

of any such settlement. The principal motive of the employers was, no doubt, the desire to secure peace in industry without any substantial change in the industrial system; but it is equally certain that the main thought of the trade unionists was that of securing a levelling-up of the standard of life for the "bottom dog." Even the full execution of the Industrial Conference proposals will do nothing to alter the fundamental antagonism of policy which now exists between capitalism and labor; but it will do much to raise the standard of those who are worst off, and so both to improve their position absolutely and relatively, and to bring them for the first time within the range of effective organization. Nothing less than the execution of the full policy of public ownership and democratic control in industry, urged in the memorandum submitted to the Conference by the trade union side and pressed no less strongly by the Miners' Federation upon the Coal Commission, can bring any guarantee of better conditions in industry, or of the removal of the present antagonism, which is based not only upon economic, but, even more profoundly, upon human causes. The demand of labor for a real measure of control is still the dominant factor in the British industrial situation.

G. D. H. COLE.

Shop Committees

I believe that the most effective structure of representation is that which is built from the bottom up; which includes all employees, which starts with the election of representatives and the formation of joint committees in each industrial plant, proceeds to the formation of joint district councils and annual joint conferences in a single industrial corporation, and admits of extension to all corporations in the same industry, as well as to all industries in a community, in a nation, and in the various nations.

JOHN D. ROCKEFELLER, JR.

REPRESENTATION in industry is the problem of the hour with business executives no less than with the organized workers. By installing some form or other of employees' association, "industrial democracy," or "company union," an increasing number of corporations are hoping and believing that employees can be given "a voice in the management"—a voice which presumably would not be too loud or too clear, but loud and clear enough to make the workers think that they are being consulted. Indeed, so popular is this shop committee movement that it is important before expectations rise too high to see what its permanent promise is. A careful evaluation requires that several preliminary questions be put. Why, for example, are shop organizations installed? How are they

begun? What do they do, and what are their practical or theoretical shortcomings?

It should be clear that we are considering here any and all types of shop organization which contemplate dealings between groups of employees in a plant or corporation and its management. By "shop committee movement" we are under this definition, including only those activities which are on a completely autonomous shop or corporation basis.

Looked at in a large way the shop committee and employees' organization movement is simply a step in the development of a rounded structure of parliamentary government for industry. But that is not necessarily the reason why employers are encouraging it. Two distinct motives are to be traced in the present activity. One is the motive of fear, of anticipating the union organizer, of creating some intra-mural machinery which will remove the reason for union affiliation. "If I give my workers a voice in controlling conditions in our shop, there will be no place for any outside organization." That is the honest conviction of many employers who are announcing plans of employees' representation. The other motive, more rarely met, is primarily educational. It realizes that our industrial situation is not identical with England's; that our workers are not a homogeneous or even fully literate group. It realizes that people learn to be responsible by exercising responsibility; learn to participate in decisions by participating—even though the experience may at times be costly to all concerned.

The problem of shop committee administration under these two conditions is not immediately different. It is only different in the degree of mental serenity with which the employer views the growth of a sense of power in the workers' organization and contemplates the inevitable outcome of association between his workers and those in other shops in the same industry.

The kind of shop organization here under discussion has been the creation of the employer. Either he has proposed a fully formed plan or has taken the initiative in getting action on the formulation of a plan. It is important to stress this fact, not necessarily to its discredit, but in order to give a clear understanding as to the origin of the movement. For, owing their inception to the employers, these committees will almost inevitably involve a minimum grant of authority, however pretentious the nominal grant of representation may be. We are indebted to Mr. A. E. Zimmern for a warning sentence on this point. "Representative institutions," he says, "in themselves no more ensure real self-government than the setting up of a works com-

mittee of employees in a factory would mean that the workmen ran the factory. The distinction between representation and effective responsibility . . . is constantly ignored."

What, then, are the functions of this type of shop committee? Concerning what decisions is it to have a voice?

