

Mr. Barth: That must have been a different mold from the particular one I was speaking about; and the case only demonstrates the general fallibility of human flesh. We frequently make mistakes; and we want a man, as soon as he discovers a mistake, to call our attention to it, and preferably before he does anything else. All we insist upon is that a man shall not deviate from our instructions, but immediately report to us when the instructions look wrong to him in any way. We want implicit obedience to our orders and instructions, unless a man can show us that there is something wrong about them. Just as when you have a servant in your house and you give her an order that she thinks is not right—if she goes and does something totally different from what you wanted done, without referring back to you, you do not like it. We do not want any man to do a thing just because he is told to do it. Absolutely not. But we do want him to do what he is told, unless he can first prove to us that he can do it better some other way, and then gets that way sanctioned by us.

Mr. Tilson: Are there any cases where men do produce no more than formerly, and get more wages?

Mr. Barth: Yes; and that is merely because the circumstances happen to be such.

Mr. Tilson: In other words, he had not been receiving what he should have been?

Mr. Barth: That is it.

The Chairman: There were some instances brought to our attention in which the workman stated before the committee that he was, under the new system, receiving greater wages without any greater production, and he specified what he had produced, and what he had received for his production, and what he was then producing, and what wage he was then receiving, showing that for the same amount of production he was getting a greater amount of wage under the new system than under the old system; would that occur?

Mr. Barth: That can be due to one or the other of two causes. Either a mistake had been made in making the time too long; or else the man had done so well before that, the way we look at it, he had not gotten what he was entitled to before. Let me add that these cases are so rare that the net result is always a substantial increase of production.

Mr. Tilson: As I remember this young man, his principal objection was that this good thing was too good to last. He was getting something like 30 or 40 or 50 per cent increase, as I remember, over his former wages, and was not producing any more, and he said he knew that could not last, and therefore he did not have any confidence in it.

Mr. Barth: A case of that kind appearing early in the introduction of these methods must be looked upon as exceedingly unfortunate, for the very reason that men are necessarily, and possibly correctly, suspicious of all new things.

Mr. Tilson: I thought this young man was a particularly fine workman; he gave every indication of being a particularly good man in his line.

Mr. Barth: I can only say that I am delighted that the man got the money, and I am sorry that the circumstances were such that he got the wrong idea of our intentions.

Mr. Tilson: I was rather glad he got it too; I thought it was due him.

Mr. Barth: Now, as regards the manager's side of this question, and the general impression that no manager would be likely to want this system unless he could make more profit: In no less than two cases in which managers have gone into our methods, they have expressed the sentiment that they would be perfectly satisfied if they found that they themselves were no better off, and the men merely were benefited.

In other words, there are as many managers who are broad-minded human beings as there are among other classes of men. But you do not pick up that kind every day, and for that reason I feel that it is not safe for a man to be working merely with the end in view of benefiting the workmen without also being able to benefit the owners of a company.

Mr. Tilson: In order to protect the workman himself, it ought to be a part of this system that the employer should benefit by it, in order to be sure—

Mr. Barth: Most managers would not have gone into it if they did not get a part of it. It is not safe to count without that. You always have to get down to the selfish motives when you deal with any class of humanity, at the present day.

The Chairman: Is it not true that the same selfish motive would cause the workman to be very wary of anything that looked like a bait; that

motive would cause him to be wary?

Mr. Barth: Surely; and nobody can find any fault with him, in view of the experiences of workmen with the ordinary style of manager.

Mr. Tilson: We are all getting pretty close together there now.

Mr. Barth: I can not believe that as ordinary intelligent human beings we can be very far apart. If I can not convince you, you can convince me. Right here, will you allow me to make part of this record at least a part of an address that I made two years ago to a party of managers. Reading it you will realize that I do not handle things with kid gloves. I would like to make the whole thing part of these records. I was asked to address them on premium systems. (Reading:)

PREMIUM SYSTEMS, BY CARL G. BARTH, FROM SYNOPSIS OF PROCEEDINGS OF THE TWELFTH ANNUAL CONVENTION OF THE NATIONAL METAL TRADES ASSOCIATION, APRIL 13 AND 14, 1910. HOTEL ASTOR, NEW YORK. ALSO CLIPPINGS FROM INDUSTRIAL, ENGINEERING AND AMERICAN MACHINIST.

