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BY

JOHN LEE, C.B.E.

M.A., M.Com.

AUTHOR OF "MANAGEMENT," "INDUSTRIAL ORGANIZATION," ETC.



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TO MY WIFE

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PREFACE

THE rapid advance of methods of safeguarding the welfare of workers in industry both intensively and extensively, both as regards the content of the methods themselves and as regards the number of industries which have adopted them, calls for a study of the underlying principles. This study is an attempt to show the philosophy which lies behind the various welfare systems. Quite frankly I am of opinion that this movement has within it the potentiality of exercising an immense influence for good. It is usual for writers on modern industrialism to condemn it root and branch or to see in it a development towards a social revolution. I think that within industrialism itself there are forces at work, many of them silent and unobtrusive, which may in the fullness of time effect changes of which to-day we can only dream. One of these forces, in my view, is the welfare movement. I have not hesitated to point out what seem to me to be dangers and defects, but I do not choose to allow myself to be blinded by those apparent dangers and defects to the value of the spirit of mutuality which I am sure is being fostered by the movement.

This is a pioneer book. There are many books which deal with the practice of Industrial Welfare. I do not know any book which has attempted to discover the underlying principles, to analyse the various efforts which can be grouped under the heading of welfare methods, or to correlate the movement to its position in the history of industrial development. If my conjecture is correct

we are face to face with the beginning of a movement which may modify industrial structure, which may discover, within the bounds of private ownership, the direction in which we shall find a solution for the central problem of our time.

J. L.

MULGRAVE LODGE,
SUTTON, SURREY.

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THE PRINCIPLES OF INDUSTRIAL WELFARE

CHAPTER I

RESPONSIBILITY FOR WELFARE

THERE are wide differences of opinion as regards the practice of industrial welfare. These differences, I contend, arise from an insufficient consideration of the underlying principles. The movement towards definite action in safeguarding the welfare of workers received a considerable stimulus during the war and especially in the manufacture of munitions. It has developed very rapidly, and welfare supervision is now an accepted element in industrial control. It has been influenced by American precedent, where conditions are totally different, and where a special stimulus was given by reaction against so-called scientific management. Certain German precedents have had their influence in England, especially in the direction of more complete organization of the unit industry as distinguished from the dual organization of employers and employed respectively, which is the characteristic in England and, though to a smaller degree, in America. So far as underlying principles are concerned, there is more frank recognition in France, with the remarkable irony that this fact is not generally accepted in England.

The practice of welfare supervision as separated from general industrial control has made headway in England and in America rather as a sound policy discovered empirically than as proceeding from a fundamental principle. To say this is not to throw cold water on the

process, nor is it to undervalue the good which has been accomplished. In fact, it is the success of welfare supervision which leads us to look for some deeper stimulus.

The history of welfare supervision in this country can be regarded either as ascribable to the initiative of its sponsors or as brought about by the difficulties in which the sponsors found themselves in the war, according to the point of view. If we say that at a time of heavy work during the war the value of welfare in relieving the strain was realized by certain eminent employers who urged it upon the Ministry of Munitions which in turn co-ordinated it into a policy, we see it from one angle. If we say that the workers were becoming restless, that all sorts of means had to be invented to meet their demands, that the deduction of the cost of welfare work from Excess Profits duty was another factor, we see it from another angle. I am inclined to think that the particular "boom" given to welfare work during the war had a far smaller influence in its history than we generally suppose. Long before the war there were movements in that direction. Forty years ago I played cricket with teams connected with collieries in which the manager took his part.

But there was one direction in which the war had a notable influence. It did emphasize a type of welfare work, what I call specialized or separated welfare work. It brought the expert welfare supervisor to the front. Here, again, various subtle factors were operating. Managers of all sorts were much too hurried and worried to undertake the work or even to ensure its performance. There was a "glow" of mutual responsibility in the air. There was a passion for some sort of social reconstruction. Besides these factors there were examples of cases where far-seeing industries had adopted methods of providing for welfare which looked very attractive to industry generally in the grim years of the war—much more attractive than they seem to be when looked

at from the cooler heights of peace. Yet the most remarkable fact is that welfare supervision, largely in the form in which it was crystallized by the conditions of the war, has continued to increase. It is said that something like thirteen hundred firms of various kinds have adopted the system. It is not too much to say that it is an evidence of the acceptance of responsibility of the employer to a far greater extent than previously obtained. All that is for good. In our discussions of various methods, and possibly in respect of some criticisms which may be ventured, this plain fact must never be forgotten. It may be that this steadily growing stimulus was brought to a point by the circumstances of the war: it may be that the flood of emotion, as is so often the case, so directed men's thoughts that the wisest schemes were not adopted and that welfare work became a sort of fad inspired by kindness rather than a seriously-thought consideration of the principles of employment.

For successful as welfare supervision, in its specialized or separated aspect, has been, there are employers who have misgivings and these among the employers with the highest ideals. They feel instinctively that there is a danger of spoon-feeding. They are aware of the fact that separated welfare supervision seems to have arrived a little out of the ordinary process of time. If it is the duty of the employer to cater by special and separated means for the comfort, the leisure, the education and the training of his workers it would seem to them to be illogical that the duty should be accepted after it has been shown that by organization the workers have proved themselves to be strong enough to insist upon other demands. Moreover, they are anxious, and not without reason, lest this method of welfare supervision should weaken the moral fibre, should make the workers too dependent. True, as is always said in France, there is a paternal aspect in the

employment of a large number of men and women, but the question arises whether this paternal aspect is best realized by a method which comes near to fussiness. The parallel of the father in the home has its lessons, they say, and the strict father probably brings up the best children. In the schools of Detroit there are hair-brushing machines of high efficiency for the compulsory use of the girls, but it is open to question if the brushing of hair, after all, is not done better secretly and alone, and we read with some anxiety that there are parents in Detroit who are less insistent than they were in the matter of hair-brushing. Paternalism in schools has its disadvantages.

It would be easy to say that those employers who do not accept the methods of welfare work are representatives of the old school, to whom it seems beyond question that an employer has a right to purchase labour in the cheapest market and to employ it under conditions as favourable to himself as possible, in so far as he obeys the law. Even if that were the case it is to be pointed out that it is not so reprehensible to-day as it appears to be. After all, the employer has to face organized labour. He has big forces against him. Moreover, he can say that under present competitive conditions if there are to be any margins at all he would prefer that these margins take the form of increased wages. By some sort of instinct he dreads invisible wages, and it will be shown later on that the dread which is now the dread of the employer was formerly so much the dread of the worker that legislation had to be introduced.

But it is unjust to employers at large to represent those who are shy of welfare methods as being of necessity of the "old school." They include many employers of high enlightenment who are genuinely anxious as to welfare methods. They are not convinced that those methods have been quite as soberly considered as they deserve to be. They have no desire to cast upon their

workers the reproach that in respect of all the conditions which come under the heading of welfare they can be dealt with in the mass.

If it is true that one of the lamentable features of modern industry is the lack of the personal touch between employer and employed it must be remembered that it is personal on both sides. It is frequently referred to as if it were personal on the employer's side only. But the individual worker is to be considered as just as important in this matter of relationship as the individual employer. The personal touch is not restored by the allotment of specialized persons to undertake that touch and, indeed, it may be said that this is likely to lead rather to a further and a more complete severance. There is a further suspicion. While on the worker's side, as we shall see, there have been suspicions lest the welfare system should—whether designedly or not—come to be a factor in undermining the solidarity of labour or the mobility of labour, on the employer's side there is a parallel suspicion. Does it tend to general progress to tie workers more closely to their industry? Is it not healthy that the emphasis should be that all the employer buys is labour, and that freedom in this purchase may be for the benefit of the worker not in the end only but in the present? In other words, the highly intelligent and far-seeing employer may say that the best intentioned interferences with economic laws, after all, are risky interferences, that welfare comes at a time in history when there is reason to believe that economic laws might be tending to the advantage of the skilled worker, if not to the unskilled worker also, and that welfare work as a system cannot be adopted merely as an exterior artifice which will play on the surface of a relationship founded on other considerations.

It is easy to lay all this aside and say that no good movement has ever taken place in the realm of human relationship without being damned by the economists.

The factory laws were bitterly opposed by men of undoubted humanitarian instincts. It may also be added that the human heart is more likely to be right than all the sciences. Nevertheless, it is true that if there is a development in the direction of the acceptance of responsibility of the employers for the welfare of the workers it needs much more fundamental consideration than it has yet received.

At the moment there are two alternatives to the system whereby individual persons, sometimes associated in groups, purchase the labour of other individual persons. These two systems are (a) Guild Socialism by which the conduct of an industry is sub-let to an association of all the workers through remaining in the ownership of the State, and subject to the control of the State; and (b) Socialism itself, whereby the State assumes both the ownership and the employment under conditions which, it is suggested, are essentially different from the wages system.

In the wages system there are varieties of adaptation such as profit-sharing, co-partnership, and vague modifications of "control" under Works Committees and the like. The question is whether the welfare system is a real modification of the wages system, or only an embroidery upon that system. It is associated in some instances with profit-sharing or co-partnership or Works Committees, but apart from these further developments the evidence would seem to be that it consists of a more fundamental change than is generally understood. It accepts responsibility, to a varying degree, for the lives of the workers. It has regard to education and leisure as well as to physical health. Certainly it goes far beyond the mere cash-nexus. It is on this ground, sometimes without knowing it, that many employers are hostile. They point out that the free wages system was a development towards freedom. The earlier employment included the very factors which

are now re-introduced under the guise of welfare is beyond dispute. Slavery, in its extremest form, did include a recognition of the other aspects of life, and the abolition of slavery, by the moral consent of the world, was a tendency away from the handling of the sum total of life by the employer.

The other side of the argument is that the root difficulty is the factory. After all industry includes the aggregation of individual persons under centralized control. It does bring with it a vision of the aggregated needs, at any rate those aggregated needs include food and lighting and ventilation and training and guidance or control. It is inconceivable, the sponsors of welfare work say, that the acceptance of aggregated human work should not bring with it special responsibilities, and that this is altogether independent of the discussion of fundamental principles. Human relationships in this view present empirical difficulties to be met by measures which fulfil the empirical needs and not by gropings towards doctrinaire theories. There is no intention of tampering with the wage system, of playing with theories of extended control, of checking the power or the disciplinary authority of trade unionism. It is a question of decency only, and must not be interpreted as going beyond that narrow range. It is the outcome of enlightenment, and not of mere faddishness. It is a sound investment in that it improves the output and adds to cheerfulness and therefore to efficiency of work, but there is no reason on that account to cover it with obloquy. The employer has as good a right to improve output by this means as by an improvement of machinery. It is true, they say, that humanitarianism is a factor, but it is not a blind humanitarianism—it is no mere benevolence. It may be that it may develop in other directions, that efforts will be made towards the encouragement of thrift, or to the establishment of pension systems. This may tend in the direction of even less mobility, but that may also mean more security and

less unemployment. In fact, the welfare system may evolve into a reversal of the ordinary estimates of economic influences as compared with other influences, and the purely economic factors may be of less and less importance in the balance. The employer's reward may come in this deepened sentimental or emotional attachment. It may not be the "personal" touch of which so much has been heard, but it will be a means which in its deeper implications is not readily to be distinguished from the "personal" touch of the last generation. Further it is argued that nothing has been devised more capable of meeting the increased monotony of routine work. Mobility of labour is nonsense when such minute operations come to be considered. It is this increase in detailed monotony which has come to be a factor, and this was parallel with the development of the welfare movement during the war.

Whichever view we take of monotony, whether it is an evil which is to be met, or is of value inasmuch as it leaves minds free for other exercises, the fact remains that the welfare—in the widest sense of the word—becomes a more important responsibility than ever. The employer has to recognize that he is using men and women for tasks which in themselves seem to be unworthy of men and women, and it is his responsibility to restore the worthiness, and to bring to his aid all that science and psychology can do to restore it. In other words he takes from his workers something more than the work, and this is a latter-day tendency.

