

WELL WORTH READING.

George W. Dickie, of the Union Iron Works, San Francisco, on Work and Wages.

Unorthodox, almost revolutionary, from the standpoint of many zealous partisans, were the words uttered by George W. Dickie in his recent address before the Unitarian Club in San Francisco touching the question, vital to the human race, of "Work and Wages." It is probable that no other thing so closely touches the lives of men, women and children.

Those who work argue that they give their very heart's blood for the wages they receive, and that therefore they are justified in demanding all they can get.

Those who employ others do not, as a general thing, take so vivid a view of the matter and hold at a discount the opinions of the ones who have labor to sell.

Mr. Dickie at the outset of his remarks asserted that the present system of reckoning the compensation of those engaged in industrial pursuits is a failure. He ventured a prophecy, or rather a hope, that a better plan will be substituted.

"This must be done, or the advantages of the highest benefits of modern civilization will be lost to the myriads who are engaged in productive occupations, employers and employes alike," Mr. Dickie earnestly declared.

These utterances were delivered in a manner that impressed all who heard them. Mr. Dickie, as manager of the Union Iron Works, is constantly associated with an army of men and boys engaged in the arduous handicrafts that contribute to the production of massive machinery, including great merchant steamships and war vessels of the first magnitude. His words, therefore, carry the weight and authority of a man of position and experience. In the course of his address Mr. Dickie said:

I find that there are generally two great questions or issues between the capitalist and the men who work for him, questions that people generally have got linked together in such a way that it is hard to pull them apart, and yet they really have no very intimate legitimate connection—time and money.

The workman wants to give small time and get large money. The employer wants to give small money and get large time, and between these questions of time and money the real thing that the workman can do, and that his employer wants done, is often lost sight of. If an hour of time by any workman always produced the same industrial result, then the question of time and money could be properly treated together, but any one who has had to deal with them is soon convinced that the one is no just measure for the other.

Many capitalists contend that labor or work is a commodity that can be bought and sold by measure, like any other marketable article, and that the value of it is to be expressed in so much per unit of time. In fact, this is the most prevalent method in buying and selling labor in use today.

The average man who is in the market with his skilled labor for sale does not want to sell the article he has on the market, but hours of time at so much apiece, and during those hours the purchaser is to coax the article out of him if he can. Nothing else in all the range of commerce is vended on these conditions.

Piece work as opposed to time work is the rule in some trades, but associated workmen generally protest against it, claiming that in all its applications it is simply task work, always having behind it a certain rate of wages kept steadily in view by the employer, who, as soon as a workman by extra diligence manages to earn more than the employer thinks his wages should be, begins to cut down the price per piece without regard to what the market price allows him to pay for labor.

There is unfortunately much truth in this argument of the workmen against piece work, for employers are not always just in dealing with the workmen in regard to the value of labor. This arises from the constant idea in the minds of both parties of some definite rate of wages that from the workman's point of view he should never fail to reach, and from the employer's point of view he should never by any exertion on his part be allowed to exceed.

I have for many years been convinced that neither time work nor piece work should be the basis for settlement between the employer and the workman, and so long as either of these methods prevails we must go on fighting as we are now doing, each party keenly watching for a chance to outflank the other.

I have faith enough in human nature as we find it in workmen and those who purchase their labor to believe that it is possible and quite practicable to separate the labor cost from the material and other costs in our industrial products and for the labor part of our products to enter into partnership with the men who are to perform the labor.

I know that a desire to do the very best they could by all bands every day would practically double the labor result, and with such a possible margin to work on the employer and his men might both make a good thing out of it if each had faith enough in the other to do his best for the good of both.

I was much interested while abroad last summer in some noted examples of this method of dealing with the labor factor in industrial products. About the end of June, with some other American engineers, I visited the famous engine works of Williams & Robinson, Rugby, England. These works are quite new, have been laid out with great skill, and especially in what might be called the humanities or provisions for the comfort of workmen they excel.

