

cotton shirt and the cotton dress, cotton goods generally, have become an absolute daily necessity of all classes of mankind all over the civilized world. And this magnificent result (more magnificent for the working people than for any other portion of the community) has been brought about solely by this great increase in output so stubbornly fought against by the cotton weavers in 1840. It is in those changes which directly affect the poor—which give them a higher standard of living and make from the luxuries of one generation the necessities of the next that we can best see the meaning of an increase in the wealth of the world. And the most important fact of this whole subject is that any association of men, whether it be a group of workmen or a group of capitalists or manufacturers, a manufacturers' association, or whatever it may be, any men who deliberately restrict the output in any industry are robbing the people. And they rob the people of the wealth that justly belongs to them, whether they restrict output honestly, believing it to be for the interest of their trade, or dishonestly for any other reason. There is one point along this line which I want to make clear, gentlemen—that is, that many people believe the ridiculous nonsense that the wealth of the world is enjoyed by the rich. The fact is, that of the real wealth of the world, of the real necessities of life, of practically all the good things of this world, nineteen-twentieths are consumed and used by the working people, and only about one-twentieth by the rich people. Therefore that group of men who prevent wealth from coming into the world are robbing the working people of this nineteen-twentieths and the rich people of but one-twentieth. In fact I doubt if they are robbing the rich people at all. That, after all, is the essence of the whole matter—the robbing of the poor through restriction of output—and I want to try and make it clear that I believe it is quite as much a crime for a manufacturer to restrict output for the sake of holding up prices as it is for the workman to restrict output for this or any other reason.

I don't mean to say for one instant that times may not come in every industry when it is wise to restrict output temporarily, but when that

is true it is due merely to a lack of balance in the output of the world and lack of proper poise in industrial conditions. It is perfectly clear that there is such a thing as overproduction; that is no myth, but overproduction, in 99 cases out of 100, properly translated, means a lack of balance, a lack of evenness in production, a failure to maintain a fair balance between the necessities of life and production. It is a special condition, not a normal one. The world doesn't want, for example, 20 times the cotton goods that it has used in the past manufactured all at once. If there then were to be a fair balance maintained at all times between the various necessities of life and the amount of their production, then it would not be necessary to restrict output at any time. It is true, however, that the world seems to get out of kilter at certain fairly regular times; these periods appear to come at intervals of about 20 years. At such times we wake up to find that the world has attempted to start more new enterprises than there is available capital to handle these enterprises with. This condition is not confined to this country, but all over the world and in every class of trade and industry; men make their estimates in a reckless way about new things they will attempt. They start so many new enterprises and on such a large scale that the world's capital and credit is insufficient to carry them through, and then there is a panic. The whole world becomes over-anxious, and there follows a period of depression.

No, I do not mean to say that overproduction does not at times exist and should be checked, but I do mean to say that, as a guiding policy—that is, a permanent policy on the part of workingman or manufacturer to restrict the world's output to just so much and no more is mere robbery; it is deliberate robbery of the poor people of those things to which they are entitled and which they can get only from the real wealth of the world.

Now, gentlemen, the firm conviction on the part of workmen that an increase in output on their part would inevitably result in throwing many of their brother workmen out of work is only one of the two great reasons why the working people are, generally speaking, re-

stricting their output by deliberately going slow instead of working at proper speed. I am now going to discuss the second great reason why workmen deliberately turn out a small instead of a large output. For this second cause I doubt whether either the manufacturer or the workman is directly to blame. I feel that any blame for this second cause should attach to the faulty system of management in general use; certainly the workmen cannot be blamed. Now, we will say you are manufacturing this article which I hold in my hand, a fountain pen, and we will assume that it is possible for one man to make that pen—to do all the work himself; I will assume this in order to have a simple case, for we know that it is not possible for one man alone to make it.

We will say that the workman is employed on daywork—that is, he is paid by the day, not by piecework; and is turning out 10 of these pens a day and is paid \$2.50 a day for his work. If he has a foreman who is wide awake and interested both in the workman and the company he is working for, as he ought to be, that foreman will probably suggest to the workman that instead of making this pen on daywork that he should make it on piecework, manufacture it by the piece; in other words, that he should be paid 25 cents each for the 10 pens that he makes each day, and so be allowed to earn \$2.50 a day, just as he has earned in the past, the only change being from day's wages to piecework. Now, the foreman's object and the workman's object in changing from daywork to piecework is, on the one hand, to enable the workman to get higher wages, and, on the other hand, to get an increased output for the factory. At the end of, perhaps, a year, through the energy of the workman, through his ingenuity and the help of his foreman, through the advice he gets by talking with other workmen, instead of turning out 10 pens a day he finds himself turning out 20 a day. Now, if the foreman amounts to anything, if he is at all a decent kind of a fellow, he feels very glad of the fact that the workman is earning \$5 a day where before he only earned \$2.50, and he is also pleased that the company is getting such an increase in output from its plant that it is also making more money. It

must be understood that this increase in the output will enable the company to earn more money, in spite of the fact that it is paying the same wages per pen that were originally paid. That foreman, if he is any kind of a man, must feel very happy over this state of things. Now, gentlemen, something of this sort happens; I have seen it happen a great many times: There are some members on the board of directors of the company who think that at certain intervals it is necessary or desirable for them to look over the pay roll and see how things are going. And I think that I may say that to the horror of some of those directors, they find that this workman making pens is earning \$5 a day, where before he only got \$2.50 a day. That is all those directors can see to it. Now, there are just as good men and as conscientious men in the boards of directors of our companies as anywhere else in the world, no better and no worse, yet from a lack of understanding of all sides of the problem they feel genuinely a certain horror at finding that one of their workmen is getting \$5 a day where before he only got \$2.50. And I have heard them say, and I do not think it is at all an uncommon view for them to hold, "We are spoiling the labor market in this part of the country by paying such wages." What they fear is that if workmen in their part of the country come to receive \$5 a day, while those of their competitors are paid only \$2.50, that they will be unable to compete. And as a result they order their foreman to see that he doesn't "continue to spoil the labor market in that part of the country." Now, the foreman, acting on the orders of the board of directors, cuts the price per pen down until the workman finds himself turning out 20 pens a day where before he only turned out 10, and is receiving perhaps \$2.50, or at most \$2.75 or \$3, when before he was receiving \$2.50 a day.

Now, gentlemen, I have no sympathy whatever with the blackguarding that workmen are receiving from a good deal of the community; there are a great many people who look upon them as greedy, selfish, grasping, and even worse, but I don't sympathize with this view in the least. They are not different in the least from any other class in the com-