The
HART SCHAFFNER & MARX LABOR AGREEMENT

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INDUSTRIAL LAW IN THE CLOTHING INDUSTRY

COMPILED BY

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FOR CLOTHING INDUSTRY

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Table of Contents

Introduction . . . . . Pages 7-10

Text of Agreement, annotated . . . . Pages 11-41

Development of Agreement from 1911 to 1916 . Pages 42-55

Board of Arbitration Award—December 1919 . . Pages 56-63

Experience of Hart Schaffner & Marx with Collective Bargaining, 1914 . . . . . Pages 64-70

Development of Government in Industry, 1916 . Pages 71-77

An Epoch-Making Labor Settlement
Article by J. E. Williams . . . . Pages 78-82

Shop Council Plan in Clothing Trade
Two articles by Ray Stannard Baker . . Pages 83-96

Bibliography Page 97

Introduction

THE enormous public interest in the subject of industrial relations which has developed since the war created a great demand for information about the Hart Schaffner & Marx Labor Plan. The latest pamphlet, published in 1916, became inadequate both as to supply and completeness, and therefore this new edition is issued.

The general reader, less interested in technical details, might better begin by reading the two articles on page 83 by Ray Stannard Baker. Mr. Baker has succeeded in presenting a vivid picture of the present status of our industrial relations after the nine years experience with the "Agreement." After personal investigation of the various experiments in industrial relations which have sprung up so numerously within the past year or so, he characterizes the plan as "the most significant and comprehensive experiment at present under way in America, in the introduction of a new co-operative and democratic relationship in industry."

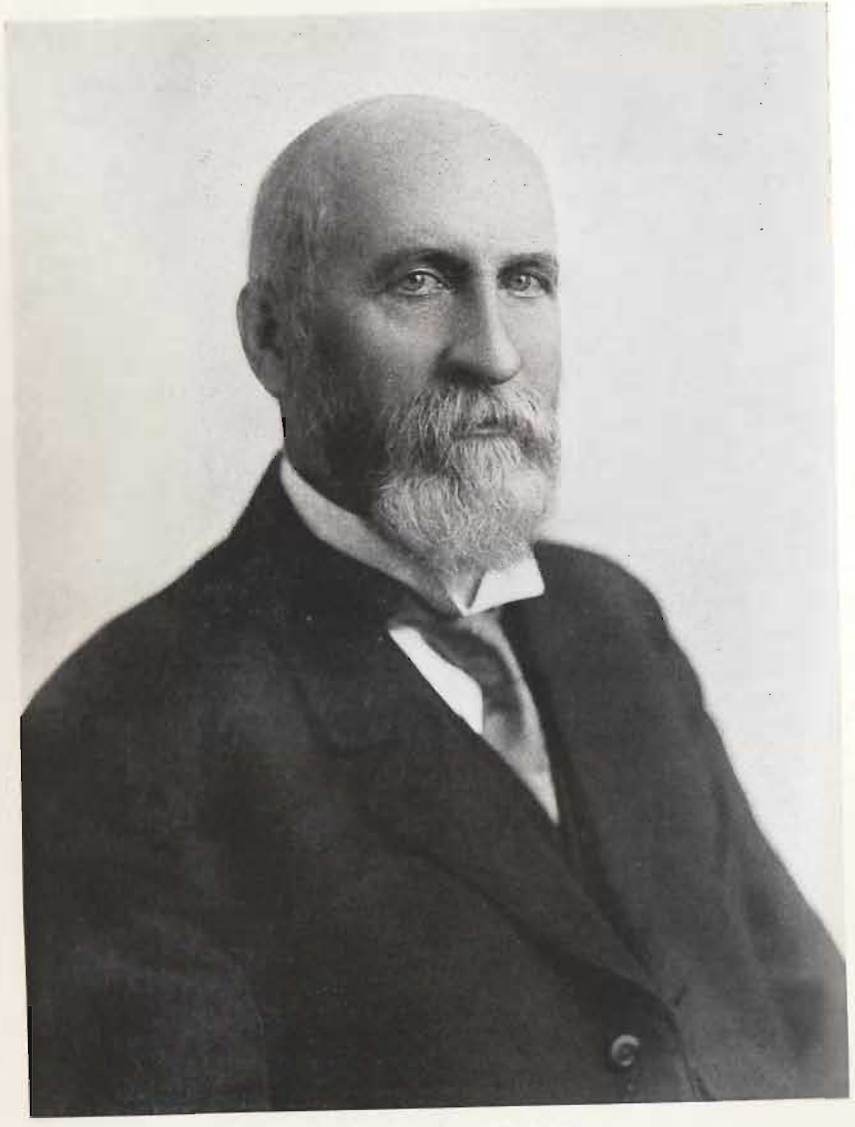
The title to this pamphlet calls attention to the feature of the Plan which has most interested students of this subject. There has been a development here of a body of industrial law; Dean Wigmore, of Northwestern University Law School, referred to it as "a new field for systematic justice." The agreement itself is largely a codification of decisions growing out of specific cases. Since the last codification in 1916, a considerable body of law has been added through decisions of the Boards and abstracts of these decisions have been included as annotations to the text of the agreement. The similarity between the growth of this body of industrial law and the development of the English and American common law is apparent.

When the original arbitration agreement (page 39) in 1911 provided for "a method for settlement of grievances, if any, in the future," nobody had any thought of the important consequences which would flow from it. That it happened so is largely due to the wise counsel and guidance of the first chairman of the Board of Arbitration, John E. Williams, to whom this volume is dedicated. Because every complaint or problem, no matter how great or small, may be authoritatively and finally settled by an impartial arbitrator who possesses the respect, even the reverence, of all parties, there has been built up a confidence in the arrangement and a habit of obedience to law. Wherever there is law, there must be courts to interpret and apply it.

Moreover, law must be administered and enforced. If this function is unskillfully or unfairly performed, the law itself will fall into disrepute and desuetude. Under this arrangement, a labor department or, at least, very specialized managerial attention is necessary.

Fortunately, perhaps, Hart Schaffner & Marx were allowed to proceed with the experiment for eight years alone. All the officers of the Union were employes or former employes of this company and had a certain pride in the fact; this tended toward pleasant and understanding relationships. We did not have to deal with "outside" union officials nor were we forced to accept union "rules" not a part of our special agreement. In other words, in this experiment we were not compelled to face some of the more serious difficulties presented by organized labor.

Within the past few months, the Amalgamated Clothing Workers of America have secured recognition in practically the whole men's clothing industry of the country. To meet this new condition, the manufacturers have adopted to a certain extent the features of the Hart Schaffner & Marx labor agreement: Continuous arbitration, labor managers, and industrial law. The union has shown a disposition thus far to promote this tendency and if other markets have failed fully to develop the system the cause must be sought in local conditions and not in the hostility of the national union. Mr. Sidney Hillman, international president of the Amalgamated, won and has kept the respect and admiration of the company by his whole-hearted co-operation in making the Agreement a success.



JOHN E. WILLIAMS (1853-1919)

First chairman of the Hart Schaffner & Marx Board of Arbitration (1912-1919)

The Hart Schaffner & Marx Labor Agreement

Preamble

By Mr. J. E. Williams,
Chairman of The Board of Arbitration
1916

The parties whose names are signed hereto purpose entering into an agreement for collective bargaining with the intention of agreeing on wage and working conditions and to provide a method for adjusting any differences that may arise during the term of this contract.

In order that those who have to interpret this instrument may have some guide as to the intentions and expectations of the parties when entering into this compact, they herewith make record of their spirit and purpose, their hope and expectations, so far as they are now able to forecast or state them.

On the part of the employer it is the intention and expectation that this compact of peace will result in the establishment and maintenance of a high order of discipline and efficiency by the willing co-operation of union and workers rather than by the old method of will cease; that good standards of workmanship and conduct will be surveillance and coercion; that by the exercise of this discipline all stoppages and interruptions of work, and all wilful violations of rules maintained and a proper quantity, quality and cost of production will be assured; and that out of its operation will issue such co-operation and good will between employers, foremen, union and workers as will prevent misunderstanding and friction and make for good team work, good business, mutual advantage and mutual respect.

On the part of the union it is the intention and expectation that this compact will, with the co-operation of the employer, operate in such a way as to maintain, strengthen, and solidify its organization, so that it may be made strong enough, and efficient enough, to co-operate as contemplated in the preceding paragraph; and also that it may be strong enough to command the respect of the employer without being forced to resort to militant or unfriendly measures.

On the part of the workers it is the intention and expectation that they pass from the status of wage servants, with no claim on the employer save his economic need, to that of self-respecting parties to an agreement which they have had an equal part with him in making that this status gives them an assurance of fair and just treatment and protects them against injustice or oppression of those who may have been placed in authority over them; that they will have recourse to a court, in the creation of which their votes were equally potent with that of the employer, in which all their grievances may be heard, and all their claims adjudicated; that all changes during the life of the pact shall be subject to the approval of an impartial tribunal, and that wages and working conditions shall not fall below the level provided for in the agreement.

The parties to this pact realize that the interests sought to be reconciled herein will tend to pull apart, but they enter it in the faith that by the exercise of the co-operative and constructive spirit it will be possible to bring and keep them together. This will involve as an indispensable pre-requisite the total suppression of the militant spirit by both parties and the development of reason instead of force as the rule of action. It will require also mutual consideration and concession, a willingness on the part of each party to regard and serve the interests of the other, so far as it can be done without too great a sacrifice of principle or interest. With this attitude assured it is believed no differences can arise which the joint tribunal cannot mediate and resolve in the interest of co-operation and harmony.

[*Decision of Trade Board, June* 11, 1919. *Case* 773.]

As to the broad principle involved in the contention of the people, that an industry should maintain the men who work in it, the commission does not presume to pass on the merit of it. Under the agreement the company is entitled to efficient production and in the present instance the commission believes that a height can be set for cutting this grade of silk that will not involve any unusual effort.

Annotated Text of Agreement of 1916 with Additions

SECTION I.

Administration

This agreement is entered into between Hart Schaffner & Marx, a corporation, and the Amalgamated Clothing Workers of America, and is effective from May 1st, 1916 to April 30th, 1919.

[*Amended January* 7, 1919]

The present agreement, with the changes and modifications herein mentioned, is extended for a period of three years from May 1, 1919, to April 30, 1922.

Note—The original agreement was signed January 14, 1911, by representatives of the striking employes and provided for an arbitration board to adjust grievances both past and future. The decision of this board was made binding until April 1, 1913. A supplementary agreement (April, 1912) established the Trade Board and rules of procedure.

On the expiration of the two-year term, great difficulty arose because of the demand of the employes for a closed shop. Finally an agreement establishing the preferential shop principle was adopted March 29, 1913. The Board of Arbitration was empowered to work out the details of this principle and to determine all other matters in controversy.

The ruling of the board under the agreement was handed down May, 1913, and bound both parties until April 30, 1916. The third agreement of the series was entered into May 1, 1916, and consisted principally in a codification of previous agreements and decisions of the board. It is reproduced, with later agreements, herein. (See page 39.)

The Old Agreement

The provisions of the old agreement and the decisions based thereon shall be regarded as being in force except as they may be modified by, or are not in conflict with the provisions of the present agreement.

Officers of the Agreement

The administration of this agreement is vested in a Board of Arbitration and a Trade Board, together with such deputies, officials and representatives of the parties hereto as are now or hereafter may be appointed for that purpose, whose duties and powers are hereinafter described.

Board of Arbitration

The Board of Arbitration shall have full and final jurisdiction over all matters arising under this agreement and its decisions thereupon shall be conclusive.

It shall consist of three members, one of whom shall be chosen by the union, one by the company, and the third shall be the mutual choice of both parties hereto and shall be the chairman of the Board. It is agreed that the board as constituted under the old agreement shall be continued during the present agreement, William O. Thompson being the choice of the union, Carl Meyer, the choice of the company and J. E. Williams, chairman, being chosen by agreement of both parties.

[*Amended January,* 1919.]

The Board of Arbitration shall consist of Professor James H. Tufts, chairman; Mr. Carl Meyer, representing the company; and Mr. Clarence Darrow, representing the union.

It shall be the duty of the Board to investigate, and to mediate or adjudicate all matters that are brought before it and to do all in its power to insure the successful working of the agreement. In reaching its decisions the Board is expected to have regard to the general principles of the agreement; the spirit and intent, expressed or implied, of the parties thereto; and, especially, the necessity of making the instrument workable, and adaptable to varying needs and conditions, while conserving as fully as possible the essential interests of the parties involved.

The line of practice already developed by the Board shall be continued. This contemplates that questions of fact and testimony shall in the main be considered by the Trade Board while the Board of Arbitration will concern itself mainly with questions of principle and the application of the agreement to new issues as they arise. But this is not to be construed as limiting the power of the Board, which is broad enough to make it the judge of facts as well as principle when necessary, and to deal with any question that may arise whose disposition is essential to the successful working of the agreement.

By agreement between the chief deputies, cases may be heard and decided by the chairman of the Board alone.

Emergency Powers

If there shall be a general change in wages or hours in the clothing industry, which shall be sufficiently permanent to warrant the belief that the change is not temporary, then the Board shall have power to determine whether such change is of so extraordinary a nature as to justify a consideration of the question of making a change in the present agreement, and, if so, then the Board shall have power to make such changes in wages or hours as in its judgment shall be proper.

[*Decision of full Board of Arbitration, May* 1, 1917.]

Union proved increased cost of living and increased wages in industry. Granted 10% beginning July 1, 1919. (Cutters translated into $2.35 per week. Effective June 1.) These increases recorded separately. Future claims under this clause must be made in advance of sales for affected season.

[*Conference and agreement in lieu of arbitration, May* 1, 1918.]

Cutters, trimmers and week workers, $3.00 per week increase; piece-workers, 10 and 15% (average 12½%). Foremen, section heads, examiners or attendants not included.

[*Extension of agreement of* 1916 *for three years, January* 7, 1919.]

Effective December 1, 1918, piece-work rate increased 8⅓%; week workers increased $2.00 per week; 44-hour week granted.

[*General adjustment of Chicago market July* 9, 1919.]

Effective June 1, 1919, piece-work rates increased 10, 15 and 20%; week workers, $5.00 per week; cutters, $4.00 and $5.00. Spongers and cloth examiners included and increased $5.00 per week.

[*Decision of Board of Arbitration, December* 22, 1919.]

Granted increases from December 15: 20% to all workers and sections earning less than $30 per week; $6.00 per week to all earning from $30 to $49.99; 5% to all earning over $50 per week. For full text of decision see page 53.

Trade Board

The Trade Board is the primary board for adjusting grievances, and shall have original jurisdiction over all matters arising under this agreement and the decisions relating thereto, and shall consider and dispose of all such matters when regularly brought before it, subject to such rules of practice and procedure as are now or may be hereafter established.

The Board shall consist of eleven members, all of whom excepting the chairman, shall be employes of Hart Schaffner & Marx. Five members shall be chosen by the company, and five by the union, and it is understood that these shall be selected in such manner as to be representative of the various departments—cutting and trimming, coat, vest and trousers.

The Board shall be presided over by a chairman who shall represent the mutual interests of both parties hereto, and especially the interest of the successful working of this agreement. He shall preside at all meetings of the Board, assist in investigation of complaints, endeavor to mediate conflicting interests, and, in case of disagreement, shall cast the deciding vote on questions before the Board. He shall also act as umpire on the cutting room commission, and perform such other duties as may be required of him by the agreement or by the Board of Arbitration.

The chairman shall hold office during the term of the agreement, and in case of death, resignation, or inability to act, the vacancy shall be filled by the Board of Arbitration.

It is especially agreed that James Mullenbach, chairman under the former agreement, shall be retained under the present agreement.

Meetings of the Board shall be held whenever necessary at such times as the chairman shall direct. Whenever an authorized representative of both parties is present, it shall be considered a quorum. Each party is privileged to substitute an alternate in place of the regular member whenever they so desire. Should either side, after reasonable notice, fail to send a representative to sit on the Trade Board, then the chairman may proceed the same as if both parties were present.

Members of the Board shall be certified in writing to the chairman by the Joint Board of Hart Schaffner & Marx, and the proper official of the company and any member, other than the chairman, may be removed and replaced by the power appointing him.

Deputies

The deputies are the officers having direct charge of the execution of the provisions of this agreement in the interest of their respective principals. Each of the parties hereto shall have a sufficient number of deputies to properly take care of the work necessary to be done to keep the docket from being clogged with complaints, and to insure an efficient working of the agreement. They shall have power to investigate, mediate, and adjust complaints, and settlements made by the deputies of the parties in dispute shall be legally binding on their principals. In case of appeal to the Trade Board or Board of Arbitration the deputies may represent their respective principals before these Boards, and shall have power to summon and examine witnesses, to present testimony or evidence, and do such other things as may be necessary to place their case properly before the trial body, and such body shall see to it that they be given adequate opportunity and facility for such presentation, subject to the usual rules of procedure.

One of the deputies on each side shall be known as the chief deputy, and the statement of the chief deputy shall be regarded as an authoritative presentation of the position of his principal in any matter in controversy. Unless reversed or modified by either of the Trial Boards the agreement of the chief deputies in all matters over which they or their principals have authority shall be observed by all parties.

The union deputy shall have access to any shop or factory for the purpose of making investigations of complaints; but he shall in all cases be accompanied by the representative of the employer. Provided, that the latter may at his option waive his right to accompany him, also that in minor matters where convenience or expedition may be served the union deputy may call out the shop chairman to obtain information without such waiver.

The deputies shall be available to give their duties prompt and adequate attention, and shall be subject to the direction of the Trade Board in all matters relating to the administration of this agreement.

[*Decision in case* 810—*September,* 1919—*Duties of Deputies*]

On this occasion the Trade Board desires to outline what it considers should be the procedure when deputies take up cases.

The agreement provides and it is always assumed that each deputy is authorized by his respective principal to represent them with authority to investigate and adjust complaints that they may take up together. See pages 5 and 7. They are to make an "earnest endeavor to reach a settlement." While they can not by the terms of this agreement or perhaps any agreement be compelled to agree, it is expected that some adjustments will be made, and hitherto many have been made between the deputies.

If it should happen that the two deputies cannot agree, it is expected that they will report to their chief deputies who will then come together about the complaint and if possible reach a settlement, or failing in this, refer it to the Trade Board.

It is to the interest of all parties and to the smooth operation of the agreement that complaints be taken up promptly and dealt with speedily so as to secure as early as possible an adjustment or decision, thereby determining the issue in the complaint. When for any reason complaints pile up a dangerous situation is created. Confidence is lost in the efficiency of union officials, in the good will of the company, and in the general ability of the machinery to meet the needs of the people for redress and relief. The Trade Board believes that these considerations do not need emphasis and that both parties will seek to make the machinery of adjustment as efficient as possible.

JAMES MULLENBACH.

Qualification of Deputies

Each deputy, in order to qualify for duty, must have a commission signed by the proper official representing the union or the company, and said commission must be countersigned by the chairman of the Trade Board. Deputies must be either employes of Hart Schaffner & Marx, or must be persons who are connected with the Joint Board of Hart Schaffner & Marx.

Shop Representative

The union shall have in each shop a duly accredited representative authorized by the Joint Board who shall be recognized as the officer of the union having charge of complaints and organization matters

within the shop. He shall be empowered to receive complaints and be given sufficient opportunity and range of action to enable him to make proper inquiry concerning them. When necessary for the shop representative to leave his place to investigate complaints the foreman may, if he deems it necessary, ask to be informed of the purpose of his movements, and the representative shall comply with his request.

It is understood the shop representative shall be entitled to collect dues and perform such other duties as may be imposed on him by the union, provided they be performed in such manner as not to interfere with shop discipline and efficiency.

It is expected that he will represent the co-operative spirit of the agreement in the shop, and shall be the leader in promoting that amity and spirit of good will which it is the purpose of this instrument to establish.

The co-operative spirit enjoined on the shop representative in the foregoing paragraph shall be expected in equal degree from the shop superintendent, who shall be expected to contribute his best efforts to promote harmony and good will in the shops.