(Industrial Engineering and The Engineering Digest, 90 West Street, New York, September, 1910.)

#### COOPERATION BETWEEN EMPLOYER AND WORKMAN

Twenty years ago the late Abram S. Hewitt, in a famous address delivered before the American Institute of Mining Engineers, spoke of a coming industrial age when the laborer should be a capitalist, and when labor would employ capital instead of capital employing labor. We are as yet far from reaching that ideal, if we ever shall reach it, but there are indications that a new era is approaching in which some of the good features of Mr. Hewitt's ideal will be realized, the era of cooperation between the employer and the workmen to increase the efficiency of both capital and labor and to secure larger returns for both.

One of the prophets of this new era is Mr. Carl G. Barth. He is one of the small group of men who have been active in introducing the task and bonus system with scientific time study into workshops, and he speaks from experience. He is not a believer in the various premium systems, which he looks on as "patent medicines." In a paper read at the New York meeting of the National Metal Trades Association in April Mr. Barth gave some ideas on the co-operative system, and on the evils which it is expected to overcome, which are worthy of careful consideration by every employer of labor. We quote from his paper the following:

#### PREMIUM SYSTEMS

(A general discussion by Carl G. Barth)

GENTLEMEN: It would seem that the various premium systems in vogue at the present time have been so thoroughly discussed, both in our technical papers and in addresses before this and other industrial organizations,

that by this time everybody interested would know and understand the subject quite thoroughly. It would, therefore, also seem quite out of place for anybody to attempt further to enlighten the public in the matter, and particularly the members of this organization, than whom no body of men can have been more vitally interested. However, the fact that your commissioner has invited me to address you on the subject shows that everybody does not feel that way about it, and as a consequence, I shall not hesitate to attempt to discuss with you the results of my own studies and experiences with the subject as well as I can in the limited time allotted to it.

#### PREMIUM PLANS AS PATENT MEDICINES

Let me say at once that I personally look upon most of the premium schemes as so many patent medicines only, compounded from time to time by old-school physicians as remedies for difficulties over wages between employers and employees; for just as most of the ills to which human flesh is liable can not be cured by medicine alone, although often much relieved by it, so also no particular mode of paying a workman can possibly be looked for alone to remove the distrust and misunderstanding between employers and their employees which, through strikes and lockouts in the past have led up to the present-day labor unions on the one hand and to such unions of employers as your own organization on the other.

"What you need is to take your employees individually into your full confidence—I mean, of course, through a sufficient number of the proper kind of well-trained foremen and other representatives as middlemen—and so to cooperate with them that each will learn to look upon you as his direct partner in the way of delivering the goods. Then if, as often as you together accomplish a substantial task you give him in addition to his regular wages, and, as it may be figured almost equally satisfactory by any of the various schemes already in vogue for paying workmen, a fair share of the extra profits you will derive from the extra results obtained by your hearty cooperation, all will be well between you."

#### EMPLOYER MIGHT SAVE MAN'S TIME

Now, what do I mean by such cooperation? Only that you carry to its ultimate conclusions what, in the very nature of your being the employer, you already do to a lesser extent, for it is evident that without any cooperation on your part your employees can accomplish nothing. To realize what this means put yourself in the position of one of your employees and examine into everything that must be attended to before he can actually devote his undivided time and attention to the particular part of his job for which he is especially fitted and for which you have especially hired him. You will find that in most cases he is compelled to do a number of things which in reality are foreign to his job and which you can do for him much better and cheaper than he can.

You will perhaps find him wasting a lot of time getting the material he is to work upon to his machine, or in getting hold of the right drawings, or in procuring the tools that in his opinion are the most suitable for the job, but