It is to meet this latter-day tendency that welfare work has been instituted. It is not to grope after a new alternative for the wages system. That may present itself in the fullness of time as a last result of the minute division of labour and of function. But it would have come independently of the welfare movement and it would have come as an issue and as a problem, whereas the welfare movement may be doing something

to smooth the issue and to find a solution for the problem.

No one knows or can know the ultimate effect. All that is clear is that human desire on both sides of the relationship finds some gratification in the movement, and that in a wide variety of industries it has purified the atmosphere of suspicions and of mistrusts, and that not the least notable of its achievements has been to reveal the true hearts of the workers to employers who had been under a complete misunderstanding. While it had thrust new responsibilities on the employers it had given them a new vision into the hopes and aims of their workers.

This is not to take sides on the issue. It is merely to state the case clearly as a preliminary to the search for principles. That search must begin by asking ourselves what it is which we are aiming at in industrial welfare. Is it merely the bodily welfare without inculcating individual responsibility for that welfare? It may be that, as they say in the House of Commons, the answer is in the affirmative. On the other hand, it may also be true that to seek bodily welfare by a short-cut is just as full of ultimate perils as any other speeding-up of the time process.

Yet the history of industry is not fair to look upon. We have had two hundred years of the so-called industrial revolution. It is a possible argument that if there had been no factory legislation at all the acceptance of responsibility would have developed so that the progress would have been just as rapid. We tend, at any rate, to give legislation rather too much credit for the undeniable improvement, and this is proved by the fact that few employers to-day measure their responsibilities by the rigid limits of Acts of Parliament. Nor is it true to assign the progress to trade unionism only, as is commonly done. All these are factors, but there is another factor, the progress of enlightenment. In other words,

there has come to be recognized something which is outside the bounds of legislation, something which is outside the bounds of the claims pressed by industrial conflict. That enlightenment is not necessarily on one or the other side of the issue. It runs the risk to-day of being over-confident. It runs the risk of believing that it has found a solution for the central problem. If we approach the problem as humble men who are in search of principles, we shall perhaps learn something, and also perhaps we shall gain fresh enlightenment.

It may check some of our sentimentalism ; it may, in Sir John Simon's words, find a way to "the humanizing of industry," even though it is a long and an arduous way. That may not seem to be inspiring as a beginning, but at least it is a frank recognition of the fact that all human problems are tremendously complex.

CHAPTER II

A SUBTLE CHANGE OF OUTLOOK

THESE principles of industrial welfare lie much deeper, therefore, than we generally suppose, and it is for this reason that there is some suspicion against industrial welfare on the part of the workers, and on the part of employers. We think a little too hurriedly that a mere cash-nexus between employer and employed betokens a lack of the benevolent spirit. As a matter of fact, the mere cash-nexus is the result of the historic claim that economic laws would ultimately put everything right. I myself remember, exactly fifty years ago, hearing a discussion in my home in a Lancashire village to the effect that an employer who was encouraging a sort of co-operative society was violating the Truck Act. That Act was the workers' charter, or at any rate was so regarded. It was an emphasis upon a cash-nexus. The theory was that wages should be paid in coin, that there should be no other responsibility on the part of the employer, or, more accurately, that any employer who attempted to pay wages in any form other than coin was thereby interfering with liberty. Of course, it had other aspects. The suggestion was that the employer was making money by the substitution of kind for coin and there were instances as far back as the fifteenth century where goods of poor quality, at an unjust price, were substituted for money wages. The theory that liberty would work for betterment was universally accepted.

I remember an indignant miners' meeting, about 1880, which was brought about by the offer of a well-intentioned company to build and to rent houses. It seems strange forty years afterwards to read of a general assent to the

theory that responsibility lay on the owners to provide houses.

The development of what has been regarded as freedom is the central characteristic of what history has come to call "The Industrial Revolution." It is easy to find flaws in that liberty. The fact that Trade Boards Acts have had to be passed to protect certain workers from the evils of sweating would seem to indicate that freedom of contract in history has its limitations. Yet it should not be forgotten, on the other hand, that freedom has included the right to organization, and that this has brought with it very considerable improvements both in respect of wages and also in respect of bargaining status.

To those who would like to see some bridge in process of erection over the gulf between employer and employed corporate bargaining would seem to hold out some promise, but, unfortunately, while it does bring the two sides into occasional agreement it does emphasize the fact that there are two sides. Admitting this, it is still the fact that there has been a process which it is not foolishness to describe as the freedom of the worker from the personal control of his employer in aspects of life other than the relation in work and for the direct purposes of work. The pessimistic amongst us see the grey side of the industrial problem. They feel, somewhat as Lecky said at the end of his *History of Rationalism*, that the gain in respect of freedom has been at the cost of romantic ventures of the soul. But an examination of economic history for a hundred years has its element of encouragement. After all the public conscience has been awakened to sensitiveness, and the fact that regulative legislation is readily accepted and even demanded, and the fact that welfare supervision has become so commonplace are both of them indications that we have passed beyond the stage when the employer could regard his work-people as mere workers to be obtained at the cost of the alternative of starving.

To this extent freedom has been accepted; to this extent rights have been acknowledged. In the mere bargaining for employment the worker is in a stronger position. The State, too, bears its part in this development. It is ready to arbitrate and to conciliate. It has its Industrial Courts. It definitely encourages Whitley Councils and the like. It is ready to legislate if need be for those workers who are not sufficiently well organized to conduct their own bargaining with any real purpose. Moreover, the State was responsible for laying down the standard during the war whereby welfare work has come to be regarded with favour.

All this points to a change. No longer is the employer a free agent to employ workers under whatever condition he chooses provided that a certain legal minimum is observed. He is faced with corporate bargaining; he is faced with vast organizations of labour. He is faced with public opinion which has steadily become clearer as to the content of "Good Employment." The employer's attitude to this process has changed by degrees. The change is more complex than appears on the surface. While it is a recognition, willy-nilly, of organized labour, it is also a recognition of the fact that the rôle of the employer does involve definite responsibilities other than the payment of a standard or a legalized wage.

Similarly the acceptance of welfare has changed the attitude of the worker, though he is much less aware of it. He may sniff at it, and suggest that his employer is a faddist who must be allowed his little whims. Yet the student who examines the attitude of labour generally to the employer in 1874, 1884, 1894 and 1914, will have seen a steady change. He will have seen the performance of a day-by-day task change into a relationship of mutual interest far more real than is usually credited to the worker. The best instance of such a change is to be seen in South Wales, under the Miners' Welfare Fund, where bowling greens and football grounds have

become the instruments of a mutual cordiality which is of the utmost significance.

There are cases, no doubt, where advantages under welfare schemes are received with a half-awakened sullenness. There are instances in plenty where benevolence, or what may seem to be benevolence on the side of the employer, has an antithetical influence on the worker and excites suspicion and even resentment. There are cases, notably in America, where attempts to encourage workers to take up shares, even under conditions which set out to help them to that end, have revealed an amazing indifference to the success of their industry, so much so that joint funds have had to be established to encourage saving for investment in a group of industries. Yet even granting this to the full there are a thousand cases where the workers accept welfare work gladly, where they conform to the rules which it lays down, where they make a confidant of the welfare worker, and where women workers make a confidant of women welfare supervisors, and this is very significant to those who know something of the psychology of women in industry. The canteen, assisted by the firm, is "popular." There is articulated appreciation of the other efforts.

The acuteness of the building problem has had some influence in encouraging workers to view somewhat more favourably the provision of houses, even with the stern conditions which usually apply to the industrial garden city. There is little difficulty in a well-organized works in obtaining the support of the workers for the machinery of schemes, even to taking part in committee work. There is reason to believe that the set-back received by the trade union movement in recent years has had an indirect influence. There can be no doubt that, in the main, after a period of suspicion and of doubt, the welfare method, even in some of its crudest forms, has appealed to the worker as being at least a movement with something of a spiritual end. The criticism that

it was a sound investment on the employer's side left the worker cold. Provided that he saw some signs of a real acceptance of responsibility for the lives and life-conditions of those who worked he saw nothing reprehensible in it being a sound investment.

But there is a *tertium quid*. Not only has there been a re-orientation of the employers towards this relationship and a re-orientation of the workers, there has been a subtle change as between the two. It is in respect of this that there is need of further examination. Where welfare work has been so devised as to throw more responsibility on the employers' side without calling upon the worker also to accept further responsibility the second state has been worse than the first. It is the fact that the majority of cases of welfare supervision have had this result in a varying degree. It is also the case that in an appreciable minority of cases there has been an astonishing change in what we must call the "atmosphere." It has changed so much that the change has reacted upon employer and worker and has brought them far more closely in accord than ever could have been expected.

The striking characteristics of these cases have been found in the fact that the freedom of the workers to accept or decline has been emphasized. This needs to be done with true dignity. I am acquainted with a dreadful instance where the employers seemed almost to be suppliant and their very importunities while they carried the schemes, as schemes, utterly wrecked any prospect of true voluntary association between the two sides. Yet even in schemes which have been least successful one is always aware of a potential change almost on the verge of realization. There may be freedom in the mere cash nexus, but it has been established again and again that the true out-drawing of the human spirit is found in connection with those affairs which are far from the materialistic. I know one case of the utter failure of

welfare schemes in an engineering industry which showed no signs of any result other than mutual scowling over a barrier until someone hit on the happy thought of a Benevolent Society to deal with cases of distress. From this point a change in atmosphere began.

However, to sum up the argument, it is true, I contend, that if welfare work has been adopted to a less or greater extent it has involved a change on the employing side in its attitude to the worker; it has involved a change on the worker's side in relation to the owners and employers; it has involved some change in the atmosphere which recognizes the relationship as having elements in it more near to emotional or at least to sentimental relationship than has yet been recognized.

Thus we must say that the acceptance of an employer's responsibility for industrial welfare to some extent is a re-orientation, both of employers' and of workers' views. It is a confession that the cash nexus is not enough; it is a protest that there is a relationship between the two sides which involves something more than payment for work and for surrendered time. This is not the place to discuss the merits or the demerits of this re-orientation. We are in search of the principles of industrial welfare, and in that search we find that the old idea of economic laws righting themselves has not proved to be sufficient. It is helpful to read one of the older books and to find such a cheerful phrase as this: "If the employer does not pay sufficient wages as to be a reasonable valuation for work done his employees will find another employer and wages will rise." It is both helpful and interesting to read the debates on the proposed eight hours day for miners when the discussions took place in the 'eighties, and to find men of undoubted sympathy declaring that economic laws would reduce the hours in a more healthy way than legislation. Here again we need not argue the rights or wrongs of the contention. It is sufficient to quote it to show that a bigger

change in respect of fundamental principle is involved than we are apt to realize.

In brief, industrial welfare, accepted in any sense as an employer's responsibility, is something far more than a change in sentimental outlook. It is a fundamental change of economic principle.

It is a change of principle on both sides. The employing side goes ahead of competition, so to speak. Of his free will the employer undertakes far more in respect of his worker than is demanded either by legislation or by pressure of organized labour. It may be a sound investment to do so; that is irrelevant. All we are concerned with is that he does go ahead of the demand and by so doing he surrenders the idea of economic laws sufficing. Also, but in a different way, the worker makes a surrender. It is generally a surrender but not a sacrifice. He surrenders, let us say, his perfect freedom over his meals, or over his sports, or over his reading, or over his leisure. He eats (and drinks) in the official canteen. He plays on the sports ground with his fellows at work, or perhaps in rivalry with others, but still as representing his work. He reads the books he borrows from the welfare library. It may be he surrenders other freedoms and lives in the company's garden city. He does not feel the irksomeness because very probably it is not in the least irksome, though there are cases in which some of the conditions laid down are unnecessarily severe and a good movement has been prejudiced thereby. Rather, he comes to be proud of the change. Nevertheless, it is a surrender of freedom. It is the acceptance of a new relationship. To some extent, more or less in different cases, the employer has adopted the attitude of a father to him. In natural life fatherhood comes first and freedom afterwards; in industrial life freedom comes first and such as there is of fatherhood comes afterwards, and if freedom does not come first there is a poor chance for the acceptance of the relation of sonship.