The principal product of these works is the famous Willan's engine, which is made here in all sizes from 10 to 3,000 horsepower. It is, however, their method of compensating the men for their labor in the production of these engines that interests us just now. What should be the cost of each engine they produce is carefully estimated, using for the labor items the rules that prevail in England as to the amount of work a man should do on an average.

The work to be done on every part has a definite value in this estimate, and that labor forms the foundation for settlement with the man or men that do the work.

The old-time method is used in connection with this to meet the prejudice of the men, although I was assured by both the employers and some of the men I spoke to that time might be disregarded. I never saw such a brisk lot of men in any works. Foremen were not needed to urge the men and could devote their whole attention to the quality of work produced; hence they are called examiners in these works and pass upon the quality of all work done, signing the cards for it if found satisfactory.

I obtained one of these cards relating to what I considered the most difficult class of work to fix a value for—fitting work. By this card I found a workman named Davis fitting two fly-wheels on a crank shaft, which he accomplished in 8¾ hours. His rate of pay gave him 5s 3d for these hours, but his labor was worth 18s 4d—13s 1d more than his time worth. This surplus is divided equally between the workman Davis and Williams & Robinson. In this case the workman doubles his wages, and his employer makes a good profit.

I was assured that on an average the men made 60 per cent on their wages and the concern was one of the most prosperous in England.

I had an opportunity to compare this establishment with another in the

north of England, also engaged in the making of engines, but where the general method of compensating the men was the rule. Here hard times was the complaint and labor troubles absorbing all the brain power of the management. Their total output was £234,000 gross for the year, with 1,130 men employed, while at Rugby, with 640 men, the output was £428,000. No wonder that the one was prosperous and the other struggling.

This is no new condition. Why, the old prophet found that the work in building the walls progressed rapidly "because the people had a mind to work" but when one has a mind to loaf no skill on the part of the management can avert the inevitable result.

I found another very large concern engaged in general engineering work and employing about 7,000 men making a great success of its business by a method that it had had in operation for many years.

Here, as in the Rugby case, a careful estimate is made of the labor value involved in carrying out any contract. This labor value, with the plans, is submitted to a committee representing the workmen. This committee goes over the estimate for labor with the company's manager and, if found true, accepts it on behalf of the men. If the total labor value is, say, £10,000, and it should go through the shops for a cost of £7,500 paid in wages (every man being rated according to the wages paid in the district), the difference of £2,500 goes to the credit of the labor surplus fund. Or, if it should cost £11,000, the difference of £1,000 would go to the debit side of the labor surplus.

Each six months the half of the labor surplus is taken over as the company's profit. The other half becomes a dividend on labor. If this amounts to 30 per cent of the pay rolls for the six months, a man who has during the six months been paid £40 in wages would claim a dividend of £12.

Here I found the men alert and striving to do their very best. If any man found a companion working on a method that did not produce the best results, he would at once put him in the way of doing better. Any one shirking his duty was doing so at the expense of his fellow-workmen and had to change his ways or seek work where his shirking did not affect the pockets of his fellow-workmen.

I was shown here that for many years the average dividend to labor was 27 per cent.

I fully understand that any such system of encouragement to workmen presents difficulties in every business, but the difficulties are not insurmountable. Courage and honesty, combined with the right kind of skill on the part of these managing large industrial concerns, would, if patiently applied, result in such benefit to workmen and those for whom they work as would save many an industry from impending ruin.

New Zealand led the way in the matter of old-age pensions, but New South Wales follows hard on the steps of New Zealand, while Victoria follows a little more timidly. Sir William Lyne's scheme is at least bold in scale. He will give a pension of 10s a week where New Zealand only gives 7s, and is prepared to reduce the age line to 60 years.

After spending millions on mortars for coast defenses the war department has now come to the conclusion that they are useless, the chances of their hitting anything being nil, and has stopped asking for money to buy them. Why it couldn't have found this out before.

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