

# "EMPLOYER AND EMPLOYEE" SYNONYM FOR "OWNER AND SLAVE," SAYS GEORGE W. PERKINS

THE life of trade lies not in competition, says George W. Perkins. He insists that the solution of the labor problem is sociological; that it depends upon a perfect understanding between employer and employee by which each will become profit sharers in the business.

## Competition Was Life of Trade but Death of Manhood, He Insists, Holding That Its Ultimate Goal Has Been Private Monopoly—Favors Real System of Profit Sharing

Mr. Perkins outlined in an interview the other day these possibilities of harmony between the employer and the employee. Their relations, he asserts, have not changed much since those far off days when the man of capital and the man of labor were known as "owner and slave." The same condition existed later on when they were "master and man." It exists in these days in the relations of "employer and employee."

"One would think," said Mr. Perkins, "from much of the discussion of the day and many of the magazine and newspaper articles that are appearing, that the problem of capital and labor is the result of the tariff, giant corporations or other mysterious possibilities of disturbance. In reality, corporations or tariffs are but minor causes."

"Competition at one time may have been the life of trade, but it certainly was the death of manhood. It may have been the life of trade when labor was a slave; it may have been the life of trade looking at trade from the standpoint of advantage and profit to capital; but competition never was the life of trade looking at it from a standpoint of the worker's fair share. Who ever heard of two men or two firms engaged in competition for the purpose of steadying the conditions under which their labor was employed or of reducing the cost to the consumer?"

"They engage in their deadly commercial conflict for the sole purpose of crushing each other, that the survivor might absorb whatever was left after the ruin of his competitor, to the pecuniary advantage and prestige of a surviving belligerent, and when the deadly struggle was on down went wages, down went the quality of output, down went everything, and when the struggle was over up went the cost to the consumer, but the restoration of wages was a slow process. Competition has always enriched the strong and impoverished the weak."

"My judgment is that many of the difficulties that stand to-day in the way of a solution of the problem existing between capital and labor lie in the fact that the men who represent capital do not think deeply enough regarding the problem to realize the changes that have been made in its basis. This being so, they cannot stand for the changes that must take place in the superstructure. Here lies one of the chief difficulties in arriving at the worker's fair share. These changes have actually been brought about by capital, and yet capital seems blind to the causes of inquiry which the worker is discussing to-day."

"For years it has been the custom of

this country for men who have acquired fortunes to give freely to some educational cause. This money they have acquired in business. If the business paid dividends they pronounced it a success and were proud. Then when they invested part of their money in an educational plant of some sort they were again proud of what they did. Did these men seriously think of what their investment in the education of others was to do for them? What kind of a dividend it was going to pay them?

"I very much doubt that they did. If they thought seriously they would have known that there was only one kind of dividend they could get from an educational plant—the minds of those better trained to think, to be logical, to be accurate, to be independent. Year by year we are turning out more and more of such minds and they are grappling with our problems. Yet a large percentage of the men who made it possible for these educational plants to produce these thinkers are complaining bitterly because of the questions they raise and the problems they are insisting upon for solution."

"The problem of the worker's fair share goes hand in hand with the governmental questions that are up for solution to-day, for it too is the product of our educational system. For instance, I firmly believe that we never can settle the wage question, the question of compensation for labor performed, or settle the strike question by merely raising wages from time to time."

"Before laboring men had the advantages of our broad educational system, before they could think well, reason well, they approached the subject of wages ineffectively. If they were getting \$2 a day they would decide to strike for \$2.25 a day. This they did, and when they got it the \$2.25 looked good for a while and then they started another strike for \$2.50."

"Since education has grown we have before us a constant demand for increase in wages because the laboring man feels that his wage, whatever it may be, whether it be \$2 or \$5, is not his fair proportion of the earnings of the business in which he is engaged. He sees the business flourishing, he sees also by many outward signs that the men who own the business are living better each year and getting richer each year, and when he strikes it is for what he regards as a fairer proportion of the earnings."