Necessarily, too, it is a relationship which has a suggestion of permanence. The old advantages claimed for the mobility of labour lie in close association with the conception of economic liberty, to which I have referred. The workers in my Lancashire village would have regarded an employer who emphasized permanent or continuous employment as being Macchiavellian. Not only freedom to change but actual change was regarded as an advantage. So it follows that any conception of industrial welfare must *pro tanto* tend towards permanency of employment, and consequently towards some approach to stability of industrial conditions. Obviously, while this has its disadvantages to the worker, as we have seen, it also brings some disadvantages to the employers, though there are moral recompenses—and other recompenses—for the disadvantages. The point is that in this second respect there is a definite change of outlook upon fundamental principle.

This triple re-orientation, as we may call it, is not necessarily a deliberate or even an intentional re-adaptation. It is an immediate act, not generally cognizant of all that it involves or suggests. It is prompted partly by the goodwill and kindness which are to be found all around us even when the enunciation of theory is not consistent with goodwill and kindness. But it has its economic as well as its ethical bearings. We may take a simple case. Here are some men in a factory dealing with a certain waste product. It is filthy work in a filthy corner. By some process of argument in the past it was considered expedient to pay rather more for that work because it was done under such repulsive conditions. Later on a welfare supervisor tackled the question. The corner was cleansed. The process was improved. The work was brought to the level of the general conditions of the factory. The next men to be employed were paid ordinary rates. Now the motive in the mind of the welfare supervisor was not the saving which would follow.

Rather it was the sense of protest that no one should be called upon to do such work, and that money recompense was precisely the wrong way to go about it. The basis was ethical. The economic solution was the solution of despair, the suggestion that money could be a balance for any foulness of conditions, an argument which leads us very far for sooner or later the generosity which recognized the conditions will find itself hampered. The ethical action, even at considerable cost for research and for consultation, proved to be remunerative in the end, but that was not its aim. It had in mind merely the physical and mental welfare of the men concerned.

Thus it can be said that once we adopt what for convenience we may regard as an ethical standard, once we begin the process of studying welfare and of accepting responsibility for welfare, it may take us very far. It may or may not be remunerative, the "sound investment" of the enthusiast, but it will be ethical. In other words it will have faith. It will recognize that there are margins which lie beyond mathematical calculation and that the spirit of responsibility will trust to those margins.

Here we see glimpses of the new principle. It is not to say that management should be blind, that it should be benevolent and "trust to luck." In matters of certainty it will be as scrupulous over costs and costings as it could be. Where it will hesitate is as regards the definition of certainty. It will not readily suppose that it knows positively the inexorable result of any particular action. Certainly it will not suppose that a reduction of wages, to take a ready example, is always economical to the management. Amid all its vagaries and all the over-claims of its votaries, the welfare system has disclosed countless cases of unconsidered margins. It has shown again and again that there is a tremendous elasticity and readiness to response in human nature. It is only at the beginning, but in these discoveries it has revealed to us that the economic process, the mere question of

material remuneration, is of far less import than we had realized. To say this may seem to concede too much to the critics. After all, they will say, you admit that welfare is a portion of wages, that it is a method of substituting something for wages. Put in that form it sounds indefensible, and yet there is truth in the criticism. Not every attempt at welfare work brings out that truth, largely because it is too directly attuned to the economic end to succeed. In other words, the economic result must be a by-product. If it is aimed at, the ethical purpose is invalid.

There are other margins of which account is to be taken. There is the margin in vocational study. It is not always the case that it can be arranged for work to be done by those who seem to be the most suited for it. There are exceptions. The effort to fit, the struggle to perform and to perform efficiently, is so good a discipline that the final result justifies a process which research and study would condemn. Such a result can only be found where the determining factor of the will is attracted to the end. Here again, and again unconsciously, the votaries of the welfare systems have opened our eyes. The spirit which they have attempted to infuse into industry has caught the enthusiasm of many a man who was previously content to wring his hands in despair at being a square peg in a round hole. He had taken the fact for granted and, with half-a-heart and less than half-a-will, had faced his day's toil.

This re-orientation of which I have spoken has not reached the definition of its purpose. It would be too much to say and too presumptuous to say that it sets its aim to the making of men and women. Probably, when the time is more ripe for such a bold declaration of purpose, it will be more achievable than it seems to be under the present conditions of industry. Yet that is the direction in which welfare work has set its face. The old industrialists smile at the apparent futility of

psychological inquiries into motion studies and into fatigue. No doubt the immaturity of the sciences concerned in these studies is not admitted quite as frankly as it should be. Yet they do discover methods of digital and of manual action which present the by-product of better output in a remarkable way and also conserve to the cheerful temper and the lack of exhaustion of the operator.

It may be that from these beginnings we shall see further developments. It may be that to see such further developments we shall have to apply to our welfare methods conditions not as yet generally adopted but which will be indicated in a later chapter. Sufficient, however, has been said to indicate what is meant by the claim that to adopt welfare methods is to re-orientate both management and workers and their mutual relationship to an end in industry, which at the moment is not evident.

CHAPTER III

THE SEARCH FOR THE FOUNDATIONS

WHAT has happened, therefore, is an entire change in the relationship between employer and employed. The factory laws laid down certain conditions as minima ; they were a gradual development. The realization of the new principles of industrial welfare has taught us that these minima are insufficient, not insufficient merely from the point of view of moral responsibility, but insufficient from the point of view of effectivity. Thus a conception of industrial welfare has become current which recognizes that in the relationship which industry demands between those who direct industrial functions and those who perform industrial functions, there is a recognition of the need for efficiency which brings with it a search for the true foundations of efficiency.

It has been rather disastrous to the development of industrial welfare that it should have been emphasized on what may be called the " benevolent " side. Doubtless the initial stimulus in many cases has arisen from the benevolent and kindly spirit. It is also true that it has arisen from the recognition, and occasionally the timid recognition, of the solidarity of the workers in the last decade. Nevertheless, it is true that the conception of industrial welfare, at its roots, is the recognition of the indisputable fact that to cultivate industrial welfare is to cultivate efficiency. Nor is it a matter for regret that this search for efficiency should begin at the top. The world has had enough of revolutionary movements which began in forceful demands from below. If we are face to face with a movement which receives its stimulus from the end where responsibility has been placed, it may be that a new spirit of leadership is being born before our eyes.

It is true that "efficiency" is an ambiguous word. There may be dexterity at the cost of personal welfare. There may be monotony of labour, resulting from minute sub-division, which is disastrous to the individual and yet, for a time, may seem to be efficient. In so far as there is a philosophy of industrial welfare it is not content with the temporary expansions of output which may follow the adoption of different devices. It is on this rock that scientific management foundered. The recognition of industrial welfare as being a continuous process, of the worker as giving not a certain number of hours merely but a career, of the whole process of industry as involving a gradual process of evolution which never presents its ultimate end and which is always aware of its comparative defects—this is a different matter. It is this wider aspect which has led to ideas of vocational training at one end and to pensions at the other end.

Then again we see a fundamental difference between employment as directed by legislation and employment as inspired by some sense of industrial welfare. The law is only concerned with the conditions while men and women work. It is not concerned with the quasi-permanent relation between those who work and those who employ. For all the law cares the employer may replace the whole staff of workers as often as he chooses. In fact, the earlier theory was that the possibility of some such action was a necessary corollary from the application of economic laws to the relationship. Fluidity had to be preserved at all hazards. There must be mobility of labour.

Whether for good or for ill, the acceptance of a conception of industrial welfare is antagonistic to the idea of mobility of labour. It is possible that the pendulum may swing too far. A valid criticism against certain types of sharing certificate is that they may possibly prejudice the worker in his legitimate desire to sell his

services to the best advantage. The loss or the compulsory sale of the sharing certificate may be a mill-stone round his neck, much as certain civil and municipal servants are said to feel that pensions and permanent employment have their disadvantages. Allowing for this danger, it is true to say that one of the main principles of industrial welfare is to be found in the tendency towards a more permanent and abiding relation between those who have accepted the normal relationship of employer and employed.

We shall touch upon unemployment later on, for the "permanent and abiding relation" must include some consideration of the great problems of unemployment. The question of mobility is full of difficulties. We can see these difficulties in their most extreme form in the cases of employment where long service gives a right to a pension. Obviously the longer the service and the more the employee's interest is vested, the less likely he is to leave. There are not wanting cases where employers have taken advantage of this fact, and even cases where no one can justly accuse the employer in so doing of harshness or tyranny. His defence is that in the last years of service in such conditions something less than fully skilled or fully enthusiastic service is sometimes given. That may be so; it may also be the case that what seems to be harsh treatment at the very worst is better than summary dismissal which is probably what would happen were there no pension system at all. Yet no one can imagine a welfare system in which there is no attempt at permanency of employment, in which each day's labour stands apart. Some systems of piece-wage bring us to this extreme. It is possible that in the case of rare skill and special experience this extreme method has its merits, but we are dealing with the welfare of industrial workers as a whole and not with cases which must be especially rare.

Apparently there is here a grave difficulty. It may be that the future lies in insurance. We may find that

pension systems and the like, in the hands of unit industries, give too great a power. There are far too many cases to-day, to be quite healthy, where men with exceptional skill and qualifications are being retained by industries under terms which are quite definitely below the market value. It may be, on the other hand, that the acceptance of any method of welfare to some extent at least modifies the whole theory of market value, and that industry in its methods of remuneration will approximate to the methods which are inevitable in the Civil service and the Municipal services. It may be, too, that in order to ensure mobility, such wages would have to be paid as would enable men to establish a personal fund as a standby. What seems to be plainly certain is that the acceptance of any doctrine of industrial welfare whatever must modify, to an extent even greater than we already have examined, those theories of payment for work done which have seemed to lie at the roots of industrial development.

Naturally, therefore, all welfare methods, in their application, will have some irksomeness for particular persons and for particular types of persons. These, too, will be the best types. Granted that in civilization there are many tendencies which are conserving mediocrity it must be admitted that welfare methods, in many respects, are in the same direction. They are based upon the principle of mediocrity. To say this is not to speak slightly. After all it may be that human nature is mediocre. It may be that certain men and women have stood out as being especially capable, not because of their own merits but rather because of onerous conditions which unjustly have depressed the others. It is no answer to the Socialist that his scheme would tend to make men equal. We have to be quite certain that it is not the truth that Socialism would disclose an equality which our present system has masked. It may further be said that if some men and women are to stand out as leaders it is just as well that the level from which they

stand should be as high as possible. Industry has had quite enough of pigmies masquerading as kings. It may be, therefore, that the principles of welfare so far from being a genial and kindly and tolerant system would prove to be the basis of more rigorous selection.

Even for the few to whom we have referred, welfare methods are much less likely to be irksome so long as there are wide differences in the application of industrial welfare. Workers do not itch for mobility if they have the general view that other employers are not likely to offer as acceptable conditions. "Seldom comes a better" is an old Lancashire proverb, born of industrial life. Yet it is a warning in respect of certain types of rather spoon-feeding welfare that men and women have been glad to escape and to find employment where they imagine there is less interference with their freedom. Usually the benevolent employer ascribes this to ingratitude, but he will be well advised to look more deeply. He finds it difficult to understand why his kindness should be so misunderstood. In truth it is because too often he has failed to search for principles behind his ideas of industrial welfare. He has entered upon it in the competitive spirit and this vitiates it from the outset. Far wiser would he be to seek a general level of application of principles of industrial welfare.

There is nothing to be gained by comparisons and contrasts and contests. The process of corporate bargaining has gone a long way to standardize wages, and the differences which obtain in conditions are a striking residue of the older methods. That is to say, the employer who uses certain methods of welfare to hold his workers against other employers, to tickle them with the advantages of being employed in his industry, to undermine their will in corporate bargaining, has failed to grasp the central principle that true welfare is based upon a desire to enable each worker to rise to his full stature, and thereby to produce the best result and at the same time to

ensure the best possible personal development. Thus it will probably be the case—and many instances may be brought to prove it—that wages will be higher in an industry where industrial welfare has been the aim both of the management and of the workers. It is probable, too, that methods of payment by result, or at any rate of proportionate payment by result, are introduced in such industries with much less friction than elsewhere.

