

Employers' Organisations

FURTHER objections to the 8-hour day from employers' associations in industries and countries as far removed as the Argentine sugar industry and the French boot and shoe trade are summarised in the following notes. Together with these demands for a longer working day appears the decision of the British Federation of Master Cotton Spinners' Associations to organise systematically the working of short time in the Lancashire cotton spinning industry. A considerable variety of material comes from the United States this month, largely because the industrial situation there continues relatively more disturbed than in Europe. The attitude of the employers toward the prevention of the further spread of unemployment, toward the Three per Cent. Immigration Act, their views on the coal situation and the price situation in general, figure largely in the discussions.

The literature pertaining to employers' organisations is very meagre, particularly when compared to the enormous number of books which appear every year on the organisation of workers. Two books recently published in Germany and the United States, however, have gone far towards supplying the information requisite to an understanding of this important question. The very different methods of organisation obtaining in these two countries are contrasted at the end of this article.

British Empire: Great Britain

The *Federation of Master Cotton Spinners' Associations* has recently been considering a scheme "for regulating the supply according to demand in order to meet more effectively the present unfortunate conditions in the cotton industry". Among the suggestions made was a revival of the Cotton Control Board which, during the war, rationed the cotton supply according to war-time exigencies, compensating those whose business was thus impaired out of the profits of those who were given preference. The question was referred to the fourteen organisations comprising the Federation.

On 8 September the Federation announced its intention of restricting action in this field to an enquiry as to whether it would be advisable to attempt a more complete organisation, by sections, of the trade spinning American cotton, so that, in any future movement for short-time working, arrangements may be made for production to be regulated in particular sections of the trade.

The Federation later issued ballot papers to the members of the constituent associations who spin American cotton, asking whether they were in favour of mills being closed down on four Saturdays and Mondays, beginning 23 September, in order to reduce the output owing to the demand being insufficient. The voting on this question showed that over 80 per cent. of the mills interested were in favour of this step, which was accordingly taken. The decision affected between 300 and 400 mills and about 100,000 workers in Great Britain.

South Africa

The annual Convention of the *South African Federated Chamber of Industries* was held in Cape Town from 19 to 22 June. In his presidential address Mr. F. Gibaud emphasised the interdependence of the

manufacturing industries and agriculture, and the consequent duty incumbent upon the manufacturer to encourage increased agricultural production. The Convention passed a resolution calling the attention of the Government to the fact that South African industries were suffering from the intensity of oversea competition, and that, as a consequence, industry was being restricted, with a resultant increase in unemployment. The establishment of a protective tariff was urged in order to safeguard and encourage industry and so increase employment. Other resolutions were passed in favour of "Safety First" principles and first-aid training, and recommending the appointment of a member with special knowledge of agriculture to the Board of Industries.

France

The General Association of the Shoe Industry of France (*Syndicat général de l'industrie de la chaussure de France*), has asked the Ministry of Labour to revise the regulations applying the 8-hour day to the trades engaged in the manufacture of boots and shoes. It is suggested that on application to the factory inspectorate permission be granted to work one hour more a day, or 303 hours a year (at the discretion of the manufacturers), such permission not to affect the 60 additional hours already provided for in case of extraordinary pressure of work, nor the 80 hours necessary to make up for time lost during holidays. The Association asks that this exceptional measure be granted for a period of seven years.

The Ministry of Labour, in accordance with the 8-hour day Act, has requested the workers' and employers' organisations concerned to give their opinion on the proposed revision.

United States

The *Cleveland (Ohio) Garment Manufacturers' Association* has published the results of its experience in the first six months' working of a scheme for guaranteeing employment or maintenance to workers. Under this scheme each manufacturer guarantees to his regular workers who do not leave voluntarily and are not justifiably discharged employment for 20 weeks during each half year. If this amount of work is not provided, the employees are entitled to two-thirds of their minimum wages for the unemployed period of the 20 weeks. No employer, however, is liable to his employees for more than $7\frac{1}{2}$ per cent. of his total labour pay-roll for the six months' period. Each week the employer deposits with the impartial chairman of a board of arbitrators or referees for the industry an amount equal to $7\frac{1}{2}$ per cent. of his total labour pay-roll for that week. The money so deposited is not paid into a general fund, since it "would be unfair to the manufacturer who, through his own efforts, is able to fulfil his guarantee" to use his deposits to pay the workers of another manufacturer who for any reason has not been able to meet his guarantee. Each employer's fund is therefore kept in a separate account and, instead of the funds as a whole increasing from year to year as in most unemployment funds, each manufacturer receives at the end of each six months' period as much of his own fund as has not been needed to pay his workers for unemployed time.

A particular feature of the scheme is that, if a worker is able to secure other work during his period of unemployment, this does not affect his right to draw unemployment pay from his regular employer.