SECTION II

Procedure

When Grievances Arise

When a grievance arises on the floor of the shop, the complainant shall report it with reasonable promptness to the shop representative, who shall present it without undue delay to the shop superintendent. These two may discuss the complaint in a judicial temper, and may endeavor to agree to an adjustment. It is understood, however, that they are not a trial board, and it is not expected that they shall argue or dispute over the case. In the event that the shop representative is not satisfied with the action of the superintendent, he may promptly report the matter to his deputy, with such information as will enable him to deal advisedly with the case.

Failure to comply with these provisions for the regulation of shop transactions shall subject the offender to discipline by the Trade Board.

Informal oral adjustments made by shop officials are subject to revision by the Trade Board, and are not binding on their principals unless ratified by the chief deputies.

[*Decision of Trade Board, April* 11, 1918.]

Trimmers suspended for refusal to obey order to record time consumed in cutting ticket.

It is true that the declaration of the superintendent that the new method was intended to place the trimming room on the same scale as the cutting aroused the fear and hostility of the trimmers as to the serious significance of the order and led them to refuse to obey it, but the declaration of the superintendent cannot be accepted as justification for the refusal to obey orders. *The trimmers had another option to do the work and bring a complaint.* They elected not to do it and to accept a suspension rather than do it, but *they need not have made protest in this way and with this loss.*

Adjustment by Deputies

When the shop officers report a disputed complaint to their respective deputies, they shall give it such investigation as its nature or importance demands, either by visitation to the shop or by the taking of testimony, and shall make an earnest endeavor to reach a settlement that will be just and satisfactory to all the parties in dispute.

Disagreement by Deputies

In the event of a failure to agree on an adjustment, the deputies shall certify the case for trial to the Trade Board, agreeing on a written statement of facts if possible. In certifying such disagreement the deputy appealing to the Board shall file a statement stating specifically the nature of the complaint alleged with the Trade Board, and shall furnish a copy to the representative of the dissenting party who shall have, at least, twenty-four hours to prepare his answer, unless otherwise agreed on; provided, that by direction of the chairman of the Trade Board emergency cases may be brought to trial at once. Where no statement has been filed in writing within a reasonable time after disagreement of the deputies, it may be assumed that the disagreement no longer exists, and the case may be considered settled.

Docket and Records

The chairman of the Trade Board shall keep a docket in which all cases shall be heard in the order of their filing. Duplicate records shall be made by the Board, one copy of which shall be retained by the Chairman, and one given to the chief deputy for the union. Such records shall contain all complaints filed with the Board; orders or decisions of the Board, or of the deputies or of any committee; calendars of pending cases, and such other matter as the Trade Board may order placed upon the records.

Direct Complaints

Complaints may be made directly by either party, without the intervention of a shop representative, whenever it desires to avail itself of the protection of the agreement; but a statement of the facts and grounds of such complaints must be filed in writing as hereinbefore provided. Unless written notice has been filed, it may be presumed, officially, that no complaint exists.

Decisions, Appeals, Etc.

All decisions of the Trade Board shall be in writing, and copies given to the representatives of each party. Should either party desire to appeal from the decision, it shall file with the Board a notice of its intention so to do within ten days of the date of the decision. Or if either party desires an amendment or modification of the decision, or a stay of execution pending the appeal, it may make a motion in writing to that effect, and the chairman shall use his discretion in granting it. In certifying the case to the Board of Arbitration, the chairman shall make a summary of the case in writing, giving the main facts and the grounds for his decision.

Number of Higher Trial Board

On being notified of the appeal to the Board of Arbitration, said appeal may be heard by the chairman, as representative of the Board, if both parties agree to it and it is acceptable to him. He shall, however, have the right to call for the full Board if in his judgment the situation requires it. In the event that the representative of the Board of either party is unable to attend a Board meeting, such party, may at its discretion, furnish a substitute.

Hearing, How Conducted

The chairman shall determine the time and place of meeting and shall notify all the parties in interest. Each party shall prepare the case in advance, and have its testimony, evidence, and facts in readiness for the hearing. The Board shall give each party ample opportunity to present its case, but shall be the judge of procedure and shall direct the hearing as to its order and course. After giving an adequate hearing of the evidence and arguments the Board shall render its decision in writing, and shall furnish copies to the chief deputies of each party and to the chairman of the Trade Board. In the event that the Board is unable to reach a unanimous decision, the decision of a majority shall be binding.

Motions for Rehearing

The Board may after a reasonable time grant a rehearing of any decision, if, in its judgment, there appears sufficient reasons for doing so. Decisions are to be regarded as the Board's best solution of the problem offered to it at the time of hearing, but as the problem changes with time and experience it is proper there should be afforded a reasonable opportunity for rehearing and review. Motions for a rehearing shall be made in writing, and shall set forth the reason for the request.

Enforcement of Decisions

All decisions, whether of deputies, Trade Board, or Board of Arbitration, shall be put into execution within a reasonable time, and failure to do so, unless for explainable cause, shall convict the delinquent party of disloyalty to the agreement. The party in error shall be notified of the charge, and suitable discipline imposed. The chief deputy of each party shall be held responsible in the first instance, for enforcement of decisions or adjustments herein referred to, and shall be held answerable, primarily, to the Trial Board.

SECTION III

Rates and Hours

Schedules of Piece Work Rates

The prices and rates of pay that are to be in force during the life of this agreement are set forth in the schedules prepared for that purpose, duly authenticated by the proper signatures, and which are made a part hereof.

Hours of Work

The hours of work in the tailor shop shall be forty-nine per week, with the Saturday half holiday.

In January, 1917, the company voluntarily reduced the hours from 49 to 48 per week and increased piece-rates 2 per cent.

[*New agreement, January* 8, 1919.]

Hours reduced from 48 to 44 per week. In tailor shops from 7:45 to 4:30 P. M., with three-quarters of an hour for luncheon. Saturdays, 7:45 A. M. to 11:45 A. M.

Overtime

For work done in excess of the regular hours per day, overtime shall be paid to piece workers of 50% in addition to their piece work rates; to the week workers at the rate of time and a half; no work

shall be allowed on Sundays or legal holidays. Christmas, New Years, Decoration Day, Fourth of July, Labor Day and Thanksgiving Day shall be observed as holidays.

[*Decision of J. E. Williams, April* 24, 1917. *Case* 263.]

The cutters and trimmers complain that insufficient notice is given when overtime is required to be worked, and that it results in giving an undue share of the overtime work to those who do not need to make prearrangement at home. The company states that the need for overtime is often not known until late in the day and it is not always possible to foresee the exigency. In view of this situation, the chairman will not issue any rule, but will recommend to those in charge of issuing orders for overtime that they keep the need of the men in mind, and that they make every reasonable effort to inform them of expected overtime as far in advance as possible, so that the matters complained of may be avoided.

[*Decision of Trade Board, April* 25, 1919.]

Three days layoff and reprimand for three trimmers for refusal to work overtime when ordered.

Piece Rate Committee

Whenever a change of piece rate is contemplated the matter shall be referred to a specially appointed rate committee who shall fix the rate according to the change of work. If the committee disagree the Trade Board shall fix the rate. In fixing the rates, the Board is restricted to the following rule:

Changed rates must correspond to the changed work and new rates must be based upon old rates where possible.

Making Piece Work Rates

Responsibility for making piece work rates is lodged primarily in the Trade Board. For expediency the responsibility, however, has been turned over by the Trade Board to a Committee, known as the Rate Committee, and composed of three members, one representing the company, one representing the people, and the chairman of the Trade Board. As a matter of practice, the work of rate making is carried on almost exclusively by the two members representing the company and the people. While some cases are brought before the full committee, these cases are exceptional when compared to the number settled by the two members.

The agreement provides that in fixing rates the Board is restricted to the following rules: Changed prices[1] must correspond to the changed work and new prices must be based on old prices when possible.

Whenever a question of piece work rate arises, it is taken up in the first instance by the two members of the committee and an attempt is made to reach an agreement. If an agreement is reached, a specification

of the work to be performed and the rate to be paid is prepared and signed by both representatives without any further action. If, however, the two parties are unable to reach an agreement, the case is taken up with the full committee and an agreement reached, or a decision made fixing the rate and specification. If this decision is unsatisfactory to either party, the decision may be appealed to the Board of Arbitration.

New rates are always provisional and temporary, and are subject to review after sufficient period of trial to determine their merit. The Committee seeks to make the temporary rate as nearly equitable as possible, both for its effect on the people and to save a repetition of the negotiation.

After the specification and rate have been authorized by the Rate Committee, there can be no alteration of the terms either by the company or the people without permission from the Rate Committee.

JAMES MULLENBACH,
Chairman Trade Board

Piece Rates and Specifications

[*Decision of Trade Board, April* 25, 1919. *Case* 741.]

People not warranted stopping work on account of dispute as to applicability of specifications and rate to certain work. When company elected to have work done at piece rate, people ought to have brought their dispute to their deputy for adjustment in the regular way.

[*Decision of Trade Board, April* 23, 1919. *Case* 739.]

Man refused to carry work, alleging piece rate did not include that work. Refusing pay for time lost under suspension, board said, "He could have gone on with his work and brought complaint without loss of time."

[*Decision of Trade Board, April* 24, 1919.]

Conspiracy of union members to restrict output for the purpose of deceiving rate committee and gaining increase in rate. Three men fined $5.00 each.

DUTY OF EMPLOYES IN REGARD TO INSTRUCTION OF FOREMAN INVOLVING SPECIFICATIONS—INTERPRETATION OF SPECIFICATIONS.

[*Decision Appeal Cases* 185, 186, 197, *January* 19, 1917.]

This case is appealed by the company in the interest of maintaining discipline. It involves the question of the authority of a foreman to enforce his interpretation of a certain specification, requiring the addition of certain extra work, by suspending the workers who differ from him, and who decline to perform the disputed work until directed by another authority than the foreman.

This decision is not intended to give rise to the impression that the workers are to be the interpreters of specifications, and its effect is limited to the circumstances of this particular case. The practice with respect to interpretation is to remain as it has been during the agreement, with the foreman as interpreter of original specifications, and both parties are requested to co-operate and not raise delicate and difficult issues. It has worked reasonably well and will continue with a continuance of the right spirit of both sides.

J. E. WILLIAMS.

[*Decision of J .E. Williams, June* 5, 1914.]

Automatic reductions, or reductions by direct or executive action, are to be discouraged as creating a sense of injustice and wrong. Reductions should not first be made by the company and the onus of proving them wrong placed on the workers. It is clearly the intention of the agreement that no change of price or change of work equivalent to a change of price should be made without being submitted to the price committee.

Introduction of Labor Saving Machinery and Improved Methods

[*Decision of Board of Arbitration, November* 23, 1916.]

It agrees that there is nothing in the agreement which prevents the introduction of machinery for the purpose of saving labor and increasing efficiency, even though its introduction may reduce and displace the hand workers usually employed in the affected section. But in fixing the scale of wages for the operating of such machinery, the board believes the company is restrained by the agreement, and by the precedents and practices hitherto obtaining, from reducing the earnings of the workers employed in the section below the average level of the standard provided for in the agreement.

The board bases this decision on the uninterrupted practice hitherto prevailing of not permitting any change in the process or operation to operate in such manner as to reduce the earnings of the workers involved, which practice is justified by the following specific provision:

"Change of prices must correspond to the change of work and new prices must be based upon old prices where possible."

[*Decision Appeal Case No.* 622, *May* 8, 1918.]

The chairman feels strongly that the company should be supported in its efforts to improve the methods and has no sympathy with the anti-improvement attitude which has characterized some of the trades unions in the past, yet he believes that changes when made should not be at the expense of the worker where it is possible to avoid it. In the present case, he does not feel that the amount of work or saving involved is important enough to make it a test case of the efficiency principle, or that the nice balancing of the factors of efficiency of work and injury to worker really requires to be subjected to the test of adjudication in this doubtful instance.

J. E. WILLIAMS.

[*Decision of J. E. Williams, August* 31, 1917. *Case* 364.]

Whenever a change needs to be introduced which is likely to give rise to objection or dispute, the foreman should take steps to have it authorized by the representative of the workers, who should at the same time see that their interests in the matter are safeguarded. The union member of the price committee should be notified and he should attend to the call as promptly as practicable. After hearing the nature of the change proposed, he should, if consistent with justice and the just claims of the workesr, direct the section to proceed with the work pending the formal disposition of the matter by the price committee. The chairman recommends that hour work be not insisted on except where necessary to get work done, and there is no other practical way to properly compensate the worker. It is hoped that a friendly conference between representatives of the company and of the union would result in the adjustment of disputed points and in the prevention of delay, of friction, and of needless hour work.

It is obvious that such a proceeding as is here recommended would be void of useful results if both parties are animated by the desire to be mutually helpful and are free from petty arrogance and pride of power. The chairman does not impose it as a new interpretation, or a new order, but as a helpful suggestion of how to use the powers already implicit in the agreement, and in daily use in other directions, to solve the vexatious questions attending the adjustment of small variations and changes of work.

[*Decision Appeal Case No.* 377, *August* 13, 1917.]

Under the practice of the agreement the company is entitled to use any fabric or thread it may find advisable; providing always, that it does not diminish the earning power of the worker or increase his effort without corresponding compensation. The question in dispute here is one of fact, and its determination can best be made by the Trade Board to which it is herewith referred.

J. E. WILLIAMS.

[*Decision on Joining of Sections, June* 17, 1915.]

The question is of the conditions under which the company may exercise its right of uniting sections. This right, like others not specifically limited by the agreement, inheres in the company; but it is to be exercised in such manner as not to infringe on the rights of the workers. If they consider their rights invaded they may file their complaint in the regular manner and the case shall be adjudicated in the usual way.

Each such case shall be tried on its merits, the facts investigated, and proof of the grievance submitted. If it is shown that the joining of sections infringes on the rights of workers, and that they sustain injury thereby, the injury shall be remedied by action of the Trade Board, either by dissolving the united sections, or by such other action as may be deemed wise and expedient, having due consideration of the company's need for administrative efficiency.

J. E. WILLIAMS.

Hour Rates for Piece Workers

In case workers are changed from piece to hour work, the hour rates for such piece workers shall be based on their earnings on piece work.

[*Decision of J. E. Williams, March* 29, 1917.]

In arriving at a basis for hour work, the company shall take the nearest four full weeks of piece-work from the time of price fixing as drawn by the work of the section in which the rate is to be fixed, and shall take the average of the piece-work earnings of the individual concerned during that period and base his hour work on such average piece-work earnings.

In case four full weeks of 48 hours cannot be found in the section concerned in the year next preceding the date of price fixing, then the company shall take the four fullest weeks that can be found in the section during that period, and derive the hour rate of the worker from these weeks. Provided, however, that in no case shall the weeks taken as a basis contain less than an average of 48 hours of regular work.

In case this worker has not worked for the company for a sufficient period to have established a piece-work average under the foregoing provision, his hour rate shall be based on the nearest weeks that will afford a just average, or upon his piece-work in the current week.

The company shall not be required to figure a worker's hour-work rate oftener than once in three months, except in exceptional circumstances, or unless the worker has been employed by the company for less than three months.

The intention of this provision is not to institute a rigid rule, but to provide a general working scheme to afford speedy and satisfactory action for cases as they arise, and if it is found not to result in substantial justice in every case, it is expected that such cases shall be submitted to the Trade Board. The purpose is to base hour-work on full time piece-work, and to avoid as far as possible, including slack work periods of piece-work on the hour-work rate.

Changing Operations

In the event a piece worker is required to change his mode of operation so that it causes him to lose time in learning, his case may be brought to the Rate Committee for its disposition.

Week Workers

[*Decision of J. E. Williams, January* 8, 1915. *Case* 188.]

There seems to be no uniform rule by which the wages of week-workers are fixed. The more common ground for basing week wages appears to be efficiency and length of service, and the lack of uniformity is naturally due to the variation in those factors. The practice is to deal with week wages as related to individual workers.

The spirit of the agreement, however, is to maintain wages wherever equivalence to service is maintained, and it does not contemplate a reduction of earnings unless effort is correspondingly reduced. If, therefore, an individual week-worker is reduced, it is up to the company to show some cause why the reduction is made. In the case of a transfer, the remedy is less simple. It is clear that it would not be in keeping with the spirit of the agreement to permit the lowering of the wage scale by the improper use of the transfer.

This could not be held to mean that the maximum wage is the standard wage in the sense that anyone having the same occupation is entitled to receive it. Any advance thus made would be on the ground that it was the best check that could be devised against reducing wages by transfer, and on the ground that the wage so fixed was the standard rate for the occupation.

SECTION IV

Preference

The Preferential Shop

It is agreed that the principle of the preferential shop shall prevail, to be applied in the following manner:

Preference shall be applied in hiring and discharge. Whenever the employer needs additional workers, he shall first make application to the union, specifying the number and kind of workers needed. The union shall be given a reasonable time to supply the specified help, and if it is unable, or for any reason fails to furnish the required people, the employer shall be at liberty to secure them in the open market as best he can.

In like manner, the principle of preference shall be applied in case of discharge. Should it at any time become necessary to reduce the force in conformity with the provisions of this agreement the first ones to be dismissed shall be those who are not members of the union in good and regular standing.

Preference in Hiring

[*Decision of J. E. Williams, August* 30, 1913.]

The company shall furnish the union a list of the number and kind of workers needed, specifying the date on which the applicants must report, which list shall be furnished as far in advance as possible.

The union shall keep on file with the company a list of such union applicants for work as it may wish to offer, which list shall be corrected from time to time and kept up-to-date.

The company shall keep an employment record which shall show the date of engagement of all new workers, the kind of work they are employed for and the place of work to which they are assigned.

If, after advance notice has been given, the union fails to have on its list of applicants the number and kind of workers needed by the company on the specified date, or if the needed applicants fail to report in person, on that date, then the company may assume that union workers are not available and may procure help elsewhere.

In case of an emergency, when advance notice cannot be given, the company may communicate orally or by telephone with the representatives of the union, and in case the union cannot furnish help, the company may proceed to hire elsewhere.

If an applicant has been recently discharged for cause, or if under the influence of liquor, or obviously incompetent, the company shall not be required to employ him. Otherwise, the candidates offered by the union shall have first opportunity of employment.

Overcrowding of Sections

Overcrowding of sections is important in this agreement as the point at which the provision for preference becomes operative. It is agreed that when there are too many workers in a section to permit of reasonably steady employment, a complaint may be lodged by the union, and if proved, the non-union members of the section, or as many of them as may be required to give the needed relief, shall be dismissed. For the purpose of judging the application of preference the Trade Board shall take into consideration the actual employment condition in the section, as to whether there are more people employed at the time of complaint than are needed to do the work, and whether they, or any of them, can be spared without substantial injury to the company. If it is found that the section can be reduced without substantial injury, the Trade Board shall enforce the principle of preference as contemplated in the agreement.

[*Decision of Trade Board, December* 17, 1917.]

The terms of this paragraph restrict the action to a particular section. If non-union members are to be laid off it must be on account of overcrowding in the section in which they are employed, but the provision as quoted above does not permit the transfer of the union workers from an overcrowded section to another that is not their work.

Preference in Transfers

If it becomes necessary to transfer workers from one shop to another, the non-union workers shall be the first to be transferred, unless at request of the foreman, union workers are willing to go.

Or if it becomes necessary in the judgment of the company to transfer a worker from a lower to a higher paid section or operation, it is agreed that union workers shall have preference in such transfers. Provided, that nothing herein shall be construed to be in conflict with the provision relating to transfer for discipline and, provided, that they are qualified to perform the work required and that their departure from their section does not work to the disadvantage of that section.

Avoidance of Injury

Among the things to be considered in the enforcement of preference are the needs of maintaining an adequate balance of sections, of the requirements of the busy season, of the difficulty of hiring substitutes, and the risk of impairing the efficiency of the organization. The claims for enforcement of preference and for avoidance of injury to the manufacturing organization are to be weighed by the Trade Board, and the interests of both claims safeguarded as far as possible, the intention being to enforce preference so far as it can be done without inflicting substantial injury on the company.

