

**NO EMPLOYEES;
ALL MEMBERS**

By Edward C. Botten
They don't use the term "employees" in the paint and varnish factory of the Arco Company. Instead, it is "members"—members of the Arco organization. As one of the officers of the company says, "We are trying to get away from the old idea of employers and employees. It is one of the greatest drawbacks existing in industry today. From the president to the office boy we are all members of an organization engaged in necessary production and the president is in every sense an employee of the company as much as the office boy or any operative. So where is the sense in making any distinction, when we are all on the same footing?"

That is the key to the operation of the Arco factory and to the relationship existing there among all the workers in it—those who devote to the company their business, technical and executive ability, and those who contribute their strength, skill and mechanical ability. For here has been worked out the modern idea of industrial democracy as completely and successfully as in any manufacturing establishment in Cleveland.

In fact, the Arco factory is probably the first in this city that has adopted the plan devised and advocated by John Leitch, the Cleveland man who a dozen years ago, gave up everything else to devote his life to the promoting of better personal relationships in industry. It may have been the first in the country to do so. For S. D. Well, then manager of the factory and now vice president of the company, knew John Leitch in the days when his industrial democracy plan was only in the theoretic stage, and to him Leitch talked about it enthusiastically. It seemed good to this experienced, progressive executive, and eventually, through his efforts and the assistance of Leitch, it was put into practice in the Arco plant.

That was more than ten years ago and industrial democracy has been in operation there ever since. Probably in no other place can any doubt as to the practical working out of the plan be so completely met by actual demonstration as here. After ten years of experience with it, not only the company but the members of the Arco organization as a whole are more than satisfied. "We wouldn't care to run the business without it," is the declaration of Vice President Well, who gives much of his personal attention to the operation of the factory. That the plan works as well with a small personnel as with a number of workers too large to permit of constant personal contact with them by the management, is demonstrated by the fact that the Arco factory force consisted of only forty-two men when it was instituted there.

At present there are 150 men in the factory and 100 members in the office force. Only 3 per cent of them are foreign-born. Fully 20 per cent either own their own homes or possess homes they have partially paid for. Some of them have been with the company a long time—at least six have eighteen years of service to their credit. There has never been any serious labor difficulty in the factory. It is insisted upon that every member must be sufficiently conversant with the English language within six months after joining the organization to understand clearly any directions given him. No educational classes are maintained, but any worker needing help of this kind is advised, shown how and assisted to get it.

One-third of the men in the factory entered the government service during the war. Their places were kept open for them. A short time ago all but two had returned to the factory, and each receives more pay now than when he left, while most of them have been fitted in practical patriotism and fair play that is worthy of attention.

When the industrial democracy plan was put into effect, the workday in the factory was ten hours. The proposition was made to the men in 1911 that it would be reduced to nine hours with no reduction of pay if they would keep up the old rate of production. The offer was accepted, but not only was the production kept up, but it was increased by 24 per cent. Just before the war began the present standard of a forty-eight-hour week was tried out on the understanding that it would be adopted if there was no decrease in production, the pay to remain on the nine-hour basis. The result was an increase

in production, under the eight-hour system, amounting to 27 per cent. And this was no spasmodic effort, either. The production increase during last February was 147 per cent in paint and 132 per cent in varnish and during March, 69 per cent in paint and 74 per cent in varnish.

These astonishing results have been obtained through the spirit and system of industrial democracy that has been developed in the factory. Much of the increased production has been brought about by improvements in methods and machinery, conceived and carried out by the men working with them. Pumping systems for the handling of liquid materials and conveying systems for the moving of solids have been devised and installed by the men in the factory, greatly increasing the output, without requirement of additional labor. A card system originated and developed in the same way, records all the work in the factory in such a way that every man knows what he has done and what he is expected to do in a day and keeps the process of manufacture proceeding steadily at a known rate without delays in progressing from one operation to another.

Just one suggestion made by a worker has saved the factory 30,000 operations, with a saving in cost of \$3,000 per year. That man, who has been with the company fifteen years, now has what might be called a "swell job." Another device, suggested by a member of the organization, simplifies, shortens and reduces the expense of the machine process of mixing paints. Still another has greatly increased the capacity of the grinding machines. The officers of the company give to industrial democracy much of the credit for the growth that has made necessary two buildings now being added to the factory, which will increase the capacity of the paint department 50 per cent and the varnish department 150 per cent.

The industrial democracy system in the Arco factory is the familiar federal plan consisting of a cabinet, a house of representatives and a senate. The cabinet is made up of the general manager, the general factory manager, the production manager, the technical director and the service department manager, or the men whose duties correspond to these positions. The senate is composed of one foreman elected from each of eight factory sections devised for the purpose, together with two members from the main office. The house of representatives consists of a representative elected by ballot for each of ten factory sections devised for that purpose, together with two representatives from the main office.

There is no limitation on the questions that may be considered by the congress. Every measure coming before it is prepared in the form of a bill bearing a number, as in a law-making body. Whatever passes the house or the senate must be concurred in by both before it goes to the cabinet, which has the responsibility of putting it into effect, after it has concurred also. The procedure is about the same as that followed by all legislative bodies.

