

Industrial Relations and Production

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THE American workers seek industrial liberty and not industrial license. The present industrial system is destined to remain, for a long time at least, in its main outlines. Private ownership of capital, freedom of choice and freedom of action—these doctrines of contractualism are not likely to be swept aside or supplemented by collectivism or governmental organization and operation of industries. Despite the alluring promises held forth by its advocates and special pleaders, socialism will not be accepted as an improvement on our present industrial system. Instead, it is believed to spell bureaucracy, political tyranny and to render helpless the individual as a factor in ordering his own life, and to develop social inefficiency and industrial decadence.

The present industrial system is far from being perfect. It is sorely in need of modification and improvement. Its defects include waste and inefficiency in the production and distribution of the commodities of life. It renders an insufficient reward for services contributed by the vast majority of workers and the abnormally and unnecessarily large incomes and returns for a small minority of privileged capitalists.

The great World War, just ended, has produced a revolution in the minds of men. New conceptions of the rights of man and a broader vision of the principles of democracy have developed out of this gigantic conflict between the democratic and autocratic nations of the world. Human relations and the conceptions of property and of property rights are obscurely but

surely in a state of revolution. In the world of finance we are marking a passage from the economy of tangible things to the economy of power. We note more clearly today that the validation of property rights depends almost entirely upon an unbroken current of productive power. The bulk of modern securities is not investments upon property but upon productive processes. When productive processes fail, securities lapse. When producers—the workers—discontinue giving service, property rights are insecure and endangered. All property rights and incomes are subject to the intrinsic law of production.

With the granaries of the world almost exhausted, with many nations of the world thrown into industrial chaos and with securities of a greater extent and larger amounts than the world has ever realized, much less conceived, there is the greatest possible need for production to meet the requirements of the people of all nations and to prevent a social and industrial catastrophe which will surely follow a failure to validate existing financial and commercial obligations. This need accentuates the importance of promoting production in accordance with the fundamental principles of the applied knowledge and science of power and renders imperative the securing and holding of the good-will, the industrial morale of the great mass of producers—the wage earners—by the principles of fair treatment, justice, freedom and democracy.

The workers of America are fully conscious that the world needs things

for use and that standards of life improve only as production for consumption increases. They are fully aware that industrial stability cannot be established by a maximum of return for a minimum of service. They insist, however, that profit making is not the basic justification of business enterprises. They hold that the first charge on industry is a decent livelihood for the workers and their treatment as human beings, not as slaves or serfs or as tools of production.

The workers of our country are anxious to work out improved methods of industry and increase productivity to its maximum consistent with the health and welfare of the wage earners. In return, the workers demand that production will be used for service and not for profits alone.

In addition to labor, capital is one of the important arteries of modern industry. In considering this subject, organized labor has carefully distinguished saved-capital (capital of intrinsic wealth) from credit-capital (capital founded upon community productiveness, the skill and knowledge, the culture of ages, inherited, acquired and developed). Credit or credit-capital being inherently social in nature, the workers demand that credit-capital should be used to serve the needs of production instead of levying tolls upon community activity as high as the traffic will bear. Heretofore, credit-capital—the real life blood of modern industry—has not been administered in proportion to confidence in productive possibilities founded upon technical advice and ascertainment of public needs. To the contrary, it has been used to enrich a few and to impoverish the great majority and to burden rather than to help industry. The workers demand that credit-capital serve production needs, instead of increasing incomes and hold-

ings of financiers; that it should be administered as a public trust and in the interest of all the people.

IMPORTANCE OF LABOR MANAGEMENT

One of the constructive results disclosed during the war period was the realization of the importance of labor management. Waste of man power should not be permitted to continue through maladjustment or failure to secure the full ability of any individual. Up to the present time, man power has been largely considered and treated as one of the least valuable elemental factors in production. Industrial and commercial concerns have been keenly alert to the importance of competent and efficient business management. Business has been equally keen in securing efficient management of all mechanical departments dealing with plants, equipment and other physical assets. Efficient labor management has received no serious attention until within the recent past and then, too often, from a purely academic point of view. There is intrinsically involved in the subject of labor management many of the labor problems now pressing for a fair, just and intelligent solution. How best to reduce the wasteful and expensive labor turnover to a minimum, how to secure and retain the good-will of workers, how to attract a maximum of exertion and production without compulsion are problems which depend to a large degree upon efficient labor management.

