

West Lynn

By ROBERT W. BRUÈRE

Unlike East Lynne, this is a story of a happy union—a company union, to be precise, in a factory of the General Electric Company. Yet some of the most acute questions in present-day industrial relations come to the surface here. Must democracy put itself into the hand of the technicians, the expert minority? Or can it make the experts its servants? Such questions are at the heart of the conflict between company unions and the independent labor movement—between the proponents of democracy and those who declare it a failure

THE factories of the General Electric Company dominate West Lynn. West Lynn feels like a suburb of the General Electric Company. The Boston and Maine maintains a shabby little station there. The streets from the station to the main factory buildings are lined with houses that suggest high aspirations without corresponding economic attainment. The wide thoroughfare that runs past the Works is marred by the tracks of an interurban electric railway whose occasional cars come lumbering along like rather seedy and rheumatic old men. But there is nothing seedy or rheumatic about the General Electric. The trim, severely simple, glistening administration building stands at attention behind the high iron fence that marks off its domain with military precision. A uniformed guard awaits you as you enter the pillared gates. You present your credentials and ask for the manager's office. The guard directs you to the administration building. There another uniformed guard receives you, lets the light of experienced eyes play upon your countenance, confirms your appointment and with genial mutterings, escorts you up the elevator to G. H. Q.

Gerard Swope, president of the General Electric Company, had given me a letter of introduction to Nelson J. Darling, manager of the River Works, which is distinguished, among other things, for its highly developed company union, hereinafter referred to as the Plan of Representation. Mr. Swope, like myself, comes from Missouri. He is an engineer, an enquiring mind devoted to experimentation as essential to scientific and social progress, moved by a deep faith in the principles and aspirations of democracy, not as a system of dogmas and rigid legalistic forms, but as an open field for the development of the capacities of the common run of mankind; fearless not only in his openminded approach to technical and mechanical problems, but also with respect to problems of human relationships, problems of industrial government. On several occasions he had invited me to discuss with him certain phases of the company's industrial relations program—group insurance, unemployment insurance and the like. In these discussions the question of democratic government in industry inevitably came to the fore. As I read history and watch it in the making, the trade unions composing the self-governing organized labor movement have not only been

the trail blazers and builders of the foundations of industrial democracy but are also as indispensable to the healthy growth of our democratic life as the commons are to the parliamentary system of England or our houses of representatives to American constitutional democracy. With all their crudities and shortcomings, they remain a great bulwark not only of justice to the wage workers but also of our democratic purpose as a nation. Why then were the trade unions not functioning in the plants of the General Electric Company? Why especially at West Lynn where, under the Plan of Representation introduced by the War Labor Board, on which the trade unions had coordinate representation with the employers, were the unions virtually non-existent? It was primarily with a view to at least a tentative answer that President Swope gave me his letter of introduction.

MR. DARLING and some half dozen members of his executive staff met me in this same spirit of candor. I felt that I owed it to them to explain my trade union bias while at the same time making clear my faith in inductive science as applied to social problems. Many years ago, Henry S. Pritchett, president of the Carnegie Foundation for the Advancement of Teaching, while professor of astronomy and director of the observatories of Washington University in St. Louis, used to keep the great clocks by which the time on a number of railroads was regulated. These clocks were geared to the stars by means of a transit-telescope. The observer, lying on his back under the eye-piece, would touch an electric key as the star passed over the meridian. An essential part of the reckoning was the mathematically predetermined personal equation of the observer. It is often an illusion with students of social phenomena that they are able to approach a situation such as confronted me that morning in West Lynn with unprejudiced minds, minds free from the distortions of the personal equation. In that observatory, years ago, Professor Pritchett forever cured me of that illusion. Within a few minutes after we had gathered about the conference table at West Lynn, we knew one another's biases with respect to labor relationships and especially with respect to organized labor. For the remainder of that day we discussed every question any one of us could think of, without heat, with candor, as neighbors.

The consensus of opinion was that the Plan of Repre-

sentation in West Lynn owed its success to the mutual confidence that had been established between management and employees, and that the basis of confidence was the sharing of knowledge not only of the technique of production, but also of the financial operations of the plant as a unit. There are two separate factories in West Lynn—the River Works and the Federal Street Works. They are not conducted as an independent business enterprise. They do not solicit orders or sell directly to the consumer. They manufacture for the General Sales Department of the company. On the sales record of past years and with the assistance of a staff of business forecasters, a committee composed of the general manufacturing executives and managers of the various factories, on which the River Works manager sits, allocates an annual budget which fixes the production bogey for the year. Through the plant magazine, through departmental, shop and committee conferences, everybody has an opportunity to learn what the operating budget of the plant is, what its current costs and earnings are and how these are distributed down to the least of the employees.