In so far as the matters regarding which the representatives of workers have a voice are matters of safety, general welfare, shop conditions and community affairs, little difficulty is usually encountered from any point of view in a generous exercise of real power by employees. The reestablishing and maintaining of personal relationships between members of the management and the men are also genuine and unique functions. As one manager quoted in W. L. Stoddard's *The Shop Committee*, said when the chairman of his employees' committee expressed the hope that there might not be "any more serious disagreements between us,"—"I hope there will, because all progress is made by disagreement. But here we have laid down the rules of the game and we'll fight our disagreements out face to face. We'll play the game." The vital element of human understanding, personal good will, and the recovery of direct contacts has indispensable value. Moreover, if it can be assumed that the employees are strong enough and intelligent enough to exact fair treatment at every point, it will be useful to have the determination of piece prices (not wage rates), the settlement of shop quarrels, and infringements of jointly-accepted shop rules, acted upon within the shop.

But there are other problems—many of which the newly converted employer wants to settle with his own employees—which are less clearly matters for purely shop decision. To raise this objection in advance of its being raised in the plants where there are methods of employees' representation, may seem academic. Admittedly our country is large and it takes time for widely operating influences to reach every last plant. Meanwhile there may be a certain success with shop committees which will seem to belie such criticism as that which follows. Nevertheless it will sooner or later become clear to the workers in these autonomously organized factories that their problems are curiously incapable of solution until there is reference to outside facts and forces. Wages, for example, cannot be set by one plant except in some direct relation to those in the locality and in the rest of the industry. The tendency is all in the direction of stabilization over wide areas of the rates of pay at specific trades. Again, hours of work cannot be reduced below a certain point by the individual factory. The tendency here is also toward industry-

wide uniformity. The shop committee's stand for an eight hour day or forty-four hour week will be no more effectual than the current sentiment of the trade or locality for those hours. Another point is clear. Only an occasional single factory can permanently put its work on a basis of a regular flow of work fifty weeks a year. Regularization of production, basically important as it is, depends fundamentally upon a knowledge of demand. And knowledge depends on organization—an organization inclusive of the selling agencies of an entire industry; and there will be no answer to the problem of irregular work until each industry takes its own demand in hand as an industry, and organizes its production in relation to that demand.

Nor are these the only problems that closely affect the workers in each separate shop. The margin of profit is of great importance to them. And there will be enough so-called "marginal plants"—plants which are struggling along on a minimum margin of profit—which will establish shop committees to make it necessary to consider this aspect of the problem. In the recent inquiry into the British coal industry the point was significantly stressed that at the present prices there were ample profits *in the industry as a whole* to pay a reasonable return on the investment of the industry as a whole. But it would require a pooling of the industry's profits to make it possible for the "marginal" mines to avoid bankruptcy without higher prices.

A very similar problem faces us in this country in regard to our short-line railroads, many of which do not and cannot pay their way if they are considered as separate units. And it was the wide discrepancy in the actual cost of manufacture and margin of profit between the large and small steel producing units which made it so exceedingly difficult for Mr. Peek's industrial board to decide upon a price for steel rails. The workers in the marginal plant can be provided with no incentive through any sort of "profit-sharing." There are no profits to divide. There may not be enough income to provide living wages. But the worker in the efficient large scale plant, would, if he received a generous proportion of its profits, build up a small fortune in a few years. The shop committee's interest in the profits of the business must inevitably become greater and greater; but from the point of view of a wise economic organization, its gaze should be fixed also on the profits of the industry.