Efforts at the recognition of industrial welfare are undoubtedly handicapped by the fact that wages have to be placed outside of the scope of most arrangements having industrial welfare for their end. It cannot be said that any reasonable consideration of the principles which do or should underlie industrial welfare is likely to reach fruition so long as this is the case. In respect of remuneration corporate bargaining, at its best, is an equilibrium of forces. The history of wages in this country bids us be very tender in criticism. We shall see later on that the application of economic laws to wages which seemed to be at its height forty years ago was not necessarily the cold-blooded and inhuman philosophy which in later days it is too readily assumed to have been. It is difficult, as will be seen, for us to put ourselves in the position of the manufacturers of the 'sixties, but nevertheless we are fairly safe in assuming that though there was moral purpose in the ultimate aim, even if that moral purpose is difficult to descry, the immediate relationship between employer and employed was essentially non-moral so that the process was entirely different from the aim. Once the great organized forces of labour began to operate the relationship was still non-moral. There was force and resistance to force, and out of the equilibrium came a sort of patched-up peace. It is admirably described as being a result which represents, so far as can be represented *a priori*, what would have happened if the forces had been given fair play. Thus arises what we are pleased to call "corporate bargaining," though it can more justly be

described as "corporate threatening." Out of it has come a system of wages which is open to criticism on many points. It bears no relation to the valuation of services ; it bears only indirect relation to the capacity of the industry either to bear the wages demanded or even to bear more ; it stands in the way of an evolution of methods of payment in individual industries which might be varied with advantage as between one industry and another ; it is a positive check upon any considerable adaptation of the economy of high wages.

It is quite clear to the industrial student why it is so difficult to modify this system. Indeed, the organization of employers in recent years has tended to crystallize the position even more. Questions of relationship to the cost of living and therefore to real wages may appear in the discussions, but even so they are of little weight in forming the ultimate equilibrium. To say this is not to assign blame. It is ready rhetoric to blame the masters of the 'sixties but at least it is to be said for them that they were dealing with industry which was rapidly growing, that they had some evidences, at least, that the operation of economic laws did raise the wages, and they had no reason to believe that the supply of labour would outstrip the demand for it. To them industry would always need more men and women than were forthcoming. In the Lancashire of my youth, at about the 'seventies, labour was imported in large numbers from Ireland and from Scotland and from agricultural counties in England, and the manufacturer was assured on every hand that while industry would extend the supplies of labour would be restricted. On the other hand, it is equally ready rhetoric to blame the trade unions. It is easy to say that they have made discontent into a vested interest, and there is just sufficient truth in the remark to make it a dangerous summary. But it should be remembered that from the worker's point of view he has no other protection. Organized labour stands between him and what seem to him to be hostile forces.

He may recognize something of a change of heart in the employers ; he may see signs of a real desire for a close co-operation between what is called Capital and what is called Labour. He is willing to let this change of heart come into play, but even so it must be with respect to the smaller matters. Wages, he says, have been placed at their present level at the cost of conflict, of real blood and of real tears and of real sacrifice. He remembers the years of anguish and he is slow to take any risk. Thus it is that the principles of industrial welfare find themselves foreshortened. The individual industry is not concerned with any attempt to find a worthier basis.

It is for this reason that attempts at payment by results, profit-sharing, and co-partnership have failed in such a high proportion of instances. They have been introduced on a substratum of corporate bargaining. They have recognized trade union rates, and often they have recognized them when their true application has been to industries worked under very different conditions. It would seem that if we are to find principles of welfare in industry there must be some real change whereby greater freedom in exploring the possibilities of varied methods of remuneration will be practicable. So far as the evidence goes it would seem that the future lies with corporate bargaining on basic rates only, leaving a wide range for local adaptation. Thus it might come about that we should have profit-sharing, or co-partnership, or payment by results both quantitatively and qualitatively estimated, or methods of pension, or of thrift of other kinds, all actuarially scrutinized and forming a portion, and a recognized portion, of wage-remuneration. It would be all for good that this should be done on the basis of welfare-mutuality, as I choose to call it. The best profit-sharing and co-partnership schemes have been established after prolonged discussion. There are even more generous schemes which have been conceived and initiated by the masters, but they have always been viewed with a

suspicion which is not unnatural, What is needed at the present moment is the basic wage for various industries having some recognition of the value of the services rendered and then a more frank attitude of exploration on the part of the employers and of the workers. No one wishes to remove the protection of the trade unions. What is desired is that they shall really be protective and not merely the organs of limitation in such a way as to force the owners not to go beyond the general standard as agreed upon.

There is much to be learned from the Ford system, even if we admit at the outset that it is not the universal example which it is often said to be. The first thing to be learned is that the Ford system of remuneration could never have been devised by corporate bargaining. The trade unions have something to learn at this point lest they should become, as they often are, the surest protection against bold risks in methods of remuneration by the employer. A sound basic system of corporate bargaining would be so arranged as to be positively invitatory to various employers to build their own system of remuneration upon it as a basis.

This uniformity of corporate bargaining, inevitable though it may have been, has an unhappy influence upon quality of work. No one could read the evidence given a few months ago in respect of a certain provincial product without wondering what the workers thought of it. The statements were that certain continental manufacturers produced a superior article, and details which were given seemed to indicate that in respect of both business methods and design and manufacture England had something to learn. It may be said at once that there is probably something to be said on the other side, but one would like to know whether the workers have something to say. Apparently the wages question is not at issue. Is not quality of product the obverse side of the wages question? Certainly, if there are any principles

of industrial welfare at all, at the very beginning should be the consideration of the quality of the product. It is not healthy that men and women should be permitted, without knowing it, perhaps, to offer the world in their corporate aspect something which could be improved. If the men and women know that their work is inferior the moral effect is disastrous; if they are content that it should be inferior the moral disaster has already happened. They may work in ideal conditions. They may have Works Councils, garden villages, concerts, libraries, sports grounds, and all the rest of the accessories to which a sort of superficial intention is ready to fly. But the acid-test is their pride of their product, and pride in product re-acts on itself. It has been discovered that the drivers of certain very special trains which are timed to exact minutes, in their conversation are prone to talk of "beating the time." Pride of achievement has carried them farther than could have been expected. Such pride of achievement calls for sound leadership, and for thoughtful and enlightened plotting of work. There is always a risk of "grousing" finding its basis in defective staff work. If the worker does not respect the organization, the methods, the designing, the marketing, then it is asking far too much of human nature to expect him to put his best into his work.

There is a special value in industry in the proverb that example is better than precept. In industry precept is of little account, but example is of final value. The building up of an organization will never be successful if its end and aim is the organization only. But if its aim is to impress on the minds of each in the industry that the organization-in-chief is for the purpose of enabling minds and hands to function to the best purpose it will achieve its end. That end is the betterment of the human individual, but such betterment is never possible if the individual, as a producer, is working below his standard of excellence. If there are defects and deficiencies in the

hierarchy of leadership and control and in their product, it is positively true that such defects and deficiencies are the most frequent cause of deterioration in the individual character of the workers.

There is one further thing to be said on this subject of wages from the welfare point of view. Probably the thorniest question of all will be found in respect of women in industry. This question is only at the beginning. It is true that women have been employed since the time of the Industrial Revolution, but the tendency has been to limit the scope of such employment and in some cases, such as coal-mining, to restrict women altogether. Some impetus in the opposite direction was given by the war, but that impetus has lost its force.

It is impossible to mention this subject without touching upon the population question. It may be that the future will call for stern austerities, and among them that overlooked method of Birth Control which has always attracted good men and good women, and that is voluntary celibacy. As matters stand to-day such celibacy is compulsorily demanded from many women. It may be that the most difficult question of the future will be faced in this way. We have made a sort of presumed expectation not only that every young man has a vocation to be a husband and father, but that the wages system should be based upon such a theory and upon making husbandhood and fatherhood possible at a comparatively early age.

It may be that the next stage of civilization will discover, that fatherhood demands qualities of an exceptional kind to be exceptionally helped in the scheme of remuneration. Long ago in the Hanse Towns there were men in plenty who took a vow of celibacy that they might devote themselves to commerce, not for their own profit-making, but for the progress of the Hanseatic League, without the distractions—attractive though they were—of family and home. The convention which universalizes men's wages for universal marriage at a comparatively early age is only

a convention after all, and with some such basic system as I have indicated above we might find a method of adapting the New Zealand system of bonus for wife and children free from some of the disadvantages which that scheme presents. Here again the basis must be moral.

The sexual evils which are said to arise from compulsory celibacy are hardly to be met by a system which in effect presumes invariable marriage in young manhood, and it is becoming increasingly clear that sexual evils of that kind either are not met by marriage or that the marriage is on such a level as to lead to moral shipwreck. Certainly, with some such method in force the difficulties as between the employment of men and the employment of women in industry would be in a fair way to solution, for in respect of marriage both sexes would be in the same position.

However, I raise this question at this point not in order to offer a solution, but in order to indicate that this and similar questions can only be met by considerations in which the element of moral responsibility is prominent. It is that element of moral responsibility which marks the principles of industrial welfare from the ordinary economic processes governing the relationship between man and man in industry. We see it operating casually and capriciously, but when it comes to operate on the wide field of industry generally it will be compelled to take into its realm of thought other questions which cannot be separated from welfare. Thus any attempt at a science of the principles of industrial welfare will open a wider and a wider vista. On that account it is the more and not the less attractive to men who are anxious lest solutions which we have attempted and schemes which we have devised should fail one and all simply because psychological or sociological factors have not been taken into account. At any rate we cannot be too inclusive in our gathering of data. If we have learned anything at all in the past ten years it is assuredly that there are no separate sciences at all, for they interlock with each other, and

inter-influence each other in the most amazing way, and ethics impinges upon economics and psychology upon ethics and sociology upon both in a way which must be taken into account in any consideration of human relationship.

In what has been said upon celibacy it may appear that I have got away from our real and hard world and have entered a world of dreams. I would reply that it may be the case that for the hard world of fact we have something to learn from the world of dreams. It may not be practicable actually to go as far as the voluntary celibacy of the Hanse Towns, but the principle may be found in a system whereby there is a steady increment of wages. There are two sides to skill in industry. There is the skill at the age of manhood, what we used to call the "pre-journeyman" skill. There is the riper skill at say thirty years of age when experience has been added. It is the defect in the present universalized system that it does not recognize this distinction, and it is quite possible that a study on these lines for a particular industry might bring factors to light of which we shall always be unaware so long as we rely upon the method of corporate bargaining on the present widely-extended range for the settlement of every detail of wages. The bearing of the sexual issue which I mentioned above will be evident. It is a fact—possibly psychological—that in the national method of corporate bargaining the younger men have a voice which in respect of their numbers is disproportionately preponderant, and there is ground for the presumption that the older men would be more attracted to discussions within the limits of their own industry and where the weight of the respect due to their seniority would be more likely to tell.

Lest it should seem that this attempt at a search for fundamentals has indicated a lack of regard for economic possibilities, I would venture to say that the rapidly-developing science of costing would seem to be especially valuable. We

shall discuss later the difficulties which arise in the proper representation of the workers. But in whatever way the representation is attempted it would seem to be desirable to put in their possession the plain facts as to the costs of various operations.

I have before me a system which has been devised for a small factory whereby the Works Committee is able, almost at a glance, to understand the costing of the whole factory, of portions of the factory, and to allot that costing under different headings so as to be able to estimate where improvements could be made in the processes.

If welfare work, of the fundamental type which I am attempting to describe, should become generally accepted in industry it might be worth the while of some costing experts to study methods of costing, and the summary of the results of the costing in such a way as to be useful not only for the administration of the factory but for the enlightenment of the workers through their representatives. Probably it is under this heading that suspicion to-day is most keen. Some of my friends have introduced small costing committees, including workers' representatives, and in each instance the representatives have been amazed at the results, so amazed in one instance as flatly to decline to believe the figures until an opportunity was given them to apply a check. The bearing of such a development upon welfare in industry is obvious. At any rate it brings fundamental facts to the mind of the worker; it is a constant challenge; it removes the suspicion that he is being bled for some vague capitalist in the background. Of course, if this cannot be done, if there are financial secrets to be hidden and financial backings which must not come to light; if there are at this or at that stage extravagances and wastes which the management is unable to check, and of which the management is ashamed, there is nothing more to be said except that no worthy conception of industrial welfare could possibly be applied to such an industry.

