

underestimated?

Mr. Barth: Yes.

Mr. Redfield: Is it or is it not true, in your experience, that the labor cost per unit and the effect of the rate of wages upon labor cost is commonly overestimated?

Mr. Barth: Absolutely. All some managements can see in cost is the size of the pay roll at the end of the week. One of the curses of the present way of doing business by a number of incompetent managers is that, because they do not know how to keep cost, they believe, for a limited time, that they are making money—believe they are making money, when in reality they are losing, and by their low selling prices drive competition to a point far beyond its legitimate limit. I know a company that has struggled for years and years against such competition, and only because of its excellent management has been able to keep its head above water. Their business has appeared to be one with very large and promising returns, and for this reason a number of concerns have been induced to go into competition with them; and while these, one after the other, have gone down in the attempt, they have, while they lasted, caused the company I have in mind a great deal of illegitimate trouble.

Mr. Redfield: What have you to say further as regards the effect of the Taylor system of scientific management upon workmen in shops? Have you any more instances you can relate?

Mr. Barth: Yes, sir. I have certain things I want to say. The fear has been expressed that through our so-called system of scientific management we make automatons of the workmen. The fact about that is that, in my experience and judgment, we produce far fewer, for the reason that the management itself keeps so closely in touch with what is going on that they more readily see the inhumanity of making automatons of human beings. I do not recollect that in all the 13 years that I have been connected with Mr. Taylor's work I have come across a single case as bad as one I found in the shop I told about, where a man was running a planer without a cut, and pretending to work; namely, that of an old man driving little bits of rivets in certain parts of platform scales, which had been his only work for 42 years past. I do not believe that this would have existed under scientific management.

Mr. Redfield: Where was that?

Mr. Barth: At the Fairbanks Co. The man had been doing the same thing for 42 years.

The Chairman: What relief would scientific management have given him?

Mr. Barth: We would probably have invented a machine to do that thing long ago, in a much better fashion. The man would have learned to handle that machine instead of using his own hands and arms to work that hammer up and down.

The Chairman: What would scientific management have done for him if you had been unable to invent your machine?

Mr. Barth: We would probably have distributed that work, at least I should judge we would have had men taking turns at it, along the principles laid down long ago by Mr. Bellamy in his wonderful book "Looking Backward," in which he suggests that the time will come when all disagreeable labor in this world will be divided equally between all able-bodied men, so that a certain number of days out of every man's natural life will be spent in performing that service to the world.

Mr. Redfield: Give us some more illustrations.

The Chairman: Just a moment before you get away from that Bellamy proposition. Do you not think it is more important for mankind generally that we should solve the problem of the distribution of that which is produced rather than developing any method by which production would be increased through increased expenditure of energy?

Mr. Barth: I myself believe that no stone would be left unturned to find a solution for the unsolved problem of distribution, but that does not in any way interfere with the problem of making normal human beings of all workmen by keeping them employed at a natural, normal gait during the hours in which they are, nominally at least, at work.

The Chairman: Under your system, who is to be the judge of what constitutes a normal gait for each particular workman?

Mr. Barth: That is, as Mr. Taylor has said, again the question of careful scientific study.

The Chairman: With the ultimate judgment in the hands of the person who makes the study?

Mr. Barth: No sir; in the hands of anybody who has knowledge and intelligence enough to bring to bear upon the subject.

The Chairman: Who is to decide who has knowledge enough and who has not knowledge enough?

Mr. Barth: When it comes to the real question of facts of that kind they are very easily ascertained.

The Chairman: Who can determine the fact of what is the normal condition of exertion or the normal amount of exertion on the part of any man, outside of the man himself?

Mr. Barth: Nobody would be a better judge than a man himself if every man could be depended on to be absolutely honest about the matter; and so he would if he was taught the truth that it would be to his ultimate interest and to the interest of the world at large to absolutely tell the truth about it.

The Chairman: Do you mean to convey the impression that an employer, or the representative of the employer making a study of what should constitute the normal condition of a man, would be any more honest in his conclusions in regard to the normal conditions than the man himself?

Mr. Barth: Not at all. For the very reason that the man has had every chance in the world to give his opinion and he has usually failed in every instance.

The Chairman: It is not so much the question of who can give opinions, but a question of where the ultimate authority rests to determine what the normal condition is.

Mr. Barth: Mr. Chairman, this is, of course, like all scientific problems outside of the few exact sciences—a hair-splitting solution of the problem is impossible, but a practical solution is possible.

The Chairman: It is a very important factor in the entire relationship between an employer and an employee as to whether the final authority in determining the relation between the two shall rest with one or the other, or with both jointly.

Mr. Barth: With us it rests with both jointly.

The Chairman: In case of dispute between the two, who settles it.

Mr. Barth: We shall wait until the dispute arises. It has never arisen with me personally in these 13 years.

The Chairman: Now, in working out your theory, where do you rest the authority when a dispute arises?

Mr. Barth: A dispute as to this has never gotten so far that a serious decision of that kind has been necessary.

The Chairman: Has not that been true because of the fact that your entire policy is based upon

the management dealing with the employees individually?

Mr. Barth: That I dare not say. I have personally had no trouble and I am not looking for trouble and shall wait until it comes my way. My trouble in introducing the system has been entirely confined to the foremen and the management themselves. Any little trouble I had had with the workmen have vanished just as soon as they have arisen.

The Chairman: I am perfectly satisfied, Mr. Barth, to let anyone who reads this statement take that kind of a reply to my question.

Mr. Redfield: I do not think, Mr. Barth, that your answer is a responsive one. I think you should answer the chairman's question more specifically.

Mr. Barth: Will you read the question again?

The reporter repeated the question, as follows:

The Chairman: Has not that been true because of the fact that your entire policy is based upon the management dealing with the employees individually?

Mr. Barth: I can not say. When I have had no trouble of that sort I can not give any specific reason why I did not have trouble. I can only state the fact that I have had no trouble from that source. But as I now realize that the chairman's idea is that, under those conditions, cases may arise where the stronger hand of the management would have a great deal to do with a potential trouble not coming to the surface and that his idea is that unless the employee feels that he has behind him as strong a hand as that which can be wielded by the management, the real fact may not come to the front; and as I see that his idea is that unions, or their equivalents, should be that counterpoise to what is ordinarily considered the manager's stronger hand I, myself, would be delighted to deal with an organization of fairminded men that will look all the facts square in the face, for the more competent judges we can get the better I shall certainly feel.

The Chairman: Is it not true that the general policy of your entire system is to lay down the system and say this is right; now, if you are willing to agree to this system we will deal with you; if you are not willing to agree with this system we will not deal with you? Would that not be an unfair proposition in the first place, and the assumption of superiority on the part of the management?

Mr. Barth: That may be partly true, but in one