LABOR PROBLEMS OF PRODUCTION

There is always a best way to do things—a better way of approaching and administering labor problems of production. Experience has demonstrated that the better way is by and through the interchange of information, experience and coöperation be-

tween employers and employees collectively. The workers usually possess knowledge of production totally outside of the experiences of employers. Their practical industrial training and experience develop a knowledge they alone can possess. Industrial and business managers, too, acquire a knowledge and develop an understanding totally outside of the experience and knowledge of the employees. Where there is an absence of a mutual understanding upon these different branches of business and industry there is a fullness of opportunity for misunderstanding, confusion and friction. It is imperative that an interchange of information, experience and purpose of plans should be provided between employers and workers for their mutual and intelligent guidance and direction if a maximum of production is to be obtained with a minimum of confusion, waste and friction. This can only be accomplished through coöperative and collective principles and procedure.

Whenever the general motive power in a plant fails, the chief engineer, or whoever may be charged with the duty of providing uninterrupted generated power, must determine accurately and remove speedily and efficiently the cause of interruption. Likewise, labor management should be employed to determine accurately and remove efficiently the cause for interruption of labor power. The most satisfactory and efficient way of accomplishing this is by giving the workers the opportunity of qualifying to such administrative positions. By this method a chance is given the workers to strive and qualify for an industrial career; at the same time by this selection there is brought into industry the greatest possible stimulus and helpful abilities.

Contrary to a prevailing opinion,

the trade union workmen and the trade union movement have never disapproved and do not disapprove of shop committees. To the contrary, organized labor believes that shop committees, confined to their proper sphere of activities, are helpful in promoting a better understanding and advancing production to its highest possible maximum. It was in 1918 that the convention of the American Federation of Labor officially declared that in all large permanent shops a regular arrangement should be provided whereby:

First, a committee of the workers would regularly meet with the shop management to confer over matters of production; and whereby:

Second, such committee could carry, beyond the foreman and the superintendent, to the general manager or to the president, any important grievance which the workers may have with reference to wages, hours and conditions.

The convention further declared that it is fundamental for efficiency in production that the essentials of team work be understood and followed by all and that an opportunity must be provided for intercourse and exchange of viewpoints between workers and managers.

Experience had demonstrated, however, that the functions of shop committees cannot be successfully enlarged to include the functions now undertaken, through the trade union organization of the workers. The business of any particular industry is not confined to one particular plant or concern. Business comprehends many individual concerns, all engaged in the same or closely allied or kindred trades and industries. In order that there may be some general minimum standards, requirements of work-shop practices and equal compensation for equal work performed, it is imperative that these standards and working requirements be established through collective agreements which include all the work-

ers of a like trade in the several localities. This can be accomplished only through the trade union organization of the workers. To attempt the attainment of this end through shop committees, shop councils, work councils, etc., can lead only to greater variation of standards, multiplicity of shop practices and an endless process of confusion, followed in its trail by an ever increasing turnover, inefficient workers and serious strife and friction.

While the workers do not disapprove of efficiency in workmanship or efficiency in production, they are opposed to the so-called efficiency systems which gauge the workman's usefulness as a productive unit by mechanical rules and devices which do not embrace the safeguarding of the life, health and welfare of the workers. While the workers oppose all efficiency systems whose chief merit is to speed up the workers regardless of harmful effects upon their physical well-being, they have strongly urged that there be established a coöperation between the scientists of industry and the representatives of the organized workers. Only in that way can improved methods and efficient processes of production be introduced successfully and production placed on a scientific basis which will give full consideration to the welfare and well-being of the wage earners and of business.

IMPORTANCE OF HEALTH TO PRODUCTION

There exists an inseparable relationship between health and output. There is intricately involved in the economy of labor power the problem of preventing fatigue, ill health and an early or an abrupt death produced in many of our industrial occupations.