CHAPTER IV

ORGANIZATION AND WELFARE

VIEWED in the light of these principles, industrial welfare will never suggest a loose or sloppy method of control. In its forefront it cares for character. It will care for physical health, too, and for leisure and enjoyment, but they are means to an end and the end is the development of character. Firmness in control is by no means the same thing as autocracy. It is not capricious. It has thought out its relationship. It makes quite clear what is expected. We must not be misled by vague talk of industrial democracy into imagining that control must be timid and anxious. Even if some method of industrial democracy is devised, of which as yet there are no signs, it will need firmness at the top, and clarity of vision, and definiteness of aim. There must be law and order in a republic. With the possibility of future re-arrangements we are not concerned in this place, but it is just as well to realize that even if some bold reconstruction should be inevitable we shall do it an ill-service by looseness in respect of discipline, for we shall be doing an ill-service to the character of the men and women themselves.

But there is a problem to-day. The careful and detailed organization of an industry may give the minds of the workers too little room to expand. It is as well in those matters which lie outside the scope of the actual work to put the responsibilities upon the workers. The management of canteens, libraries, sports should be handed to them with the minimum of interference. For myself I would go farther. They should be allowed to be interested in ventilation and decoration, in the placing of machines as regards light. That, to my mind, represents a sphere in which they could render good service. It may be

debatable territory, but at any rate we may agree as regards the leisure employments.

Then will arise a difficulty. How are representatives to be chosen for this purpose? Very probably the structure of the trade union may not seem to be suitable. The difficulties which arise from the contentions between the craft and the industrial aspects of trade unionism will be accentuated in this local matter. There may be a craft union which has disproportionate power. There may be skilled and semi-skilled and unskilled (so-called) men and women who are outside the bounds of a union. Yet for the purposes of local cohesion it will be desirable that the general body should be generally represented.

One line of action may seem to be hostile to a strong trade union, while another line of action may seem to give way too readily, in the eyes of the workers at large in the industry, to the apparent might of that union. It is here where a kind of instinct will lead the employer. I know one case where the employer told the predominant trade union that he called on them to make a constitution for the industry in respect of leisure employments which would be fairly representative of the workers at large, and the union did so. In another case the manager called upon a number of men in different shops whom he knew to be interested in his ideas to consult together as to a constitution in which the trade unions would each take their due part. This was less successful, but I imagine it was because one of the men chosen was known to be an antagonist of the trade unions and suspicion was bred that the employer was playing tricks by choosing such a man. In a third case, within my knowledge, the employer suggested to two trade unions in his industry that they should have half the representation, stating quite frankly that he named this proportion because he had no intention of probing into secrets as to the strength of the unions. This was at once accepted and has worked admirably. We cannot lay down a universal rule for this difficulty, but we

can say that where there are trade unions in operation it is wise and fair to give some recognition in respect of welfare to their corporate existence.

There is very much to be said for Welfare Associations. In those industries where this device has been adopted it has been found possible to retain trade union interest, which is most desirable, and yet to conduct the associations a little apart from trade union machinery. The very fact that associations are *ad rem*, that is, specially focused upon the direct relationship, so directs the efforts as to be much more likely to ensure success. It is well in such a case to define very clearly the realm of operations of the trade union machinery. In several instances which I have studied the greatest success has been achieved where the question of wages has been definitely kept outside the range of the welfare association, and this, perhaps, is inevitable at the present stage though, as I have said, the development of mutual interest in welfare must aspire to the inclusion of the considerations of wages, or more accurately of margins beyond the basic wage. It will probably be found that the trade unionist will be very active in the election of officers of the association. It is much better to have it so. The employers need not be anxious in such a case lest the Welfare Association should be only a colourable reproduction of the trade union. That may happen, of course, but what is much more likely to happen is that the elected officers, while being good trade unionists, will be trade unionists with an outlook and a temperament a little different from the ordinary trade union outlook and temperament. They are probably possessed rather of the immediate constructive temper and are less idealist in their vision. It is all to the good that there should be both visions. It is all to the better that there should be ample opportunity for the functioning of both. The principle of industrial welfare will need both if it is to be realized.

Nevertheless, it must be said that principles of application of industrial welfare do lead to a fresh orientation

of this question of organized labour. It is right to say that employers in the main are of frank determination to run their schemes of welfare in full friendliness to the trade union principle. But the unit of operation is different. The scheme of welfare is for the industry and trade unionism, whether craft or industrial, looks far beyond the industry and, in fact, is prepared to use whatever advantage it may get from welfare work as part of its working policy of criticism elsewhere. In doing so the trade unions are not necessarily hostile to particular schemes, but in their work of safeguarding the interests of the worker they watch very closely and in some cases they conduct their comparisons in such a way as to lead us to suppose that trade unionism is an end rather than a means. For many years trade unionism has been the one safeguard against methods which were based upon old economic laws. The very factory laws to which we have drawn attention bear evidence to the fact that some safeguard was necessary. But we have seen that the principles of welfare call for a step far beyond the minima of factory laws, and precisely the same is to be said of trade unions. A recognition of the fundamental principles of welfare in industry will bring us far beyond the trade union minima. This carries with it a responsibility on the side of the worker. It is no use saying that welfare methods are a dodge to trick trade unionism, and on that ground taking all that is given above the trade union minima and then turning round at a moment of strain with other employers and calling out all the workers. After all, welfare to be worth the name must be to the interest of the workers as to the interest of the employers. If this is true, it is a monstrous thing that the employer who accepts the two-fold principle should receive no consideration at times of strain. If this policy is pursued one of two things must happen, either all attempts at welfare must be given up or it must frankly be recognized that a mutual recognition of welfare is some advance upon the minima and that some

powers of local action must be conferred upon the members of the trade union within the industry. In the interest of trade unionism itself the danger of rigidity needs to be safeguarded. It will be the irony of ironies if, in the event, trade unionism proves to be the ultra-conservative force in industry.

It must be repeated that in dealing with this most difficult aspect of the application of the principles of industrial welfare we are touching upon a mutual conception of welfare. It is neither necessary nor desirable to carry the definition farther; circumstances differ so widely in different industries. In its broadest sense it means that the industrial welfare which we have in mind is more than the resultant of mere benevolent kindliness. It is the search on the part of both sides for fuller life, better product, higher reward. It bears closely upon wages; it bears upon the valuation of skill. It may have wider ramifications, for it may lead—as indeed it has led in many cases—to a study of the possibility of handling occasional unemployment to mutual advantage.

We have spoken of “occasional unemployment” as if it were to be distinguished from the mass of unemployment which occasions heart-searching in all men of goodwill. This distinction, though not easy to define, is a real distinction from the point of view of welfare in unit industries. The problem there is immediate, and the responsibility for discovering some sort of solution rests heavily upon those in the unit industry, both employers and employed, who know of direct and intimate knowledge the men who are immediately concerned. After all much of what we call “ca’ canny,” the results of which are economically and morally disastrous, arises from a crude attempt to find a solution, and the solution which it purports to find is too obvious to be the right or a permanent solution. It is manifest that “welfare in industry” is a meaningless term face to face with occasional unemployment unless the methods of welfare include

some reference to such unemployment. It is of little purpose giving men and women in industry the best of conditions if they lie under the shadow that all may be swept away. All the signs are in favour of some bold step being attempted by legislation or by government administration and this may have the disadvantage of cooling ardour in respect of the immediate duty.

If we are to introduce warmth or the glow of mutuality into industrial relations it is surely beyond question that the first step is to emphasize the sense of mutuality face to face with the occasion of the greatest industrial sorrow—readiness to work and impossibility to find work. The danger of seeking remedies on the grander scale is lest enthusiasm should be chilled on the smaller scale. It is to be hoped that any legislative or administrative scheme which may be attempted will provide for separate action in respect of those industries where mutual responsibility has come to be accepted and that this separate action will not force such industries to stand aside, in respect of financial aid which the State may offer, from the acceptance of a proportion of that State help.

Be it remembered that the alleged fundamental causes of unemployment in the mass are rather apart from the day-by-day experience of unit industries. It may be due to over-population, or to what Mr. J. M. Keynes describes as maladjustment closely connected with population. It may find a remedy in the direction of a stabilized currency, or by the opening up of new purchasing areas, or by the pacification of portions of the world now unfortunately in chaotic conditions. These problems are very complex, and the danger is lest in absorption with them we forget the immediate problems and by that means add to the enormity of the major problem. For every effort which we can make to solve the immediate problem has some influence upon the mass of unemployment, and if most organized industries could face a proportionate occasional unemployment as part of their welfare schemes

very much could be done towards the ultimate solution, and it would be done by a consolidation of interests which would be of great value. A well-known soap manufacturer in New York recently described his methods of meeting seasonal demands, the results of which were that his factory was kept working at a reasonable level throughout the year. His arrangement was based upon storage, and it called for very precise study and his workers were fully intimate with the study and fully in accord with the means adopted. It is possible that some such means is more widely practicable than we suppose. It is possible, too, that adjustment of hours, which has been adopted in many industries where there is specially good understanding between employers and employed, may be made to cope with variant demands, and this method has been adopted in many instances and almost invariably in those instances there has been some system of welfare work.

But there is another and a deeper reason. Mr. J. M. Keynes has warned us that "the most alarming aspect of the prolongation and the intensity of the existing unemployment is the possibility that transitory influences may not wholly explain it, and that deep causes may be operating which interfere with our continuing ability to maintain in these islands an expanding population at an improving standard of life." It is a doubt which oppresses many. It is a particularly disturbing doubt when it is stated in correlation with industrial welfare. There are reasons for hesitation to accept this theory and yet we have to face it as a possibility. It may be that if there is to be—temporarily, let us hope—a lowered standard of life, largely to provide employment, and that all of us of every grade will be involved, it can be organized with less actual injury to life if the principles of welfare in industry have been considered. A relationship which involves frankness of mutual study of the conditions of production will be able to face such an issue with far more hope of success than a relationship which seems to be merely the

exploiting of the weak, even if no such exploiting is ever intended.

So, whether we like it or not, the question of the authority of organized labour will be raised. "Do you mean," it will be asked, "under the specious word 'welfare' to abrogate the authority of trade unions?" The answer is, I think, that there will need to be some local organization, as closely in touch with the trade unions as possible, but with a different though by no means a contrary focus of interest. We may take as an example the question of costing which I mentioned above. Here is a manager who sets out to explain to a small representative body of his workers what the costing system is, how it treats the expenditure under different headings, how it shows weaknesses, how it explains why the cumulative cost compares ill or well with the cumulative cost of producing the same article elsewhere. Such a manager will face the cynosure of scrutinizing eyes. He may have highly intelligent men representing the workers. He may have the obstinate and unbelieving. If he shows thorough knowledge and grasp and a keen insight into deficiencies both administrative and executive, both managerial and manipulative, he will hold his own by a moral force, and the more he holds his own by that moral force the more he will compel the workers to choose representatives worthy of being associated with him. It is a far finer ideal for management than the autocratic ideal. The miller who "cared for nobody no not I; and nobody cares for me," would make rather a poor show of managing a modern industry. For the days come when such management finds itself face to face with difficulties. The old management had the advantage of rapid expansion, of newer and newer markets, of greater and greater opportunities.

It is said that profit-sharing and the like are face to face with insurmountable difficulties in respect of the days when prosperity is less evident. If we could imagine so

close a relationship between employer and employed as to enable such grim incidents to be faced boldly and with a courage redoubled by mutuality and reinvigorated by enlightenment from both sides of the issue, we could envisage a conception of co-operation which would have little anxieties as to the domination of this or that type of organization. The true test of our efficiency will also be the test of our mutuality. The weakest claim which can be made for co-partnership and the like is that they share success. What is needed is to be able to share failure. Some failure is needed if human powers are to be exercised to their full strength, if possibilities of re-organization are to be considered. Success in failure is a higher achievement than success in secure success. Mutuality is put to the true test if there may be a call for self-sacrifice or for adaptation to newer needs. This is a wide vista, and perhaps it opens up possibilities which are beyond immediate achievement. Nevertheless, the principles of industrial welfare, a science and an art only in its infancy, must find sooner or later that such problems come within the range of investigation.