This open accounting is the beginning and basis of team work; it is the visible and tangible symbol of the personal confidence without which no plan of employee-management cooperation can function effectively. Within the River Works itself, for example, there is a budgeting department, headed by a production manager, which not only allocates the general budget to the various departments, divisions and shops, but also has its own forecasters and appraisers of business demand with whose guidance it keeps the budget flexibly adjusted to current material and financial requirements. Each divisional superintendent, each departmental manager, each foreman, each worker knows what is expected of him, what resources he has to go on. The game in each case is to beat bogey, with the assurance, especially in the case of piece workers, that they will share in the savings of more efficient production. One of Mr. Swope's favorite doctrines is that under intelligent management and within reasonable limits, increased profits and increased wages are compatible with lower prices and in the long run must accrue from increased sales stimulated by lowered cost to the consumer.

THIS systematic effort on the part of the executives to engage the minds of the workers in the solution of production problems, especially since it is combined with various systems of special financial rewards, awakens among the workers a sense that their personal worth is recognized, that they belong to the family. It is a calculated concession to the fundamental theory of democracy, although not at all democratic in the conventional sense.

For the workers have no share in drafting the budget, neither have they any primary responsibility for its execution any more than they would have under the ordinary trade union system of collective bargaining. The primary responsibility rests upon the manager and to meet it he is supported by a highly specialized technical staff. In addition to the usual number of immediate assistants—the general superintendent, general assistant, assistant manager, the departmental heads, divisional superintendents, foremen—he has the aid of a research laboratory whose twenty-four specialists are constantly seeking to discover new and improved methods of

designing and constructing the turbines, generators, compressors, street lighting and signal apparatus, which are the principal products of the River Works in West Lynn. The workers are geared into this stimulating research game by a system of awards for suggestions. The production manager, one of whose principal functions is to translate the general budget into terms of day by day production requirements, is directly responsible to the manager, and this is also true of the head of the time study department whose analyses of the performance of the men and women at the bench and machine are used in setting the piece work prices. The manager also has his special industrial representative to aid him in his duties under the Plan of Representation. The directory of the staff organization of this one manufacturing unit of the General Electric Company fills three closely printed ledger sheets.

THERE are certain general analogies between the relation which the manager of such a factory as the River Works in West Lynn bears to the working force and that which the president of a trade union bears to the union membership. Both are chosen because of their special training and fitness for the job. Both are themselves experts in the larger sense of the term. But the atmospheres in which they function are in sharp contrast. The manager is the product of the modern machine technology, the ordinary trade union president is the tribal chieftain, the shepherd, often, indeed, only the bell-wether of his flock. The manager does not feel that he is making a confession of incompetence when, in addition to the customary small staff of administrative assistants, he surrounds himself with a corps of specialized technicians. His stature is not diminished either in his own eyes or in those of the rank and file because he relies for guidance in the detailed execution of his duties upon experts whose business it is to know more about cross-sections of the work than he does, and through whom he exercises command of the plant as a whole.

It is one of the weaknesses of representative democracy that elected representatives of the people have not very generally developed this wise and courageous humility. Our national House of Representatives has not provided any such staff of technical advisers for its committees though they are charged with responsibility for drafting legislation on subjects of far-reaching public importance and of infinite technical complexity. The recent labor government of Great Britain placed the development of a national electric power system in the front of their domestic program; "but," wrote Heber Blankenhorn, foreign correspondent of Labor, "there was no power engineer in or near the government." The Amalgamated Clothing Workers of America are exceptional, if not unique, among American labor unions in that they maintain an economic research department headed by a statistical and economic specialist whose business it is to keep the union executives as accurately informed of the state of markets and the economic problems of the industry as the manager of the largest men's clothing factory. The Federated Shopcrafts of the Railway Employees Department of the American Federation of Labor have retained a specialized mechanical engineer to advise with them in the development of the union-management cooperative plan in the locomotive repair shops of the Baltimore and Ohio and

other railroads. But these are conspicuous exceptions to usual trade union practice.