"A higher order of intelligence is at work on this problem. No arbitrary dollar and cent increase will ever satisfy him. He is striking for a principle that he has thought out and reasoned out. Believing these conditions to be fundamental I was led a number of years ago to the conclusion that we must adopt profit sharing in connection with wages as a matter of getting at the worker's fair share. By profit sharing I do not mean bonus giving or anything that

smacks of gratuities or philanthropy. "I believe in real, genuine profit sharing by which employees should become partners, by which a concern would make a complete statement of its transactions showing its profits or losses, its outputs and all other factors entering into the success or failure of its business, and in this way permit labor and the public to know what the business is doing. I believe that wherever possible the general method of compensation to the worker should be this:

"Say to the employee: 'It takes so much money to pay the fixed charges of this business for a year. You receive your wages as compensation for helping to earn the aforesaid fixed charges. If at the end of the year fixed charges are earned and anything is earned over and above them, then in addition to your wages you will receive a percentage of said surplus of earnings.'

"This surplus should be distributed in the form of a security of some kind that is connected with the business in question, with the understanding that the security is to be retained by the employee for a fixed and reasonable length of time. This places the worker in the position of being an actual partner. He is drawing out of the business all the time a certain sum of money for his living expenses in the form of wages and having in the business his surplus earnings."

"In certain corporations with which I have been connected where this plan has been tried for a number of years it has worked admirably, greatly minimizing the friction that has heretofore existed between capital and labor, minimizing the strike menace to almost nothing, improving efficiency to a marked degree and making capitalists out of wage earners. No matter how small the amount of money a man has in a business, so long as it is a real interest, a genuine investment, that has not been given to him as a gratuity, but has been earned by him, he will feel the responsibility of proprietorship and his actions will be governed by that responsibility. The broader the partnership in a large business, the more the principle of cooperation in industry is established, the better it is for the community as a whole."

"Take the steel business, for instance. A few years ago Mr. Carnegie and a few other men owned important steel mills in this country, out of which they were individually making large sums of money. These men sold out to a very large number of stockholders, many thousands of whom are employees of the company. To-day the profits of this business, in place of being distributed among two or three dozen men are distributed among many thousands. When an industry reaches a size where its profits are distributed

as broadly as this, it has a certain amount of socialism in it that retains all the incentive for initiative individual growth and achievement, which must always be the mainspring and impelling motive to success in commerce."

"I believe that the so-called economists to-day who claim to see great blessings in the destruction of our interstate and international industrial corporations are wrong."

"I believe they are likewise wrong when they tell us that the tariff is responsible for these corporations; for improved intercommunication and not the tariff is the chief factor in the maintenance of the so-called trust. No one of average intelligence really thinks that if the present Congress gave us free trade a single so-called trust would dissolve."

"I believe, on the other hand, that no thoughtful person thinks that if the strange force which we call electricity was suddenly withdrawn, if the telegraph and the telephone became silent and useless, a single trust could do business to-morrow. I am sure that the chief cause for the existence of corporations can be found in the modern method of intercommunication, and that you can only get rid of them by eradicating the cause, which of course we are not going to do. Evil practices have existed; improper special privileges have been enjoyed and I believe that these must cease. However, we should not cut down a tree until we have first tried to remove the parasites."

"I believe that when a set of men, be they few or many, carry a business along in its growth to a point where they are using the money of a great many different people and serving the needs of a great many people in a great many different States and countries they should be accountable for their acts to some power higher and stronger than they, a power that will tell the public at regular and frequent periods just how they are conducting their business and how they are serving their people. The very men who are conducting such large enterprises should themselves desire it for their own protection if they realize the magnitude of their responsibility to stockholder, wage earner and consumer alike. Evil fears nothing so much as light, therefore I believe in full publicity and in Federal regulation of the affairs of corporations. This will solve most of our corporation problems and help us to arrive at an estimate of what is the worker's fair share."

"I believe that one of the greatest of all obstacles in arriving at a valuation of the worker's share has been the ruthless competitive methods in business. Only through cooperation can the wage earner be protected."

"At the present moment I am rather

amazed at the number of intelligent men in this country who are urging us with all their might to return to old-fashioned competitive methods, to return to the old days of doing business with small and waterful business units. Many of these men while advocating this are violently opposing the sweatshop, child labor and inadequate wages to women. They do not seem to realize the perfectly inconsistent position they occupy. What gave us the sweatshop and the child labor problem? What gave us adulterated food? What gave us inadequate wages for women and girls? Nothing but competition carried to its logical conclusion. It has always fostered and stimulated lies, deceit and adulteration and its ultimate goal has always been private monopoly of the most pernicious sort."