We can gain a swift insight into the philosophy which underlies the issues which we are considering if we cast our minds back to the Middle Ages. There we see a social structure parallel to the ecclesiastical structure, with its pyramidal form having definite grades and ranks each subservient to the superior rank, each accepting its inspiration and its guidance from the rank above, all being organized in one completed whole. "In such a social order," says Rudolf Eucken, "the individual members of society stood together in close independence, and as mere units could do nothing. Consequently, in that period the economic life of society was founded upon the conviction that men singly are weak and in need of help. Recognized social bodies such as the guilds and city companies had the task of defending the citizens and of protecting them from harm. Production and consumption

were closely inter-related, fixed limits were put to economic competition, to amass unlimited wealth was regarded as an act of injustice. At that period, life from one end to the other moved on circumscribed lines, and regulations of a transcendental order governed all practical activity."

Welfare work, even in its crudest form, is some sort of reversion to the underlying spirit of such an organization of society. It recognizes the pyramidal form, especially in respect to the responsibility of the higher strata of the pyramid: it recognizes the weakness and the dependence of the worker, even when the worker imagines himself corporately to be strong and even when he is suspicious lest his strength should be undermined: it takes an admittedly spiritual bond—spiritual in the sense that it transcends the materialism of a merely money economy. It is true, as has happened in many instances in history, the votaries of welfare work "do not know what they do." The developments from the fifteenth century have been of the utmost importance and man had to pass through the severity of the turmoils and strifes of the centuries. Adam Smith tried to build up a social organism on the basis of the division of labour which "so far from causing any divorce between the various elements, binds them, in fact, more closely together." It proved in the event that these elements did not bind men more closely together. Each "pursuing his own interest in his own way" was not a picture of a complex industrial system. "In this system," to quote Eucken again, "there is no recognition of any inner joy in the work or of any inner development in human life." It is just at this point that welfare schemes enter. They have discovered, probably without knowing the fact, the weak spot in the Adam Smith scheme. They have discovered that this effort "to increase worker's economic importance" has not resulted in any worthy inspiration or domination of life as a whole.

Evidently, therefore, it is a principle which we want.

The practice, on an empirical basis, of the economic process may develop more and more efficiencies, may adapt itself to varying conditions, but it does not present a coherent whole which sees a definite fulfilment of a process for the ultimate well-being of mankind. In the search for this ultimate aim we must beware of taking as ends what are really means only and transitory means. Life is not merely a matter of trade unions, or of joint stock companies, or of a thrifty middle-class, or of a leisured ten thousand. Nor is it the downfall of these and the uprising of new classes at the cost of destructiveness or of dislocation. There lies the very German heresy of which Eucken has much to say, "the consideration that only a spiritual aristocracy had part or lot in its greatness while the great mass of the people were hardly at all touched by it, with the result that from those intellectual heights the contradictions of actual experience were rated all too low."

At least the establishment of welfare systems does set out to serve and to meet "the contradictions of actual experience." It is no criticism to point to their defects. It is no final objection to urge that they are a reaction from some sort of emancipation. If certain men have seen "the red light" and propose to guide themselves accordingly it is not to their discredit. At least it is foresight: at least it recognizes the immensity of forces which cannot be countered by other forces, but must be led and guided. Where they have been at fault is in the fact that they have not sought the underlying principles but have just groped along empirically and with halting and generally timid steps.

We shall see later on that there is some criticism to be offered when we weigh up general practice in the terms of the principles which we seem to have discovered. For the present we shall do well to recognize the position of this apparently small movement in the general scheme of industrial history.

CHAPTER V

WELFARE IN ITS HISTORICAL PERSPECTIVE

WE live in an age when industrialism is being attacked from every angle. A strong search-light is being poured upon it, and philosophers of all kinds are declaring that the results are not disappointing merely, but that, as Mr. Penty puts it in his new book, *Towards a Christian Sociology*, "our civilization becomes daily more unstable, and the end is in sight." Many of these ardent critics of our own time have directed our attention to the Middle Ages where they find much that made life beautiful and which we seem to have lost. It is true that the general tendency of thought of those who take this point of view is rather to underestimate the value and the worth of our own civilization, nevertheless we owe to them a great debt for the searching comparisons which they have made with the past ages. There has been rather too much complacency with mere material progress, as it seemed to be. There has been a disinclination to face the fact, as Mr. Baldwin put it, that "our industrial civilization may have within it the germs of its own decay." A world which seemed to be advancing in its civilization as evidenced by the increasing demand for manufactured goods seems now to be approaching a period when that advance has cried a halt. There is a danger of basing a pessimistic philosophy upon what may prove to be a temporary arrest.

It may be that the great success of industrial production in meeting the demands made upon it by the war must have had to face some reaction. Yet we must not, therefore, shrink from the comparison with the Middle Ages. If human life was held in higher regard at that time, if there were features of human relationship which bound men together more loyally than they are bound together

in industrial aggregations we may have something to learn. It may be, too, that the apparently small beginning which is attempted by the welfare movement may be a corrective, or may tend towards being a corrective, of the evils which the comparison may reveal. At any rate the welfare movement is immediate and practical. We are asked sometimes to condemn industrialism, to check the use of machinery, to hand over the control to States or Municipalities or Guilds. Such proposals have the enormous disadvantage at the moment that while they lead to angry discussions they do not move mankind forward except towards conflict. It may be true that the ultimate solution will only be found by conflict. If so it is a sorry outlook for mankind. Where the development of industry has paid too little regard to the human unit, where there has been exploiting of advantage, where there has been indifference to the warmth and the glow of human association, it is surely possible for us to direct ourselves towards a change and that direction of ourselves may be as much towards the past as towards the future.

We can gather together some analyses of life in the Middle Ages as given to us by the type of search-light critic to whom I have referred above. Here is Mr. Tawney, in his book, *The Acquisitive Society*, describing what he calls "mechanism," which is the conception of men working together as a machine and without purpose in any moral sense: "The rise of modern economic relations, which may be dated in England from the latter half of the seventeenth century, was coincident with the growth of a political theory which replaced the conception of purpose by that of mechanism." "The conception of men as united to each other, and of all mankind as united to God, by mutual obligations arising from their relation to a common end, ceased to be impressed upon men's minds, when Church and State withdrew from the centre of social life to its circumference. Vaguely

conceived and imperfectly realized, it had been the keystone holding together the social fabric. What remained when the keystone of the arch was removed was private rights and private interests, the materials of a society rather than a society itself. These rights and interests were the natural order which had been distorted by the ambitions of kings and priests, and which emerged when the artificial super-structure disappeared, because they were the creation, not of men, but of Nature herself. They had been regarded in the past as relative to some public purpose, whether religion or national welfare. Henceforward they were thought to be absolute and indefensible and to stand by their own virtue." "But when the criterion of function is forgotten, the only criterion which remains is that of wealth, and an acquisitive society reverences the possession of wealth, as a Functional Society would honour, even in the person of the humblest and most laborious craftsman, the arts of creation."

These quotations may be taken as indications of the modern criticism of an industrial society in comparison with a society based upon the recognition of personal functions. The development of the welfare movement may perhaps do something to restore the balance. Certainly it does not have regard to interests and rights of dominant authorities as being absolute and indefeasible. It is only a new movement; it has not as yet been thought out philosophically, but no one can say of it in any of its forms that it fails to have regard to the personality of the worker. It does not take up a high line such as "work for service and not for profits," for it is placed in an age when life means profits, and even the strictest interpretations of Just Price allowed some margin for the reward of enterprise. The point is that at the heart of the welfare movement is something which has a kinship with the conception of relationship in the Middle Ages, the loss of which is attracting more attention to-day than ever before.

We may obtain another glance at the Middle Ages at the hands of Mr. A. J. Penty, whose book, *Towards a Christian Sociology*, is an equally severe indictment of the method of society which we may call Industrialism: "However much room there may be for differences of opinion as to the precise measure of success that followed upon the application of mediaeval principles of social organization, there is no room for doubt as to what the exact nature of the principles really were. The central one was that of Function, to which the organization of the Church, the monarchy, the feudal system, and the guilds alike conformed. The principle of Function was defined in the twelfth century by John of Salisbury as the principle 'that a well-ordered constitution consists in the proper apportionment of functions to members and in the apt condition, strength and composition of each and every member; that all members must in their functions supplement and support each other, never losing sight of the weal of the others, and feeling pain in the harm that is done to another.' The mediaeval king was not, as popular opinion supposes, a capricious ruler possessing almost unlimited authority. On the contrary, he was subject to the law. He held his authority on the supposition that he would administer justice, while the right of rebellion against the ruler who abused his position was freely maintained by all political thinkers of the Middle Ages, and supported by the Church, which, in those days, was in a position to make things very unpleasant for any monarch who put himself above the law."

It is not difficult to see that the subtle changes which we have noticed in the attitude towards the economic laws generally held to be dominant for two centuries, do indicate some sort of return to the mediaeval conception of mutual responsibility. The very coldness and mechanism of the industrial relationship, against which so many writers of to-day are making their protest, are evils which the welfare movement has set out to combat. There is no definite philosophy of welfare in the sense that it aims at

economic redistribution in any shape or form. But for all that I think it can be shown that in spirit it does set out to check tendencies which all men would admit to be harmful to the body corporate.

We can find even further evidence from an article written by Mr. Hartley Withers. He is defending profits, or at least he is showing the errors in the present tendency towards looking censoriously not only at undue profits but at any profits at all. He points out that "if the wage-earners in the early years of the last century had been as well able as the employers to calculate the strength of their own position, and as well equipped to insist on fair treatment by refusing to work unless it was conceded; and if the employers had had vision and had recognized that starvation wages and intolerable conditions in the works and factories might mean quick profits and big fortunes, but would leave behind a legacy of bitterness that would for generations hinder and perhaps finally destroy British trade; if these things had only been so, then there need have been no horrors of the Industrial Revolution, and the policy of leaving industry to regulate itself might have been able to work."

It is difficult to meet the argument that the adoption of the welfare point of view has come so late in the day and only when the organization of the workers has been strong enough to formulate demands. I do not think that in the bulk of cases where such a scheme has been adopted that it has been adopted out of fear or under pressure. Mr. Withers' point seems to me to be that it was not freedom of enterprise itself which brought the evils but freedom of enterprise accompanied by lack of insight. That there is truth in the contention is beyond doubt, but I think it lays undue emphasis upon the intellectual side. What was wanted was moral warmth. Knowledge of itself was insufficient, and it must be remembered that the owners did recognize that there were starvation wages and intolerable conditions but that they expected the

ordinary laws of supply and demand to produce the remedy. In short, they were trusting to knowledge. They were, as employers, mere purchasers of labour. It was not that they did not pay a reasonable price for the commodity which they purchased, but that they did not grasp the moral relationship which should subsist between two persons (or more than two) who were combined in giving the same service to the world. They did not realize, in the words quoted above, "common purpose." "It is the principles which men accept as the basis of their social organization which matter," says Mr. Tawney, and we can accept the statement for our guidance.

Thus it is my contention that within the confines of what is scornfully called "the capitalistic system" there is room for that very revival of interest and of mutual purpose which too often are said only to be achievable by some gigantic overthrow. More than that, it is my contention that the movement towards the frank recognition of the mutuality of those who give their toil to the enterprise and those who accept that toil in the spirit of safeguarding the welfare of those who toil, is the beginning of what may prove to be a tremendous change. To those who ask why it should be so late in history I venture to point out that the slow discipline of the process of time needs to bring many aspects to our view before we can see the possibility of constructing a human organization. The world had to learn that there was wealth with which it had been endowed. It had to wrestle with Nature for her products. The agonizingly slow process of scientific discovery had to reach fulfilment—if indeed it ever will reach fulfilment. Looking back on the 200 years it seems to me to have been inconceivable that these discoveries would have been made by any corporate association of man deliberately designed to that end. But we are learning now that the next discovery is to discover the true use of these achievements for the benefit of mankind; we have reached the period of application and of appreciation.