The salient impression left upon my mind by my conference with Mr. Darling and his associates was that of their zeal, skill and humility in bringing to bear not only upon their mechanical problems but upon the problems of human relationships all the resources of modern science through specially trained technicians. The unions are at a great disadvantage because of the hangover of distrust of the technical expert from the days before their right to technical cooperation with management had even begun to be recognized and when in their fight for existence they generally found the technical expert their most ruthless and skillful enemy. They have not yet discovered that the technician, like the stop-watch, is an indispensable tool in the conduct of modern industry—a tool without which no group can function effectively in the field of production or financial control. They are organized to strike against injustice; with few exceptions they have not equipped themselves to exercise the constructive responsibilities of partners in industrial government even when successful strikes place them in a position to exercise the functions of responsible power.

ON my second day in West Lynn, Manager Darling invited the six employe members of the two most important joint committees under the Plan of Representation, together with the representative of the River Works employe bond-holders on the board of directors of the General Electric Employees Securities Corporation, to meet me. They gave me a searching once-over as I entered the conference room. It was hard to tell whether the peculiar glint in their eyes was due to the ordinary nervousness of a first meeting or to the scepticism of the time-hardened labor leaders toward "outsiders." Later they told me that they had "caucused" on the way to our meeting, "to try to dope out what this guy's racket might be"—an interesting circumstance, inasmuch as they had not only been summoned by the manager but also knew that I bore a letter of introduction from the president of their company. To the end they couldn't quite decide whether I was simply myself or in some obscure way an agent of their president. Mr. Darling introduced me to the Seven and urged them to feel free to discuss my questions fully.

But the manager's assurance did not clear the atmosphere. To get things going I was compelled to repeat my discussions of trade unionism with Mr. Swope and to redefine my personal equation. I told them that I was a member of a trade union affiliated with the American Federation of Labor and that it was from the point of view of a member of the independently organized labor movement that I approach their experiment in company unionism in West Lynn.

That reference to trade unionism loosed every tongue. They hastened to tell me that every man there had been a member of his craft union, that all of them had participated in the great strike of 1918 when, to everybody's surprise, more than 95 per cent of the workers had "hit the street" and signed up with the unions; that they were all still trade unionists at heart. Then they began pointing out the limita-

tions and imperfections of the Plan. They were just a trifle apologetic about their defection from their unions. After half an hour, I interrupted them to explain that as a trade unionist I was under a certain temptation to egg them forward along these critical lines, but I called their attention to the resolution adopted by the American Federation of Labor at its last annual convention calling for a scientific appraisal of company unions. "As I understand your experience," I said, "you have derived benefits from your Plan of Representation. What are they? What produced them? What I should like you to do is to forget my trade-union bias, to which you have responded so sympathetically, and sell the plan to me." This request proved more effective in opening the doors of their minds than the reference to my trade-union affiliation. They went about the business of selling their plan with enthusiasm.

BEFORE 1918, the labor policy of West Lynn was very autocratic," one of the higher executives had confessed. The Seven confirmed this characterization. During the war the cry of patriotism was used to speed up production. The working force was increased, hours were increased, overtime became the rule, sentiment tended to become part payment in lieu of increased wages. The national organizers of the craft unions—machinists, electrical workers, molders, pattern makers, nineteen craft and central bodies in all—began to buzz about the factory. They made converts, how many they themselves did not accurately know. On July 18, 1918, picked men went through the shops like town criers, calling upon the workers to come out. Even the trade-union leaders were amazed at the response. All except a handful of workers joined in the holiday rush. The strike was 100 per cent effective.

But the unions were not prepared to take constructive advantage of their initial success. There was probably not a single trade-union official, not excepting the local strike leaders, who was familiar with the special technical and administrative problems of the General Electric Company's works in West Lynn as a manufacturing unit. The craft unions began to pull and haul for special advantages, each union aiming at a separate agreement without much regard to the other unions and without a common constructive program for the plant as a whole. The strikers wanted their unions recognized, the management was opposed to trade unionism. The Massachusetts State Board of Conciliation made unsuccessful attempts at mediation. The strike became a highly emotional milling about, lacking single-minded leadership.