"We pride ourselves at the beginning of the twentieth century on our free educational system. If this be justified what is it all for, where is its practical advantage, if it is not, among other things, to teach us the better way to get a living than the way of competition, employed a thousand years ago and still employed by the wild beasts in the forest, where unbridled competition reigns supreme?"

"Is it possible that there is no better way, no newer freedom anywhere to be found than this? Must we in commercial affairs continue to pursue the methods of the jungle? It seems to me that there is no new freedom in the theory of compensation in business; there is only old captivity."

"Just as we have moved down from the primeval period, when the business relations between employer and employee were those of owner and slave, so we must move on from competition to emulation from destructive, inhuman and wasteful methods in commerce to constructive and human consummation in business. Either this or our much vaunted civilization and progress are of no practical avail and we had better consign them to the scrap heap and begin all over again."

"The commercial paths of the world along which the workers have been compelled to travel are strewn with the bones of competition's victims. It has all been tried over and over again, and it is not good enough for civilized men at the beginning of the twentieth century to turn back to or follow."

"One hundred and thirty-five years ago our forefathers decided that they no longer needed a king and they set up a republican form of government. What a colossal progressive stride they took! The most vivid imagination scarcely enables us to comprehend what they did, and how their actions must have been regarded in their day. Since then we have spent 135 years of time and hundreds of millions of dollars educating ourselves and now come various propositions to the effect that the people should have still a greater hand in the management of their own government; yet these latter day suggestions, striking and startling as some of them may appear, are insignificant compared with the mighty undertaking of our forefathers more than a century ago."



George W. Perkins.

"A republican form of government is possible only with a race of people whose intelligence has reached a high enough level to entitle them to it. If our intelligence 135 years ago entitled us to a republican form of government the question that confronts us now, broadly speaking, is this:

"Has the last word been said in favor of free government and free institutions by our forefathers or have the time and money we have spent in educating ourselves since then fitted us to go a step or two further? If they have not fitted us so then we have wasted a century of time and millions of dollars."

"This problem of the worker's fair share goes hand in hand with the questions of government that are up for solution to-day, for it too is the product of our educational system. You cannot spend a million dollars educating the youth without having a million questions to answer the man, and I for one believe that practically all the questions crowding for solution to-day are thus crowding because of the culmination of educational forces. You cannot place the telephone in the hands of every man without expecting him to learn promptly the views of every other man."

"In the period of owner and slave the slave was little more than a dumb animal. He could work with his hands, but he could not work with his head; the last thing he could do was to reason from cause to effect. To-day, especially in this free land of ours, a very large

percentage of the people engaged in what is commonly called labor not only can read and write, but can think independently and reason for themselves."

"What a mighty change in the foundation of things!"

"Is it to be wondered at that we must look for an equal and mighty change in the superstructure of things?"

**WHAT THEY SAW.**

Committee of Russian educators touring country recently spent several days in and around New York. Among impressive sights witnessed were the following:

Wall street broker trying to trade grip-sack full of securities for ham sandwich at lunch hour.

Visiting Congressman who still had temerity to use telephone.

Half a block of city street that hadn't been torn up for six months.

Leader of labor union who wasn't trying to organize a strike for higher pay, shorter hours and less work.

Able bodied citizen who hadn't figured out winner of world's series, this year.

Broadway car that ran all the way to the Battery without making passengers get out and take car in front, behind, or across town.

Woman married five years ago who still thinks her husband a wise, level headed man.

# Teaching Factory Girls How to Guard Their Lives in Case of Fire



"I organize fire-fighting squads among the girls and teach them how to handle fire extinguishers."

## Fire Chief of Cotton Garments Manufacturers' Association Puts Sweatshop Employees Through Fire Drills and Instructs Them in Use of Fire Extinguishers.

By SARAH W. H. CHRISTOPHER.