But the ambitious and inquiring shop committee will not stop there. As soon as workers realize that they do have a voice in determining the conditions of the factory with which their livelihood is

tied up, they will see new points of attack. They will want low unit costs. When that point is reached the game is up, from the point of view of autonomous shop control. Problems of research into process, introduction of new machinery with the maintenance of wages as high for machine feeders as for replaced craftsmen, training-in of new workers, the price of the raw material, the effectiveness of the sales organization, and economy in securing credit;—these are a far cry from a modest proposal of departmental representation on a joint shop board which is to discuss "grievances." But these are the very matters which determine low unit costs. The day is gone when the workers or anyone else will submit to wage reductions in order to lower costs. That is a lazy and incompetent way to attempt economies. It will not be the way adopted in any plant where the shop committee is a living force.

Managers of individual plants have been slow to recognize the value of action on an industry-wide basis. In the old days, every manager's hand was against his neighbor's. But the logic of economic necessity will force his workers to look beyond the factory fence to understand why it is that wages are low, profits fluctuating, work irregular and costs high. In that effort to orient itself which a shop committee with any power must inevitably make, it will have sooner or later to see that its shop succeeds or fails not as a unit but as a part of a larger unit—which is the industry. These larger problems may today come to an apparently satisfactory settlement in one shop. But eventually the pressure of competition, domestic and foreign, and the demands of the workers for status, will enforce more uniform action throughout an entire industry. In that hour not simply the desirability but the necessity of industry-wide organization on the side of both employers and workers, will be realized. And we shall see the need for an organization of workers with industry-wide affiliations no less than for the shop committee.

In short, if only we would view industry in terms of the several functions to be performed, there would arise less opposition both from employers and from unions to organized provision for the performance of those functions. We see two functions in question here. There is need of the shop committee to open up channels of direct, personal communication between managers and managed. A personal human contact must be re-established. A vivid sense of participation in a common and socially valuable enterprise must be realized if the shop is to have an atmosphere of good will and workmanship—and without this atmosphere maximum efficiency is not obtainable. Likewise, there

is valuable training in joint action and in decentralized responsibility. Committee action, especially where different interests are represented, is inevitably educational. The shop committee can thus be the cradle of industrial democracy as the town meeting was of political democracy.

But genuine industrial democracy will never get beyond cradle dimensions until the important issues are determined on a wider and wider scale, until finally on matters like hours, price of raw materials, and protective legislation, decisions are reached in the economic bodies of the League of Nations* and accepted by the world. This is the second function—this determination of the basic terms of industrial life. And only temporarily can the shop committee assume it.

Employers, especially those who are fearful of union encroachments and attempts of "agitators to run my business," must understand, then, that in their plans of employees' representation they are not merely creating an organ of orderly adjustment and amicable cooperation. They are giving play to impulses of self-direction, leadership and assertiveness in their workers, which will not stop at some point which the employer has arbitrarily set in his own mind. They are creating machinery in the operation of which the workers will inevitably come to see how closely their destinies are linked up with problems of tariffs, sources of raw material, unit costs of production and all the other elements. They are showing the workers that if an equality of bargaining power does not exist within one plant much can be done to remedy the inequality by affiliation with workers in other plants in the same industry.

Constitutionalism in industry is about to involve precisely what it has involved in political affairs—a hierarchy of representative bodies, each concerned with the problems which the size and character of its administrative unit requires. In this scheme of things the shop committee will necessarily have a significant place,—a place at the base of the pyramid which culminates in joint national industrial councils and in international labor commissions. It cannot permanently be an instrument to thwart labor organization or to entrench the employer more fully in ultimate authority. The shop committee can and should, on the contrary, perform one inestimably valuable and immediate function. It should contribute to the building up of a spirit of mutual understanding and personal confidences strong enough to make the transition to bargaining with labor unions a normal and a natural transition in which all values are retained and others added.

ORDWAY TEAD.

Angels of Victory

IT was in Zürich on the day after my arrival that a letter came from home describing with enthusiasm Chicago's preparations for the great Victory loan. Michigan Avenue was gay with flags and flower pots and streamers and all along it there were golden angels of victory. I read it with bewilderment, it did not seem believable. It is less than six weeks since I left home; is it possible that only six weeks ago public rejoicings over victory should have seemed natural to me and that I could have looked on an angel of victory as anything but a hideous joke? I seem to have travelled more than the four thousand-odd miles from Chicago to Zürich. I have travelled from a fairy tale to a very ugly reality.