Preference of Seniority

If in order to properly balance sections, a reduction of force be required greater than can be secured by the laying off of a non-union worker as provided for herein, then there may be laid off those who are members of the union in the order of their seniority who have been in the employ of the company for a period of six months or less, provided that any exceptionally efficient worker, or any especially valuable member of the union, may be exempted from the rule of seniority. Provided, also, the company shall give notice to the chief deputy of its intention to discharge under this clause, and if he fails to agree the matter shall be referred to the Trade Board.

SECTION V

Working Conditions

Discipline

The full power of discharge and discipline remains with the company and its agents; but it is understood that this power should be exercised with justice and with due regard to the reasonable rights of

the employe, and, if an employe feels that he has been unjustly discharged, he may have appeal to the Trade Board, which shall have the power to review the case.

Every person suspended shall receive a written notice, directing him to appear at the office of the company for a decision. Every suspension notice properly presented to the discipline officer of the company must be disposed of within six working hours from the time of its presentation and a definite decision announced to the suspended person.

[*Decision of J. E. Williams, February 26,* 1917.]

In reviewing this charge of inefficiency the consideration is brought home to the chairman that with each limitation of the power of the company to enforce discipline on its own initiative the responsbility of the two boards grows heavier. The agreement is based fundamentally on two things, namely, to maintain efficiency of production, and the efficiency of the union, and the more the power of the company to enforce its own discipline is diminished, the greater the responsibility of the two boards, and the greater the need of co-operation by the union.

Suspension Notice

[*Decision Appeal Case No.* 110, *December* 27, 1916.]

However inadequate the language of this provision may be, the chairman is unable to interpret it in any other than its obvious, literal meaning, which is that the suspension notice must be first presented to the proper discipline officer of the company before the six hours' time limit begins to run. There must be an authorized official ready without unreasonable delay to whom suspensions may be presented.

Holding for Investigation

[*Decision of J. E. Williams, October* 11, 1917. *Case* 370.]

1. If the worker wishes to have work held for investigation in any department he shall first call over the shop chairman, who shall examine the work. If he approves the request of the worker he shall make formal demand on the foreman or superintendent to hold work for investigation.
2. He shall limit himself to one garment, unless it is clear that it is not enough for a representation; then he shall hold the least number consistent with needs of a fair investigation. In no case shall a garment from a rush lot be held.
3. The chairman shall notify his deputy as promptly as possible and he shall visit the shop and pass on the garment before the close of the next business day. If prevented from getting there by reasonable cause, he shall report such fact to the deputy of the company and shall have until the end of the following day to make the investigation.
4. Unless the worker shall have had the endorsement of his deputy by the end of the third day from the making of the demand he shall proceed to fix the garment; or as soon as the deputy's endorsement has been denied.
5. If the deputy shall endorse the position of the worker, the company may then take the case to the Trade Board, who shall give the case a hearing as promptly as practicable. Failure to appeal to the company, the worker shall no longer be held responsible.

[*Decision of J. H. Tufts, February,* 1919.]

That the shop chairman must take the responsibility of deciding whether more than one garment is needed for representation. As a check upon abuse of this responsibility, it suggests that if any superintendent has reason to believe that a shop chairman is either incompetent to judge whether

several garments are needed for the investigation or is wilfully aiding in holding work beyond what is necessary, he may file complaint against such chairman with Trade Board. If the Trade Board finds the complaint justified, it may censure the chairman. In such a case the records of the work held for investigation by the chairman for a period of time may properly be considered.

The worker shall fix all other coats and may not ask for a further holding for investigation until the case is decided.

[*Decision of J. H. Tufts, February* 3, 1920. *Case* 905.]

The clause [in italics above] shall be understood to mean "the worker shall fix all other coats than those which the shop chairman decides to be necessary for a fair investigation."

Status of Inspector-Tailors

[*Decision of J. E. Williams, January* 28, 1914.]

The chairman decides that the inspector-tailors do properly come within the provisions of the agreement in all matters, except that in hiring and discharge the provisions of the agreement be temporarily suspended. He regards this operation as requiring more freedom of discipline to be given the company, because of its great importance as determining the quality of output, and because of its being so close to the end of the series of operations and therefore not so susceptible to review and correction.

[*Supplementary Decision, April* 16, 1914.]

The intention of the chairman in this decision was to give the company a larger measure of disciplinary power than it ordinarily has in other sections. He realized that it is immensely important to company and people to have this examination properly made, and so he desired to leave adequate power of discipline with the foreman of the company to bring this about.

The chairman did not, however, intend to deprive the union of its protection against discrimination, or the worker of his protection against capricious or unjustifiable discharge. He believes that the Trade Board should be open to complaints from one who feels himself wrongfully discharged, but thinks it should exercise more than usual care in revoking a discharge in such cases, lest it interferes with the needful discipline of the sections.

J. E. Williams.

Insubordination and Obscene Language

[*Decision Appeal Case No.* 608, *July* 26, 1918.]

Case of R. C——, suspended for one week by Trade Board for insubordination and use of profane and obscene language to his superior officer, is appealed by the company on the ground that the penalty is too light for the offense. They claim that the penalty should be discharge.

The chairman feels that the offense is a serious one as would tend to prevent the recurrence of the offense. He agrees with the Trade Board that the extreme penalty of discharge is too severe for the first offense, and also agrees with the company in its statement that a week's layoff in the summer time is hardly a sufficient deterrent, especially if accompanied by back pay for the excess idle time. He, therefore, decides that the suspension should extend to two weeks, and that back pay should begin to run from July 24, 1918.

J. E. Williams.

Discipline of Union Members

The Trade Board and Board of Arbitration are authorized to hear complaints from the union concerning the discipline of its members and to take any action necessary to conserve the interests of the agreement. The members referred to herein are those who have joined, or who may hereafter join, the Amalgamated Clothing Workers of America.

Stoppages

In case of a stoppage of work in any shop or shops, a deputy from each side shall immediately repair to the shop or shops in question.

If such stoppage shall occur because the person in charge of the shop shall have refused to allow the people to continue work, he shall be ordered to immediately give work to the people, or in case the employes have stopped work, the deputies shall order the people to immediately return to work, and in case they fail to return to work within an hour from such time such people shall be considered as having left the employ of the corporation, and shall not be entitled to the benefit of these rules.

[*Decision of Trade Board, February* 19, 1917. *Case* 172.]

No complaint involved in a stoppage will be heard while the stoppage is in progress. The board will not hear any complaint in connection with such stoppage until the people have returned to work, and not then, if as a matter of discipline the board deems it advisable not to deal with it as an emergency matter.

James Mullenbach.

[*Decision Appeal Case No.* 390, *August* 13, 1917.]

The vexed question of a remedy for stoppages is raised by this case. The Labor Department asks the board to support it in using drastic measures to curb this evil, and to influence the Trade Board to cease reversing its discharge orders in that connection. The chairman is very desirous of co-operating in remedying this evil but doubts the wisdom of applying the extreme penalty of discharge in every case. He suggests that in the milder forms of stoppage, it might be better to apply the milder penalty provided by the agreement; namely, a small fine which should be imposed on each participant. The extreme penalty of discharge could then be reserved for the more flagrant cases of stoppage, and a gradation of penalties according to the gravity of the offense could be imposed.

J. E. Williams.

Detention in Shop

Workers shall not be detained in the shops when there is insufficient work for them. The company or its agent shall exercise due foresight in calculating the work available, and as far as practicable shall call only enough workers into the factory to do the work at sight.

And if a greater number report for work than there is work for, those in excess of the number required shall be promptly notified and permitted to leave the shop. The work on hand shall be divided as equally as may be between the remaining workers.

The company and the deputies have agreed to co-operate together to abolish all unnecessary waiting in the shops.

[*Decision of J. E. Williams, December* 12, 1917. *Case* 445.]

The question before the chairman here is how far he is at liberty to use a principle expressly rejected at the time of making the agreement for the purpose of enforcing the provisions of another clause. He realizes that it is a burden for people to have to wait for work, but he is also quite clear that he ought not to invoke a remedy rejected by the parties in interest unless the situation is very desperate, and unless all other remedies have failed. He must consider also whether the evil complained of is not inherent in and inseparable from the business and one that cannot be completely eradicated so long as the present interdependent sectional system continues.

The chairman invites the parties hereto to make suggestions looking to the improvement of the waiting evil. He is disinclined, however, to adopt the remedy of paying for waiting until a plan is devised that will eliminate the dangers and safeguard against its possible abuses.

Complaint Slips

Before or at the time of entering any complaint against any employe in the complaint book said employe shall be notified thereof so he may have the opportunity of notifying a deputy of the Board and have said complaint investigated.

Lay-Offs

Workers who are dismissed may be given lay-off memoranda allowing them to return to their shops or factories, trimming or cutting rooms, when there is need for their services. Provided, this clause shall not be construed to give such worker precedence over union members, or to interfere in any way with the provision for preference in hiring.

Transfer of Employes

The company has the right to transfer employes for purposes of administration or discipline, subject to review by the Trade Board. If the Board finds that any transfer is being made to lower wages, or for any discrimination or improper purpose, or if injustice is being done the worker by the transfer, the Board may adjust the complaint.

Disciplinary Transfer of Week Worker to Piece Work

[*Decision Appeal Case No.* 166, *January* 8, 1915.]

1. Has the company a right to transfer a worker for disciplinary purposes, especially to check "soldiering," from week-work to piece-work?

In the opinion of the chairman the company has this right subject to review by the Trade Board. The facts in any such case may be investigated by the board, and if it is found that the transfer is being made to lower wages, or for any discriminatory or improper purpose, or if injustice is being done the worker by such transfer, the board may take such action as in its judgment is necessary to give justice to the worker, whether by adjusting his earnings in the new position, or by reinstating him in his old position.

J. E. WILLIAMS.

SECTION VI

General Provisions

Lay Off of Workers

No union member who is a permanent worker shall be laid off in the tailor shops except for cause, whether in the slack or busy season, except as provided herein. Cause for temporary lay off may be alternation of working periods in slack times, reorganization or reduction of sections, lawful discipline, and such other causes as may be provided for herein or directed by the Trade Board.

Division of Work

During the slack season the work shall be divided as near as is practicable among all hands.

[*Decision of J. E. Williams, August* 30, 1913.]

If it becomes necessary to reduce the force in the tailor shops during the slack season in order to give a reasonable amount of employment to the workers who are retained, the Trade Board may order such reduction under the conditions hereinafter mentioned. The principle of preference to union members shall be applied to any reduction that may be made, and the method of making the reduction on account of slack season shall be as follows:

The company shall, in its discretion, initiate a layoff whenever it deems the condition of the shops require it.

Should it not exercise its power in such manner as to prevent overcrowding of sections, the chief deputy shall, if he deems it necessary, make application to the company for the required reduction of sections, and if it fails to comply he shall decide whether or not the section is overcrowded as charged. In deciding the question of overcrowding the Trade Board shall take into consideration the claims of the company for protection of its organization while giving effect to the principle of preference. An appeal may be taken from the decision of the Trade Board to the Board of Arbitration.

Abandonment of Position

Whenever any employe shall have absented himself from his accustomed place without giving an acceptable reason to the foreman or other officers in charge of his work before the end of the second business day

of his absence, the employer may consider his position forfeited. Notice of absence and reason therefor must be given to foreman by messenger, mail or telephone.

[*Decision of Trade Board, August* 21, 1917.]

The provision of the agreement requiring notice to the company within 48 hours of absence from place of work was inserted to protect the worker against loss of position by reason of inability to get word to the management promptly.

The provision has not been interpreted strictly in cases where the people were involved by failure to report.

The Trade Board does not believe that it can be used to excuse repeated absences from a shop without any notice. Regularity of attendance is essential to proper shop organization and where one is to be absent the company should be notified before hand, if possible.

In the present case, the trimmer absented himself several afternoons without any notification to the management and pleads that under the agreement he may give notice any time within 48 hours of his layoff.

While this may be strictly within the letter of the agreement, it is quite contrary to the purpose of making the agreement work. The people should realize that if this is to be pleaded, the company would be forced to suspend trimmers for irregular attendance, and not on the ground that no notice was given.

Abolishment of Section

When sections are abolished, the company and its agents shall use every effort to give the displaced workers employment as much as possible like the work from which they were displaced, within a reasonable time.

Sickness

Any workers who are absent on account of sickness shall be reinstated in their former positions if they return within a reasonable time.

Trade Board Members

Complaints against members of the Trade Board as workmen are to be made by the foremen to the Trade Board. Any action of any employe as a member of the Trade Board shall not be considered inimical to his employment with the corporation. No member of a Trade Board shall sit on a case in which he is interested, or to which he is a party.

[*Decision of J. H. Tufts, February* 25, 1919.]

Union officials, as well as Trade Board members, included in this regulation. "Intended to give additional dignity to the union officials in order that they may co-operate more efficiently in carrying out the purposes of the agreement. It is the expectation of the board that the union officials will be scrupulous on their part in the effort to maintain dignity and courtesy in the exercise of their functions."

Union Membership

The provisions for preference made herein require that the door of the union be kept open for the reception of non-union workers. Initiation fee and dues must be maintained at a reasonable rate, and any applicant must be admitted who is not an offender agains the union and who is eligible for membership under its rules. Provided, that if any rules be passed that impose an unreasonable hardship, or that operate to bar desirable persons, the matter may be brought before the Trade Board or Board of Arbitration for such remedy as it may deem advisable.

SECTION VII

Loyalty to the Agreement

Experiences suggests that there are certain points of strain which it would be wise to recognize in advance and to safeguard as far as possible. Among the points to be safeguarded are the following:

1. When dissatisfaction arises over change of price or working conditions. It is believed that the agreement provides a remedy for every such grievance that can arise, and all complainants are urged and expected to present their cases to the proper officials and await an adjustment. If any one refuses to do this, and, instead, takes the law in his own hands by inciting a stoppage or otherwise foments dissatisfaction or rebellion, he shall, if convicted, be adjudged guilty of disloyalty to the agreement and be subject to discipline by the Trade Board.

[*Decision of J. E. Williams, June* 17, 1915. *Case* 293.]

The chairman is mindful of the necessity of giving the company the widest possible freedom of administration consistent with the rights of the workers as provided for by the spirit and purpose of the agreement, and due care should be exercised not to hamper that freedom unless it is clearly necessary to do so to protect the rights of the workers.

J. E. WILLIAMS.

2. Strain may arise because of unsatisfactory personal relations between workers and officials. The company's officials are subject to the law as are the workers, and equally responsible for loyalty in word and deed, and are subject to discipline if found guilty of violation. Any complaints against them must be made and adjudicated in the regular manner. They are to respect the workers and be respected by them in their positions, and supported in the proper discharge of their duties. Any one indulging in improper language or conduct calculated to injure them or to break down their authority in the shop shall be adjudged guilty of disloyalty and disciplined accordingly.

3. Officials of the union are equally under the protection of the agreement when in the exercise of their duties as are the officials of the company, and any words or acts tending to discredit them or the union which they represent, or which are calculated to injure the influence or standing of the union or its representatives shall be considered as disloyalty to the agreement and the offender shall be subject to discipline by the Trade Board.

Provided, however, that no reasonable criticism or expression of disagreement expressed in proper language shall be deemed a violation within the meaning of this section.

4. If any worker shall wilfully violate the spirit of the agreement by intentional opposition to its fundamental purposes and especially if he carry such wilful violation into action by striking and inciting others to strike or stop work during working hours, he shall, if charge is proven, be subject to suspension, discharge or fine. Provided, that if a fine is imposed its amount shall be determined by the chairman of the Trade Board and shall not be less than $1.00 or more than $5.00 for each offense.

[*Decision of Trade Board, March* 28, 1919. *Case* 726.]
Three union members refused to pay strike assessments. Trade Board forced them to pay.

5. If any foreman, superintendent or agent of the company shall wilfully violate the spirit of this agreement and especially if he fails to observe and carry out any decision of the Trade Board or Board of Arbitration, he shall, if charge is proven, be subject to a fine of not less than $10.00 or more than $100 for each offense, at the discretion of the chairman of the Trade Board.

SECTION VIII

Cutting and Trimming Departments

The cutting and trimming departments shall be subject to the general provisions of this agreement, and to the bases and provisions of the old agreement, except as they may be modified by, or found to be in conflict with, the special provisions agreed on for these departments. It is understood that these special provisions are intended to change certain features of the old agreement, and if they are found to be in conflict, the new provisions are to be considered as the guide of practice, and as representing the latest and, therefore, the most authoritative expression of the wills of the parties hereto. The new special provisions are as follows:

[*Decision of James H. Tufts, February* 25, 1919.]
Established a Trimmers' Commission to regulate shop practices, heights of lays, etc.

Preference

1. The principle of preference as applied in the cutting and trimming rooms shall be as before, except that the clause relating to cutters who are exempted from union obligations is expressly defined as being strictly limited to the individuals now on the exemption list. Should the number on that list be for any reason reduced, it is understood that no other cutters and trimmers can be added.

[*Decision of J. E. Williams, August* 30, 1913.]
That all workers in the trimming room except those classified as belonging to the office force, shall be members in good standing of the union, with the exception that the company may at its option exempt nine positions from this requirement, being five per cent of the number at present employed in the trimming room.

Preference in Hiring—Cutting Room

The company shall prefer union men in hiring, but shall have the right to hire non-union people of the union cannot supply the needed help. The method of preference in hiring shall be the same as provided for in the tailor shops.

Preference in Discharge—Cutting Room

The preference in discharge shall be exercised at a time when the force is being reduced in the cutting room. It is expected that the present practice of laying off men during the slack season will be continued and that the preference to union men in dismissal shall be put in operation at that time. The paragraph in the decision of August 6, 1913, defining the degree of preference in the cutting room shall be put into effect in the manner following:

After dismissal of the temporary force the company shall dismiss all non-union men in excess of the number of twenty before requiring any union men to take a layoff. The twenty non-union workers retained by the company shall be in the same postiion with respect to equal division of layoff as the union workers.

Foreman Doing Work

[*Decision Appeal Case No.* 78, *April* 17, 1914.]
This is an appeal from a Trade Board decision which raised the question of whether a foreman may during the slack season perform labor that would otherwise be performed by union workers.

The chairman fears that to permit the foreman to take the work which the workers feel they are entitled to under the agreement will cause more dissatisfaction than would be compensated by the saving.

He recommends, however, that the union be not technical in its objection to foreman performing such labors as do not run counter to union interests in a tangible way, and that they be encouraged to be useful in such ways as may be possible without raising greater difficulties than can be compensated.

J. E. WILLIAMS.

Efficiency System

2. The company shall not reduce the wages of any cutter. The company shall report to the commission all failures of cutters to produce their quota of work when in its judgment the delinquency is not caused by the conditions of the work. The commission shall investigate

the matter and advise with the cutter concerning it. At the end of a period sufficiently long to determine the merits of the case, the cutters' commission shall, if it deem necessary, find measures to discipline cutters to conform to their production. In judging the merits in such instances, the commission shall use the principle of comparative efficiency.

Cutters Commission—Reduction of Cutters

[*Decision of May* 23, 1917.]

1. A decision of the Cutters' Commission reducing the salaries of cutters having been appealed to the board, a difference of understanding as to the meaning of the present agreement has been revealed which requires of this board a very fundamental decision covering the disputed points.

2. The company may make whatever changes in the records of the cutters' efficiency they find most accurate. Whenever the company has a complaint that a cutter is using too much time in cutting a ticket, it shall notify the floor committee of the Cutters' Commission, who shall agree, if possible, on the proper time for cutting such ticket. If they are unable to agree, the case shall be referred to the chairman of the Cutters' Commission on the next day, at a regular appointed time, for final decision.