I AM now fire chief to 15,000 girls in 150 factories of Greater New York. I might say I have charge of all the factories of the Cotton Garment Manufacturers' Association, and my work is almost entirely among women.

In the factories my power is absolute. When I enter one, always unannounced, I sound the fire alarm and instantly all work must be laid aside. I put the employees and employers—the latter frequently need it as much as the workers—through various fire drills, those which I think best adapted to the needs of that special factory.

I am deeply interested in my occupation and intend to make it a life work. I have found a field in which the most ambitious might toil. The object is the prevention of such disasters as the dreadful Triangle fire.

E. E. Tiche, president of the Cotton Garment Manufacturers' Association, gave me the position of fire chief of the association a few weeks ago. I had been working under Fire Commissioner Johnson for some months as the only woman inspector of the fire prevention bureau. Even before I took hold of this work I had been investigating for myself for several months and my experience as an operative in a great shop was only one of the many means I took to find out just what the real conditions were.

The first place I inspected after taking hold of my present job was an old six story building on the lower East Side. It was a typical sweatshop. The building itself was a veritable fire trap. About 1,200 persons were employed in the building, most of them being women. On the second floor was a paint shop,

where a fire might easily start. The other floors were occupied by clothing manufacturers.

There were no fire extinguishers. I found a few pails with no water in them. The floors were crowded with machines so close together that the women almost touched each other as they worked. The aisles were practically blocked up with goods and almost the entire floor in the work room was covered with highly inflammable cloth. The pressing tables with the old fashioned heating stoves for the irons touched the wooden partitions. The stoves in many cases were red hot and absolutely unprotected.

I found that many of the doors opened inward, that the stairs were narrow and in some cases blocked up with boxes and goods.

I made a report of the conditions to the association, with recommendations as to what should be done, and it wasn't long before the owners were compelled to start at the work of making the place safe.

I spent several hours in that factory. At noontime several little girls—the "little mothers" of the slums—wandered over to the factory with their charges. They staggered up the stairs with the babies, bringing them to their mothers to be nursed during the rest hour.

I remember that one of the "little mothers," left to her own devices, got into trouble and what happened showed how incapable these people are of dealing with an unusual situation. The little girl wandered out to the fire escape and managed to get her head caught in between the thin irons at the landing. She was screaming to be released, and instead of aiding her the women stood wringing their hands and joining in her

cries. I happened to arrive at that moment and released the child by prying the bars apart a couple of inches with a broomhandle. The others were unable to do anything but look on.

The next building I visited was a twenty story factory, and the conditions were quite different from what I had seen in the first place. The building was equipped with modern standpipes and sprinkler system. The employees had a fire drill, which was perfect. Conditions there could not have been better.

The fire drills are conducted with one object in view—to provide for a quick and orderly vacation of the building in the shortest possible time in case of emergency. The drills I am teaching include the organization of the employees into squads, for each of which is designated a special way out of the building. I am organizing fire fighting squads among the men employees, teaching them how to handle the fire extinguishers and the hose and how to manage the sprinkler system.

Certain employees are detailed to take their posts at the head and foot of the stairs to keep the lines moving orderly. The workers are instructed that at the first alarm they must hold themselves in readiness to obey the instructions of the forewoman. Under her direction the work is removed from the aisles and the employees form a double line. Then they are marched out.

Any building under these conditions can be emptied in a few minutes. There is no panic. The drills are so easily learned that after they are repeated a couple of times the workers know just what to do and in case of fire would probably be out of the building before they knew whether there was really a fire or only a drill.

I believe that the methods which I am using to save the lives of New York factory girls in case of fire will be so practical that they will be very generally adopted elsewhere. By teaching the factory girls methods of fire prevention I think they can use their knowledge to such good advantage at home that many of the fires in dwellings can be prevented.

