

manufacturers to operate their plants on the so-called open-shop principle." Most labor leaders would have refused to recognize the open shop, but Mr. Hillman was wise enough to look at the matter differently. When the employers asked for an open shop his reply was: "I don't care what kind of a shop you have so long as you do not discriminate against union workers getting jobs in that shop and permit the workers in that shop to organize and choose their own representatives." Under this open shop principle, which has existed not merely on paper but has actually operated for thirteen months, we have been free to select such labor as we chose to engage, without regard to union affiliation. In the selection and promotion of labor, fitness for the job has been the sole test.

The agreement recognizes the right of management to introduce changes in the technique of manufacture so long as these changes do not endanger the welfare of the worker. The agreement further recognizes the essential right of the employer to secure continuous production. There have always been too many stoppages in the clothing industry. To secure uninterrupted production it was necessary for the union to abandon its most powerful weapon, the strike. The agreement very definitely outlaws the strike as a weapon of industrial warfare. This does not mean that because the agreement declares stoppages illegal that the Rochester market has been free from stoppages. On the contrary, it was just because we expected walk-outs that machinery was installed to handle stoppages when they occurred. We knew that in the ordinary course of events such stoppages would occur, as indeed they have occurred. But a great deal was gained when the union recognized very clearly that it was essential to outlaw the stoppages as the usual method of procedure in enforcing demands.

In the agreement, therefore, the employers secured from the union recognition of these fundamental rights which belonged to management:

1. The right to hire labor on the open shop principle.
2. The right to carry on production methods consistent with the most progressive scientific principles.
3. The right to continue production.

On the other hand labor, too, has rights, and their rights were very clearly recognized by the employers in the agreement, as follows:

1. The right to a job without discrimination because of union affiliations.
2. The right of workers within any shop to organize and affiliate with an outside organization.
3. The right of workers to act collectively in dealing with the employers.
4. The right of these workers so organized to be represented by spokesmen of their own choosing, the understanding being that these elected representatives need not be workers within the plant.

It was also understood that, in view of the fact that the union gave up the right to strike, the employers surrendered the use of the lock-out as a weapon of industrial warfare.

The agreement, therefore, merely sets forth the basic principles upon which we are cooperating in Rochester. It is our constitution.

The value of the agreement, however, is not what is in the agreement but what is done with it. It too frequently happens in collective bargaining arrangements that an agreement is drawn and signed and tucked away in the safe and never used until an emergency arises. In Rochester we desired an agreement which would function every day in the year and, therefore, we entered into an agreement which provided for the establishment of machinery which would make the agreement a living thing. The mere declaration of democratic principles is not enough. If democracy means anything it has got to work.

Therefore, to make this democracy work we established machinery for the daily administration of those fundamental principles laid down in our agreement. The employers have a strong organization known as the Clothiers' Exchange of Rochester. This manufacturers' organization delegates to a labor committee composed of the heads of the five largest firms, authority to shape its labor policies. These labor policies, in turn, are administered by labor managers representing the eighteen manufacturing concerns comprising the Clothiers' Exchange. It is a very interesting fact that whereas in most industries the employment supervisor, or labor manager, or the industrial relations manager, is regarded with a great deal of suspicion by labor leaders, in the clothing in-

dustry the labor organization not only endorsed the establishment of the labor management idea but encouraged it as well. In fact, the labor management idea is part and parcel of the whole cooperative undertaking. The labor managers are called upon to help shape the labor policies in the entire market and to administer these policies in their respective factories. In most of the large plants the labor managers are fortunate in having the services of technical experts, including production managers.

The labor managers meet at frequent intervals in order to secure a reasonable amount of uniformity in the administration of market labor policies.

Standardization in employment procedure is secured through cooperative joint action on the part of all the labor managers. The Clothiers' Exchange operates a Central Clearing House which supplies employment and statistical data to all the labor managers.

The workers, on their side, are equally well organized to administer their end of the labor policies. The Amalgamated is an industrial union. The various crafts have their local unions, but the local unions, in turn, are consolidated into a Joint Board, representing all the organized workers in the industry in Rochester. The Joint Board elects a general manager. The general manager has a staff of business agents and, in addition, has the assistance of national organizers who are assigned to Rochester by the national headquarters. The general manager and his staff function for the workers very much as the labor managers function for the employers. Technical price committees, made up of practical workers, meet with the price committees representing the employers. The time is rapidly approaching when the union will probably be forced to use its own time study men on its price committees.

Where the employers and the workers are strongly organized and determined to defend their rights, it is natural that conflicts should occur. In order to overcome the friction that inevitably must arise in the ordinary course of business affairs, we have provided for an Impartial Chairman, who acts as an umpire. This umpire, or industrial judge, is chosen and financed by both sides. His decisions are final and binding on both parties. Whenever a dispute arises between the employees and any firm which cannot be settled through friendly negotiation between the la-

bor manager and the business agent, the case is referred to the industrial court for adjudication. Dr. William R. Leiserson, our present Impartial Chairman, has rendered about one hundred fifty decisions during the first year of the agreement. You may be interested to know that practically all of these decisions were handed down without special reference to the written agreement. The cases were decided, for the most part on their intrinsic merits rather than on the basis of technical phraseology of a legal contract.

Practical experience has shown us that a constitution is in constant need of interpretation. To meet this need, we have created a Labor Adjustment Board, made up of union officials and labor managers. This board meets once a week and is presided over by our Impartial Chairman. The employers' and the workers' representatives meet in joint session for the purpose of interpreting our basic principles. In order to meet the practical problems that arise it is often necessary to enact new legislation consistent, of course, with the original agreement. Frequently, it is necessary to assist the judge in shaping his decisions! As a matter of actual fact, the most important decisions handed down by the Impartial Chairman are crystalized in these sessions of the Labor Adjustment Board. In the usual run of cases there is a meeting of the minds and the Impartial Chairman expresses the understanding over his signature.

The machinery is in action all the time. To a superficial observer the constant functioning of the machinery in the settlement of disputes might be disturbing, as indicating, perhaps, a diseased condition within the industry. To my mind it is a very wholesome state, for it indicates that the instrument is vital and flexible and able to cope with the every-day problems of industry.

A mere listing of the questions that are thrown before the Labor Adjustment Board and the Impartial Chairman is significant. What is a fair piece rate on a given operation? What is a fair production standard for a weekly wage on a given operation? Has there been discrimination against a union worker? Has a worker been discharged arbitrarily and unreasonably by the employer? How shall an unruly worker be disciplined in the shop? How shall an unruly employer be disciplined by the worker? When work is slack shall