This impression I gathered only in part from the Seven who, because of their uncertainty as to my precise status, were as cautious in criticising the officers of the unions with which they had formerly been affiliated as they were in criticising the Plan; I owe it principally to certain of

the national trade-union officers who were on the ground at the time. No one, I gather, was more greatly relieved by the ultimate intervention of the War Labor Board than the national trade-union officials themselves.

It was by authority of the national trade-union officials who made up half its membership, as well as by its own

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authority as a governmental agency, that the Board ordered the strikers back to work as a condition of intervention. They went back at the end of three weeks. On November 26, after the Armistice had been signed, the Plan of Representation, worked out under the supervision of the War Labor Board, was inaugurated in West Lynn.

One needs here to recall one of the principles governing the procedure of the War Labor Board: "In establishments where union and non-union men and women now work together and the employer meets only with employes or representatives engaged in said establishments, the continuance of such conditions shall not be deemed a grievance." This principle was the joint work of the labor and employer representatives on the Board. It applied to the strikers in West Lynn. The Board, through a staff representative known as an examiner, dealt with the strike leaders, not as officers of their unions but as "representatives engaged in said establishment." But while the Plan finally endorsed by the Board was formulated under its guidance by representatives of management and employes in said establishment, the employe representatives retained their union membership and kept in constant touch with their national trade-union officials. Article 39 of the Plan provides that "there shall be no discrimination, either on the part of the employes or the management, in respect to race, creed, society, fraternity or union." For upwards of a year and a half the employe representatives took advantage of this provision, without protest or interference by the management. But increasingly the national officers of the various craft unions, preoccupied with the abnormally difficult problems resulting from the after-war deflation of labor and the determined open shop drive of anti-union employers, left the local leaders to their own resources. The success of the Plan itself in removing the more acute grievances that had occasioned the strike weaned the workers away from their unions, in whose historic struggles for the establishment of humane standards most of them had taken no part and with whose larger aims they were unfamiliar. Today even the strike leaders, most of whom still work in the factory, carry no union membership cards. The unions to whose militancy against industrial autocracy the workers at West Lynn owe the Plan have ceased to function there.

Neither the Seven nor the national officers of the trade unions who have discussed the subject with me gave me a convincing explanation of this turn of events. The Seven felt that their national officers had failed to give them adequate support in their time of trial. They had accepted the Plan reluctantly under pressure from their national officers exerted through the War Labor Board. They were instructed not only to accept the Plan in good faith but also to make it work, and yet they were later criticised as upholders of company unionism in resolutions adopted by national conventions of their unions. The national officers contend that their defection from the unions was due principally to their lack of moral stamina, their inability to withstand the enticements of management.

Practically all the special advantages enjoyed by the workers have accrued to them as a result not of their own but of the Company's initiative. . . . The forms of democracy are becoming, in the hands of the experts, a device for promoting technical efficiency even more than channels of free democratic expression

These divergent views are so highly colored by personal emotions that no outsider can ever hope to get at the straight of them. But one fact rises above the fog of personalities with sharp certainty. The acting manager of the plant in 1918, R. H. Rice, was a man of great ability and determined purpose. He had the full support not only of the general

officers of the company as a whole, but of a highly disciplined and thoroughly articulated local staff organization. He had been brought up in the individualistic tradition which for a generation had withstood the attempts of the union to organize the workers in West Lynn. He had shared in the formulation of the Plan and he was determined to make it work within the clear limitations of the principle by which

the Board's procedure was guided. Under his aggressive leadership the Plan of Representation was put into effect swiftly, unfalteringly, masterfully.

UNDER the Plan, the works were divided into sections each containing, as nearly as practical, two hundred employes; craft lines were broken up. The qualified voters in each of the sections—all employes, except foremen, assistant foremen and leading hands, of three months' continuous standing on the payroll—were entitled to elect by secret ballot, from among their number, two employe representatives. Within two weeks after the general election, these representatives were required to elect three members to a series of committees upon which they and the management have equal representation. The most important of these committees is the General Joint Committee on Adjustment which next to the general manager is the highest court of appeal in the adjustment of grievances. Any grievance must first be taken up with the leading hand or foreman of the work on which the employe is engaged. If the employe is not satisfied with the foreman's decision, he may take an appeal to his shop committee. If in turn he is not satisfied with the ruling of that committee he may, unless its decision is unanimous, appeal to the department head. Again if this ruling is unsatisfactory, he may turn to the General Joint Commission on Adjustment. Finally, if he is not satisfied with the decision of the General Joint Committee on Adjustment, he may, unless the decision of this committee is unanimous, carry his appeal to the manager whose decision is final.