Proper attention to the successful solving of this problem leads to increased productivity. Experience has

demonstrated that long hours of work, unsanitary workshops and speeding up of workers have invariably led to industrial fatigue, accidents, ill health and the early or abrupt death of the workers. It has been proved, likewise, that a reduction of working hours to not more than eight hours a day removes industrial fatigue and enhances production, lessens accidents and ill health and removes an unnecessary wastage of labor power and industrial capacity. A reduction of working hours prolongs the life and usefulness of the worker as an industrial factor and improves the morals and standards of citizenship. After a three years study of details or problems relating to the length of the working day, experts of the public health service recently announced its decision of the survey. Its outstanding conclusions are:

The outstanding feature of the eight-hour day is a steady maintenance of output. The outstanding feature of the ten-hour day system is a decline of output.

Under the eight-hour system work begins and ends on schedule time under full power. Lost time is reduced to a minimum. Under the ten-hour system work ceases regularly before the end of the spell. Lost time is frequent.

Under the ten-hour system workers appear to artificially restrict their efforts and to keep pace with the less efficient workers. Under the eight-hour system the output varies more nearly according to the individual capacity of the workers; that is, each is more likely to do his utmost rather than an average day's work regulated by a low standard.

The report also states that fatigue from long hours causes a rise in the number of accidents.

If for any reason production is speeded up in the last hour when the workers are tired, the rise in the number of accidents mounts so rapidly as to leave no room to doubt that the higher accident risk accompanies the decline in working capacity of the employee.

Trade union records likewise disclose the inseparable relation between

ill health and long hours; to illustrate: tuberculosis and other preventable diseases had been destructive to cigarmakers for many years. In 1888, two years after the inauguration of the eight-hour work day, 51 per cent of the total number of deaths was due to tuberculosis. This percentage has been decreased by 30 per cent as the following statistics show:

In 1890, the total deaths were 212, of which the proportion due to tuberculosis was 49 per cent; in 1895, of 348 deaths, the proportion was 35 per cent; in 1900, of 339 deaths, the proportion was 33 per cent; in 1910, of 588 deaths, the proportion was 21.5 per cent; in 1911, of 622 deaths, the proportion was 20.1 per cent.

There exists a similar relation between the length of the worker's life and his hours of toil. All attempts made thus far to ascertain accurately this relationship through data secured from employers have failed sadly. The failure of these attempts is readily understood when the data secured from these sources is considered in connection with the extreme "turn-over" of labor in the plants investigated. Indeed, the only practical agency to determine correctly this relationship is the trade union organization where there exists no "turn-over" of membership and where accurate records are kept of the life of its members.

The trade union organizations which have kept the most complete records of the lives of their membership for a great number of years are the Cigarmakers International Union and the International Typographical Union. In 1886 the cigarmakers secured the eight-hour day.

In 1888, the average length of life of members of the Cigarmakers International Union was thirty-one years; in 1890, the average had been increased

to thirty-seven years; in 1900, to forty-three years; in 1910, to forty-nine years, and in 1911 to fifty years. The organization which decreased daily hours of work and increased wages had thus increased the average lives of cigarmakers by eighteen years in a period of twenty-three years.

These principles are further confirmed by the life statistics of the wives of cigarmakers. In 1890, the average life of the wives of union members was thirty-eight years; in 1900, forty-six years; in 1910, fifty years; in 1911, forty-eight years. The average increase during this period of twenty-one years is ten years.

Due to the shorter work day put into effect by the International Typographical Union, the mortality of printers has decreased. In the year 1900 the average age at death was 41.25; in the year 1913 the average age at death was 49.24, thus showing that almost eight years have been added to the life of working printers through the beneficial work of the organization.

These results demonstrate beyond peradventure of a doubt that there is an inseparable relationship between the hours of toil and the health and life of the wage earners. To reduce ill health and to extend the life of the workers by the reduction of working hours adds value to the human productive factor in our industrial society and instead of reducing industrial activity, increases the productive capacity of the workers.

