

# A PHASE OF INDUSTRIAL JUSTICE

EDITORIAL BY THEODORE ROOSEVELT

IT is always difficult to make men realize in practice what no human being denies in theory, namely, that there are two sides to almost every question, and that insistence upon the doing of his duty by one party to a transaction ought to be accompanied by insistence that the other party also shall do his duty. In industry, whether on a large scale or a small scale, there is always need of insisting that the obligations of employer and employee are mutual, and that each owes it not only to the other but to his own self-respect to see that the other receives full justice; and this not as a matter of kindness or charity, but as a matter of right and duty. Of course the harm arising from failure to take this attitude is more evident in large-scale than in small-scale industry, merely because of the greater wealth and the larger number of men involved. The other day Congressman Redfield, of Brooklyn, in the course of a conversation, gave a number of illustrations of what he had observed in actual practice on the part of employers who realized that it was not merely right but wise to make the business profitable to the workmen as well as to the capitalist; that is, to carry it along on terms which meant a raising of the standard of living, and incidentally of good citizenship, for all concerned. A number of the instances were drawn from his experiences with a certain Brooklyn manufacturer of steel forgings. I became so interested in the matter that I asked him to take me to visit the factory in question, which he accordingly did.

It is a factory employing about five hundred men. The founder, the man who intro-

duced and practically applied the theories upon which the institution is run, is dead. It was his belief that the curve of efficiency, so to speak, is increased markedly by an increase in production up to a certain point, but decreases rapidly when that point has passed. In other words, he believed that it is an advantage from every standpoint to have combination and growth in size of plant up to a certain point, which may vary in different industries, but that beyond that point the advantage ceases save in exceptional cases, and even then obtains only during the lifetime of an exceptional man. Accordingly, he never threw the factory into any of the big combinations or trusts, and yet it has thriven and prospered.

Of course, unless it had prospered, unless there had been business ability at the head, and an adequate reward for this ability, there could have been no reward for any one lower down. But even more important than the prosperity in bulk has been the fact that it has been shared by all engaged in the work, although this method has not been achieved by what is known as profit-sharing.

All thoughtful and far-sighted citizens now recognize that our greatest problems of the present day are connected, not with the mere heaping up of material prosperity, but with its distribution. Yet it is urgently necessary for zealous reformers to keep in mind that the prosperity cannot be distributed unless it is actually there to distribute. Wisdom in securing a more equitable distribution will be wasted if it is an accompaniment of the folly that would prevent the

accumulation which is the absolutely necessary prerequisite of the distribution.

In the factory in question, the founder and his successors proceeded upon the theory that in treating with workmen there are certain fundamental rules to be observed. The first and most important is that a good wage is an absolute necessity, and that nothing else atones for an insufficient wage. The second is that it shall be understood clearly by both parties that this fair treatment is a matter of right and justice, not a matter of charity. In this factory the dealings between employer and employed are based upon the understanding that, as a matter of justice and expediency, wages are to be put and kept at the highest level that obtains in the business, and, if possible, at a little higher than obtains elsewhere; and that this does not represent a gift or an act of charitable magnanimity on the part of the employer, but is simply a wise recognition of justice and of common interest. The complement to this is that of course there must be high efficiency on the part of the employee. He must take a pride in doing the best possible work; then, as his right, he is to receive remuneration that corresponds to the work. For instance, much of the opposition among unions to piece-work has sprung from the fact that employers have endeavored to get a disproportionate share of the benefit that comes from the labor of the skilled man in piece-work by refusing to allow him to earn more than a certain specified amount for it. In this factory the piece-work rates are never cut because the men earn largely. They are paid in exactly the same proportion for the last additional piece as for the first. Seventy-five per cent of the men are union men, all of them in certain divisions being unionists, but as a matter of fact there has never been any difference in behavior or in treatment of either the union or the non-union men.

The theory of the management has been that it should be not only intelligent but sympathetic, that the wage-workers should understand and sympathize with the managers and the managers with the wage-workers. The attitude is neither patronizing nor arrogant on one side, neither cringing nor defiant on the other; it is based on the belief that self-respect and mutual respect taken together make the surest basis for common success in a common undertaking. Any attempt at betterment of conditions has come almost always not as a result of being im-

posed from above downwards, but as the result of a movement from the men themselves, a movement which has come from below upwards. The management has felt that it wished to work with a responsive force and not against it, and that, while it acted thus partly as a matter of principle, it did so mainly because it believed that it paid to be decent. The factory went from a ten-hour to a nine-hour day without any cutting of wages. It would now be willing to adopt an eight-hour day, and the men at the top think that such a day will ultimately come, but do not see how it can be adopted before it is general in the other firms engaged in the same business.