It is said that before the first election of representatives was held and so before the first employe representatives on the Committee of Adjustment were selected, a complete slate of candidates was worked out at trade-union headquarters outside of the plant, in cooperation with the national trade-union officials, although the Plan provided that all elections should be held within the plant itself. However this may be, the three principal local leaders of the 1918 strike were the first employe representatives on the first General Joint Committee of Adjustment. From the beginning, these former trade unionists, have been the backbone

of the employees' organization within the plant. But in spite of their vigorous aggressiveness in the early days when their aim was to convert the Plan into standard craft union collective agreements, they were not able, lacking the support of any adequate staff organization in the national unions, to take and hold the initiative beyond the period of the strike itself. Almost from the beginning, the initiative was taken over by the very able manager and his corps of technical assistants.

About three years after the inauguration of the Plan, E. A. Morrow of Queens University, Canada, made it the subject of a thesis which has since been published by the General Electric Company and may so be taken as authoritative. Mr. Morrow

stresses the fact that at the start the men chosen to act upon the committees were, with the exception of a few of the higher company officials, unfamiliar with committee work and procedure, unpracticed in subordinating their opinions and beliefs to an impartial weighing of facts. "It was realized," he reports, "that constructive effort on the part of the company would be needed to break down the mutual feeling of distrust inherited by employee and executive from pre-Plan days." He then explains how in order to dispel distrust the management initiated round table conferences of shop committees "conducted under expert guidance" which were held every working day except Saturday over a period of three weeks.

The methods by which the expert in charge of all conferences approached his problem of starting the ball to roll [he continues] are a perfect example of inductive teaching. The result was a complete change of attitude on the part of the men not only towards one another but also towards the problems they were asked to solve. . . . As confidence increased the men themselves brought up old problems of the shop which they dealt with fairly and impartially. Finally one man and another would suggest current shop problems, for discussion with the result that many of them were solved, while conditions were brought to the attention of the management that had never before been thought to exist. By the time the last conference was over the worker and the executive had learned to understand and to appreciate each other and a foundation for the harmonious solution of shop difficulties had been well laid.

From the beginning the management had its specialized expert on the job of initiating and guiding these conferences and so of shaping the life of the Plan. Under the Plan the workers pay no dues. They have not so much as a company union treasury. They have no expert advisers to supplement their own experience and skill. The men and women who represent them in section and shop and on the various joint committees carry their responsibilities as representatives in addition to their responsibilities as wage-earners. Moreover from the beginning they were debarred from calling in even their national trade-union officials while the Company placed its highest paid executives on the most important joint committees without limiting their choice of advisers. To add to their difficulties, their national craft unions themselves had no staff organization whose business it should have been to know the technical organization, the production and management problems of the River Works with some

approximation to the knowledge possessed by the staff organization of management. The result was that from the beginning the management alone possessed all the essential resources required for initiative in developing the Plan, in which its influence inevitably became preponderant.

Now this is not said in criticism. The result of the Company's initiative and of the close-knit work of the technical staff has been to give the workers an exceptionally high sense of the meaning of a manufacturing establishment as a production unit. It has given them considerable discipline in the technique of democratic organization and administration, although the discipline is not of the rugged sort which independently organized workers get in establish-

ments where they themselves are the builders and carriers of democracy. There are no doubt many workers who chafe under the imperfections of the Plan, who feel that grievances are not promptly attended to, who feel that their representatives are not sufficiently aggressive in their interest, who are puzzled and perplexed by the elaborate technical machinery of budgeting, time studies, rate fixing, bonuses and the rest; and yet the fact remains that if for any reason they should be impelled to break away, the craft unions would at present hardly be prepared to guarantee them the advantages which they now enjoy under the Plan. They follow the lead of management because management is better equipped than the trade unions to lead them.