There have been several stages in the journey. First came Paris, a very different Paris from the one I saw in 1915, when people were living under the threat of invasion and were so wonderfully quiet and steadily busy. Paris victorious was quite different. Never have I seen the streets so full. Never have the taxis dashed along in such numbers tooting their horns till one could hardly think for the noise. The rush and confusion of Fifth Avenue seemed duplicated in all the streets. The restaurants were crowded and there was abundance of food for those who could buy it. The well-to-do seemed to be living quite as usual. But when we met them we noticed a distinct atmosphere of hostility and of apprehensiveness. They were frankly hostile to America as the country which was trying to keep from them the full fruits of victory. And they were quite desperately afraid of what their own people might do if they discovered that they were not to have all that had rashly been promised them. We were told there would be a revolution on May first, then when that date passed it was postponed to July fourteenth. And along with this fear of actual upheaval, there seemed to be a desperate sense of the pass to which France has been brought by the war and from which no indemnities, annexations, mandates over colonies can possibly deliver her. I went over to St. Sulpice to hear Widor play the organ and as I walked through the student quarter I saw the walls placarded with appeals from numberless newly formed leagues and associations—for the regeneration of France, for the restoration of family life, the control of venereal disease, the increase of the birth rate, the awakening of a moral sense in the young, the abandonment of party politics for a united effort against Bolshevism, all betraying the fear that France in the hour of victory is sick with many diseases.

The next stage was the devastated regions, five days of motoring through the battlefields of the

Aisne, the Oise, Vimy Ridge, the Champagne and the Argonne, days in which we saw town after town in ruins, deathly still, the houses like skeletons with empty, staring eyes, and, even more heart-breaking, the little villages of gray stone cottages, so helpless before modern high explosives, like kittens shot down with cannon balls. And miles and miles of battlefields strewn with ugly junk, rolls of rusty barbed wire, heaps of unexploded shells, abandoned tanks sprawling like dead monsters. The trees were torn and twisted into scarecrow shapes. The skies were gray and most of the time a bitterly cold rain fell on all the desolation, on what was most desolate of all, the heaps of mud and the wooden crosses under which lie Canadian, British, French, German and American soldiers. No, whatever aspect victory bears in France it is not that of an angel.

And then we came here to Zürich, to the meeting of the International Congress of Women for Permanent Peace, the second meeting of those women who during the spring of 1915 had come together from all over Europe and from America to protest against war. Now we saw victory from the other side, the side of the conquered. It is a strange and rather a terrible experience to have generalities to which one has grown fairly accustomed suddenly turn real and concrete, take on living flesh. How often in the past years we had heard discussions of the food shortage in Germany and Austria, speculations as to whether it was as bad as some said or as much of a hoax as others said, whether the blockade might not be made stiffer, and whether a nation could really be brought to surrender by the starvation of its women and children. German women and children were not realities to people in America, they had become abstractions, like munitions and morale and the rest, but here in Zürich they were suddenly very intensely real. The first one I saw was a Viennese whom I had met at our first congress at the Hague in 1915 and the change in her showed me, as no statistics could show, what four years of food blockade can do to a woman. Yet even statistics became vivid when we heard them from these women to whom they were the facts of every-day life. They told us of children two and three years old who have never learned to walk and who have never tasted milk, children who cannot resist the least infection, who die because of an ordinary cold or digestive upset. The Vienna mothers give their babies the breast as long as they can, sometimes eighteen months, but as soon as they are weaned the little things begin to lose weight and stop growing. The older children, boys and girls of twelve to fifteen, are dying of tuberculosis in great and increasing numbers, the death rate from tuberculosis for those years has