about Miss Tarbell's remarkable achievement without using language approaching the edge of hyperbole. So careful is she in her facts, so sane in her judgments, that she seems to have reached the high-water mark of industrial history. Nevertheless, it will not be surprising if some of her readers confess to a feeling of disappointment on laying down her volumes. The Standard Oil Company has been so portentous a creation that men have not been able to think or write calmly about it, but have gone off into ecstasies of hatred. To such people Miss Tarbell's calm restraint will appear unnatural, unbefitting her subject, and yet her spirit of scientific inquiry is the only one suitable to the occasion. By it alone can a precise narrative of the facts, a reliable analysis of causes and effects be secured, and it is Miss Tarbell's great praise that she has put together once and for all a solid structure upon which economists and politicians can erect their theories.

The history of the Standard Oil Company is the story of one man, John D. Rockefeller, to whose genius the conception of the great monopoly was due, without whose implacability its realisation would have been impossible. Surely never did so strange a figure occupy the industrial stage! An intensely religious man, a sincerely professing Christian, a teacher in Sunday-school, profuse in charity—such is one aspect of the man; but in another he is a greedy money-grubber, reckless of law, of country, of the rights of others, pitilessly crushing every opponent beneath him, until at last he sits remote, the diabolic master of a power which threatens the State and seeks to enslave all the citizens. Moralists and psychologists have often puzzled themselves over the vagaries of this or the other great man, but never have they faced a problem so insolubly contradictory as that presented by the ruler of the Standard Oil Company.

The dominant impression which one carries away from Miss Tarbell's History is the inevitableness of the whole development. Given the man and his environment, the result was certain.