It is possible that what seems to be a merely ameliorative movement, designed to remove this or that small difficulty, may in truth be something of far greater moment. At least that is how I regard it. We may, indeed, be on the way towards very considerable re-arrangement within industry. The world, and especially the American world, is much too alarmed at the thought of such reconstruction. In truth if we are to avoid disastrous attempts at reconstruction we shall do well to consider to what extent, by a modification of the spirit which informs industry to-day, we can adapt our methods to newer needs. It is this which is the fundamental principle of industrial welfare. It is a spirit and not a method. It seeks methods more suitable to its expression but no one method is its final expression. It seeks a spiritual relationship between owner and manager and between manager and worker which will always be developing and binding the apparently rival interests more closely together. It has regard for something more than seeking for itself the maximum reward irrespective of the reward due to the other partner. Nor will it be contented with moderate achievements, with standard achievements, with dead-leveldom of achievement. It goes right back to the days before the industrial revolution, for while it accepts aggregation and organization which would seem, on the face of it, to neglect the individual, in very truth it emphasizes the importance of the individual. For it puts the sacredness of his physical and intellectual welfare in the foreground. In short, it brings us a little way nearer to the mediaeval ideal, which is that all organization is to the end of perfecting the individual and knows no other end.

In a sense, therefore, it is true to say that industry sets out to do something more than to produce articles. Its aim is to serve mankind, and in the production of articles to add to the skill and efficiency and worth in human service of those who produce. The criticism of industry that it is not natural, that in some sense agriculture is worthier

of man's efforts, falls to the ground when we remember that the industrial process is merely the means whereby the universal productions of the earth may be universalized. It is, in fact, the process of industry which extends the needs of man, not in themselves as a final achievement, but in order that man may co-operate with all the products of man and nature for the benefit of mankind. It has to be admitted that the process has been ruthless, that for a century and a half the ultimate aim has been more evident than the immediate aim, that there was a search for ultimate welfare but often at the cost of immediate welfare.

The principles of industrial welfare, as we have tried to state them, are a corrective of this long tendency. They tell us that it is possible to ask too great a sacrifice for ultimate good. They tell us that in exacting this sacrifice we have often blundered, that we have sought economy in production in the most foolish and short-sighted way, and that by so doing we have given birth to theories and suggestions which, while pretending to find a short-cut to the ultimate welfare, might probably bring the whole complicated structure down about our ears.

The philosophy of welfare is a process of exploration as to whether there is some better way, some way in which what may be called the discipline of difficulties can be used to man's betterment. It avoids such an interpretation of welfare as would weaken man's sense of the contribution which he is to make, for here lies one of the prevalent errors of the day.

Partly due to past tyrannies and to past errors, systems of industrial welfare have been adopted which would seem to thrust welfare downward upon the workers without asking them to rise or in any way to make effort to rise. There is a distinction, and it is largely a historical distinction, between evils which have arisen from blind domination in the past, with its crude conception of the worker as a detached person who finishes his work and takes away such reward as blind domination chooses to give him on

the one hand, and those evils on the other hand which arise from a sullen protest on the side of the worker against a domination which to him seems to be exploitation. The former evils are not likely to arise again ; we have learned that the worker is not to be separated from his work. We have learned, I think, in the true sense of the Greek word, a sympathy with the worker, and, apart from this, it is certain that we have learned that work is more efficient and more profitable (in the widest sense) if the human side of it is taken into full account. The latter evils which I have mentioned still obtain. They are more widespread to-day than ever. There is suspicion so ready to display itself that efforts to meet it only succeed in inciting further suspicion.

It is to this that the principles of industrial welfare must be applied. The enthusiast for industrial success needs carefully to consider in what way he can apply the principles so that the full trust and confidence of both sides can meet in mutual endeavour. For this reason the trade union difficulties to which I have referred will need facing. We are too ready to believe that a handful of demagogues, by means of stirring oratory, have brought these difficulties in our way and that the mute and meek workers have obeyed their injunctions though silently protesting. Not in this way have vast movements been inspired. The basic fact is that there has been suspicion and we must frankly admit that there has been just suspicion. If industry is to make progress it will call for a spiritual reconstruction in which there may be suspicion—for human nature is there—but that suspicion will be put to the test of mutuality in endeavour, and this one counter-agent will prevail in the end.

The principles of industrial welfare may thus be summed up as those principles which seek the best in those men and women who give up their lives to the industry, and having sought the best they strive to encourage its growth and its use in the industry that, in turn, each man and each woman may reap the due reward.

CHAPTER VI

MORAL INDUSTRIALISM

"WORK is prayer." It is an old proverb, but it contains the germ of the whole truth of moral industrialism. What I mean by moral industrialism, therefore, is that work into which a man can throw his soul. Most of us have come across cases in our lives where young men and young women have declared themselves to be contemptuous towards their daily work and have expressed their determination to find work into which they can throw such reserves of heart and mind and soul as they have known themselves to have held backward. It has to be admitted at once that modern methods of mass production and minute sub-division, greatly intensified by the war, make it exceedingly difficult to say to such persons that they should throw heart and mind and soul into their ordinary avocations. Nor is it quite satisfactory to say that leisure affords full opportunity for the great surrender.

It has to be admitted that the psychological disadvantage of extreme monotony in work lies not only in respect of the work itself but in respect of the deadening influence which it exercises upon capacities for initiative and enjoyment as a result of initiative. Yet the cultivation of the corporate sense does offer a means of escape. It is still true of industry in the main that it is only an aggregation of separated particles. Just as there is no loneliness like loneliness in London so there is no monotony to compare with the industrial monotony which obtains in a vast factory where there is no corporate life at all. The emotional values have an enormous influence upon these psychological features of industry. I am not discounting for a moment the importance of psychological research, but I have found cases where an underestimate of the emotional or ethical aspects has led to inaccurate results. The

tendency at the moment is rather towards a reaction against the stream of sentiment which was outpoured on the subject of monotonous work in industry. But neither the sentimental school nor the ultra-psychological school—so to speak—seem to me to have proved their case. I think we must strive to give some change of work, even at the cost of apparent efficiency.

But even more important than this is the association of men and women together in voluntary groups. I saw this system tried at a midland factory where I should say that the work was the most monotonous I have ever seen. The factory was rather noisy, and though the actual work did not render conversation unnecessary, for the work was of the severest automatic kind, yet noise prevented any conversation. The management of that factory was amazed at the improvement in the results which followed the voluntary grouping. Girls who knew each other sat side by side. They scarcely spoke, but they felt the presence of a friend. More than that in cases where a little rift had come in the friendship, they preferred the propinquity to continue rather than sit next to a stranger.

It seems to me to prove that there is a common-sense handling of human characteristics to which we shall come as soon as we clear our minds of the obsession that we are dealing with masses of individuals, as like as peas, and only of interest to us in respect of the units of work they offer us. A case for grouping, for the cultivation of human relationships, will have its influence upon leisure occupations. The industry in this country which, in my opinion, stands first in the artistic and intellectual quality of the leisure-work of its members is the industry which stands first in the cohesion of its corporate life. It has to be said that the ordinary ideals of trade unionism have not assisted in the development of this corporate spirit. Just as we see sullenness in respect of welfare movements when these are not the evidence of a corporate spirit, so we see sullenness in respect of trade union action. It is of no avail to

speak censoriously of the trade unionism of the past for its over-emphasis upon materialistic ideals, for an impartial judge is bound to say that the blame does not rest upon the trade unions. Nevertheless the results of that over-emphasis are evident. The younger generation has its industrial ideals, usually what we are pleased to regard as extreme. It demands various corporate ownerships or controls, but it never seems to expect the trade unions to rise to such undertakings. There is significance in this fact, for it points to a yearning for association in work which will give play to emotions as well as to intellect.

There are those who take the extreme view that Industrialism cannot be moralized. Here is Mr. Penty's proposal (*Towards a Christian Sociology*) that a tax should be put "upon all the goods produced by means of the sub-division of labour and the use of such machinery as conflicts with the claims of personality and art, which taxation should increase year by year until all such industry ceased to exist." This is an heroic proposal. If we apply it to the production of books we shall see the difficulty. No doubt there is something beautiful in the hand-bound volume, fragrant of morocco, with its beautiful type. But there is also something beautiful in the idea that science is able to reproduce thousands and thousands of copies of the treasures of all time and that they can be sold cheaply. If we really intend to substitute the quantitative standard by a qualitative standard we may inflict a serious loss on the world; we may be driven back to the attitude that thought and aestheticism are for the few only and that the multitude must not be led even to think that it thinks. There is always the danger of forgetting that the power and the opportunity of criticizing the present social system are among the most precious gifts of that system.

The dissemination of literature which is uncensored, save only as regards decency, is a human trust which marks an advance, in spite of its manifest disadvantages, and we are

not likely to appreciate that advance at its proper value until we conjecture—as we readily can conjecture—a social system under which no criticism of that system would be tolerated. On these grounds we may well hesitate to believe that humanity will check the use of machinery merely in order that handicraft may take its place. We have come to a kind of hitch in the continued progress of cheapness. No doubt there were some evils to be met. Yet in the main joint production for more efficient production and thus for cheaper sales to the community had its element of value. We do not want to go back to the time when only the very few knew the comfort and the convenience of a carpet. Certainly the sneer at the working man's parlour and his piano is only the sneer of the superficial.

A moralized industrialism will face the world with a moralized product, produced morally, and with a moral reaction on the mutual relationship between those who produce. It will find itself face to face with many perplexing issues. Perhaps the most difficult issue of all is the question as to whether the industry shall or shall not continue. If no profit is being made, or if there is a loss, it seems unreasonable to suggest that it is the moral duty of the employer to continue. Yet there are many instances where owner-employers accept it as their duty, and where they surrender all wages of management. It is one of the difficulties which have to be faced in respect of the question of corporate ownership that in such circumstances corporate ownership—State or municipal or limited liability—is less likely to be stirred by moral considerations than is personal ownership or a corporate ownership by a few persons. The issue as to whether an industry shall or shall not continue thus becomes in the balance an estimate of the moral injury to workpeople by cessation or a moral injury to industry by continuing, for it is something less than healthy that articles should be produced by an act of production which is not beneficial to all concerned. Nor is

this to forget the central fact that moral industrialism will recognize a level of wages and of conditions below which it dare not go, even to keep an industry intact.

The quotation from Mr. Hartley Withers, given in the previous chapter, is valuable as showing that, as he says later on, "the economic struggle is so far from being a purely ruthless and self-centred warfare that it can only be carried on successfully by skilful attention to the needs and desires of the purchasing community. That the purchasing community often makes a quite tragically deplorable use of its buying power, and pours profits into the pockets of those who supply it with silly worthless rubbish is a fact which cannot be ignored ; but that is the fault not of the profit system but of the buying public." Thus we see several moral restraints on the owner-employer. There are limits to his right to pay low wages and to insist upon unsatisfactory conditions ; there are moral limits to his power to cajole the community into purchasing, for he must wait upon the needs and desires of the community. Now if we add to this that he is responsible for the initiative towards establishing a moral relationship between himself and the workpeople and between them as a group (including himself) and the group of consumers we are beginning to see the full vista of moral industrialism. Probably it means that once the conception of moral responsibility enters, as it does with any welfare system at all, no matter how simple and humble it may be, the whole atmosphere changes. We cannot picture an industry with a clean and healthy atmosphere as between directors and workpeople stooping to trick or to deceive the public. There is a contagion of good as there is of evil.

But even more remarkable is the fact that to be operative and to be contagious it must be sincere. It is probably at this point that very considerable harm has been done to the welfare movement. Any tendency to advertise goodness usually gives the world a shock. It is not a mere accident in the psychology of human nature that

love-making chooses secret places. It is not that we are ashamed of our emotions but that we regard them as sacred. Elaborated schemes of industrial welfare, noised abroad, have done more to check a general movement towards moral industrialism than all the attacks of cynics or of critics. The very fact that they are noised abroad tempts humanity to doubt their genuineness. In this aspect the movement has spread too rapidly. It is in danger itself of being mechanistic the while it protests against the mechanistic. It has outgrown its roots.