From statements made by over a hun-

the fire escapes. They had never thought of the roof, or if they had they had never studied it. When a woman finds her way out off from both the fire escape and the stairway she becomes panic stricken and rushes to a window without expecting him to learn promptly the views of every other man. In the period of owner and slave the slave was little more than a dumb animal. He could work with his hands, but he could not work with his head; the last thing he could do was to reason from cause to effect. To-day, especially in this free land of ours, a very large

I feel that the education of the house-



Teaching the factory workers how to use the ladders.

dre women I have found that only ten knew of any other way of escape from a burning apartment than by the stairs or

# How City's Big Department Stores Take Care of Women Employees

Continued from Third Page.

at any other season, being given the same schedule as for the men. A. D. Matthews Sons call attention to the fact that they pay overtime to mechanics, carpenters, engineers and painters. At Loesser's the men are paid 50 cents for supper and the women 35 cents, while at Gimble's the outside men get \$1 extra pay, if detained, and the wagon boys 50 cents. The National Cloak and Suit Company pays regularly men 50 cents and women one-half day's pay, the minimum being 50 cents.

To support its contention that the department stores are not the recruiting ground for white slavery the National Civic Federation makes use of figures collected by the United States Government and the testimony of social workers. The attempt to cast reflections upon working women through the contention that immorality is a prevalent and a necessary part of their changed economic condition is assailed as a slur upon womanhood. Any number of persons who have investigated this matter have declared that the majority of unfortunate women have never known poverty. The report says:

"The Federation's investigators found no basis for the popular idea that procuresses concentrate their attention largely upon the department store to lead astray the young women; nor could they be reached by such persons in the employees' rest rooms, as has been so widely claimed, for these rooms are not open to the public. 'But,' we fancy the average reader will argue, 'a thing like this that has been so persistently proclaimed over such a long period of time must have some basis of truth. Why do we, for instance, hear the department store mainly named in the matter?'"

"That line of argument seems sound until one stops to consider that in the language of the government report which touches on the subject, 'much of this is due to the fact that in no employment are there so many wage earners in hourly contact with the public.'"

"While no opportunity was overlooked of discovering any disposition on the part of the respective department store managements to condone anything approaching moral laxness on the part of its employees, the Civic Federation's position in this matter has been made more than ordinarily secure by reason of the recent and illuminating publications of the United States Bureau of Labor."

"Statistics of women who had come in conflict with the law to the number of 3,229 are given in the volume on the 'Relation Between Occupation and Criminality in Women,' the material for which was collected and compiled by Miss Mary Conyngham. The States comprising the field of investigation were Massachusetts, New York, New Jersey, Ohio, Indiana and Illinois, their superior

system of criminal records having been responsible for their choice.

"In this entire number only four saleswomen were found who had been guilty of minor offenses against chastity and none of serious offenses against it. By way of comparison it may be stated that domestic service afforded 185 minor and twenty-two serious cases of such offenses."

"This report, in summing up a chapter on the history of the earliest occupations of these offenders, says:

"There seems no reason therefore to doubt the substantial accuracy of the results obtained from the examination of that manufacturing and mechanical pursuits do not furnish their full share and that from trade and transportation this classification includes employees of department stores is conspicuous by its omission of the number which might fairly be expected."

"Physical conditions in the modern department store conducive to the comfort of the employees are as favorable as those in any trade or industry in this country and the report of the investigators on the welfare work undertaken in all the stores is pleasantly reading."

"Hobbies are apparent in the arrangements at some places. General improvement in working conditions has entered now and then because of concentration on some particular fact, but there was observed a prevailing spirit of progressiveness in these matters. Every employee feels nowadays that it is incumbent upon him not only to watch over the health of his employees but also to minister to their comforts."

"The result of this feeling is the installation of better lighting, heating and ventilating systems, extension of elevator service and the providing of up to date lunchrooms, rest rooms, recreation rooms, lockers, baths and a hundred and one other things that minister to the needs of the employees. Efforts have been made to supervise the social life of the employees in the stores. Trained overseas exercise a motherly influence on the girls. Vacation trips are arranged. Weddings of employees receive the recognition of the stores in the shape of gifts. Libraries are provided and instruction classes are held for the ambitious."

"The report on this feature of the investigation is voluminous. Welfare work is shown to be not entirely a matter of increasing the efficiency of employees. It is represented as typical of a growing spirit of mutual dependence. The stores have not only physicians to look after employees taken ill while at work, but several of them send out trained nurses to the rooms of women and girls who do not live at home. There appears a constantly increasing tendency to make employees feel that they are part of an institution that is interested in them as human beings and not alone as parts of a great machine."