HIGH WAGES AN INCENTIVE TO PRODUCTION

The demand for a progressively advancing standard of life and maintenance of industrial morale requires that all workers must be allowed a sufficient reward for their contribution to industry and society. It is no longer a matter of conjecture or dis-

pute, but an admitted fact that only in high-wage countries is productivity in industries greatest. Low wage countries present the least degree of productivity. Low paid industries offer their people only low standards of living. In countries where wages are best, the greatest progress has been made in industrial, economic, social and political advancement, in art, literature, education, science and in the wealth of the people generally. Employers should not hesitate to pay the highest wage possible to the workers. Minimum wage standards should be agreed upon in every trade and calling through collective action by employers and workers. High wages are not detrimental either to business or to the state, as they are more than balanced by an increase in production where reasonable facilities are provided.

MISTRUST BETWEEN EMPLOYER AND EMPLOYEE A DRAWBACK TO PRODUCTION

Never in the history of the world have the employers had such an opportunity as at present, if moved by a real sense of national duty, to meet the representatives of organized labor and decide to make peace and enter into collective agreements with the workers. Unfortunately, many employers have come to look upon employees as nothing more than a means of making profits. The average employe, in turn, has come to look upon employers as individuals not to be trusted. A state of mind has developed out of this mutual mistrust that employers and employees are anxious at all times to thwart the other when the opportunity presents itself. A better state of mind must prevail if a maximum productivity is to be attained. This can only be brought about by the employers' recognition of the rights of

the workers to organize into trade unions and to bargain collectively, and by inviting rather than discouraging or denying the workers' representatives the opportunity to meet and deal with them on a common basis and in accordance with the principles of justice. The workers aspire to be treated as human beings and not by a number as a productive piece of machinery. The workers desire that employers should realize that they are interested in productive processes as individuals and as aggregates and should be taken into consideration in the industry in which they are engaged.

Productive power is lessened where autocratic management prevails. Without the establishing of mutual confidence and good-will there cannot be a maximum degree of productivity. No employer has a vested right to the confidence and good-will of employees. That must be earned, as between men. It can be earned only when employers deal with workers as human beings and not as machines; when they recognize that the day of autocracy in industry has passed and that the day for the applied principles of democracy in industry is here; when they will as freely concede to the workers the collective rights exercised by themselves, viz., the right of organization, the right of representatives of their own choosing, the right of negotiating and enforcing collective agreements and the right to an impelling voice in all phases of industry which vitally affect and reflect upon their status and relation as workers.

To secure these ends and to assure continuous production and improved industrial relations between employers and employees in each industry, there should be created, through a voluntary procedure, a national conference board to consist of an equal number of representatives of employers and workers.

These national conference boards should consider all subjects affecting the progress and well being of the trade, encourage methods of promoting efficiency of production from the viewpoint of those engaged in the industry and enforce practices which will protect life and limb as well as recognize and safeguard the rights of all concerned within the industry.

Instead of an attitude of indifference or hostility, the federal government, acting through the Department of Labor, should encourage and assist in the formation of these trade or industrial national conference boards and provide them with adequate and helpful information and advice upon all matters affecting the life, health and general welfare of the workers as well as affecting the best interests of the employers and the industry or trade as a whole. In return, these national conference boards would prove of invaluable help in counseling and advising with the government in all industrial matters whenever needful legislation is being considered or is deemed essential. Indeed, the establishing of such national industrial boards or trade councils will not only prove helpful to promote industrial tranquility and increased productivity in a time of peace, but will also prove the greatest possible source of national strength, virility and helpfulness in times of national disaster or distress.

The workers have the right to a just proportion of the wealth they help to create. They have the right to earn out of their toil an opportunity for their children equal with that of any other citizen. They have the right to every practical safeguard for their physical safety, health and comfort while at work. They have the right to an adequate compensation for physical injury or ill health occasioned in the course of production or inherently associated with productive process.

These betterments for wage earners, these incentives to an increasing productive capacity, depend upon the control the workers exercise through their economic organizations—their trade unions. The free exercise of this control brings with it an increasing responsibility and makes possible an increasing production. In the present large scale industry the organization of the workers into trade unions, the full application of the principles of representation, the establishing of collective agreements between employers and organized wage earners and their coöperation in the management and conduct of business and industry are the fundamental steps necessary toward the proper development of our industrial activities for service and for the attainment and perpetuity of the highest possible degree of productivity.