3. Whenever the company has complaint against any cutter for laxity in cutting, the record of cutting, including tickets passed upon by the floor committees, shall be presented to the Cutters' Commission. As heretofore, the Cutters' Commission shall be responsible for discipline of cutters for laxity, in whatever form and degree it may deem necessary to reduce such laxity in the cutting room to a minimum. The commission may reduce or discharge cutters, may impose suspensions, immediate or deferred, or use such other penalties or remedies as in its judgment may be necessary to discipline and correct cutters with respect to their production.

4. The Cutters' Commission shall appoint two persons on each cutting floor to act as floor committee, one selected from among the cutters and one selected from among the representatives of the company on the floor. Their duty shall be to pass judgment on the proper cutting time on tickets which have been complained of by the company. These floor committees shall be under the jurisdiction of the Cutters' Commission.

With respect to the appeal of the union against the reduction of cutters which is presented to this board, the board is of the opinion that the case against the offenders would not be altered if tried by either of the interpretations put forward by the contending parties. The decision of the Trade Board is accordingly affirmed and the reductions are declared to stand as ordered by that board.

J. E. Williams.

Cutters Commission

[*Decision of July* 20, 1914.]

The said adjusting body shall be called the Cutters' Commission, and shall be composed of one member of the cutters' union, one cutting room official of the company, and one independent outside member, who shall act only when the other two fail to agree. The appointment of a cutter and a cutting room official is made because technical and practical knowledge is essential to their work, and not because it is desired that opposite interests shall be represented. The commission owes its allegiance primarily to the board, and is expected to act fairly and impartially in the spirit of the board, and not as representing partisan and opposing interests. In order that the commission may receive the support and co-operation of the parties in interest, the company and union are invited to express their approval or disapproval of the board's appointees, the former to pass on the cutting room official, and the latter on the cutter appointed.

J. E. Williams.

Minimum Scale

3. All cutters whose present wages are less than $26.00 per week shall receive an increase of $1.00 per week. This increase shall not be taken into account by the commission in calculating the quota of work required by such cutter.

[*Adjustment of Chicago Market, July* 9, 1919.]

Minimum scale fixed at $37.00 per week.

Apprentices

4. The company shall prefer men now in the trimming room when increasing the number of apprentice cutters.

[*Decision of J. E. Williams, January* 4, 1917.]

Permission to put on 20 apprentices in cutting room now and 13 additional after January, 1918. Entitled to maintain 10% of permanent force of cutters as apprentices.

[*Decision of J. E. Williams, April* 4, 1918. *Case* 463.]

Clause 4 means trimmers on pay roll of May 1, 1916.

[*Decision of J. H. Tufts, June* 12, 1919.]

The board therefore holds that in the cutting department an apprentice may be regarded as qualified to be reckoned as a regular cutter when he has completed a two-year course of training certified by the company as giving him an all-around knowledge of cutting, and when he has further reached such proficiency as to enable him to earn approximately the average wage of cutters.

In the case of those apprentices who have completed the two-year course but who have not yet reached a proper standard of proficiency, a longer period than two years may be required. The board will for the present fix the maximum period at three years, but those who have reached a standard reasonably high may be regarded as having completed their apprenticeship at the end of two years and six months.

[*Decision of J. H. Tufts, September* 17, 1919.]

Permission to add 60 apprentices, including graduates from apprenticeship.

[*Decision of Trade Board, January* 30, 1920. *Case* 915.]

Ruled that the company may discharge cutting apprentices without review until they have served for three months.

Temporary Force

5. The salaries of experienced cutters who are employed temporarily shall for the first two weeks be at a rate not less than the salaries they received in their last position. After two weeks, the temporary cutters shall be paid on the same basis as the regular men, their salary to be fixed by the cutters' commission on the basis of their production, and their comparative efficiency.

[*Decision of J. E. Williams, August* 13, 1917. *Case* 394.]

Trade Board has jurisdiction over temporary cutters and trimmers with special responsibility for safeguarding company in maintaining discipline.

[*Decision of J. E. Williams, August* 23, 1917. *Case* 363.]

Trade Board shall make special effort to prevent company being made victim of misrepresentation under Clause 5.

Holidays

6. The company shall continue the practice of paying cutters for Christmas, New Years, Decoration Day, Fourth of July, Labor Day and Thanksgiving Day.

Discipline

[*Decision of full Board, September* 9, 1916.]

Sixty cutters remained away from work Saturday. Officers did not approve. Penalty—loss of one week's credit on layoff. Officials censured for neglect of duty.

[*Decision of full Board, May* 7, 1913.]

Stoppage for one day in cutting and trimming rooms. Serve censure. Called upon national officers to provide remedy.

[*Decision of Trade Board, March* 28, 1918.]

Confirmed right of company to discipline cutter by requiring him to bushel bad work on his own time.

Paper Cutting Department

All men who cut paper patterns shall be members of the union; except that, by special agreement, one man, Mr. Lindsay, may be exempted from such requirement, and shall be added to the existing exempted group.

The three apprentices now in the paper cutting department shall have the status, privileges and protection of the regular cutting room apprentices, including the right to learn all branches of the trade, and be subject to the same requirements and provisions. The ratio of apprentices to cutters in the paper cutting department shall not exceed that which obtains now, namely, three apprentices to seven permanent cutters.

The company may employ such other boy help in this department as is needed, and such boys, may at its option, be promoted to positions as apprentices when vacancies arise, but not in excess of the total number of apprentices provided for in the agreement.

Permanent graders employed in the grading department may work at paper cutting temporarily when there is not sufficient work in their own department. Boys, who are not apprentices, shall not take the places of blockers in any permanent manner, but they may for short times, to fill odd unemployed hours, be permitted to try to do blocking in the slack seasons.

[*Decision of Trade Board, May* 31, 1918.]

"Nothing in the agreement which limits the selection of apprentices solely to those who have had no experience and excludes those who have had some experience prior to their employment."

Damage Department

All employes in the damage department who recut parts of garments shall be members of the union or exempted men. The manager of the department and helpers who do not cut parts shall not be members of the union.

Trimming Department

1. All men now on the trimmers pay roll who are receiving not to exceed $15.00 are to be increased $2.00 per week. All men receiving a weekly wage of over $15.00 and not exceeding $20.00 shall receive an increase of $1.00 per week. Except that apprentice trimmers having been employed less than 6 months are to receive an increase of $1.00 per week.

2. The following periodical increases shall be granted during the term of this agreement: Men receiving under $12.00 shall receive an increase of $1.00 per week every three months until their wages shall be $12.00 per week. Men receiving over $12.00 and less than $18.00 shall receive an increase of $1.00 every six months until their wages shall be $18.00 per week. Men receiving over $18.00 per week and less than $20.00 shall receive an increase of $1.00 per week every year until their wages shall be $20.00 per week.

[*Decision of J. E. Williams, February* 26, 1917.]

Company has no right to withhold periodical increases because of inefficiency of trimmer.

[*Decision of J. E. Williams, June* 29, 1917. *Case* 334.]

Periodical increases not limited to permanent but includes temporary trimmers also.

Standards of Production in Trimming Room

[*Decision Appeal Case No.* 433, *October* 13, 1917.]

On this question of measurement of work I feel that the company takes the soundest attitude. It is anxious to agree with the union on some plan of judging work that will remove doubt and enable them to make a fair estimate of output. The union has thus far shown no disposition to cooperate in agreeing on such a plan. The present state of suspicion, of charges of slacking on the one side and of speeding on the other, is the inevitable result of such a planless situation. The burden of the situation falls with greatest weight on the company, for it is driven to try to secure an adequate output through the rather difficult and uncertain mechanism of trial boards. With the best of intentions an arbitrator finds him-

self hampered in doing jusice on the question of output, because he cannot grasp the inner facts with any accuracy, and is obliged to depend largely on the assertions of interested parties all keenly keyed up in a verbal combat and eager for victory. If the judicial method of settling disputes about ouput is to survive and be efficient, I feel very sure we will need to develop a rational plan or method for enabling us to form a correct judgment of work done; otherwise the award will be a guess, based on assertion, expediency, sympathy, authority—anything except enlightened judgment.

It may be granted that this is a difficult task to impose on the employer, and it is possible that it may prove to be the weak spot in the attempt to secure efficiency by arbitration, unless some satisfactory method of measuring output can be adopted. But as at present conducted under this agreement it is the requirement arbitrator must impose on the company. It must present definite evidence that a man's efficiency in output has been caused by some delinquency of his own. In the present instance the company has not been able to present such a clear and convincing body of evidence to the arbitrator, however much it may have convinced itself of the delinquency.

J. E. WILLIAMS.

3. All men starting to work on the band-saw machines shall receive not less than $18.00 per week and shall receive an increase of $1.00 per week every six months until their wages are $20.00. Thereafter, they shall receive an increase of $1.00 per week every year until they reach the rate of $24.00. No man shall be assigned to the band-saw machine permanently until they have been employed in the trimming room two years.

4. So far as practicable, the apprentices in the trimming room shall begin on their work on the lower grades of the trade and shall be advanced gradually to the more difficult ones.

5. Apprentices shall not be permanently transferred to work requiring the use of any electric machines until they have been employed for one year or more.

J. E. WILLIAMS.

[*Decision of Trade Board, March* 20, 1919. *Case* 720.]

Trade Board asserted right to review discharge of apprentice but not to establish precedent.

6. The wages of experienced men employed shall be determined in the same manner as in the cutting room.

7. The jack boys and canvas pickers are to be under the jurisdiction of the union, with this express provision: That these two sections are not to be under the agreed scale for trimmers, but are to be subject to a special sale of wages, which scale is to be subject to the decision of the board of arbitration.

[*Decision of J. E. Williams, August* 30, 1913.]

The matter of the classification of employes in the trimming room being brought before the chairman of the board, he finds that the following occupations should be included in the office pay roll:

Superintendent, lining cutting clerks, paster, canvas picking, button stock, matching table, special order clerks, clerks, stock department, bulk supply, office clerks, comptometer, size tickets, tillers, typists.

All other sections or occupations not included in the above list shall be considered as being in the trimming classification and under the agreement made between the company and the union.

It is understood that if by reason of emergency temporary help is needed in the coat and vest jack section it may be supplied from the office force.

[*Decision of J. E. Williams, January* 5, 1917.]

Undercollar, canvas picking and jack department, minimum scale $8.00. Periodical increase $1.00 every six months to $12.00. Eligible to apprenticeship in trimming department on seniority and fitness.

[*Decision of J. E. Williams, May* 8, 1918.]

Women may be employed in jack department; requisition to union must first be made.

[*Decision of J. E. Williams, June* 5, 1917. *Case* 297.]

The agreement contemplates that the worker shall perform an adequate day's work in return for the wages agreed upon.

That the Trade Board has full power to require the performance of an adequate day's work, and, in case of failure, to impose the necessary discipline.

That in the trimming room, involved in this case, accurate and adequate standards do not now exist for measuring work, and determining delinquency if any exists.

It is decided that the Trade Board shall use its best efforts to judge of the value and weight of all testimony and evidence that may be presented in cases of delinquency, and to endeavor by cumulative experience to arrive at a standard of judgment that will enable it to deal justly with any such cases.

It may, at its option, appoint an advisory committee to assist it in working out the problems of the trimming room, to be clothed with such powers as it may deem advisable.

[*Decision of J. H. Tufts, July* 8, 1919.]

Chairman of Board of Arbitration will undertake to study low efficiency of trimming room and attempt remedy.

Award of Board of Arbitration, December 22, 1919. *See page* 60.]

Board authorized establishment of commission to elaborate standards of wages and production, and classification of week workers. When approved, these standards become part of this award.

Under-Collar Department

[*Decision July* 13, 1913.]

Those boys who have been in the employ of the company for six months and who are required to use the shears in their work shall be regarded as being under the cutters' agreement; all other boys in this section shall be considered as not within the provisions of the agreement.

This provision related only to boys. If a man is employed in this section, he will come under the agreement in the same manenr as if he were a regular cutter.

J. E. WILLIAMS.

Development of the Agreement from 1911 to 1916

On January 14, 1911, after a strike of four months' duration in which the majority of the employes were absent from their places, the following agreement was entered into between the representatives of the strikers and the company:

Hart Schaffner & Marx Agreement

FIRST: All of the former employes of Hart Schaffner & Marx who are now on strike shall be taken back and shall return to work within ten (10) days from the date hereof.

SECOND: There shall be no discrimination of any kind whatsoever against any of the employes of Hart Schaffner & Marx because they are or not members of the UNITED GARMENT WORKERS OF AMERICA.

THIRD: An Arbitration Committee, consisting of three (3) members, shall be appointed. Within three (3) days from the date hereof, the employes of Hart Schaffner & Marx, who are now on strike, shall select one (1) member thereof, Hart Schaffner & Marx shall select one member thereof, within three (3) days thereafter; the two (2) members thus selected shall immediately proceed to select the third member of such committee.

FOURTH: Subject to the provision of this agreement, said Arbitration Committee shall take up, consider and adjust whatever grievances, if any, the employes of Hart Schaffner & Marx, who are now on strike, shall have, and shall fix a method for settlement of grievances, if any, in the future. The finding of the said Committee, or a majority thereof, shall be binding upon both parties.

THE STRIKING EMPLOYES OF HART SCHAFFNER & MARX.

(Signed) T. A. RICKERT,
H. C. HARRIS,
MARGARET DREIER ROBINS,
JOHN FITZPATRICK,
HART SCHAFFNER & MARX.

On February 1st, the Company created the Labor Department, to take general charge of all the dealings with the employes. Mr. E. D. Howard was given charge, with Mr. G. L. Campbell as assistant.

Mr. Clarence Darrow was appointed arbitrator by the Joint Board of the local unions, and Mr. Carl Meyer was appointed by the Company. These two, meeting with representatives of both sides, agreed upon Dean Wigmore of Northwestern University School of Law as a third arbitrator. Dean Wigmore, however, declined to serve and it became apparent that the parties could not agree upon third man. Neither side wished to leave so important a matter in the hands of outside parties as had been suggested, and they, therefore, agreed to hold a formal Board of Arbitration meeting, without the third man, for the purpose of adjusting such grievances as could be settled by a board of two men. A meeting was held at the Sherman House and lasted over a week. It was found that all matters presented could be settled by mutual agreement so that a third man was not necessary to complete the work.

The outcome of the meeting was the following decision, which became the basis for subsequent adjustment:

The Decision of the Arbitrators in the Matter of the Arbitration between Hart Schaffner & Marx and their Employees

Chicago, Ill., March 13, 1911.

We, the undersigned, CLARENCE DARROW and CARL MEYER, appointed arbitrators to settle the difference between the employes of Hart Schaffner & Marx, and the firm of Hart Schaffner & Marx, have heard all grievances presented and all questions in dispute between the respective parties, and we make the following findings with respect thereto; of all said findings to be binding and acted upon for a period of two years from the first day of April, A. D. 1911:

1. There shall be installed as soon as the same can conveniently be done, in each tailor shop building where any female help is employed at least one separate room or space partitioned off from the rest of the workshop, which shall be used as a rest room or retiring room in case of sickness on the part of any female employe of said shop.

2. The firm of Hart Schaffner & Marx shall see to it that all tailor shops are properly ventilated. No sweeping of a character to raise any dust in any of the shops shall be done during working hours. This shall not prevent, however, the collection of pieces and remnants whenever necessary during such working hours.

There is to be allowed three-quarters (¾) of an hour for dinner.

3. The following basis of wages shall be in force in the various departments:

No employe shall receive less than $5.00 per week, and no male employe above the age of seventeen shall receive less than $6.00 per week, and no male employe above eighteen years of age shall receive less than $8.00 per week.

(a) *The Cutting Department.* The minimum to be paid to any cutter shall be $8.00 per week, and the scale of wages to be paid to cutters shall be at the rate of 52½ cents per cut, instead of at the rate of 50 cents per cut as is now in force in the cutting room.

(b) *Tailor Shops.* There shall be a uniform increase in the wages of all of the employes engaged in the manufacturing of clothing in the tailor shops—whether by piece work or by time work—of ten per cent. This increase shall not apply to or affect any foreman, forelady or any of the assistant foremen or assistant foreladies, such foremen, foreladies, assistant foremen and assistant foreladies being those employed by the Company to supervise the work, and this increase shall not apply to any employes in the tailor shops other than those actually engaged in the manufacturing of clothing.

(c) *Trimming Department.* As to all machine operators, sleeve lining cutters, lining cutters, canvas and hair-cloth cutters, and trimmers on lay, the minimum rate shall be $8.00 per week, and there shall be an increase of ten per cent over and above the scale of wages at present paid to the above named workers.

(d) *Woolen Department.* As to examiners, there shall be a minimum rate of $15.00 per week, and the basis of the week's wages shall be $18.00 per week for 36 pieces per day instead of 40 per day, as heretofore.

Wherever in these findings a raise of any percentage has been fixed, the firm of Hart Schaffner & Marx shall, through their bookkeeping or accounting department, determine as to the method in which this raise is to be calculated or paid.

In all the departments persons who are paid by the week shall be paid time and a half for overtime. If work is done in any of the tailor shops on Sundays or on any of the following holidays, to-wit, Christmas, New Year's, Decoration Day, Fourth of July, Thanksgiving or Labor Day, the employes of such shops shall receive double pay for the work done on said days.

During the slack season the work shall be divided equally as near as is practicable among all hands.

4. As to any future grievances, the firm of Hart Schaffner & Marx shall establish some method of handling such grievances through some person or persons in its employ, and any employe either by himself or by an individual fellow-worker shall have the right to present any grievance at any reasonable time, and such grievance at any reasonable time, and such grievance shall be promptly considered by the person or persons appointed by said firm, and in case such grievance shall not be adjusted, the person feeling himself so aggrieved shall have the right to apply to some member of said firm for the adjustment of such grievance, and in case the same shall not then be adjusted, each grievance may be presented to Clarence Darrow and Carl Meyer, who shall be constituted as a permanent Board of Arbitration to settle any questions that may arise between any of the employes of said firm and said firm for the term of two years from April 1, 1911, during which time these findings shall be in full force.

All of the matters herein determined with reference to wages shall become effective on and after April 1, 1911.

CLARENCE DARROW,
CARL MEYER.

Report of Committee Establishing Trade Board with Rules of Procedure

Preamble

As a result of the garment workers' strike of 1910, an agreement was entered into between the firm of Hart Schaffner & Marx, and its employes, dated January 14, 1911. In accordance with that agreement, Clarence S. Darrow and Carl Meyer, who represented respectively the employes and the firm, established among other things, by a decision dated March 13, 1911, that all grievances arising between the firm and its employes should be heard by a Board of Arbitration of three members. Thereafter for substantially a year many matters were brought up before the board, including, among others, cases of discharge involving questions of workmanship and quality of work, discrimination against employes, stoppage of work, and the adjustment of prices for piece work upon change of specifications and the claims of decreased earnings through the enforcement of certain standards of work, and while there have been no division between those on the board, which has consisted

of only two members and while its rulings have been considered fair and impartial and have been satisfactory to both parties, nevertheless, as the year progressed, it became apparent to the members of the board and to both parties that the Board of Arbitration, because of the inadequate machinery at its disposal, was unable as a court of first instance to speedily and properly adjust all of the various questions arising—many of them of a technical nature and requiring practical experience and technical knowledge.

Consequently a conference was called by Mrs. Raymond Robins to consider the matter and in response to her request the following persons met at the office of Carl Meyer, the arbitrator for the new corporation of Hart Schaffner & Marx:

For the employes—Mrs. Raymond Robins, John Fitzpatrick, W. O. Thompson and Henry M. Ashton.

For the corporation—Joseph Schaffner, Carl Meyer, Earl Dean Howard, Milton A. Strauss.

As a result of the said meeting the said corporation and its employes entered into an agreement, dated April 1, 1912, appointing this committee and authorizing it to establish a Trade Board to sit as a court of original hearing in all grievances arising between said corporation and its employes and to make such rules and regulations for the carrying on of the work of said Trade Board as the committee should consider proper.