The cabinet, however, is not invested with the veto power, the policy being to reach all conclusions by common agreement. In case any bill passes back and forth among house, senate and cabinet with no immediate prospect of an agreement by this method, a mass meeting of all three is held, the subject is thrashed out thoroughly and the bill is passed or defeated by a majority vote of all. In the more than ten years that the congress has been in existence in the Arco factory, resort to this expedient has been required only twice.

A general meeting of the entire factory organization is held once every month. At this meeting a bulletin is submitted containing an abstract of the minutes of the house and the senate for the preceding month, and any other matters of general interest pertinent to the occasion. In this manner the congress and the cabinet are kept informed of the sentiment of the organization as a whole upon all subjects under consideration.

Upon the suggestions of the executives, an industrial relations committee was appointed, consisting of four members from the factory and four from the offices, to draw up a profit-sharing plan. They reported in favor of a service appreciation fund, and it was adopted. It functions in this way: The company credits each member of the organization, after one year of service, with 5 per cent of his pay, up to a limit of \$3,000 of pay annually. Those earning more than \$3,000 get credit for only 5 per

cent of that sum. If a member elects to save 5 per cent of his pay, the company increases its percentage, in credit, 1 per cent a year, up to 10 per cent. At the end of six years his money will have earned approximately 74 per cent. At the end of ten years the member is privileged to draw out all the money held to his credit. If he leaves the organization for any reason he receives what he is entitled to. The fund is in the care of trustees appointed by the organization.

The wage question is handled in the following manner: A committee consisting of the plant manager, production manager, and service manager, with the president of the cabinet as an ex-officio member, sits once every thirty days to go over the cards of all members of the Arco organization. In addition to these cards, which give the complete record of each member from the time of his employment, the committee has the rate book, which shows the hourly rate by month for two years past and the pay earned by each member per week. In order to enable the committee to judge all wage questions fairly, the foremen of the departments are called in for information as to the general character, work performances, etc., of the members concerned. The foremen are instructed to report all requests for increased pay to the service department within twenty-four hours of the time they are made. There the wage question is treated individually for each member and prompt action is guaranteed.

A suggestion box is maintained and every member is urged to contribute to it. Prizes are awarded for the best suggestions by a committee representing the house, senate and cabinet.

A factory dining-room is operated by the organization, providing warm meals at the cost of materials and service. A commissary department is being organized whereby members can buy household supplies of various kinds at wholesale prices. There is a factory store, any profit from which is used for the upkeep of the dining-room.

A branch of the public library is maintained in the factory and the members are encouraged to use it. A record is kept of the books drawn by each as a means of encouraging mental development and inclinations.

The service department does all the employing and looks after the personal welfare of the members. Every case of absence from work is investigated by visitation to the home and the cause set down on the record card of the individual, which, by the way, affords fairly complete data of his personality and history. Everybody in the factory is free to go to this department for help or advice in any matter, and it is given when possible. The door is always open and there are no rules to be observed. A medical dispensary is maintained in the laboratory for free use.

Displayed throughout the factory where they are most likely to be read are bulletins. Here are two of them: TWELVE THINGS TO REMEMBER:
The Value of Time.
The Success of Perseverance.
The Pleasure of Working.
The Worth of Character.
The Dignity of Simplicity.
The Power of Kindness.
The Influence of Example.
The Obligation of Duty.
The Wisdom of Economy.
The Virtue of Patience.
The Improvement of Talent.
The Joy of Originating.
It is all right to be too PROUD to beg and too HONEST to steal, if you are not too damned lazy to work.

The above story from the Sunday News-Leader of Cleveland is printed for the information of many Columbia county people who use ARCO products, and for the benefit of those who contemplate using paint, enamel or varnishes. Well paid, loyal employees in the well equipped ARCO factory produce points of exceptional merit. You want the best, I know, and that is reason I am telling you something of the ARCO organization and the work they do.

Many enterprising merchants in Columbia county handle the ARCO line of paints. The ARCO COMPANY, for forty years has been recognized as one of the world's largest paint producers. For forty years their products have been used by millions of people and ARCO paints have stood the test of time.

If your merchant does not carry the ARCO line, write me and I will see to it that you obtain ARCO. You want the best and should have it and ARCO is the best.

S. C. MORTON,
Arco Representative for Northern and Eastern Oregon. St. Helens, Oregon. Paid Advt.

Loss of Appetite

As a general rule there is nothing serious about a loss of appetite, and if you skip a meal or only eat two meals a day for a few days you will soon have a relish for your meals when meal time comes. Bear in mind that at least five hours should elapse between meals so as to give the food ample time to digest and the stomach a period of rest before a second meal is taken. Then if you eat no more than you crave and take a reasonable amount of outdoor exercise every day you will not need to worry about your appetite. When the loss of appetite is caused by constipation as is often the case, that should be corrected at once. A dose of Chamberlain's Tablets will do it.

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