

name the shop committee. An agreement was made two years ago, with the sanction of two international representatives of organized labor, and in that was provision for shop committee representation. If there was to be objection raised, I think it would have come in the past three years; that they wouldn't have counseled a move of that kind unless their men knew it.

Mr. Babcock: And I can add a little to that; we are perfectly willing to entertain international representatives from the city, but they cannot find any excuse to come over there!

Mr. Meeker: I should like to ask Mr. Babcock how many employees there are?

Mr. Babcock: When the agreement was made, two thousand. There are now fifteen hundred, approximately. This refers to the Peoria plant of the Holt Manufacturing Company.

Mr. Frankfurter: I have not read all the pages of your monthly reviews the last two or three years, Mr. Meeker, and I think it might be well for you to give the audience a reference to them, in connection with the question put me.

Mr. Meeker: Bulletin 255, I think it is, just off the press, and that contains the latest developments we could find concerning the Whitley Councils. There may be more recent developments, but it is safe to say here that the Whitley system in its entirety has been put into operation in only three industries. National councils have been erected in more than forty industries and work committees exist, of course, in thousands of individual plants in industries that are not yet organized fully under the Whitley system. There is, of course, endless debate about the Whitley system; whether it is going to work or not work. It would be utterly impossible to summarize the turbulence that prevails in Great Britain in regard to the matter at the present time. But I don't think it has much bearing on the situation in this country. The trade union movement in this country is pretty thoroughly segregated from the trade union movement in Great Britain. There is no earthly reason why the Holt plant in Peoria should not go ahead with its plan of organization; there is no earthly reason why any plant should hesitate about adopting any plan of management of industry along the lines that have been suggested here in this country, because somebody says the Whitley plan is not working well, and so on.

I would like to ask Captain Beyer to tell us if recent developments in the arsenals have any bearing on this piece of legislation which comes up every year in the

sundry civil appropriation bill restricting scientific management in the arsenals?

Captain Beyer: I don't know whether that is so or not. It is not a matter that has come to our attention in any way, shape or form. Possibly Mr. Cornick can answer that question better than I can.

Mr. Barth: Is there any difference between a differential in a weekly pay rate and a differential in a piece rate?

Captain Beyer: I don't say that.

Mr. Barth: Why substitute one thing for the other, then, when the other thing is just as good?

Captain Beyer: I don't think this arrangement has been made with the idea of substituting anything for it.

Mr. Barth: The piece rate is the best thing, as I understand it. The name "piece work" has been brought into discredit, but I think we ought to bring it back, instead of substituting weekly pay, particularly if, as we are told, it comes to the same thing. When you talk about paying by the week, supposing a person is sick a week, what pay does he get then? You don't pay him. I know it.

Captain Beyer: No.

Mr. Barth: I know many people talk about weekly pay, and make a lot of confusion about it, but I believe in getting at the bottom of some of these things. I should like to ask Captain Beyer what he knows about the efficiency system in arsenals. Probably you may not know that I worked ten years ago on an efficiency system for arsenals, and it was all squashed. But they seem to have come back repentant!

Captain Beyer: Circumstances were quite different, then.

Mr. Barth: It seems that way. We were certainly up against it. One of the men had the temerity and audacity—I don't know all the pet words to describe it—at the time of the first investigation in Washington, to say that all the American workman needs was a fair day's pay and a fair day's work, when we all knew they were loafing to beat the band at Rock Island, Watertown and Franklin. We are now told again that all they need is an incentive. The incentive, I am glad to understand, is to hold the job! I suppose that is the incentive that was needed to do a day's work—to hold their job.

Mr. Frankfurter: I would like to ask a question of Mr. Barth. Do you think it makes any difference who determines the rates? Does it make any difference to you who actually participates in the determination?

Mr. Barth: No. I can probably tell you something about that. When this wonderful investigation was had, they didn't know what they were talking about in Washington. I don't care who does it, as long as something is arrived at that will be an incentive for a person to do a day's work.

Mr. Frankfurter: But it may make a good deal of difference how much confidence there is in the decision, whether the men have somebody representing them in the decision.

Mr. Barth: Yes, again.

Mr. Frankfurter: But you don't get it if you do it by yourselves, and Colonel Hall does it by having the other fellow participate.

Mr. Barth: No objection,—glad to have him come around.

Mr. Frankfurter: Well, then, you agree with him?

Mr. Barth: Surely I do. It takes two parties to make an agreement, you see. I agree with him, and he agrees with me!

Mr. Edward E. Hunt: At the conference in Washington the labor union leaders stressed the advantages which they enjoyed as employees of the Government over those enjoyed by private concerns. That is a thing which throws a little light on the matter.

Capt. Beyer: As I said before, it all comes right down to the standards that the men enjoy at the present time. To what extent those standards were in existence when Mr. Barth was actually trying to bring about efficiency in the arsenals, I don't know. I am only familiar with the situation today. I understand simply that a great deal of underbrush has had to be cleared away. These men can think about construc-

<sup>1</sup>Tabor Manufacturing Company, Philadelphia, Pa.

"IN working out the labor problem we should look not for a solution but for a process. Human nature is involved in the problem, therefore it is always changing and a progressive problem cannot be met with a static solution. What we need is the creation of a human machinery in each industry to handle the every day problems of industrial relations as they arise. Each industry must handle its own labor problems just as it handles its own problems of manufacturing processes. Industries have become too varied, too large, and too complex to be guided by one simple general code." (George L. Bell in *The Survey*, Dec. 20, 1919, p. 269).

tive conditions now, and did not have a chance to think about them before. As I said before, I feel, and I think it is true, that there is a closer identity of interest between management and men in these different Government institutions than there has been in the past, the way it has been worked out.

Question from the Audience: Isn't the situation different from what it is in private concerns, possibly, in that the Government does not have to earn a profit?

Captain Beyer: Absolutely, that is true.

Mr. Barth: You may get the idea that I am against the union. I am not, at all. All my life I have wished to cooperate with anybody. But the way the unions have been run, they have had an adverse attitude, an attitude against production, that is all. Perhaps they have changed that policy today, and if so, I am delighted, and am willing to do anything I can to bring it about. I am still alive to the necessities of the times, and I am delighted to see cooperation with the unions. So far, I have not been in a position where I have been able to do it. I shall be glad to do it if conditions bring it about. Apart from that, I will say that I have been brought more or less in touch with labor unions and that I have had very satisfactory relations with them. At one time they were going to eat me alive, but at the end of two hours and a half, when I had to run for the train, they said, "There, at least, is an honest man!"

The Chairman: Gentlemen, as usual, Mr. Barth has succeeded in having the last word. I am reminded that the end of our pleasant afternoon has come, and I feel a little bit like the young man who was kicked by a mule and who died at the age of nineteen. On his headstone was inscribed: "John White, aged nineteen. I expected it, but not so soon."

"TWO present beliefs will, I think, prove to be fallacies. One is the belief of many employers that by confining collective bargaining to bargaining with the employees of a single plant or corporation, satisfactory industrial relations can be achieved. The other is the belief of many trade unionists that organized labor can permanently benefit labor without assisting in the development of increased production. If the employers' error prevails there can be no effective labor unions. If the union error prevails there can be no profitable industry." (Otto T. Maltery in *The Survey*, Dec. 20, 1919, p. 275).