The committee held several sessions and as a result established a Trade Board of eleven members, preferably practical men in the trade, and has formulated certain rules for its guidance. In framing the rules this committee has refrained from detail regulation, but has given the Trade Board ample power to establish such additional rules as experience may dictate.

While all matters of this kind are more or less of a tentative nature and must be subject to the test of practical everyday life, yet the committee after a review of the work of the Board of Arbitration for the year just past and of the experience in other fields which it has considered believes that the organization herein provided will prove efficient for the work in hand, and it is hoped it will mark a step forward in the relations of the employer and the employed, in the conciliation of labor.

Trade Board

1. The Trade Board shall consist of eleven members who shall, if possible, be practical men in the trade; all of whom, excepting the chairman, shall be employes of said corporation; five members thereof shall be appointed by the corporation, and five members by the employes. The members appointed by the corporation shall be certified in writing by the corporation to the chairman of the board, and the members appointed by the employes shall be likewise certified in writing by the joint board of garment workers of Hart Schaffner & Marx to said chairman. Any of said members of said board, except the chairmen, may be removed and replaced by the power appointing him, such new appointee to be certified to the chairman in the same manner as above provided for.

Alternates

In addition thereto each side is to appoint five alternates in the same manner above provided for, to the end that there will be as near as may be a full meeting of the board at each session.

Meetings

Meetings to be held weekly unless waived by the chairman. Special meetings may be called by twenty-four hours' notice.

Quorum

Quorum to consist of not less than three members on each side, but in no case shall the representation of either side have unequal voting power. In case a quorum is lacking after a regular call, the chairman shall give notice to the chief deputy of the delinquent side, who will be given thirty minutes to produce a quorum of regular members or alternates.

Neutral Member of the Board

2. The neutral member of the board who is appointed by this committee, is to hold office until the expiration of the original agreement; and in case of his death, resignation or inability to act, then his successor shall be appointed by the Board of Arbitration at a full meeting of its three members. Said neutral member shall be chairman of the board and shall preside at all meetings of the Trade Board and shall have a vote in its proceedings.

The duties of the chairman shall be to preside at all meetings, to certify to all decisions and proceedings of the board, to maintain order and expedite the business before the board by limiting discussion or

stopping irrelevant debate, and to conduct the examination of witnesses and to instruct deputies, and, upon request, to grant stay of the orders of the board, at his descretion, pending appeal.

Jurisdiction of Board

3. Said board is to have original jurisdiction of all matters arising under the agreement of January 14, 1911, and the decision thereunder of Messrs. Darrow & Meyers, of March 13, 1911.

Deputies

4. The representatives of each of the parties of the Trade Board shall have the power to appoint deputies for each branch of the trade, that is to say, for cutters, coat makers, trouser makers and vest makers.

Each side shall have the right to form such rules and regulations for its own deputies as do not conflict with these rules, or the rights of the other party; provided, however, that one of the said deputies shall be called chief deputy, and shall be responsibile for the keeping of the records to be kept for his party, and for the placing of matters arising from his party upon the calendar of the Trade Board, and to do such other work for the orderly carrying on of the affairs of the Trade Board on behalf of the party he represents as the Trade Board may from time to time require. Said deputies are:

(a) To do such work as the Trade Board may call upon them to do.

(b) To take up the grievances from the party which they represent, and, in connection with a deputy from the other party, to make as prompt an investigation as is possible. If they agree upon a decision in regard to same, then they shall report such decision in writing to the Trade Board, and their decision shall be binding on both sides unless objections thereto are filed with the Board, within three days from the making of the decision.

If, however, the said deputies fail to agree, they shall then certify the fact in writing to the Trade Board, agreeing on the facts, if possible, and in case they disagree as to the facts, each shall certify his statement of facts to the Trade Board, and the matter shall then be taken up by the Board in its next regular or special meeting, and the Board at such meeting shall constitute itself a trial board, and each party shall be permitted to present such arguments and such evidence as is persistent to the matter in dispute.

(c) It is understood the deputies shall be available to give the duties of their office prompt attention.

Qualification of Deputies

(5) Each deputy, in order to qualify for duty, must have a commission signed by the proper official representing employes or the Company, and said commission must be countersigned by the chairman of the Trade Board. Deputies must be either employes of Hart Schaffner & Marx, or must be persons who are connected with the Joint Board of Garment Workers of Hart Schaffner & Marx.

Records

(6) Duplicate records shall be kept by the Trade Board, one to be in the hands of the chief deputy for the corporation, and one in the hands of the chief deputy for the employes. Such records shall contain the following, which are to be in writing: The complaints of either party which are to be filed with the Board; the decisions of the Board, of the deputies or of any committees; any orders made by the Board; calendars of cases before the Board, and such other matters as the Trade Board may direct placed upon the records.

Appeal to Arbitration Board

(7) In case either party should desire to appeal from any decision of the Trade Board, or from any change of these rules by the Trade Board, to the Board of Arbitration, they shall have the right to do so upon filing a notice in writing with the Trade Board of such intention within thirty days from the date of the decision, and the said Trade Board shall then certify said matter to the Board of Arbitration, where the same shall be given an early hearing by a full Board of three members.

General Rules

8. (a) In case the deputies or Trade Board agree upon a remedy for the grievance, they shall make a signed order to the proper official of the Company. This official must execute the order without delay, or must endorse upon the order his reason for refusing to do so, in which case either chief deputy or Trade Board has the right within twenty-four hours to request a stay from the chairman pending appeal to the Board of Arbitration.

(b) In case of a stoppage of work in any shop or shops, a deputy from each side shall immediately repair to the shop or shops in question.

If such stoppage shall occur because the person in charge of the shop shall have refused to allow the people to continue work, he shall be ordered to immediately give work to the people, or, in case the employes have stopped work, the deputies shall order the people to immediately return to work, and in case they fail to return to work within an hour from such time such people shall be considered as having left the employ of the corporation, and shall not be entitled to the benefit of these rules.

(c) In case either party shall fail to carry out any decision of the Trade Board, then such matter shall be certified by the Trade Board to the Board of Arbitration, and thereupon said Board of Arbitration shall hear the matter, and should it find that either party has failed to carry out a proper order of the Trade Board, then the said Board of Arbitration shall have the power to devise such means of discipline as it may consider just and proper.

(d) Whenever a change of price is contemplated the specifications shall be submitted to the Trade Board, and the specifications with the prices fixed therefor shall be certified to the firm by the chairman of the board.

(e) In fixing the prices the Board is restricted to the following rules:

Changed prices must correspond to the changed work and new prices must be based upon old prices where possible.

(f) Complaints against members of the Trade Board as workmen are to be made by the foreman to the Trade Board. Any action of any employe as a member of the Trade Board shall not be considered inimical to his employment with the corporation.

(g) Before or at the time of entering any complaint against any employe in the complaint book, said employe shall be notified thereof so he may have the opportunity of notifying a deputy of the board and have said complaint investigated.

(h) No employe who has voluntarily abandoned his position shall have any standing before the board; voluntary abandoning of positions shall be construed thus: When an employe has failed to occupy his accustomed place without permission, and fails to notify the foreman that he is holding his position before the close of business of the next day.

(i) No member of a Trade Board shall sit on a case in which he is interested, or to which he is a party.

Amendments

(9) These rules and regulations shall be subject to amendment, modifications or alterations or repeal at any time, either upon the order of the Board of Arbitration or the Trade Board.

(Signed) E. D. Howard,
Carl Meyer,
W. O. Thompson,
S. Hillman,
C. H. Winslow,
Committee.

Trade Board Organized

Mr. James Mullenbach, acting superintendent of the United Charities of Chicago, was chosen chairman of the Trade Board. The first meeting was held May 8, 1912. The first members of the Trade Board representing the Joint Board of Garment Workers were Messrs. Smith, Mariempietri, Kaminsky, Spitzer, Hirsch, Feinberg, Goldenstein and Taback.

The members representing the Company were Messrs. Larson, Weinberg, Masche, Gutman, Duske and Leis.

The deputies appointed by the Joint Board were Mr. Sidney Hillman, chief deputy, representing the coat tailors; Mr. S. Levin, representing the cutters; Miss Bessie Abramovich, representing the vest makers, and Mr. P. Rothbart representing the trouser makers.

The deputies appointed by the Company were Mr. Howard, chief deputy, and Mr. Campbell, assistant.

It was found practicable to reduce the number sitting on any case to two on each side. In practically all cases the decision was finally rendered by the chairman.

In fourteen cases, up to January 1, 1914, appeal was taken from the decision of the Trade Board to the Board of Arbitration. These appealed cases presented difficulties so great that the Board of Arbitration of two members were unable to reach an agreement and Mr. J. E. Williams of Streator, Ill., was chosen chairman of the Board of Arbitration in December, 1912, thus, for the first time, forming a complete Board as had been originally contemplated.

The original agreement expired April 1, 1913. For two months prior to this date the Board of Arbitration met without the chairman for a general discussion with both sides of a new agreement. The employes presented a list of demands as a basis for this negotiation. The only demand which it was found impossible to grant required the Company to discharge any employe after two weeks who failed to become a member of the United Garment Workers of America. The Company regarded this as asking for a closed shop, which had been refused two years before, and the issue of which had produced the strike of four months. The Company felt that the employes were not sufficiently experienced in unionism to properly demand that they be given this enormous power over the Company. The workers, on their side, felt that the extension of their organizations would be endangered if mem-

bership were allowed to remain voluntary on the part of the employes, and if the non-union employes received all the benefit of the efforts of the union members for increased remuneration or better conditions.

Negotiations came to an end, and the arbitrators left the city. Mr. Williams, chairman of the Board, procured from the Company an agreement to extend the old agreement to May 13, 1913, an additional six weeks, in order that more time might be given before so momentous a step should be taken as a rupture of peaceable relations. The Garment Workers' Locals refused to accept this extension.

About a week before the first of April, Messrs. Williams, Hillman and Howard offered to present to both sides the following proposition for a preferential shop, which was finally adopted on March 29, 1913.

Working Basis of Preferential Agreement

The chairman suggests the following as a tentative working basis of agreement:

1. That the firm agrees to this principle of preference, namely, that they will agree to prefer union men in the hiring of new employes, subject to reasonable restrictions, and also to prefer union men in dismissal on account of lack of work, subject to a reasonable preference to older employes, to be arranged by the Board of Arbitration, it being understood that all who have worked for the firm six months shall be considered old employes.

2. All other matters shall be deliberated on and discussed by the parties in interest, and if they are unable to reach an agreement, the matter in dispute shall be submitted to the Arbitration Board for its final decision.

Until an agreement can be reached by negotiation by the parties in interest, or in case of their failure to agree, and a decision is announced by the Arbitration Board, the old agreement shall be considered as being in full force and effect.

(Signed)

For Hart Schaffner & Marx:

JOSEPH SCHAFFNER, *Secretary and Treasurer.*
MILTON A. STRAUSS,
EARL DEAN HOWARD,
M. W. CRESAP.

For the Chicago Federation of Labor:

JOHN FITZPATRICK, *President.*

For the Woman's Trade Union League of Chicago:

MARGARET DREIER ROBINS, *President.*

For the Joint Board, United Garment Workers of America:

A. D. MARIEMPIETRI, *Chairman.*
SIDNEY HILLMAN, *Chief Deputy.*
SAMUEL LEVIN, *Deputy for Cutters and Trimmers.*
FRANK ROSENBLOM, *Deputy for Local No.* 144.
HYMAN DOLINKY, *Deputy for Local No.* 152.
PETER GALSKIS, Deputy for Locals Nos. 6, 253, 264, 269.
J. E. WILLIAMS, *Arbitrator.*

The agreement practically left all matters except a closed shop in the hands of a Board of Arbitration. In order that both parties might know the attitude of the chairman of the board, the following statement was prepared by him and really became one of the conditions of the agreement:

In facing the possibility of unsettled questions being submitted to arbitration, I find my present state of mind to be this:

Statement of Chairman

That, in addition to maintaining what has been gained in the present agreement, the chief interest of the employes centers around the question of an increased efficiency of organization, which requires a recognition of the need for such a substantial degree of preference as will tend to improve that efficiency; while the chief interest of the employers centers around the question of efficiency in business competition, which necessarily includes a recognition and consideration of cost and quality of production, with the shop co-operation and discipline necessary to secure it.

I find my mind still open and ready to receive and be influenced by any light that may be offered by either side, and this statement is given to show, so far as I understand myself, what my present attitude is on the questions which most need to be considered and reconciled.

J. E. WILLIAMS,
Chairman.

Chicago, March 28, 1913.

Later Statement

After submitting the above statement to the principals of the parties in interest, and discussing with them the manner of its application, I am

confirmed in the impression that the interests described therein are the interests that should be mainly considered and conserved by the Board of Arbitration.

J. E. WILLIAMS,
Chairman.

Chicago, March 29, 1913.

The Board of Arbitration met about a month after this agreement was signed, and, under the authority conferred upon it by that agreement, made the following rules:

Ruling of Board of Board of Arbitration

By virtue of this agreement on the 29th day of March, 1913, between the Joint Board of Garment Workers, U. G. W. A. and Hart Schaffner & Marx, the Board of Arbitration has made the following findings to be in force between said parties:

1. This agreement shall be in force for a period of three years, beginning May 1, 1913, and ending April 30, 1916. It is agreed that negotiations for the further continuance, or of a change in the agreement shall begin on March 1, 1916, and that representatives of both the parties hereto shall meet on that date for preliminary discussions.

2. The Trade Board and Board of Arbitration shall be continued as heretofore constituted, and shall continue their functions upon the lines now in practice; except that it is agreed that the powers of the Board of Arbitration have been enlarged to meet extraordinary conditions in the manner following:

2. (a) If there shall be a general change in wages or hours in the clothing industry, which shall be sufficiently permanent to warrant the belief that the change is not temporary, then the Board shall have power to determine whether such change is of so extraordinary a nature as to justify a consideration of the question of making a change in the present agreement, and, if so, then the Board shall have power to make such changes in wages or hours as in its judgment shall be proper.

3. It is agreed that the principle of preference shall be carried out according to the spirit of the agreement adopted March 29, 1913, as interpreted in the statement made by the chairman of the Board of Arbitration before the signing of that instrument.

4. The hours of work in tailor shops shall be 52 hours per week instead of 54 hours, as formerly.

5. The minimum wage scale of the old agreement shall remain in force except as follows:

Machine operators in tailor shops (except sergers, sleeve operators, and pad makers) shall for the first three months of service receive not less than $5.00 a week, and not less than $8.00 a week thereafter. Sergers, sleeve operators, and pad makers shall receive not less than $5.00 a week for the first three months, and not less than $7.00 a week thereafter. Women in needle sections shall receive not less than $5.00 a week for the first three months, and not less than $6.00 a week thereafter.

6. All overtime shall be paid for as follows: Piece workers shall receive a rate and a half, and week workers shall be paid at the rate of time and a half for any overtime. No overtime shall be allowed on Sundays or legal holidays. Christmas, New Years, Decoration Day, 4th of July, Labor Day and Thanksgiving Day, shall be considered as legal holidays.

7. The full power of discharge and discipline remains with the Company and its agents; but it is understood that this power should be exercised with justice and with due regard to the reasonable rights of the employe, and if an employe feels that he has been unjustly discharged, he may have appeal to the Trade Board, which shall have the power to review his case.

8. The Company and its agents shall use their best judgment in maintaining a proper balance of workmen in the sections to keep the different departments at work, and shall do their best to prevent overcrowding. If complaint shall arise on this matter, it shall be subject to review by the Board.

9. When sections are abolished, the Company and its agents shall use every effort to give the displaced workers employment as much as possible like the work from which they were displaced, within a reasonable time.

10. It is understood that these parts of the old agreement which are not in conflict with these amendments, and which have not become obsolete, are in full force and effect. It is expected that the old and new agreements will be consolidated later, when the Board has had time to work on them, and the present arrangement is intended to last until they can be properly codified.

May, 1913.

BOARD OF ARBRITRATION.
J. E. WILLIAMS,
Chairman.
CARL MEYER.
W. O. THOMPSON.

Board of Arbitration for the Agreements between the Amalgamated Clothing Workers of America and Chicago Industrial Federation of Clothing Manufacturers

Decision of December 22, 1919

The agreements between the Amalgamated Clothing Workers of America and various firms engaged in the manufacture of men's clothing in Chicago contain the following provision:

> "If there shall be a general change in wages or hours in the clothing industry, which shall be sufficiently permanent to warrant the belief that the change is not temporary, then the Board shall have power to determine whether such change is of so extraordinary a nature as to justify a consideration of the question of making a change in the present agreement, and, if so, then the Board shall have power to make such changes in wages or hours as in its judgment shall be proper."

Under this provision, appeal has been made to the Board of Arbitration to determine whether the emergency therein referred to exists at this time, and if it shall decide that such an emergency does exist, then to proceed in accordance with the provision.

The Amalgamated Clothing Workers were represented by Messrs. Hillman, Levin, Marimpietri, Rosenblum, Rissman, and others; the Firms, by Mr. Carl Meyer, and by Messrs. Howard, Hotchkiss, Todd, Abt, Haylett, and other Labor Managers, at a formal hearing held on December 13. Statistics asked for by the Board were subsequently presented showing comparisons between Chicago and other markets as to rates, wages, and other conditions; wages now paid in Chicago, increases already granted since 1913, the age and marital condition of workers with especial reference to their dependents; comparisons with other Chicago industries. Supplementary advice was obtained by the Chairman at conferences with labor managers and officials of the Amalgamated as to details of certain proposed changes, and also at a conference with

representatives of retail clothiers. The attention of the Board was also called to official government reports upon wages and costs of living.

In announcing the following decision, the Chairman of the Board desires to state that inasmuch as the other two members of the Board have acted as representatives of the respective parties, he has found himself in the position of being obliged to take the responsibility for the decision.

I.

Shall the Board Take Action Under the Emergency Clause?

The first point to be determined is whether an emergency of the character referred to now exists. Figures were submitted by Mr. Hillman showing changes in New York, Baltimore, Rochester, Boston, and Canadian cities. The fact of these changes was not questioned by the Firms, but it was claimed that these changes do not warrant a change in the Chicago market since the conditions in other markets are not similar. In particular it was claimed that New York is a contractors' market and a highly unstable one; that Rochester changes were intended to bring up a market which had previously been below others; and that Baltimore changes were not submitted to arbitration.

The Board holds that although the figures presented substantiate in part these contentions of the Firms as to some of the other markets, the evidence as a whole is conclusive as to the existence of "a general change in wages in the industry" "sufficiently permanent to warrant the belief that the change is not temporary," and hence that it has power to "make such changes as it shall judge to be proper."

II.

Arguments Submitted by the Respective Parties

Coming now to the main issues presented to the Board, they may be considered under two heads: (1) Shall any change be made in wages? (2) What changes, if any, shall be made?

The representative of the clothing workers presented requests for increases in wages and maintained that increases were justified because of

1. Increased cost of living.

2. Desire for improvement in standards of living, if the industry can afford it.

3. The great demand for labor in this industry which would have permitted greatly increased wages by bargains made by individual workers had not the Agreement stabilized and moderated rates of wages.

4. The increased market value which labor in this industry now commands, as shown by increases in wages in other cities.

5. The efficiency of this industry in maintaining constant production, thereby making its important contribution to public welfare, both in the economic aspect of doing its share toward keeping costs down as compared with the wastefulness of strikes, and in the general social and public aspect of maintaining order and peace in industry in the midst of a generally disturbed condition in the labor world.

6. The efficiency of the Chicago market in particular as a piecework market, which makes it possible for the Chicago market to do at least as well by the workers as other less efficient markets, and makes any other attitude hard to justify.

Against any increase at this time it was maintained by the representatives of the firms:

1. That increases in wages in the industry have more than kept pace with increased cost of living.

2. That whatever may be true as to the demand for labor and the consequent market rate of wages, there is at this time a paramount duty to the public not to increase the cost of the necessaries of life unless there is a real exigency, which in this case does not exist.

