

The Webbs, indeed, reduced the problem to simplicity in this book. Finding that the slack seasons of different trades occur at different seasons of the year, they conclude that there is practically no seasonal fluctuation in the demand for labor in the community as a whole. Without giving full consideration to the innumerable and almost insurmountable difficulties in the versatile use of this labor power, they find their remedy in an efficient clearing house for labor, in the form of a universally accepted and thoroughly efficient employment exchange system.

Even B. Seebohm Rowntree, whose study of unemployment in New York about this time has evidently not suggested to him the importance of regularization by business firms, makes no mention of the possibility in his later work, "The Way to Industrial Peace," published in 1914, which contains a summary of his views on the prevention of unemployment. And almost to this day the omission of this essential phase of the remedial program has persisted in England. This can be seen, for example, in the document "Labour and the New Social Order," a keen and eloquent report on reconstruction by the Sub-Committee of the British Labor Party (published in this country in the monthly Labor Review and as a special supplement in *The New Republic* of February 16, 1918). While the Committee does not hesitate to propose any radical change in method or any burden on employers, the remedies advanced do not include an insistence on greater efficiency in private business while demanding it in public affairs. It is said that Sidney Webb had a great deal to do with drawing up the document, and it certainly reflects his point of view.

#### *The American Attitude Toward the Problem*

It is American thinking that has put the emphasis on the strengthening of each business within itself. The traditional (if not stubborn) dependence on individual initiative of American statesmen and of business leaders has stood it in good stead for once, and the proposals to spread the inefficiency of individual business over the whole country through schemes for "dove-tailing" labor or compulsory insurance along the British model have not taken root. The fact that much of the opposition to such measures is selfish and reactionary is only of incidental importance, for liberal thinkers as well have come to realize that the American emphasis on regularization will lead to the most fundamental progress.

This American attitude was reflected, for example, in some of the studies made by the Committee on Wo-

men's Work of the Russell Sage foundation as far back as 1911 and 1912. This committee, of which Prof. Henry H. Seager was chairman, included, among others, Prof. Samuel McCune Lindsay and Miss Mary Van Kleeck, all of whom have been prominent in the movement. For example, the three books by Miss Van Kleeck<sup>6</sup> and the one by Miss Louise C. Odencranz<sup>7</sup> are not only excellent analyses of various phases of the problem of irregular work in the particular trades studied, but the authors do not hesitate to make it obvious that the situation might have been very different if some of the ingenuity the employers have shown in other directions had been applied to the problem of steadying employment for their workers.

What I have called the American attitude on the problem of unemployment may be said to have assumed a definite form at the First National Conference on Unemployment (in New York City, February 27-28, 1914), when Prof. Seager, Chairman of the Conference and then President of the American Association for Labor Legislation, was able to say at the beginning of the second day's session:

I believe that notwithstanding the fact that so many different aspects of the problem were touched upon in the addresses yesterday, . . . as speaker followed speaker I felt that the whole matter stood out more and more clearly, and that what ought to be done in this country . . . became more and more obvious.

The aspect of the question most impressed upon my own thought was the necessity of regularizing employment. It is still true that nine out of ten employers employ and discharge their wage-earners with very little consideration for the welfare of the wage-earner.<sup>8</sup>

Those who were in charge of the arrangements for the conference included Mr. Henry S. Dennison, whose business experience was particularly valuable in the formulation of policy. The recommendations of the conference, and particularly the Standard Recommendations for the Prevention and Relief of Unemployment, which have been issued from time to time by the American Association for Labor Legislation through its secretary, Dr. John B. Andrews, have given conspicuous place to what is clearly the American contribution to the subject of unemployment, viz., its elimination in large part through sound management technique. This has been reflected in subsequent researches. The Mayor's Committee on Unemployment in New

<sup>6</sup> Women in the Bookbinding Trade, 1913. (With an introduction by Henry R. Seager.) Artificial Flower Makers, 1913. A Seasonal Industry: A Study of the Millinery Trade in New York, 1917.

<sup>7</sup> Italian Women in Industry. Published in 1919, but based largely on earlier data.

<sup>8</sup> American Labor Legislation Review, May, 1914, p. 311.