AFTER hours of discussion with the Seven during which they had been selling the Plan to me, one of them asked, "Well, what do you think of our Plan now?" Unhesitatingly I replied that given all the conditions so far as I knew them, it seemed to me that the Plan provided great advantages, and that there was still much room within its scope for the development not only of cooperative relationships between employees and management but also of the capacity for self-government among the employees themselves. From the point of view of the organized labor movement itself, it seemed to me that the Plan deserved sympathetic appraisal rather than purely destructive criticism. The reasonableness of this conclusion was confirmed in my mind by the subsequent statement of an officer of one of the large international trade unions having a special interest in West Lynn, who told me that word had come to him that a group of workers in one of the larger General Electric plants had asked to be organized. "I have sent instructions," he continued, "to our local representative to let those men alone. What could we do with them if we did sign them up? Nothing but call them out on strike on some issue formulated for the occasion and then try to lead them in an isolated fight which would inevitably result in defeat." This statement prompted me to ask whether there was a single workshop in America under collective agreement with his union, in which such a constructive policy of union-management cooperation as that in vogue in the locomotive repair shops of the Baltimore and Ohio Railroad, was in full or experimental effect. "Not

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one," he said. "The condition in every one is that of a truce."

In other words, craft unions are prepared to strike against exploitation and injustice but they are not prepared to exercise constructive power in situations where the management has established and maintains satisfactory wages and other working conditions, and has supplemented these basic elements of the usual collective agreement with an aggressive program for educating the workers in the financial and production problems of the company and otherwise engaging their loyalty.

This the General Electric Company has done to an unusual degree. Many years before the Plan was inaugurated the company had stimulated the organization of a Mutual Benefit Association to provide modest sick and death benefits and relief for emergency distress. Also before the inauguration of the Plan of Representation the company started a pension system under which any male employee who has reached the age of seventy, any female employee who has reached the age of sixty, and any employee who has served twenty or more consecutive years and who becomes permanently incapacitated for further work may, at the discretion of the pension board, be granted a pension. In recognition of the value of continuous service the company further gives all employees receiving less than \$4,000 a year, of five or more years' continuous service, semi-annual supplementary compensation equal to 5 per cent of their wages or salaries, either in cash or General Electric Employee Security Corporation bonds, as the employee prefers. For the six months ending December 31, 1925 supplementary compensation amounting to \$1,367,400 was paid to 30,813 employees.

In 1919, by arrangement with the Metropolitan Life Insurance Company, the company at its own expense provided death benefits in favor of dependent relatives, in amounts varying from \$500 to \$1,500, according to the terms of service. During a period of six years more than \$2,000,000 was paid to some 1,800 families of deceased employees. In October, 1925, the company made an arrangement with the Metropolitan under which employees might supplement free insurance by themselves buying policies at especially favorable rates. The company has also developed a plan for assisting employees in the purchase and building of homes which has enabled them to finance houses to a value in excess of two million dollars. In 1919, 1920 and 1921, taking advantage of the interest in thrift which had been developed during the war, the company offered 7 per cent investment bonds to its employees, who acquired an aggregate of \$9,736,000 of these securities. In 1920 the company offered the employees 50,000 shares of its common stock on a monthly payment plan at a subscription price of \$136 per share. More than 10,000 employees completed their payments and received over 46,000 shares.

The fluctuation in value of these securities during the period of business depression created a considerable amount of nervousness among the employees who had purchased them. To avoid this complication the company in January 1923 organized the General Electric Employees Securities Corpor-

ation whose management is entrusted to a board of fifteen directors, seven of whom were elected by and represent the bond holders who are employees in the various plants of the General Electric. All of the capital stock of this corporation is owned by the company which purchases the General Electric Securities Corporation 6 per cent bonds and sells them to employees in units of ten dollars, for cash or on a monthly payment plan. So long as the employees retain their bonds and remain in service of the company, the company adds 2 per cent to the 6 per cent paid by the corporation, making an 8 per cent investment. The bonds can be redeemed at any time and partial payments are refunded upon demand. Individual subscriptions are limited to a maximum of \$500 per year. Bonds outstanding in the hands of employees amount to \$18,453,770 while those in course of acquisition on the installment plan aggregate a further \$2,645,740. The funds of the corporation are invested in securities of the General Electric Company and in electric public utilities in the United States.

By such means the company has not only contributed to the financial security of its employees but has given them a sense of partnership in promoting its success. How profound the effect has been upon their minds is illustrated by the statement of one who was a striker in 1918, that he prizes his position on the board of directors of the General Electric Employees Securities Corporation above any other office that his fellow workers could confer.