The unemployment pay is therefore not merely a substitute for employment in general, but is in the nature of a penalty imposed on the particular employer for failure to get work for his own employees and thus is an incentive for every employer to keep his workers busy.

During the six months 1 June to 1 December 1921 a total of \$93,274.40 was paid into the funds and about one-third of this amount (\$33,126.40) paid out. Of the 31 establishments concerned four provided the full 20 weeks of employment guaranteed, and so were refunded in full at the end of the period; a number of other establishments saved the greater part of their guarantee deposits; in two plants the entire fund was necessary to cover the unemployment payments; and in two others the fund was insufficient to cover these payments, so that a deficit was incurred.

The agreement for 1922 made several changes in the original plan. Instead of guaranteeing 20 weeks' work in every half year, 41 weeks' employment is now guaranteed for the whole year. By a decision of the board of referees of the industry, dated 29 April 1922, the employers were given the option of payment on the basis of $7\frac{1}{2}$ per cent. of the pay-roll as before, or of paying a 10 per cent. lower wage rate and depositing 25 per cent. of the pay-roll. The idea in increasing the payment in the fund was to make it "morally certain" that the worker would receive either 41 weeks' work or 41 weeks' pay.

According to the Association "the result of the plan has without any doubt been an increase of work in the shops. It is true that the work has often been increased at a loss to the employer and it is a question whether some manufacturers would not rather take a loss through the employment fund. However, the incentive is direct and appealing, and appears to be the only way in which the evil of unemployment can be eradicated or limited in this seasonal industry".

On 15 September a conference, called by Mr. Herbert Hoover, Secretary of Commerce, and attended by representatives of various national employers' organisations, met to decide upon some plan of systematic co-operation in the readjustment of normal conditions following on the five months' suspension of coal production.

The Chamber of Commerce of the United States, at the request of the Government and the representatives at this conference, undertook the responsibility of organising a definite campaign throughout the country to prevent the anticipated economic difficulties, which could otherwise be dealt with only by means of regulatory legislation of an undesirable nature.

In a letter addressed to all American industries Mr. Julius H. Barnes, President of the Chamber of Commerce, makes the following proposals.

It is obvious that the bituminous coal problem is one solely of transportation, as the productive capacity of the mines is able not only to care for current needs but at the same time quickly to rehabilitate stocks. The railways are able to handle current supplies and any shortage is due to the inability of transportation to handle both problems of current supplies and re-establishment of stocks during the readjustment of the railway strike. This situation greatly disturbs the normal readjustment of prices under the law of supply and demand. It was felt, however, that a correction to this situation could be quickly realised if all American industry would co-operate in doing these specific things:

- (1) Confine purchases of coal under present conditions as closely to current needs only as safety permits.

(2) Suspend accumulation of advance stocks of coal until the present emergency pressure on production is relieved. This particularly applies to persons having low price contracts and who are, therefore, under no price pressure to withhold immediate delivery.

(3) Unload coal cars immediately and return them to service.

(4) Promptly furnish material required for new railroad equipment or repairs.

We believe that, if the business public will devote itself to these remedies and to others suggested by its own local conditions and by its own experience, a few weeks of favourable developments may provide correctives in this American way by co-operation instead of increasing regulation, and this would be gratefully welcomed by the Federal Administration.

The *Illinois Coal Operators' Association* has sent a letter to all Federal Senators and Representatives from Illinois and some other national legislators, defining the coal-mine owners' attitude on some of the general points now at issue in the industry. The letter states that in the opinion of the Association no correction of the actual or alleged evils in the industry is possible that does not contemplate "equal and adequate control" of the organised labour concerned. Legal responsibility for their acts and a clearly defined form of arbitration for every disputed point on which employer and employee may not agree, either in bargaining for a new wage scale and working agreement or in settling disputes afterward arising thereunder, are regarded as imperative. Basing their opinion upon the experience of the Fuel Administration in 1917 and 1918 and on the action of the Railroad Administration in 1919, the Association declines to believe that any arbitrary action of the Government in the direction of bureaucratic organisation can handle any emergency situation for a major industry as well as it can be handled under private ownership. For this reason certain of the Bills at present before Congress having this end in view are thought to be decidedly inimical to the public interest and to every branch of industry.

The Association reiterates the opinion widely expressed by coal operators that some fact-finding agency appointed by the President, in which operators, miners, and public may have entire confidence, should investigate and establish the exact facts regarding the production and distribution of coal.

The Association maintains that the problems of the coal industry are bound up with the question of adequate transportation and the maintenance of law and order. It is stated that "prior to the abandoning of these two basic conditions ample and adequate volumes of coal were always available . . . at the lowest prices known anywhere in the world. Nor throughout all this period were wage earners in the coal-mining industry paid as little as was paid in other lines". The Association is convinced that "with the removal of the unwarrantedly indulgent wage rate made available to coal miners during the last five years through the compelling power of their union, the question of too many mines and too many miners will very promptly correct itself after the same fashion that it has always done so heretofore".