York City, in its report of January, 1916, gave considerable space to this aspect of the problem. It was the principal phase considered in the investigation initiated about the same time by the Philadelphia Department of Public Works (when Morris L. Cooke was its Director), which resulted in an excellent concrete study of experience by Joseph H. Willits, of the Wharton School, University of Pennsylvania. Another example of the practical turn of mind is the report of the Ontario Commission on Unemployment (1916), which said (p. 12):

Employers may largely regularize their staffs of workers (1) by improved method of employment and training, which will lessen the present "turnover" of employees; (2) by adding new lines of products to ensure greater continuity of employment; (3) by standardizing a portion of products, thereby making it feasible by manufacture for stock more largely in slack seasons; (4) by securing orders from customers longer in advance than is now the practice, so that the factory output may be made more uniform, and (5) by developing export trade.

Since that time the analysis of business methods that impede regularization has grown more refined. The most important investigation by far in this field has been that of the Committee on Waste of the Federated American Engineering Societies—a report made by engineers and business men, not by poor-relief officers. The recent Unemployment Conference held in Washington by call of the President showed the same tendency. The personnel of the members and their approach to the problem of unemployment had an unmistakable management basis.

This is true even in the proposals for insurance. Compulsory contributory unemployment insurance has made no headway here. But in 1916 the Report of the Mayor's Committee of New York City emphasized the importance of having any insurance scheme operate as public pressure on employers to regularize. Such has been the basis of the first agreement providing for an insurance fund, arranged by associations of employees and employers in the Ladies Garment Industry in Cleveland, which, as is well known, levies the whole cost on the employers, and thus gives them a chance to save it all by efficient management, as some indeed have done.<sup>9</sup> Such is also the basis of American proposals for legislative action, in the remarkable effective provisions of the Huber Bill in Wisconsin sponsored by Prof. Commons.<sup>10</sup> And furthermore, American firms have begun to draw up their own insurance

plans on the same principle of putting the burden on the employer—that is, on management. The Dennison Manufacturing Company's insurance fund, the funds under the Deering-Milliken Company supervision, as well as a few other plans of which the author knows in confidence, are examples of the trend in placing responsibility for unemployment in America where it belongs.

Firms whose heads are members of the Taylor Society have been particularly prominent in their progress toward regularization. At The Joseph & Feiss Company, for instance, Miss Mary Gilson, who has been the Superintendent of Employment and Service for about ten years, told the author that she did not recollect a single instance of permanent layoff for lack of work. This, in a factory of the hectic clothing industry, is a most remarkable achievement! The Dennison Manufacturing Company has reduced lay-offs to a minimum.<sup>11</sup> The Hickey-Freeman Company has gone on for many years, through thick and thin, without laying off any employees permanently for lack of work. These and other firms have therefore done more than the remedial programs of various commissions could ever have hoped to accomplish, and the superiority of strengthening the management policy and curing the evil of unemployment from within stands forth the more clearly.

Let us for a moment review a few of the main proposals upon which thinkers have put emphasis in the past and which are still featured, so that we may later contrast their efficiency with those proposals which are more modern by relating the experience of one firm which I have selected from among those whose technique I have had the privilege of studying.

1. *A Public Employment Exchange System.* This proposal has been advocated by every student of the problem. When combined with compulsion upon the employer, as in the case of the dock employers, the remedy would undoubtedly achieve the purpose of considerable decasualization of casual labor. However, it leaves untouched the problem of individual management. While the author has aided in memorializing his representatives in Congress to pass the Kenyon-Nolan Bill, so that a national system of labor exchanges would be established in this country, objection can properly be raised against this remedy merely on the ground of over-emphasis. The inherent limitations of

<sup>9</sup> "Experience under the Employment Guaranty in the Cleveland Garment Industry." U. S. Monthly Labor Review, August, 1922, p. 135-8.

<sup>10</sup> See The Survey, Oct. 1, 1921.

<sup>11</sup> For a thorough analysis of the technique of the Dennison Manufacturing Company, see series of articles on "Outstanding Features of Dennison Management" by H. Feldman, in *Industrial Management*, August, September and October, 1922.