3. That this industry is now in a highly favorable condition as compared with other industries, both national and local, especially when it is considered that only about one-third of those employed are heads of families.

4. That since deflation is bound to come sooner or later, every increase which adds to costs has a tendency in the wrong direction, and will make the inevitable shrinkage more keenly felt.

5. That the indirect effects on prices and industry of any increase in wages at this time ought to be considered.

6. That local conditions in the Chicago market, both within the industry and in the relation of this to other industries, make any change undesirable from the point of view of the best interests of the Agreement into which many of the firms have recently entered.

III.

Decision by the Board Upon the General Question of An Increase

After considering and weighing these and other arguments not here recited, and after studying with such care as time has permitted the valuable figures submitted, the Board finds that as regards the relation in the industry between increases of wages and increased cost of living, the contention of the firms is in the main justified. For most classes of workers, the increases hitherto granted have at least been equal to the increased cost of living as estimated by the U. S. Department of Labor. In some cases these increases have greatly exceeded the increased cost of living. In the case of certain groups, however, the figures submitted show that the increase in wages has been considerably less than the increased cost of living.

The general question as to the propriety of any increase turns therefore on this: Shall a group of workers be permitted under this Agreement to avail itself of market conditions of supply and demand to improve its standard of living beyond the general level of advancing rates in cost of living, or is it the duty of this Board to refuse such a demand on the grounds of public policy?

In answering this question, the Board believes that it must be governed largely, although not exclusively, by the prevailing principles and policies of the country as embodied in its institutions. In endeavoring to give a just decision, the Board does not feel warranted in setting up a standard too widely at variance with our present social and economic order.

The principles and policies of the United States are, with certain qualifications, those of individualism, or the competitive system. This means that prices, wages and profits are fixed by bargaining under the forces of supply and demand. This general principle is qualified and limited in the case of "property affected with a public interest," such as railways. In private, as distinguished from public or semi-public business and industry, there is a moral disapproval on the one hand for such extremely low wages as make a decent standard of living impossible, and on the other hand, for extreme increases in the prices of necessaries of life, but there is no general disapproval of the general principle of profiting by market conditions. In time of national emergency, we used the word "profiteer" to condemn taking advantage of the country's need for an unreasonable private gain. But in ordinary time, there is as yet no

recognized standard for the fairness of prices, of various goods, or for relative wages in different industries, other than what the bargainers agree upon. This method may often fail to give justice as measured by various other standards of merit or desert. But for the most part, labor has had to bargain for its wages, and it cannot be expected to forego entirely the advantages which market conditions now afford.

Coming, then to the specific concrete situation which confronts us, we have the outstanding fact that very substantial increases to clothing workers have been granted in all the other principal markets in this country and Canada, and in many less important centers. These increases have usually been five or six dollars a week; in some cases, they have been more. In these days when both employers and workers know of such increases and plan accordingly, it is not practicable to treat the Chicago market as an entirely distinct situation to be judged on its own merits, without reference to what is going on elsewhere in the country.

Consider next the question how far public interest may properly enter in to limit any extreme use of bargaining power. It may be said in the first place that if there is to be public regulation of any industry or a moral judgment upon wages or prices, this should apply to every stage in the process of production and marketing; it must apply to profits as well as to labor; it must consider not merely figures as to prices and wages, but the actual efficiency or wastefulness of the methods of production and marketing.

Second: In the case of an industry which until recently has been seasonal, and which may again become seasonal, and in which there is no guarantee against unemployment, some greater flexibility in wage variation in order to protect against future hard times is reasonable. The public now recognizes this principle in that it admits greater profits to be warranted in an industry in which there is a great risk than in an industry in which capital is secure and return is stable.

Undoubtedly there is a limit, even if there is no scientific method for setting it, to what even individualism will or ought to approve. Prices of clothing have advanced and are certain to be further advanced whatever may be the decision of this case. In fact, retailers had to place orders for their light-weight clothing before this case was heard, and inasmuch as general increases were asked for in September and granted in other markets in November, it may be presumed that such possibilities were in mind when prices were set for the lightweight consumer. The Board has carefully considered the effect to the consumer of the increase asked for. The fact is that making of clothes under modern methods has

come to be an efficient process. A part of the increases in earnings which have come about in the industry has been accompanied by improvement in production. This part of the increased earnings, shown particularly in piece-work production, does not necessarily involve any increase in cost of clothing to the public. The increase involved in this award means a relatively small increase in the cost of clothing.

Finally, the Board believes that in taking into account the interest of the public, it is bound to consider both the economic and the public or social value of continuous production and a peaceful and orderly method of conducting industry. Continuous production, as contrasted with the wastefulness of strikes and shutdowns, is bound in the long run to serve the public. Whatever the issue of any strike or shutdown in industry, the public sooner or later has to pay for idleness. And the social and public value of an orderly, peaceful method of negotiation and arbitration for wage adjustments and all other questions in dispute between employers and employed cannot be gainsaid. This industry, as now organized under agreements which aim to substitute reason for force, is performing an important public service. Both the Firms and the Union members have made certain financial sacrifices for the sake of a larger end. The labor market is being stabilized; good will is being cultivated; responsibility is being built up. This cannot be overlooked by the Board.

IV.

Date When the Decision Shall Take Effect

As to the date when the changes ordered shall take effect, it has been urged on the one hand that this should properly correspond as nearly as possible to the changes in other markets which have ranged from October to December 1. On the other hand, it is urged that decisions of this Board ought not to be retroactive, and that inasmuch as certain increases other than the general increase of June 1 have been made by many of the smaller houses in the market, it would be a severe burden to fix a date that falls before the close of the heavy-weight season.

The Board believes that in general an award ought not to take effect at a date prior to the filing of the claim with the Board. On the other hand, it ought to be made as promptly as possible after the formal hearing. If special conferences are necessary to adjust details, these should not delay the date of the award. This case was filed with the Board December 9. The formal hearing was held December 13. It is the decision of the Board that the award shall take effect as of December

15 at the beginning of work for the day. Although the Tailors to the Trade had a month's differential in the agreements of last July, it seems to the Board very desirable that there should be uniformity in the Chicago market, and hence it sets this date for the whole industry.

V.

Specific Terms of the Award

Beginning December 15, 1919, an increase shall be added to the piece- and wage-rates now in existence under the agreements, in the shops of the Firms and their Contractors. The new rates thus established shall prevail up to June 1, 1920, except when detailed changes may be ordered by the Board of Arbitration on recommendation of either of the Trade Boards.

The increase shall be applied as follows:

An increase of twenty per cent (20%) shall be given to sections or occupations where the average earnings or wages on a forty-four hour basis are thirty dollars or less per week, and five per cent (5%) to sections where the average earnings on a forty-four hour basis are fifty dollars or more per week. An increase equivalent to $6.00 per week shall be given to sections where the average earnings are from $30.00 to $49.99 per week.

An increase of 20% shall be given to all week workers now receiving less than $30.00 per week; an increase of $6.00 per week to week workers now receiving from $30.00 to $49.99 per week; and an increase of 5% to week workers now receiving $50.00 or more per week.

In piece-work sections, the equivalent of the increase shall be calculated and added to the existing piece rates.

In addition to the increases granted above, the Board will grant further increases in specific sections to be recommended by the committee appointed to investigate the subject of relative disparities in rates now existing.

The increase shall apply to all sections and classes of labor represented by the Amalgamated Clothing Workers of America, provided that nothing in this shall be taken to prejudice certain problems of re-classification which are now pending before the Board of Arbitration under the Hart Schaffner & Marx Agreement. Pending the completion of such re-classification, and a final decision, such persons as were granted increases by the Board under the agreement of July 8 shall be presumed to be entitled to the increases herein provided.

Inexperienced persons employed in the trade less than three months at week work shall not be included in the award.

Persons who are working on piece-rate operations on a weekly minimum guarantee shall be considered piece-workers and not week-workers.

In calculating the classifications of piece-work sections for the purpose of applying these increases, the same methods and practices shall be employed as in the adjustment of July, 1919.

The Board hereby authorizes the establishment of commissions, under the chairmanship of Dr. Millis and Mr. Mullenbach with representation of employers and workers respectively selected by themselves, to elaborate and recommend to the Board standards of wages and production, and classifications of week workers. The chairmen shall have the deciding votes in cases of disagreement, and such recommended standards and classifications, when approved by the Board, shall become a part of this award.

JAMES H. TUFTS, *Chairman.*

December 22, 1919

The Experience of Hart Schaffner & Marx with Collective Bargaining

1914

(Prepared for the Federal Industrial Relations Commission as a part of testimony for the hearing at Washington, April, 1914.)

During the past four years, this Company has concerned itself very deeply in developing its relations with its employees. Labor disturbances brought keenly to our attention the necessity of having the good will of the workers in order that we might maintain and preserve the good will of our customers and insure the stability of our business.

We are glad to give an outline of our experience, believing it has yielded results in the form of certain principles of policy and action, which may be helpful in the promotion of industrial peace.

In making this statement we are particularly concerned that the formal and external features of our plan shall not be confused with the real and vital substance of the arrangements, to the neglect of the spirit and of the principles which are in reality responsible for whatever progress we have made.

After an opportunity of several years to study causes and effects, we are convinced that the prime source of difficulty was a lack of contact and understanding between our people and ourselves. The failure to adjust petty grievances and abuses became the cause of irritation entirely disproportionate to their importance when taken singly, but which in accumulation became the main ground for complaint.

There was no special complaint against the hours of work, which were fifty-four per week, and which have since been reduced to fifty-two. The physical working conditions were good and in fact very far advanced compared with the general conditions in the industry. There was a general demand for higher wages, but we have always looked upon this as an accompanying demand rather than a first cause of difficulty.

A settlement was reached by an agreement to arbitrate, one arbitrator to be named by each side and the two to choose a third. It was not possible to agree upon the third member and the efforts to arbitrate were started with only the two partisan men on the board. This proved to be a good thing. For the time being it forced us to settle matters by agreement and compromise rather than by arbitrary decision, and this method has become a distinctive feature of the whole system. A third arbitrator was eventually chosen, and he is a man peculiarly capable of aiding in creating sympathetic understanding on the part of all.

Favorable results did not appear at once, but were the natural and legitimate effects of various devices introduced to meet difficult situations as they arose, and of certain principles of fair dealing, into harmony with which we have attempted to bring our business policies.

In addition, the Company created a labor department. A university professor, trained in economics, was engaged to study the situation and draft a plan for promoting better relations with out employees. At the beginning the task appeared stupendous, as grievances were highly magnified and exaggerated by frequent reiteration of the more radical leaders for the purpose of keeping the war spirit at a high temperature.

This new department, headed by Professor Earl Dean Howard of Northwestern University, gradually assumed certain functions in which the workers had a direct interest and administered them with the main purpose always in view. The chief duties of the labor department now are: the maintenance of a system for the prompt discovery and investigation of any abuses or complaints existing anywhere among the employes; the recommendation of measures designed to eliminate the source of the complaint; protecting the Company's interests in the Board of Arbitration and the Trade Board (a court of first instance established to adjust complaints and interpret the agreements); negotiating with the business agents of the unions and satisfying their demands as far as possible; administering all discipline for all the factories (all executives have been relieved of this function); general oversight of all hiring; the maintenance of hospital and rest rooms; the administration of a charity fund for unfortunate employees, of a loan fund, and of the Workman's Compensation Act; responsibility for the observance of the state and municipal laws regarding child labor, health and safety, also for the strict observance of all agreements with the unions or decisions of the two Boards; education of the foremen and people in courtesy, patience, mutual helpfulness and other peace-producing qualities; suggesting devices for the amelioration of hardships incidental to the industry and for the higher efficiency of operating.

Industrial peace will never come so long as either employer or employe believe that they are deprived of rights honestly belonging to them. Our experience has taught that the business man in authority is a trustee of various interests, including his own, and if he administers his business so as to conserve and harmonize these interests to the best of his ability, he is most likely building an enduring success.

A labor department, critical of everything touching the interests of the workers, a Trade Board and a Board of Arbitration constantly reviewing and discussing policies and methods, protect us against ourselves and make it impossible to violate or overlook the rights of the employes. These agencies undoubtedly create limitations which at times seem vexatious, but we have found that, in the long run, legitimate progress has been helped rather than hindered thereby. Innumerable cases have arisen where we have been obliged to change plans and policies much against our will yet where the final results were better because of the change.

Arbitration and conciliation should be applied to all departments of a business wherever there is a conflict of interest. If nothing more, it insures exhaustive discussion of every matter of importance, gives everybody an opportunity to express his opinions, frequently brings to light valuable suggestions, and makes possible a higher degree of co-operation and team-work. It is a method to be employed continuously to secure harmony and satisfaction. Patience and self control are essential in administering a business on this basis. It is human nature to resent interference and to desire unrestricted liberty of action, but these conditions are not necessary and are often inimical to true success. Few men can use unlimited power wisely and no wise men will dispense with checks which tend to keep him in the right path; certainly, he will approve of checks calculated to restrain his agents from arbitrary and unjust acts toward fellow-employes.

The application of these ideas to the labor problem, especially as a help to the employer in deciding what attitude to take toward trade unionism, has produced favorable results with us. If the employer voluntarily limits his own authority and agrees to conduct his business according to the rule of reason and even-handed justice as interpreted by an outside authority, such as an arbitration board, he must insist that the organized employes submit to the same limitation, otherwise his sacrifice will be futile and his submission to injustice cowardly.

Unions should be recognized and favored in the same proportion as they manifest a genuine desire to govern themselves efficiently. All

agreements should be so drawn as to release the employer from his obligations whenever the unions fail to observe theirs. Arbitration boards, officials in charge of labor matters, and union leaders should direct their operations and make their decisions with the one purpose always in mind, namely, to make it profitable and easy for all parties to acquiesce in the rule of reason and justice, and dangerous and difficult for them to attempt to get unjust advantage. We did not realize and we believe the majority of employers do not yet realize the extent to which the attitude and conduct of their organized employes reflect their own policies and conduct. Strict adherence to justice, especially if interpreted to the people by a board in whom they have confidence, will gradually educate them and their leaders to see the advantage of this method. It is fortunate for the employer if his own employes have an autonomous organization, influenced as little as possible by outsiders.

In our own business, employing thousands of persons, some of them newly-arrived immigrants, some of them in opposition to the wage system, hostile to employers as a class, we have observed astonishing changes in their attitude during three years under the influence of our labor arrangements. They seem to understand that they can rely upon promises made to them by the Company; that all disputes will be finally adjusted according to just principles interpreted by wise arbitrators.

Disciplinary methods are a prolific source of dispute with employes and it is difficult to avoid offending their sense of justice, especially if they are not fully informed of all the facts in the case and hear only one side. Moreover, petty officials are not likely to show good judgment in administering disciplinary power or to have correct theories about it; very frequently they are tempted to satisfy private dislikes under pretense of disciplining. We regard it as an essential element in maintaining industrial peace to centralize the administration of discipline in one official having no interest except to maintain the efficiency of the shops without disturbing the harmony and good will of the people.

Our theory of discipline is that it should be as mild as possible consistent with effectiveness in securing the desired results. Complaint memoranda are given as warnings by the foreman; if these are disregarded, suspension slips are next given which remove the offenders from the pay-roll until reinstated by the discipline officer. An investigation is made, and, as a rule, the suspended person is restored to his position on probation. This method is continued until it becomes apparent that the employe is either hopelessly incompetent or insubordinate, whereupon a temporary lay-off or discharge may follow. Our Trade

Board, composed of workmen and foremen, presided over by a neutral, outside chairman, will give a hearing to the case if requested, and may order a reinstatement or modification of the penalty. Appeal from this tribunal may be taken to the Board of Arbitration for final adjudication. In spite of its apparent complexity, the administration of discipline has become very satisfactory to both sides and very few cases even come before the Trade Board, and for many months none have been appealed.

Much depends upon the leaders of the workers. We have had some experience with misinformed, and self-seeking men who secured temporary influence over the people, but somehow they failed to thrive in the atmosphere of our arrangement. Some of these same men have been delivered of their worse qualities as they have learned the advantage of better methods of dealing. The system seems to work out a selection of the fittest candidates and trains them to become efficient leaders and executives, skilled in negotiation, in pleading and cross-examination before the judicial boards, in organizing, disciplining and leading the people. One of the leaders in particular developed a wonderful influence over all who came in contact with him on account of his high ideals, his patience under trying circumstances, and his indomitable faith in the ultimate success of right method.

At the beginning of our experiment we believed that the labor union was a competitor for the good will of the people and that both could not have this good will at the same time; we feared that the union would get the credit for anything granted to the people, thus nullifying the good effect to the Company of any concessions or benefits given to them. Concessions wrung from the reluctant employer by the union through a Board of Arbitration, especially if the withholding of the concession seems contrary to the sense of justice of the workers, of course gain no good will for the Company.

Without some kind of organization among the people, there are no responsible and authorized representatives with whom to deal and the real interests of the people as they see them themselves are likely to be overlooked or disregarded. The chosen representatives are made to feel the dignity and honor of their positions so long as they deal fairly and reasonably; those who adopt a different policy invariably fail and retire with considerable loss of respect and prestige. Those whose motives are good and who can reason intelligently grow in the esteem of their fellows through their success in negotiation and arbitration. They appreciate the consideration shown them by the Company and the arbitrators and reciprocate by proclaiming the fairness of the Company.

One of the most important functions of our labor department is welfare work—giving advice and material assistance to unfortunate employes, improving the working conditions in the shops, maintaining rest rooms and libraries, etc.—but this is not done for the purpose of more easily depriving the workers of their right to be represented in all matters to which their interests are involved. Working men are quick to resent the substitution of favors for justice. Welfare work, however, in connection with general fair dealing is very effective in securing good will, especially if it increases the personal contact between the officials of the Company and the employes.

Not the least of the advantages we have derived from our system is the reaction of the ideas and ideals, first applied in the labor department, upon the other departments and particularly upon the executive staff of the manufacturing department. Inefficient methods as to prevailing conditions on the part of higher executives; these could not long survive when every complaint brought by a workman was thoroughly investigated and the root-cause of the trouble brought to light.

The unexpected and indirect results of our labor policy in increasing the efficiency, reforming the conduct, and raising the intelligence of the executives coming into contact with the system have been as profitable and satisfactory as the direct result, i. e., the creation of harmony and good will on the part of the people toward the Company.

A summary of the essentials of the system which has produced such gratifying results in our institution would include: a labor department, responsible for industrial peace and good will of the employes, thereby of necessity fully informed as to their sentiments, their organizations, and really representing their interests in the councils of the Company; a means for the prompt and final settlement of all disputes; a conviction in the minds of the employes that the employer is fair and that all their interests are safeguarded; constant instruction of the leaders and people in the principles of business equity, thus gradually evolving a code accepted by all parties in interest, serviceable as a basis for adjustment of all difficulties; the development of efficient representation of the employes—honest, painstaking, dignified, reasonable, eager to cooperate in maintaining peace, influential with their people and truly representative of their real interests; a friendly policy toward the union so long as it is conducted in harmony with the ethical principles employed in the business and an uncompromising opposition to all attempts to coerce or impose upon the rights of any group or to gain an unfair

advantage; and a management that guarantees every man full compensation for his efficiency and prevents anyone receiving anything he has not earned.

Briefly expressed, it is simply the natural and healthy relation which usually exists between the small employer and his half dozen workmen, artificially restored, as far as possible in a large-scale business where the real employer is a considerable group of executives managing thousands of workers according to certain established principles and policies.

HART SCHAFFNER & MARX.

The Development of Government in Industry 1916

By EARL DEAN HOWARD[1]

(Reprinted from the *Illinois Law Review* for March, 1916)

During the past five years, in several branches of the garment-making industries of New York and Chicago, certain principles for the adjustment of conflicting interests with employes by legal methods have been experimented with. This experience has suggested certain ideas and possibilities interesting to those who appreciate the growing danger of leaving the settlement of employer-employe controversies to the arbitrament of industrial warfare and who understand how, in other human relations, the crude method of force has been superseded by the legal method.