Mexico

The Federation of Chambers of Commerce of Mexico has replied to a request of the Liberal Party for an opinion on that clause of the

Mexican Constitution which establishes an 8-hour day, in the following terms.

Article 123 [the clause in question] is inspired by theories which are applicable to foreign countries, but are not suited to conditions of life and labour in Mexico. Article 123 does not merely lay down principles, but deals with points of detail. It thus exceeds the usual scope of constitutions, which, as a general rule, define the broad principles according to which the nation is to be governed.

Argentina

Mr. Miguel M. Padilla, President of the Sugar Association of the Argentine Republic (*Centro azucarero de la República argentina*) has addressed a note to the Governor of the province of Tucuman, emphasising the dangers of applying the 8-hour day to sugar production. He states that the introduction of the 8-hour day would reduce the productive capacity of the factories, raise prices, and rapidly ruin the whole sugar industry. Furthermore, as most Argentine workers only work for part of the week, a relatively small salary sufficing for their needs, further reduction of hours of work would most certainly have adverse social effects by encouraging idleness and vice.

ATTITUDE TOWARD EMIGRATION

United States

There is an intimation that employers will endeavour to get the present Three per Cent. Act repealed. An article in a recent number of the *Iron Age* ⁽¹⁾ claims that the working of the Act has resulted in a shortage of unskilled labour. The figures seem to indicate a loss of over 33,000 who do the rough, unskilled work of industry. "Houses cannot be built if there are no men to make the excavations for the foundation; bricklayers cannot work if there are no labourers to carry up the bricks; in fact, skilled labour of all kinds will soon find its employment restricted. There is a serious lack of labourers to do their part of the work".

Attention is called to the following alleged defects in the Immigration Act. By the quota system it cuts down the number of entries into the United States to 3 per cent. of the number of foreign-born persons of each nationality resident in the United States as shown by the census of 1910; apparently no allowance is made to replace those who go out of the country; the literacy test is such as to be a "farce"; and whereas many able-bodied men who wish to do some honest work are excluded, every educated "radical" who does not wish to work may enter the country.

The *Illinois Manufacturers' Association* has also issued a report which deals with the working of the Act. This report, which is based on immigration statistics and on statistics of the labour supply of Illinois factories, reaches the conclusion that the Act is keeping out desirable immigrants, and is causing a shortage of unskilled labour in the country. It is stated that there is a great decrease in the immigration of those races which supply the bulk of labourers, including Poles, Lithuanians, and Roumanians, and that many members of these nationalities are going back to Europe. The majority of immigrants at the present time consists of races which do not ordinarily engage in industry, such as the Jewish. Certain figures are given to

⁽¹⁾ Smith ACHESON : *Scarcity of Common Labour in Industry in Iron Age*, Vol. CX, No. 12, Sept. 1922, pp. 717-718. New York.

show the increase or decrease in the United States population, classified according to occupation, in the ten months ending 30 July 1922. While there was an increase of 13,505⁽²⁾ persons in certain selected and skilled classes of workers, and of 65,406 persons of no occupation (including women and children), making a total increase of 78,911, there was, on the other hand, a decrease of no less than 64,521 manual labourers.

Canada

At the annual general meeting of the *Canadian Manufacturers' Association* held at St. Andrews, New Brunswick, from 20 to 23 June, a resolution was passed commending the action of the Dominion Government in appointing a Sub-Committee of the Cabinet to study immigration, endorsing the action taken as a result of this Sub-Committee's recommendations, and urging the Government to continue its efforts to increase desirable and necessary immigration, especially from other parts of the British Empire⁽³⁾.

LITERATURE

In a recently published report on *Unemployment Insurance in Theory and Practice* the *National Industrial Conference Board*, an employers' research organisation, reaches the conclusion that "private efforts of employers, trade unions, and other organisations to provide for, or prevent, unemployment have not as yet developed to an extent sufficient to afford an adequate basis upon which to build a system of public insurance in the United States".

The general findings of the report are summarised as follows.

The unemployment risk among American wage earners is not known with any degree of definiteness, but available figures indicate that compared with industrial countries in Europe the rate is very high and has not been reduced to a working minimum. The financial basis which would be required for an actuarially safe insurance system in the United States would involve an enormous expense. Furthermore, the political organisation of the United States would make the adoption of a national system of unemployment insurance impossible without constitutional changes.

If, on the other hand, a system of unemployment insurance were to be built up by the separate States, the complications arising from attempting co-operation between the States in the placement of workers and adjustment of compensation would likewise present administrative problems of difficulty, especially in view of the probability that the legislation in the separate States would differ widely.