I could, of course, make no exhaustive study of the institution, but even in a short visit I could see a number of things worth seeing and pick up a lot of valuable information. It was the first factory of the kind in America to introduce baths and the best type of washing arrangements. The welfare and sanitary conditions are excellent. Every species of safety appliance has been installed, and there is a small hospital for the treatment of minor injuries, which in such a business are frequent. Major injuries are rare, and the management endeavors to see to the future of the man or of his family in such cases, while the men themselves have a mutual benefit association to which the company subscribes liberally. A genuine effort is made on the part of the company to get none but good men among its employees, and, once in, discharges are rare, and voluntary separation from the service by the men themselves is also rare, although of course occasionally a man finds that he can better himself elsewhere. The skilled workmen rarely leave save of their own volition, and they often return. The unskilled men are, as everywhere else, less stable and more apt to leave. I spoke with a number of the foremen and captains of tens and hundreds. In the large majority of cases they were men who had been through different grades within the mill, having served from ten to twenty or thirty years. One foreman, for instance, a small, spectacled man with an Irish name, had begun nearly thirty years before as a boy at \$5 a week, and was now earning \$50 a week. Another, a man with a Yankee name, was earning \$32 or \$33 a week, but by judicious investment in small bits of real estate had accumulated a handsome competence. These were but samples of the dozens with



whom I spoke. Of the journeymen, some were working by the piece, others at day wages, largely as each preferred.

It is not possible in such a visit as I made to be sure that one has gotten at the essential facts. There certainly was no intention to impress me one way or the other about the conditions. The one request made to me was that I should not give the name of the factory, the desire being to avoid advertisement or seeming to pose as a model "uplift" institution. But there was obvious, on the part of everybody, genuine good feeling, genuine fellow-feeling, and pride in what had been done. It was also obvious that the institution had prospered steadily from the business standpoint, as a going concern. It had grown decade by decade, while the prosperity of the men had likewise increased. Such a thing as a strike had been practically unknown, and a general desire on the part of every one both to do and to receive justice was evident. The men at the top obviously desired to get the workingmen to feel that their interests and those of the factory-owners were mutual by *making* them mutual. They felt that to secure the confidence and good will of the wage-workers was the most practical kind of "scientific management." The men with whom I talked evidently regarded the foremen and managers as desirous of being "fair," of being just and friendly—people to whom it would be safe to go in the event of getting into a difficulty.

Now, of course, in any case like this the individual equation is of prime consequence, and the conditions in any one industry may be such that the methods obtaining therein can be only partially paralleled in some other industry. But two things do seem evident. The first is that there must be wise legislation, as thoroughgoing as the conditions require, in order to force the employers who will not act decently up to the level of those who do act decently. The next is, what is even more important, that there shall be general recognition of the fact that the permanently successful business, which also contributes to the social and industrial well-being of this great Republic, must be conducted along lines of genuine sympathy and understanding among all those concerned therein. There must be full recognition by the public of the fact that no business can be permanently good for this country unless the wage-worker is paid a high wage and works under conditions favorable to his

health and safety. On his part the wage-worker must, as a matter of justice and personal pride, do first-class work for that wage, and in his private character must be a good citizen—and so must the employer.

We hear much of the conflict between capital and labor, and often it seems to be assumed that this conflict is inevitable, and that capitalists and wage-workers must be considered primarily as belonging to different classes, each individual being judged only by the standard of his own class. This is a thoroughly false and unhealthy view. From the standpoint of the country, from the standpoint of good citizenship, the differences between employer and employee are of mighty small consequence compared with the need that each shall show that he possesses the great fundamental virtues. If both show that they do possess these great fundamental virtues, then from the standpoint of the Republic they are not in separate classes, they are in one class, in the one class whose existence is vital to the Republic, the class that contains, whether on the farm or in the workshop or in the counting-room, the decent, hard-working, intelligent, self-respecting citizens.

The President in a recent Message has recommended the creation by Congress of a commission to look into industrial conditions in this country. It is earnestly to be hoped that Republicans and Democrats, wise Progressives and wise Conservatives, will all alike back up his action. Such a commission could not but do good. If properly made up, it would approach the matter of industrial relations without prejudice as between employers' associations and labor unions. It would look at the matter from the point of view of the public interest, with concern to work for the prevention of unnecessary labor disputes, and for settling those that do arise on a just and permanent basis. Such a commission of wise, public-spirited, and well-informed citizens would look carefully and without prejudice into the existing grievances of labor, and would examine the means which are available for fighting them, and the plans which are being tried in this country or abroad for preventing and settling disputes. It would examine into the function and efficiency of State and Federal labor bureaus, and would report as to existing labor laws, so that we might know whether they are adequate and correspond to our present needs as a people. It would

work along any line of profitable inquiry which might be suggested. Surely there is now a widespread and deep public interest in this vital subject, and an earnest desire to know whether our existing mechanism for preventing and settling labor disputes and for helping the cause of social justice as regards both employer and wage-worker cannot be improved. Undoubtedly the remedy must in large part be found in the action of the several States rather than in the Federal

Government, and undoubtedly it must also in large part be found in voluntary arrangements between employers and employees, and in a higher general recognition of the need of justice and fair dealing. But only an inquiry by the Federal Government can be really authoritative and satisfactory, and can really cover all the different sides of the matter and throw full light upon all the puzzling, baffling, complicated, and vitally important questions involved.