The protocol[2] in the cloak and suit trade, together with half a dozen similar protocols in other branches of garment-making in New York, the Rockefeller system of industrial representation in the Colorado mines, and the labor agreement of Hart Schaffner & Marx[3] in Chicago, grew out of long and bitter strikes, severe enough on both sides to convince the parties thereto that the old system was intolerable. Complete podmination by either side was impossible and intermittent struggles over the division of power were costly and unsatisfactory. The protocols and agreements provided a system of government to protect each side against the other.

Any system of government for the adjustment of human relations and conflicting interests by law rather than by force requires some devices to perform legislative, executive and judicial functions. Rules must be laid down and interpreted, administrative duties must be dis-

1. Director of Labor for Hart Schaffner & Marx; Professor of Economics in the College of Liberal Arts and Professor of Banking and Finance in the School of Commerce, Northwestern University.

2. See Bulletin of U. S. Bureau of Labor Statistics No. 144, March, 1914, entitled, "Industrial Court of the Cloak, Suit and Skirt Industry of New York City," by Charles H. Winslow.

3. See Monthly Bulletin of the Pennsylvania Department of Labor and Industry, August, 1915. "The Experience of Hart Schaffner & Marx with Collective Bargaining."

charged, effective limitations and requirements must be placed upon individuals to secure co-ordination, and all questions in dispute must be authoritatively decided.

There is a strong tendency to enlarge the scope of political government so as to include also industrial government. Whether this shall grow into state socialism or whether private enterprises will be able individually or collectively to establish a satisfactory form of government, supplementary to political government, is one of these large interesting questions which may be decided within a generation or two. The solution may depend upon the ability of the employes to develop a constructive power and effective government among themselves.

Employers and those responsible for the prosperity of large enterprises are reluctant to lose any part of their control. When they discover that the power has passed from them, or when their government has failed to maintain place, they are then ready for experiment. The protocols and other experiments have always grown out of strikes, usually long and exhausting.

Structure of Government.—The first step is an agreement on constitution providing usually for a board of arbitration. Executive control is left in the hands of the employer but subject to the limitations of the agreement and the decrees of the board. The representatives of the employes, usually labor union officials, strive through the board to extend these limitations to inhibit all acts of the employer which the employes or their officials conceive to be of any disadvantage to themselves. The system resembles a constitutional monarchy.

The legislative function is usually inadequately provided for. New conditions arise to which the rules of the agreement and previous decisions are not applicable. The employer claims the right to legislate by administrative decree on the ground that he has all the authority not specifically relinquished in the agreement. The union officials urge the board to assume jurisdiction and by a decision create a precedent which has the effect of law. In practice legislation originates in several ways: (1) The constitution or basic agreement entered into by the parties at intervals for definite terms and with which the decisions of the board of arbitration must harmonize; (2) administrative orders promulgated by the employer and subject to veto or alteration by the board of arbitration on the ground of unconstitutionality; (3) judicial decisions having the force of precedents by the board of arbitration in adjudicating complaints—"judge-made" law.

The judicial function is performed by the board of arbitration and inferior courts or committees, such as the Trade Board in the Hart Schaffner & Marx system, and the Committee on Immediate Action in the Suit and Cloak Protocol. Appeals may always be taken for final decision to the board of arbitration. Decisions are based upon the fundamental agreement, administrative orders which have not been challenged, precedent decisions, customs and practices in the industry.

The judicial boards and committees are composed of representatives in equal strength of employers and employes, presided over by a neutral arbitrator who casts the decisive vote. This neutral arbitrator has the opportunity to develop an extra-legal process of mediation by which the necessity of much litigation is avoided. It is usually stipulated that agreements reached by mediation do not create precedents, but apply only to particular cases in hand. The neutral arbitrator, if he have the ability and inclination, may in the course of his work by discussion and education establish standards of justice and fair dealing in the employer-employe relation acceptable to both sides. These may form a sort of unwritten constitution of great practical influence upon the harmonious operation of the enterprise. The possibility of disputes and conflicts is greatly reduced when the parties, acting in good faith, gradually approach agreement in their beliefs as to what is right and wrong action.

Industrial concerns which have adopted some form of industrial government such as here described find it advantageous to establish a department to supervise their relations with their employes and to represent them in litigation and negotiation. Positions are thus created for men who have been trained in economics, political science, law and business, and who have talent for negotiating, pleading, instructing and social service work.

In the five-year experience with the Hart Schaffner & Marx arrangement, most of the fundamental issues which arise in the employer-employe relation have been met and adjudicated. These typical cases have revealed principles which may some day help to form an established code of governing rules for industry and supplanting the present method of competitive bargaining and conflicts settled by economic strength.

Opportunity to Work.—The ordinary concept of the employer is that labor is a commodity purchasable as other commodities. He strives to get as much as he can as cheaply as possible. The job or opportunity to work is his private property and the workman has no claim upon it. The new principle gives the worker a right to his job which can be defeated only by his own misconduct. The job is the source of liveli-

hood to the worker exactly as his capital is the source of livelihood to the capitalist. In the slack season whatever work there is shall be divided equally among all as far as practicable.

In cases of discharge, the burden of proof is upon the employer to show that such discharge is necessary for the welfare of the organization. He must also show that any alternative action involving less hardship on the individual is inadequate.

So long as there is an adequate supply of labor available in the skilled trades, the employer must not introduce an unreasonable number of apprentices into the trade.

In the hiring of new help, preference must be given to members of the union which is a party to the agreement, provided such members are competent and of good records. To maintain its prestige with the people, the union must be able to keep all its reputable members at work.

Discipline.—Disciplinary penalties must never be allowed as a means of discouraging the organization of employes into unions. The employes must have leaders, and some of these, lacking experience and information, sometimes fail to distinguish between legitimate complaining and insubordination.[4] Discrimination on account of union activity is difficult to prove or disprove and is a favorite device for befogging a case. The difficulty is diminished by specializing the disciplinary function in one man who is free from suspicion of antagonism to the organization of employes.

Managers who are directly responsible for the efficiency of the shop should not be burdened with the responsibilities of discipline. This function is one of great delicacy. If badly or unskillfully performed it is a fruitful source of antagonisms and personal feelings, which is like sand in a complicated machine. If, however, it is handled with judgment and resourcefulness by an official who is detached from an immediate interest in the operations and who can look forward to ultimate results, the function presents great opportunities for gaining the respect and good will of the employes. Discipline cases afford the finest opportunities for educational work, both with worker and foreman.

So long as the offending employe is to be retained in the factory, any disciplinary penalty must be corrective and no more severe than is necessary to accomplish the best results for all concerned. Most offenders are victims of wrong ideals or mental deficiencies, the remedy

4. Under the protocol, piece-work prices are determined by bargaining between the individual employe and a shop-committee. A serious situation is created by the suspicion of the workers that the power of discipline is used to gain advantage in bargaining. There is no centralization of the discipline function there.

for which is not punishment but help and instruction. Delinquencies in management can frequently be discovered and the manager or other executive may need the services of the expert discipline officer quite as much as the original offender. The efficiency of the discipline officer should be measured by the proportion of ex-offenders who have ultimately become competent and loyal friends of the company. It is his prime duty to prevent and remove from the minds of the people all sense of injustice in their relations with the employer, which is the fundamental cause of the bitterest industrial conflicts.

Management.—The great defect in autocratic governments is the lack of adequate and intelligent criticism. Autocratically-governed business enterprises suffer from the absence of their wholesome check. Organized employes represented by spokesmen who are protected in that function, together with a labor department responsible for the good will and welfare of the employes, constitute a critical check on bad management and the source of valuable suggestion for more efficient management. Piece-workers, especially, are vitally affected in their earnings by the quality and efficiency of the management. Subordinate executives in the factory may conceal this inefficiency from their superior officers for a long time, but a system of free complaints makes this impossible.

Standards.—Lack of standards is probably the chief cause of disorder and conflicts, especially in the needle industries. This includes standards of workmanship, piece-work prices, conduct in the shop, and all points which involve the interest of the employe.

The primary tribunals or Trade Board should settle finally all disputes as to facts; appeals should be taken only when disputed standards are involved. Each case before the Board of Arbitration is an opportunity to establish one or more standards. Thus, unless the industry is one of great changes, the board will find the need for its services grow gradually less as both parties learn to be governed by standards. The immense value to an industry of established standards should reconcile the parties to the time consumed in deciding some comparatively unimportant case which happens to afford opportunity for creating a standard. The board in such cases should get expert and technical testimony from all sources through witnesses and committees of investigation, so that the work is done once for all.

Unionism.—This system of government assumes adequate representation of the employe; such representation requires organization and leadership. There are many advantages where the employer is large enough to be independent of associations of employers, and where the employes' organization is limited to employes of the one company. At

An Epoch Making Labor Settlement

[The writer of this article is Mr. J. E. Williams, chairman of the Board of Arbitration of the Hart Schaffner & Marx agreement. Mr. Williams has for many years conducted a personal column in his home paper, the Streator, Ill., Independent Times, in which his readers are addressed in familiar, conversational style as friends and neighbors. At the close of the negotiations for the new three-year agreement, Mr. Williams made it the theme of one of his weekly contributions, and the following intimate and inside view of the proceedings was the result.]

1916

A Crowning Experience

I have had my crowning experience as a labor adjuster. I have this week had the privilege of assisting in the consummation of a labor agreement in which the most radical and fundamental issues were disposed of; the negotiation of a settlement in which not the faintest suggestion of militancy or force was made by either of the parties to the agreement.

It was something new in the labor world.

It was a triumph of the spirit of reason and good will.

Picture if you can a series of conferences of a score of workers and owners or their representatives, lasting over several days, in which burning questions were discussed and decided—question involving increase of wages, reduction of hours, improvement of conditions—and all without an angry word, a sharp retort, or an antagonistic attitude.

And remember that on both sides there were men who only five years ago had given Chicago the fiercest labor battle in its history; men of keen minds, of resolute wills, of determined devotion to the causes and interests they had at heart.

These fierce fighters of five years ago had not suddenly become mollycoddles; they were not peace-at-any-price men.

Why had they now become industrial pacifists?

Why had the labor leaders abandoned the threats, the bluster, the defiance which often characterizes their attitude in other situations?

Why had the employers given up the flinty-faced obstinacy, the scarcely concealed contempt and bitterness which often marks their attitude toward union and labor leaders?

The Will To Agree

To answer these questions adequately would be to write the history of the Hart Schaffner & Marx agreement for the past five years. It would be to record the passing of the old antagonisms based on ignoranec and misunderstanding, and to note the coming of a new sympathy, a new co-operation, based on a new and growing perception of a mutuality of interest and purpose. It would be to write down new appreciation of men and motives on both sides, an appreciation born of stern contracts, and hand-to-hand grips with each other in the daily encounters of the industrial struggle.

Even while representing different views of policy I found the leaders on both sides speaking enthusiastically of each other. Said the general manager of Hart Schaffner & Marx, to me, speaking of the President of the Amalgamated Clothing Workers Union:

"That man Hillman is a wonderful genius. If he only had been educated in the English language, what a speaker, what a writer he would have made! There's no height he couldn't have reached. Even at that he's a wonder, and beyond his supreme talent in leading men he has a quality that is even more remarkable. That is his absolute integrity. He is the squarest labor leader I have ever known. He is one hundred per cent straight."

* * *

A Wonderful Change

The same appreciation was shown in degree to the leaders of lower rank, and by them reciprocated in hearty good measure. One said to me:

"Isn't it wonderful, the rapidity with which we are settling our problems? Why the hardest nuts we have to crack seem to have become the easiest." And I answered:

"Frank, it's because both sides want to agree. When each side wants to give the other all it can, difficulties become easy. If each regard the other as a friend it will be eager to further its interests as far as it can without too great sacrifice of its own—just as one friend would act toward another in social life. Hate, fear, suspicion create difficulties and magnify mole hills into mountains. If opponents don't want to get together, they can find a thousand logical reasons for not doing it, and make them as irrefutable as the propositions of Euclid. The great solvent of differences is the will to agree. There are more industrial battles due to conflict of wills than to conflict of interests."

The will to agree! That's the secret of the Hart Schaffner & Marx settlement. True, there were powerful, practical interests urging for a prompt and pacific settlement. But those interests might not have been cogent enough to smooth down the angular corners of conflict without the reinforcement of the will to agree.

And that will to agree was something more than a vague and vapory sentiment. There was something in it that moved both parties to a regard for something better than the interest of the moment. There was a dim descrying of a larger purpose, a nobler vision, a truer end than that of a temporary advantage. There was a consciousness of responsibility to the future, there was a sense of loyalty to the industrial scheme which the Hart Schaffner & Marx movement represents, and there was a willingness to subordinate small and selfish gains that the larger good might be realized.

And the impetus of the larger motive carried us through the dangers of controversial dynamite, without the usual bluff or bluster, without mention of strike, without even the suggestion of arbitration. We simply talked ourselves into a common understanding and agreement, and both sides are better friends from the experience and are happy over the result.

* * *

Union Fit To Be Trusted

There were those among the disbelievers in collective bargaining who foresaw the rupture of the Hart Schaffner & Marx agreement in this settlement.

There were those who believed that the union, after its five years of solidarity, would use its power to throttle the company.

There were those who prophesied that the union could not restrain its people in the presence of a war boom labor market, and that a time contract based on these inflated war prices would be insisted on by its people.

All these expectations were negatived by the result. Five years of power, instead of making the union arrogant, has only given it a sense of restraint and responsibility. It has proved that, guided by honest and intelligent leaders, the workers may be trusted with power, that industrial democracy is not a dream but a potential reality.

The union made no extravagant demands, and was willing to modify those it did make when reason and justice required it. It was evident that the labor situation in the country justified a request for

an advance of wages and a reduction of hours. The company was willing to meet the request more than half way, and had the rare wisdom not to give grudgingly what it ought to give, or to haggle over every cent granted. After conferences had disclosed the respective expectations of the parties, it was seen that ten per cent would be a moderate but satisfying advance, and the company gave it without further bargaining or argument.

Similarly with the question of hours. During the term of the contract there had been a tendency toward a reduction from a 52-hour to a 50-hour week. The company met it by the acceptance of a 49-hour week, and the union modified its demand for a 48-hour week and concurred.

* * *

Highest Upreach of Unionism

And now I have to record what is to me the most remarkable feature of the whole settlement. Instead of taking the ten per cent advance and applying it horizontally to all workers alike, the union has made the unheard of demand that it be permitted to distribute the ten per cent in such manner as to more equitably compensate the poorly paid workers. That is, they want to give most of the benefit of the advance to those receiving the lowest pay, so that the inferior sections may possibly be raised twenty per cent while the higher paid sections may receive only five per cent—if equity requires it.

Consider what this means. It means that the stronger and more skilled workers are voluntarily denying themselves of an equal share in order that justice may be done their more needy brethren.

It means, too, that we have a union here so highly developed that it is able to devote itself to ideal aims, and is strong enough to enforce these ideal aims on selfish and rebellious members—should there be any.

Will any one say that a union that is able to rise to this height of self-discipline, is dangerous or unfit to be trusted with power? Will any one pretend that such a union is incapable of self-control?

* * *

More Than a Personal Tribute

Two outstanding points in the "demands" are striking evidences of the successful working of the scheme as a whole. Point No. 2 in the two score or more demands presented by the union is as follows:

"The Trade Board and Board of Arbitration shall be continued as now constituted," and the fifth point calls for the "continuation of the preferential union shop."

As chairman of the Board of Arbitration the demand for a continuation of this board as now constituted is not only personally gratifying to me as indicating the confidence and good will of the workers, after all these years of trials and decisions for and against them; but I feel it is something more than a tribute to any individual or group of individuals—it is an eloquent and irrefutable testimony of the workability of the arbitration scheme. If the arbitration and mediation principles will work successfully in the administration of so highly complicated an industry as this, there is no good reason to doubt that they will work anywhere, if applied in the same spirit.

* * *

Meaning of the Experiment

And that, after all, is the chief significance of the Hart Schaffner & Marx scheme. If it be argued that this experiment has been tried under ideal conditions—idealistic employers, conscientious and capable leaders, wise and experienced administrators and arbitrators—it may be answered that prophetic experiments must always be tried under good conditions before they can be approved or condemned.

If successful they can then be tried elsewhere, and the five years success of this experiment now becomes a challenge to forward looking workers and employers who want to take the first step in the journey toward industrial peace.

Will they accept the challenge or continue to drift no-whither in the bottomless bog of anarchy?

"Shop Council" Plan in Clothing Trade

System Originated in Chicago Ends Long and Bitter War

BY RAY STANNARD BAKER.

(Reprinted by Permission from the *Chicago Daily News* and *New York Evening Post*)

1920

I come now to what is undoubtedly the most significant and comprehensive experiment at present under way in America, in the introduction of a new co-operative and democratic relationship in industry.

It has demonstrated its success in certain factories over a longer period than any other. It has operated in what was for years the most turbulent of industries, the men's clothing trades. Here competition among employers was bitterest and most unscrupulous; here labor conditions were the worst; here in the ghettos and the tenement districts of New York and Chicago extreme radicalism found its toughest rootage. And yet out of this condition of industrial anarchy has developed a reign of law, founded upon a genuine spirit of co-operation.

In the shops of Hart Schaffner & Marx of Chicago, with 7,000 workmen, since the nine-year testing out of the new idea, lasting through the strain of the war and through epidemics of labor disturbances in neighboring factories, there has not been a strike. On the other hand, an immense impurovement has taken place not only in the living conditions, but in the spirit of responsible independence, in the morale, the manhood, of the workers; production per man (in that market, at least) has been rising, and, finally, the employers have been steadily prosperous. As to the effect of the new system upon the consuming public I shall speak later.

Passed Through Three Stages

A plan, a system, a spirit, which will accomplish all these results in a time of industrial unrest is assuredly worth careful examination.

In order to make the present situation perfectly clear, let us recall for a moment the three stages through which the clothing industry, in common with others, has passed during recent years.

(1) The period of unrestricted competition among both employers and workers. I remember well, many years ago, studying conditions in the garment trades. Clothing was then made in dark holes in tenements —veritable "sweat shops"—by miserable and helpless foreigners who were driven to long hours of work at starvation wages by the unregulated operation of the law of supply and demand. The whole industry had become a blind and greedy struggle for jobs among the thousands of unskilled men. Employers were practically as helpless as the workers; they were equally bound upon the wheel of cut-throat competition. Any one of them who tried to improve conditions was speedily forced to the wall by ruthless competitors.

(2) The second great stage represented the effort to escape from this hopeless condition of competitive anarchy by organization. Both sides in all branches of American industry began to combine, the employers in corporations, trusts, associations; the workers in labor unions. Where large capital was invested and extensive machinery was necessary—as in the steel industry—anarchy often gave place to an autocracy of capital, with law and order imposed from above by a strong man. Judge Gary today is such an autocrat, and the United States Steel Corporation is an example of this state of development. It has succeeded by organizing capital and keeping the workers more or less disorganized.

Long and Bitter Warfare

But this development was not possible in the clothing industry, be- was needed was a lof, a few sewing machines (or not any!) and an cause an employer could get into it with almost no capital at all. All that ability to attract, dominate or browbeat labor.

But if the employers in the clothing industry could not combine, the workers could and did. There ensued a long and bitter warfare of strikes and lockouts. Unions were broken and defeated only to rise and fight again. The whole industry was kept in a condition of chaos. The United Garment Workers at one time became very powerful, but not powerful enough to impose upon the industry an autocracy of labor—equivalent to the autocracy of capital in the steel industry. For floods of new immigrants kept coming into the country, bringing new labor competition and requiring herculean efforts on the part of the union to educate them to the need of organization. And one of the fundamental ideas upon which unionism then rested—and it remains today an essential weakness of the American Federation of Labor—was craft organization, at a time when craft and skill and craft lines were of steadily increasing importance in many branches of industry.