The final question raised by such legislation is whether the stimulation of private co-operative efforts to reduce unemployment, which are necessary to meet the need for unemployment relief and serve as a basis for any extended system, can be more economically and effectively achieved by compulsory legislation than by some other means. The problem is, therefore, put squarely to industrial management in the United States to devise such other means.

Two recently published books on employers' associations — *Die volkswirtschaftliche Bedeutung der deutschen Arbeitgeberverbände*,

(2) Made up as follows : 470 blacksmiths, 9 cabinet makers, 1,970 carpenters, 515 engineers, 347 iron and steel workers, 159 machinists, 869 masons, 821 mechanics (not specified), 116 stokers, 6,417 farm labourers, 1,792 farmers.

(3) *Labour Gazette* of Canada, Aug. 1922. Ottawa.

by Mr. Otto Leibroch⁽⁴⁾, and *Employers' Associations in the United States*, by Professor C. E. Bonnett⁽⁵⁾ — furnish the material for a very striking contrast in methods of organisation. Both writers confine their attention to the type of association "which is composed of, or fostered by, employers and which seeks to promote the employers' interests in labour matters".

In Germany a process of centralisation culminated in 1913 in the formation of the Federation of German Employers' Associations (*Vereinigung der Deutschen Arbeitgeberverbände*). The employers' associations affiliated to the Federation are organised either by trade or territorially. At the end of 1921 the Federation included 1,965 units, 215 of which were federations (55 national, 78 district, and 82 local) and 1,750 trade associations or territorial groups. In all, 55 national federations, 34 district federations, 19 local federations, and 816 associations, making up 47 per cent. of the total membership of the Federation, were organised by trade or industry. The remaining 53 per cent. of the membership, comprising 44 district federations, 63 local federations, and 934 associations, were organised territorially. It is stated that only 22 employers' associations, properly so-called, are not affiliated to the Federation of German Employers' Associations. Since the war the Federation has recognised the necessity of a certain amount of decentralisation. A number of functions previously exercised by the central federations have been made over to the district and local groups.

In the United States, on the other hand, "employers are not organised in any one way or manner. In fact, the variety of associations is large. In number the associations now in existence or which have been organised in the United States total over 2,000, all of which have dealt with the labour problem in some phase or form. Of all this number, there is not an important association an exact duplicate of another". This being the case, the author has thought best to select certain associations for study as typical of the movement.

The Stove Founders' National Defence Association has been selected as a national negotiatory organisation. It is a centralised body and bargains with the International Moulders' Union on a national scale, but deals with labour troubles and strikes through both national and district committees. The National Founders' Association is a national belligerent organisation. It has a regular organisation for combating strikes, and conducts a propaganda against closed-shop unionism in order to prevent strikes. Its powers are also centralised. The National Metal Trades Association is a close-knit federation, national in scope and belligerent in attitude. It combats strikes largely through its branches. It seeks to prevent strikes and conducts a propaganda for this purpose. The National Erectors' Association is clearly the most belligerent national association in the United States. It makes war upon unionism from every side. The Buildings Trades Employers' Association of New York and the Building Construction Employers' Association of Chicago are both local federations of other associations that bargain with the unions and fight occasionally in order to carry on negotiations without making too many concessions. The former is noted for its methods of handling labour difficulties, part of the time with a General Arbitration Board. The latter association is noted especially for its "uniform form of agreement" as a means designed to reduce sympathetic strikes and other labour troubles.

(4) Brief notice in *International Labour Review*, Vol. VI, No. 4, Oct. 1922, p. 690.

(5) Brief notice in *International Labour Review*, Vol. VI, No. 2, Aug. 1922, pp. 304-305.

The United Typothetae of America presents an illustration of an organisation divided against itself in labour matters with two divisions, one negotiatory and the other belligerent. It is a large national federation which, as a unit, concerns itself primarily with trade conditions in the printing industry. The American Newspaper Publishers' Association has a labour division which has standardised national trade agreements and arbitrates issues that arise under these. It is accordingly a national negotiatory body. The National Association of Manufacturers is a national centralised belligerent propaganda association primarily engaged in opposing legislation sought by the American Federation of Labour. The National Civic Federation is a national mediatory association, made up of three groups, employers, union officials and publicists. It attempts by means of conferences to promote amicable relations between employers and union officials. The League for Industrial Rights is a national organisation that makes war upon the unions for their illegal practices. It aims to collect and disseminate information on the legal phases of the conflict and on other developments in industrial relations. The National Industrial Conference Board is a loose federation of national and State industrial associations for the investigation and discussion of vital problems as a basis for united action in combating "union fallacies" and proposals based thereon. The Associated Employers of Indianapolis is a local belligerent association which has become of national significance through its nation-wide propaganda against the closed shop, and its efforts to co-ordinate all the local open-shop employers' associations in the United States.