THERE can be no question of the advantages which have accrued to the employees through the company's initiative not only in developing the Plan but also in buttressing it with these various investment arrangements. But from the point of view of the employees as a group and especially from the point of view of their status as independent citizens of the community, it has certain very definite dangers. At West Lynn the impression is borne in upon one that these ten thousand odd workers are pocketed not only from the labor movement in general but from the employees of the other manufacturing establishments of the company. There is no organized intercourse among the workers in the various establishments. Attempts of employee representatives to initiate such intercourse have been discouraged. Their critical attitude as citizens toward the public policies of the company and more especially of electrical utilities has been definitely circumscribed and blunted by their acquisition of millions of securities whose earnings depend upon the prosperity not only of the General Electric Company but of these utilities in which the funds of the General Electric Securities Corporation are invested. It may be that the policies of the company and of the leaders in the electrical industry with which the company is associated are not only wise but pre-

ponderantly in the public interest. Nevertheless the question as to the relation of the public to the control of the rapidly developing electrical industry is highly controversial and there is a reasonable probability that if the policies of the industry came into conflict with public policies as formulated by federal, state and municipal governments, the

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employees would feel that they had given hostages to remain loyal to the policies of the industry. They have no independent channel such as the organized labor movement ostensibly affords to make their free judgment as citizens effective. This is in sharp contrast with the situation of the company itself which is not only an institution of national and international scope but is also affiliated with large organized groups such as those represented in the National Chamber of Commerce and the National Electric Light Association which give very special attention to questions of public policy and legislation in the interest of industrial managements.

The striking fact about West Lynn is that practically all the special advantages enjoyed by the workers have accrued to them as a result not of their own but of the company's initiative. For in West Lynn the forms of democracy are becoming, in the hands of the experts, a device for promoting technical efficiency even more than channels of free democratic expression. Having agreed to supplant autocratic control with the idea of representative government, the management, with the assistance of its technical staff, got the jump not only on the trade unions but also upon the employe representatives and has maintained the initiative ever since. Pensions, insurance, thrift investments and an elaborate system of education ranging from the instruction of workers at the machine and joint conference committees on production problems to supplement joint conference committees on grievances, through a highly organized apprentice school and courses conducted in cooperation with the Massachusetts Institute of Technology, all have been initiated by the company and kept under its firm control. This is notably true of the employment department whose files are under the exclusive care of the company and whose records are built up not only through interviews at the plant but also through correspondence with previous employers—a system which, as one of the local executives explained, makes it possible to keep mischief-makers and agitators out of the works. It must also be remembered that all costs of the Plan itself, including the cost of the time which employe representatives spend in conferences and on joint committees are borne by the company. So far as the essentials of democratic control go there is little democracy under the Plan.

Now compare this situation with that in the men's clothing industry, where half the costs of all the machinery for the adjustment of grievances and all the expenses of employe representatives are borne by the union. In the Chicago market, the Amalgamated Clothing Workers union maintains one of the most efficient and most expertly staffed employment exchanges to be found in any industry. Employers hire workers almost exclusively through this exchange and the union is held exclusively responsible for supplying competent workmen. Similarly, the system of unemployment insurance in the Chicago market was devised by the union and its experts and is predominantly under the union's administrative control. The union has its own banks which not only make character loans to its members but which are diligent in finding opportunities for safe and advantageous investment not only for union members but for all depositors. Its executive and office staff are protected under a group insurance policy carried with the Metropolitan Life Insurance Company. The union conducts educational classes and publishes papers in several languages which are edited entirely by its own staff and on its own responsibility. It

maintains an economic research department through which it has acquired a unique knowledge of the clothing and textile markets as a whole, a knowledge which it uses not only to maintain a flexible adjustment of wages and wage standards to market conditions but which it also places at the disposal of manufacturers who find it valuable in making their business forecasts. There have indeed been cases where the union has not only advanced money to help manufacturers over financial difficulties but where its technical staff has actively and effectively cooperated in recognizing production methods with a view to eliminating inefficiency and waste. On Mr. Swope's favorite theory that reduced costs and increased wages are not inconsistent and that indeed the one is dependent upon the other, the union has taken the initiative in introducing production standards throughout a large part of the men's clothing industry. Practically all of these activities are carried forward under the jurisdiction of joint boards on which all the separate crafts within the industry are represented and through which the crafts coordinate their several interests and policies into an industrial policy based upon intimate knowledge of the economic and technical requirements not only of the industry as a whole but of the hundreds of separate manufacturing plants within the industry. The expert functions, not as the master but the servant of the group. Most of the specialists used in reorganizing shop practices are men who have come out of the rank and file. The special advantages which the members enjoy they themselves have won and paid for like free men.