In the years from about 1908 until the outbreak of the great war (it was worst of all in New York—better, after 1911, in Chicago) the conditions in the clothing industry were all but intolerable. There were repeated and costly strikes and lockouts, a constant tendency on both sides to avoid living up to agreements, a steady decrease in production and efficiency. Neither side was strong enough to impose law and order in the industry. This is the unfortunate stage in which many great industries in America now find themselves. The coal mining industry for example, has recently reached a hopeless deadlock.

Began by Two Men

(3) We are now entering upon the great third stage of development. Some wholly new method became necessary. Organized hostility in industry had produced only chaos; what remained but to try co-operation? Autocracy of capital in industry had not resulted in justice nor in a reign of law; what remained but to try democracy?

This is the great change, the right-about-face, implied in the present remarkable wave of experimentation, which I have described in former articles, with the new system of "shop committees," "works councils," "trade boards."

Two men, both in the same shop, one an employer, one a worker, are mainly responsible for the beginnings of the new development in the garment trades. They were both men of vision and of practical courage. It is a very interesting story. The employer was Schaffner, of Hart Schaffner & Marx. He had built up a large business in Chicago; he had retained in his workers a more than ordinary close and benevolent interest.

When the great strike began in 1910 it nearly broke his heart. It seemed the height of ingratitude on the part of the workers. But unlike many employers who have to face this problem, he did not become blindly angry and assume that he was all right and the workers all wrong—and that a stupid resort to force was the only solution. He asked himself what the trouble really was. He began to inquire into the whole subject of relationships between employers and workers. One thing he discovered immediately was that as his shops had grown larger, and more machinery had been introduced, the old personal relationship and personal understanding between him and his workers had become impossible.

"The great trouble," he said, "is that I don't really know my own men. I don't really know what is going on in my own shops."

University Man Pioneer

If he did not know his men, it was important that he should know them. So he employed a man who was entirely outside of the industry

and therefore not prejudiced, a man with a trained scientific mind, to study the problem. This man was Prof. Earl Dean Howard, of Northwestern University, the pioneer labor manager—at least of the new type—in American industry. There are now over fifty such labor managers in the clothing trades alone, many of them formerly college professors. It was such an evident thing to do! Here in nearly every business were experts in advertising, experts in selling, experts in production—and no experts at all in the most important factor of all industry—labor. Good will in industry is not enough. Schaffner had good will and his men had struck. There must indeed be good will, but it must be based upon accurate knowledge and a common understanding.

This was the beginning of the new experiment upon the part of the employer.

In the same shop there was a young Jewish clothing cutter named Sidney Hillman. He was at the time only 24 years old. He was born in Russia and came up through the narrow but thorough training of a rabbinical school. Like so many other restless young Russians, he became an active revolutionist against the czarist government. He was arrested before he was 18 years old and thrown into prison, where he spent his time reading every book upon economics and political science he could lay hands upon. When he got out of prison he left Russia, spent a year in Manchester, England, and then came to Chicago, where he worked in the plant of Sears, Roebuck & Co., and later in the shops of Hart Schaffner & Marx. He had an ambition to be a lawyer, but when the labor disturbances began he came at once into local leadership and was the principal agent on the part of the men in working out the remarkable new co-operative management which went into effect during the following year, 1911.

Principles of Organization

At the time of this agreement the dominant union in the garment trades was the United Garment Workers, which was affiliated with the American Federation of Labor. But many of the local organizations were discontented with the old craft unionism and the militaristic methods and leadership of the American Federation of Labor. In the national convention of the United Garment Workers in 1913 the differences came to a head, and when a considerable number of delegates were denied seats they withdrew, held a rump convention, formed a new organization called the Amalgamated Clothing Workers, and elected Sidney Hillman as their president.

The principles upon which the new organization was founded were in brief as follows:

(1) To place less emphasis upon craft organization and more upon a union of all the workers in the industry; to be as hospitable toward the unskilled as toward the skilled.

(2) To co-operate with employers wherever possible, rather than to fight them—but to fight and fight hard, if necessary. They had before them the Hart Schaffner & Marx agreement of 1911 as a way of approach toward industrial democracy.

Although excommunicated by the American Federation of Labor, this new organization spread with extraordinary rapidity. Today it has a membership of some 200,000 and practically dominates the workers in the men's garment trades of America and Canada.

Is Wealthy Organization

It is one of the most powerful unions in the country; it publishes its paper in seven languages; it conducts interesting welfare and educational work; it is planning large office buildings for its own use (one to cost a million dollars) in New York and Chicago; it is projecting co-operative enterprises of several kinds; it was rich enough to send a check for $100,000 to the steel workers in their recent strike. It has succeeded in binding together in a close union workers of a dozen different nationalities and races, chiefly Jews, Italians, Poles, Bohemians, but including many old-stock Americans, Scotch, English, Scandinavians and others.

The essential element in the Hart Schaffner & Max agreement from which the entire development springs is also the fundamental idea found in the "shop committee" system which I have already described—that labor must be represented in managing those elements of industry which concern its own life. Therefore the Hart Schaffner & Marx agreement provides for the secret election by the workers in each shop of a "chairman." These chairmen, who are, of course, union men, because the shops are firmly organized, elect five delegates to meet five representatives of the employers in a "trade board," where all questions that arise can be discussed upon an equal and democratic basis.

Is Shop Councils System

This is in its essence the usual "shop councils" system; but in the garment trades two very important new features have been introduced. One is the principle of continuous negotiation, with an agreement never to let a difference of opinion reach the point of a strike. Instead of meeting occasionally and dealing at arm's length, these "trade boards" are in session every day and any trouble that may arise is instantly dealt with.

The other important feature is the "impartial chairman." He is the outsider who is chosen to preside over the trade board and to decide questions when a deadlock occurs between the five members representing the workers and the five members representing the employers. In short, there is not only continuous negotiation but continuous arbitration. Very able and broad minded men, often college professors, have been chosen for impartial chairmen and arbitrators. At present Prof. James H. Tufts, of the University of Chicago, is chairman of the board of arbitration in the Chicago market.

So much lies in the spirit of approach to these new methods that every one who is really interested ought to read the following fine extracts (written by J. E. Williams, now deceased, the first chairman of the board of arbitration and one of the real creators of the movement) from the preamble of the agreement—which are in their way a setting forth of the basic principles for a new constitution for industry, now in the making.

Preamble of Agreement

"On the part of the employer it is the intention and expectation that this compact of peace will result in the establishment and maintenance of a high order of discipline of efficiency by the willing co-operation of union and workers rather than by the old method of surveillance and coercion; that by the exercise of this discipline all stopages and interruptions of work and all willful violations of rules will cease; that good standards of workmanship and conduct will be maintained and a proper quantity, quality and cost of production will be assured; and that out of its operation will issue such co-operation and good will between employers, foremen, union and workers as will prevent misunderstanding and friction and make for good team work, good business, mutual advantage and mutual respect.

"On the part of the union it is the intention and expectation that this compact will, with the co-operation of the employer, operate in such a way as to maintain, strengthen and solidify its organization, so that it may be strong enough and efficient enough to co-operate as contemplated in the preceding paragraph; and also that it may be strong enough to command the respect of the employer without being forced to resort to militant or unfriendly measures.

"On the part of the workers it is the intention and expectation that they pass from the status of wage servants, with no claim on the employer save his economic need, to that of self-respecting parties to an agreement which they have had an equal part with him in making; that this status gives them an assurance of fair and just treatment and protects them against injustice or oppression of those who may have been placed in authority over them; that they will have recourse to a court in the creation of which their votes were equally potent with that of the employer, in which all their grievances may be heard and all their claims adjudicated; that all changes during the life of the pact shall be subject to the approval of an impartial tribunal and that wages and working conditions shall not fall below the level provided for in the agreement.

"The parties to this pact realize that the interests sought to be reconciled herein will tend to pull apart, but they enter it in the faith that by the exercise of the co-operative and constructive spirit it will be possible to bring and keep them together. This will involve as an indispensable prerequisite the total suppression of the militant spirit by both parties and the development of reason instead of force as the rule of action."

The new arrangement in the Hart Schaffner & Marx shops, though at first regarded by many employers with great suspicion and skepticism, worked so well that it has now spread until it covers practically the entire industry in America.

In each of the great markets—Chicago, New York, Rochester, Baltimore—there are now "market boards" in which the organized employers meet the organized workers to discuss and settle problems that concern the wider interests that arise in the entire market. Last July another great step forward was taken—the employes of the entire country organized a national federation to meet upon an equal basis the national union of the workers and to establish a national joint board which should be in effect a government for the entire trade in America and Canada, establishing law and order for the whole industry. This has just begun to function.

Now, in this article I have sketched all too briefly the interesting history of this new movement, set forth the principles upon which it is based and outlined the structure of its organization. In the next article I shall examine the development critically. How has it affected the worker, how the employer, how the public? What are its defects and limitations? How far is the plan applicable to other industries?

Second Article

Shop Council Plan Real Aid to Public

Testimony in Chicago Unequivocal as to Success of Method

BY RAY STANNARD BAKER.

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Read this acute description of the present condition of American industry:

"A chronic state of civil warfare—with the classes perpetually struggling for advantage—with small consideration for the public welfare."

Signs of emergence from this intolerable condition are now beginning to appear—here and there a factory flies the flag of the new republic; here and there a shop or a mill, but only one great national industry thus far has risen into the new reign of law or established anything like a stable or orderly government.

4,000 Employers Use Plan

I described in my last article the representative system of government in the men's clothing trades of America, where we have both employers and workers organized and the rudiments of legislative, judicial and administrative machinery well established.

Some 4,000 employers in these trades, mostly in New York, Chicago, Rochester, Baltimore, Boston, Montreal and Toronto, with an enormous investment of capital, employing 200,000 workers, are now living under and within this new government—not all happily yet, but with better order and better conditions than ever existed before. It is the purpose of this article to consider the new system critically. How does it really work? What is its effect upon the employer, the worker, the public?

Many Unexpected Advantages

The best evidence of the success or failure of a government is to be found in the testimony of the people who live under it.

In the factory where the new government has had its longest and severest trial—over nine years without a strike—the employers, Hart Shaffner & Marx, have this to say:

"In our own business, employing thousands of persons, some of them newly arrived in this country, some of them in opposition to the whole wage system, hostile to employers as a class, we have observed astonishing changes in their attitude under the influence of our labor arrangements. Many seem to understand that they can rely upon the promises made to them by the company and that all disputes will be finally adjusted according to just principles interpreted by wise arbitrators."

These employers find that the unexpected and indirect advantages of the new system are as remarkable as the direct advantages.

"Not the least of the advantages we have derived from our system is the reaction of the ideas and ideals, first applied in the labor department, upon the other departments, and particularly upon the executive staff of the manufacturing department. Inefficient methods of foreman, lack of watchful supervision and inaccurate information as to prevailing conditions on the part of higher executives—these could not long survive when every complaint brought by a workman was thoroughly investigated and the root cause of the trouble brought to light."

Still Is Doubt in New York

I had much the same conclusions from Samuel Weill, of the Stein-Bloch Company of Rochester, another large manufacturer of clothing. He is thoroughly convinced of the value of orderly government in industry, with the workers assuming their proper share in the management.

"By letting the worker have what he is entitled to, we protect and guarantee what we are entitled to," he says. "We cannot get security unless we give it."

It is significant, also, that in markets like Chicago, where the system has been in operation longest, the testimony is most unequivocal. In the New York market, where its acceptance is recent, there is still much doubt and skepticism.

New York is a market where competition among some 2,000 small manufacturers and contractors is still fierce. They have indeed got together in a strong organization with a labor manager, Maj. B. H. Gitchell, representing them, but when confronted by the shortage of labor which now exists and a strong labor union it is difficult indeed to keep them in line. The less responsible among them secretly break over the

agreements and bid up on wages. At the same time some of the lesser officials of the labor union, who have not become fully imbued with the new spirit and who feel their power, make unreasonable and autocratic demands.

I found employers in New York who told me that conditions had never been worse—and yet they are maintaining their organization and the machinery of adjustment and conciliation.

Requires Immense Patience

"We employers are mostly to blame; we aren't as willing to sacrifice for the common good as the workers," one employer said to me, "but we'd be far worse off than we are if we hadn't the new system of control."

Indeed, one who gets down into the new movement is astonished sometimes that it can exist at all. Selfish competitive interests are still so strong on both sides, the social spirit still so weak, that it requires immense patience, steadiness, perseverance, to keep the new spirit alive and the new machinery in operation.

On the employers' side there is always a reactionary group that will not "play the game" or sacrifice any present profit for future security and prosperity. And if the employers find their reactionaries a problem, the workers find their radicals an equally difficult one. The chief struggle of the far sighted leadership among the amalgamated clothing workers is to keep in line the impatient extremists who are not satisfied with steady growth, but want the millennium by tomorrow afternoon.

To see the labor managers on one side and the labor leaders on the other dealing day after day with these inflammable human elements in industry, trying to give to short sighted selfishness a little wider vision, trying to mitigate competitive ferocity with a touch of the spirit of co-operative understanding, trying to get into the dull brain of prejudice some little glimpses of the problem of the other man, is not only to appreciate the immense difficulty of the problems involved, but to be filled with admiration for the determined idealism, the patience, the faith of these leaders, and to wonder that they have got as far toward a new reign of law as they have.

Union Helped to Discipline

The establishment of a new reign of law means, of course, new methods of discipline. Ability to secure discipline is the test of any government. I went with an employer in New York into one of his shops where there were only a few men at work. He explained why:

"We had a bad labor chairman here and the men got so obstreperous that we could no longer stand it. Under their agreement they could not strike, but they could commit a kind of sabotage by refusing to produce. Well, we entered into negotiations with the higher union officials, who investigated and found that we were right, and with their sanction we discharged every man in the shop and are now building up a new force. Under the old system if we had discharged the entire force of a shop it would have caused a general strike and no end of trouble, but we had the disciplinary power of the union behind us."

Bringing Greater Production

This power of joint discipline is an important element in the new agreements. Both sides can be and are compelled to obey the law. Much wisdom is already growing up out of these agreements. Consider this paragraph upon discipline by Prof. Earl Dean Howard, labor manager for Hart Schaffner & Marx:

"So long as the offending employe is to be retained in the factory, any disciplinary penalty must be corrective and no more severe than is necessary to accomplish the best results for all concerned. Most offenders are victims of wrong ideals or mental deficiencies, the remedy for which is not punishment, but help and instruction. Delinquencies in management can frequently be discovered and the manager or other executives may need the services of the expert discipline officer, quite as much as the original offender."

Another most important test of the new system is this: Does it get results in added production? This is the question that not only the employers, but the public, will anxiously ask.

Well, industry is now learning, after hard experience, that production is due far more to the spirit of the shop, to good will, than to any other single factor. It cannot be secured for long by coercion, nor do high wages necessarily assure it. Whatever makes for more of the co-operative and democratic spirit in the shop invariably makes for more production. The ratio is exact. The old spirit of civil war, antagonism and hostility is deep seated and hard to eradicate; therefore, the change from inefficiency and low production to higher production is slow. The turn has actually come in Chicago, where the new government is well entrenched; it cannot be said, yet, to have come in New York, where the system is still new.

Helps to Keep Down Prices

Under the old "sweat shop" conditions high production was forced by actual coercion, and the rebound has been to the other extreme. And yet even in New York both employers and workers are beginning to turn their attention seriously to the matter of more and better production.

Last June the Cutters' union in an agreement accepted the principle of joint responsibility for production and steady employment. In August the knee pants workers made a similar agreement. In one shop where there had been a sharp drop in production following the introduction of week work instead of piece work, joint conferences were held between employers and workers. It was explained to the workers that low production in New York meant that trade would be seized by the more efficient markets of Chicago and Rochester and that for the good of all production must be kept high. The whole matter was discussed by the workers with the result that there was immediate and decided improvement.

As to the public interest in production, the new agreement in the clothing trades is an important element in keeping down the price of clothes. Continuous production, as contrasted with the old wastefulness of strikes and shutdowns, is a real service to the public, for, whatever the issue of a strike, it is the public that in the long run pays the bills for idleness.

Is One Danger to Public

In a recent award as arbitrator at Chicago, Prof. James H. Tufts said:

"The social and public value of an orderly, peaceful method of negotiation and arbitration for wage adjustment (and all other disputes between employers and employed) cannot be gainsaid. This industry, as now organized under agreements which aim to substitute reason for force, is performing an important service."

Yet there is a real danger to the public inherent in this new movement which the critic must recognize. When the whole industry becomes thoroughly organized—the employers on one side, the workers on the other—and disciplined under an industrial government of their own, there is danger that they will use their powers to enrich themselves at the expense of the people who must buy clothing. I have argued this point many times with men on both sides. They answer that their arbitrators are farsighted, impartial men of high standing, who will help to watch the public interest, and that they themselves are wise enough to see that

very high prices tend to curtail consumption and therefore reduce the income to the industry. Indeed, these are all drags upon the tendency of a powerful and united industry to force up its profits unduly, but unchecked power of this sort is still dangerous.

Government's Plan in It

It is at this point, probably, that the United States government will have to play an important part. At present there are no such things as standards in any industry. We don't know what are proper standards of living; or what should be the relationship of wages to cost of living, or wages to profits. We don't know by scientific tests what should constitute a day's work in any industry, either in hours or in production. Here is a vast field for thorough and impartial examination and a new kind of publicity, and the United States government is the only agency that can properly undertake it.

Whenever I have spoken of this new system to employers in other industries two questions are nearly always forthcoming: How about unionism? How do they get rid of bad labor leaders?

In this industry they have the open shop, the closed shop and the preferential shop—all three kinds—but the question, once the new spirit of co-operation develops, curiously becomes one of minor importance. In Chicago they agree to neither an open shop nor a closed shop, but have a preferential shop. That is, preference is given to the union man in both hiring and laying off. But with a thoroughly responsible union the whole matter takes care of itself. As to the irresponsible or grafting labor leader, he simply cannot thrive in this atmosphere of constant co-operation and good will.

Great Changes Wrought

Your bad labor leader fattens on civil war in industry; he plays upon the fears and cupidities of both sides. In the New York market recently several minor leaders were accused of dishonest practices, tried by the union itself, and not only deprived of their offices, but in three cases were expelled from the union.

As to the workers under the agreement, the change from the "sweat-shop" conditions of a few years ago is little short of miraculous. They now have a forty-four hour week throughout the industry and wages that bring them well up to the American standard of living. They have gained in morale and in responsibility through self-expression in their unions.

The social spirit is strong among them and is beginning to exhibit itself in all sorts of new projects, such as co-operative enterprises, educational and amusement association, naturalization and Americanization work, mutual aid organizations, and so on. There is a world of social education and discipline yet to be gained, but the beginnings have been made.

I have feared all along the temptation to be oversanguine about this remarkable new movement, as well as about the less developed shop committee systems which I have described in former articles.

Great Test Yet to Come

It must be said in all fairness that the great test of these new experiments is yet to come. They have come into being on a rising market and during a shortage of labor. What will happen when there is a falling market or "hard times"—when there is again a surplus of labor? Or what will happen if the immigration of foreign labor again inundates us and brings new competition into the labor market? We must face these questions.

I found the leaders on both sides in the clothing industry very certain that they could weather the storm.

"There is no other alternative," said one; "if we don't hang together, we hang separately. The only alternative is anarchy and chaos; we have got to maintain organization and a reign of law or we all go down together."

And it is a fact, also, that in both Great Britain and Germany industry is seeking these new co-operative arrangements as the only way of escape. Far sighted and wise men on both sides see in some approach toward industrial democracy the inevitable next step.

No, we cannot be sure that this particular mechanism will work. All we can ever know, for a certainty, about any complex problem in life is the rectitude of our spirit in relation to it. In these new movements, however, faltering, we discover, it seems clear to me, a genuine effort toward more co-operation, more good will, more democracy, an honest though difficult struggle to emerge from anarchy into organization and a reign of law. This effort, this struggle, at its core, is sound; it is based upon the eternal verities. We must have faith in it.

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