By contrast with the Amalgamated Clothing Workers of America, the organization of the General Electric employes under the Plan of Representation in West Lynn—without dues, without a treasury, without its own technical staff, without the essentials of free initiative except in matters of recreation and grievances—makes the impression of a bottle-fed and company-cradled organization. And yet, as I have said, the scope of the activities which have been developed under the Plan is so much wider than the scope of the activities ordinarily developed under trade union collective agreements that it is worth much not only to the employes at West Lynn but to the labor movement in general that this particular infant should be bottle-fed. The General Electric is maintaining in West Lynn a "service test station" which may make as great a contribution to the technique of industrial relations as its physical research laboratories have made and are making to the technique and development of the electrical industry.

If, however, the West Lynn experiment is to justify this description it is essential that it should be subjected to the same continuing analysis and appraisal in relation to the purposes of our democratic community as that to which the experiments and results of the company's technical laboratories are subjected. The situation created by the concurrent development of company unions of the West Lynn type and the autonomous trade unions raises questions of the most far-reaching consequence to the future of democracy itself. We are living in a scientific age, the age of the expert. The fundamental question defined by the contrast between the Plan of Representation in West Lynn and the autonomous organization of the workers in the men's clothing industry is this: *Shall the democratic group, conscious of its intellectual and spiritual limitations, submit to the beneficent direction of the expert, or shall it adhere to our traditional democratic faith that* (Continued on page 49)



"Little bandits!"

Just Like Steve

By ELEANOR ROWLAND WEMBRIDGE

Linoleum Cut by Margaret Schloemann

THE brains in the Boushka family came by way of Mike, who with his wife and two children had emigrated to try their fortunes in the new world. But Mike soon succumbed to American industry in its tubercular form, taking his brains with him, and leaving in the person of his widow as ineffective a guardian for Mamie and Nicky as ever a man selected for his children. Mrs. Boushka's one flash of good judgment was to send for Mike's old mother, from whom he had presumably inherited his ability, and she, pathetically pleased to still be of use in the world, kept the house for the family and two roomers, leaving few duties for the younger woman but to sit heavily by, and collect the room rent. Granny did what bringing up of the children she could in the intervals of her housework, but knowing nothing of the language, or of any customs but those of a Slavic village, her discipline was not very effective, and Mamie and Nicky played in the alleys like young outlaws, teasing their heavy-eyed mother into fretful scoldings, and dazzling old Granny with their knowledge of the world. It is not very good for a girl of fifteen and a boy of thirteen to be brought up solely by a lazy mother, an overworked grandmother, and a neighborhood gang, and the effect of this training on their behavior was about what one would expect.

It had even penetrated Mrs. Boushka's sleepy intelligence that something had better be done with Mamie or she would get them into trouble. Boys, she felt, could take care of themselves. Mrs. Boushka sat by the kitchen table on

which were stacked the dishes of the day, ready for Mamie to wash when she came home from school. Granny crouched on the woodbox resting her old bones after collecting kindlings down by the packing houses.

"Where are the kids?" inquired their mother, "School oughtta been out long ago; Mamie oughtta be here washing them dishes."

"She'd rather sit in school reading the books, than come home and do dirty work. Fine ladies don't like it," cackled the old lady.

"Sure. That's what comes of schoolin'," agreed Mrs. Boushka. "Readin' and writin'! What does she read? And what does she write? She'd oughtta get married. Kids like Mamie are better off married—she's most sixteen."

Granny agreed with some misgivings. "But girls don't want husbands like they used to. A husband don't want a book reader. He wants a cook, and Mamie can't cook. Mr. Lusk here, he likes a good soup."

Mrs. Boushka nodded, "But he likes Mamie too. He's got a good cigar store. Mamie could sell cigars. What you think, Granny?"

Granny paused with still further misgivings, and then answered what she knew was the real, and not the apparent question.

"Girls like the young fellas. They don't like old boys like Lusk. I used to like the young fellas." She leaned back and chuckled in toothless reminiscence. "Remember young Timothy, him that used to thresh on old Niko's threshing floor? Timothy's father and grandfather, they