Again and again we hear it said that welfare methods are useful for diverting the minds of the workers or for producing a better output. Both of these are legitimate objects, but if the aim is direct the object will not be achieved. The moralized industrialism which manifests itself to us at present as welfare work must be done sincerely and earnestly as a method of encouraging a changed relationship and at the base of it must be the frank recognition of the fact that a changed relationship demands the consent of both parties. It takes two to end or to make a quarrel. We need to be very open-minded as regards future vistas. It will be well, too, in respect of those future vistas if it is remembered that both sides are being prepared.

In the history of management in the past few years there have been immense changes. No longer is it the easy autocratic control which it was in the Victorian age, with expanding markets and decreasing costs. The very acceptance of a theory of moral industrialism, no matter how vague, adds immensely to the responsibilities of management, for there is conscience—the individual and the group conscience—to be faced, there are questions of rivalry, often international rivalry, to be taken into account, and sometimes it is not easy to say which course of action is ultimately best for the welfare of those whose lives depend upon the industry. Of one thing we are certain, and that is that we cannot trust to economic laws. The

human mind and soul are much too complex in their response to goodwill in leadership to allow themselves to be guided and controlled by a mere cash nexus. Nor shall we fall into the counter error of thinking that because we have discovered the need for a moral industrialism we can despise the advance of knowledge. We must not substitute faith for efficiency in this or in any other department of human action. But there is a stimulus of moral purpose which can be given to efficiency and by which it is inspired more definitely from the human point of view. We must deal more fully with this point under the heading of The Ethics of Industry. What we are concerned to emphasize at the present moment is that the problem of industrial welfare is not a new problem. It was neglected for two centuries, but that was not because the problem was not recognized, but because the method of seeking industrial welfare was understood to be the method of rigorous competition. It may be that there is truth in this, that the fig-tree which cumbereth the ground is to be cut down. There must be no sheltering behind moral purpose as a defence against the rigour of life. To set out carefully to let deep spiritual desires for general welfare have their full influence, to place men before the goods which are being prepared for men, to look fearlessly to the future as being the fulfilment of all the aims and hopes of men of good purpose, to use welfare methods conditioned by such resolves—thus, I would say, can we all be social reformers. In Mr. Penty's words, we shall "design from the roof" (spiritual values), and "build from the foundations" (material problems).

CHAPTER VII

METHODS OF WELFARE SUPERVISION

So far we have looked at ultimate issues. We have been seeking fundamental principles not with the object of being content with the discovery of such principles but with the wider object of discovering what is their effective value, that is to say, what is the direction of the momentum which they are likely to give to the tendencies of the time. All this, of course, is conjecture, but it is conjecture which is of vital value. Empiricism has its dangers if we do not enlighten it by an attempt to correlate it to its ultimate bearings. In this sense there is no empiricism. What we do now has its eternal values. The little deeds of the common day "reach to the stars." If we look at our empirical work in this perspective we may see new conceptions of its value. Even if we are wrong in our estimate of the ultimate values the estimate itself is a valuable exercise. It corrects an empirical action in two ways and these in a sense are contrary. On the one hand, it shows us the insignificance of empirical action in relation to the more distant final causes. It is one thing to light Ridley's candle ; it is another thing to estimate it as setting flame to the centuries. On the other hand, it shows us the significance of empirical action. It reveals to us the chain of causation. It realizes that while the day-by-day schemes, in themselves, are apparently of small account, yet that they cumulate to an end. The parallel of the trickling rivulet is of enlightening interest. A stone may deflect it and that deflection may mean ultimately that the river finds a different watershed. So while we have striven to find an ethics of industry it must not mean that we are blind to immediate issues in the practical realm. The crystallization of our thought into practice is a clarifying process for the thought itself.

With this in our mind we turn to look at the practice of welfare work in industry. It has not been systematized on the grand scale. Happily there are many different methods and many different appreciations of the value of those methods. It is all for gain in the evolving process that there should be these wide differences. Probably as time goes on the differences will be even more wide. That, too, will be an advantage. At the basis of all the schemes, no matter how they differ, is some conception of the greater dignity of man. He is not a mere machine or instrument. He performs his functions, but over and above those functions he *is*. Accordingly we may say, with some positiveness, that enlightened welfare work will put this in the first place. It will care for physical health by ventilation, sanitation and lighting of the most suitable kind it can obtain, and by encouraging the provision of canteens. It will care for mental health in the careful study of all psychological factors, the effect of "repetition" movements, of monotony in all its forms, of prolonged standing, and of deleterious influences such as arise from unnecessarily drab surroundings. There is, at least, one case where an entirely new factory was built in order to provide tolerable conditions.

When this study is attempted there are questions to be asked. How is it regarded by the worker? Does he stand sullenly aside while his welfare is safeguarded, utterly heedless of its value to him and utterly indifferent to the fact that if it is to help him he, too, must rise. "Come to thine own aid," is Chaucer's benediction to all who are affected by welfare work. If the fundamental principles, as we have attempted to discover them, are to govern this new attitude of employer to employed, it must be said so plainly as to be beyond any misunderstanding that, too often, as welfare work is done in our time, it is done too much by the employer as his primary responsibility. It may be an ultimate disaster. It may be a pauperization of mind and of soul. Of course someone must make a

beginning, and there are employers who have been far-seeing enough to realize that it is their duty to give this new movement a stimulus—but no more than a stimulus. That is the true spirit. How it is to be done will differ in different circumstances, but at least it should be made clear from the outset that it is only a stimulus, that sanitation and ventilation must be appreciated and safeguarded, that canteens will be expected to be self-supporting, that psychological studies must be done with the frank cooperation of the workers, that sport and recreation in all circumstances will find the employer passively ready to assist but no more than that. Somewhere within these bounds will be found the basic condition.

Even in respect of sport and of leisure generally there are enormous differences in the results. It is not always the case that the fostering of sport and of other leisure pursuits, reading, for example, by the employer, fails to find an enthusiastic response. In some cases there is a middle-ground of practice where the welfare supervisor on his (or her) own initiative takes a directive interest in leisure pursuits and has succeeded in keeping that interest free from the domination of what we may call official authority. It has to be said, however, that such cases are rare and that they depend absolutely upon the personality of the welfare supervisor. If that official gives up scant leisure for good works the fact is appreciated, but running through the appreciation there comes to be an expectation not unlike the expectation which was aroused by the well-intentioned parish worker of the last century.

Some welfare supervisors have been able to galvanize interest in sport without themselves taking an active part in the direction of the sporting events. More of them have been able to encourage interest in reading, and I know one case where a welfare supervisor conducts a really admirable study circle. This calls for a specialized intellectual equipment which perhaps is not so rare as the temperamental equipment which is needed to foster

enthusiasm without taking away initiative. I have always found that in these cases welfare supervision has come to be a sort of *advocatus populi* and is so regarded by the workers. This, in itself, is by no means to be condemned though it has the unfortunate feature of placing the management frankly in hostility. In the main it is true that the less that officials of any kind interest themselves in the organization of sport and leisure employments the better. They should be able to keep a kindly eye on such pursuits without taking actual part in them as initiators. If they take part in what I would call the secondary stage, subject to the direction of those whom the workers would choose for such direction, they have chosen, in my opinion, the wisest course.

Then as regards the process it should be said that to make the management of welfare altogether apart from ordinary responsibilities is a danger. Once again we refer to the fundamental principles. Welfare is not an embroidery on the ordinary management. It may need specialists—probably it will need specialists for many years. But the most scrupulous care must be taken that it is a high interest of all responsible for the industry. There are many cases where large industrial enterprises meet what seems to them to be the need of the hour by the employment of welfare supervisors whose work is hampered all the time by the normal supervision of the industry which tends to regard welfare supervision either as a bungling interference or as a kind of meaningless fad. It is better not to attempt any consideration of welfare if it is to be subject to opposition in this way. It will be interpreted as the consideration of welfare provided that everything goes on as before. For the welfare supervision, if it is to be of any value at all, will constantly be a medium for the suggestion of changed methods in the actual work. The welfare supervisors will see that work from their own angle, and it is of the utmost importance to the industry as a whole that this contribution should not only be welcomed but that it should be an

actual living part of the conduct of the industry as a whole. It is at this point I am sure that we shall find the weak spot in the vast majority of schemes which are at present in force. It is easy to assign blame. It is easy to say that the ordinary manager or the ordinary foreman is a dull reactionary utterly unable to move with the times. But I have found in cases where this conflict has reached an acute stage that the ordinary manager or foreman is generally right, that the welfare supervisor, by reason of his or her position, has emphasized rather too suddenly and even disproportionately the importance of welfare work, and that the manager or foreman, by reason of his duty, has been compelled to hold the balance. After all, he says, the work has to be done. It is a triumphant answer, for in the circumstances which we have described the welfare supervisor has no concern in the work.

It is certain that the study of the conditions of industrial welfare calls for a specialist, but in my view that specialist can best function through the ordinary machinery. I was consulted a year ago by the owner of a large factory on this subject. I suggested to him a system which I had seen in working whereby the welfare work is functionalized among a number of women supervisors, each taking one aspect of welfare, while still being responsible for their share of the control of the work of the industry. There are difficulties, but I find in the end that on this basis the best results are obtained.

It may be possible to employ a specialist welfare supervisor to advise, but I should hesitate myself to give the welfare supervisor executive functions independently of the general control. There is much haziness as to the relative authority to be given to welfare supervisors. In some industries it is on so low a level as to be useless. In others I find the welfare supervisor with a seat on the board of directors. I see no reason for this feverish attempt suddenly to bring welfare into the limelight. If we realize it as the enlightening spirit of general control we shall be

able to fix our normal supervising methods to include it, and then we can provide specialist advice which will be available to all in authority at every grade. It is only in this way that we can provide a correlation, that we can prevent it from being said, and said with the utmost truth, that "we attend to welfare when we have nothing else to do." At the moment it appears that when a firm take up welfare seriously they take it up separately, just as they open a new department. To do that overlooks the central necessity that care for welfare shall be an enlightening process. It is not a new enterprise. It is a new stimulus for an old enterprise.

Following up this line of thought it is often wiser for a number of firms, even large firms, to unite in the allotment of aids to welfare. Even the canteen, if at all possible, is all the better for being a canteen for several works. Certainly sport is all the better if so provided. Even more is it desirable that housing should not be done as part of shop control. We shall come to other aspects which from the nature of the case must be a portion of the structure of an individual industry, but where the general standard of life and of responsibility can be raised in a district as a whole by means usually adopted for unit firms, it is as well that it should be done for the district. The assembly of industries in new districts may help to this end. It rarely happens that they are in competition.

Moreover, it is well for men and women that they should mix with men and women employed in the other industries. The instinct which taboos "talk about shop" is not an unhealthy instinct. The adoption of this method, where it can be adopted, robs individual employers of the burden of benevolence, and this is a very real burden. It cuts across a healthy relationship by the introduction of a psychological factor which is too rarely recognized in industry, the factor of dislike to be under an obligation. We all chafe under obligations. We dislike the most the people to whom we owe the most and no one can study the

psychology of industries where benevolence almost to excess is the rule without being struck by the sullenness of the staff, the apathy, the suspicion of goodness, the expectation of some self-seeking in all kindness, one of the worst traits of human nature when it is allowed to develop. If we are to have regard to the true principles of industrial welfare the employers will do well not to be too closely identified with ventures which are of direct good, for they will need their personal authority and influence for developments of another kind.

Accordingly it can be said that so far as possible the type of welfare which we are discussing at the moment can best be done by the full and frank co-operation of the workers and by association in the district. This full and frank co-operation should include as a basic principle that the workers make some real contribution. To ask them merely to administer the benevolence of the employers is to foster discontent and injustices of all kinds. It is the high road away from the spirit of mutuality which it should be the very purpose of welfare work to foster.

This leads to the discussion of the thorniest question of all. It will be expected from what has been said of the underlying principles. To what extent does the recognition of the duty of safeguarding welfare lead to some development of industrial structure, whereby the workers either by representation or otherwise will take a more definite share in direction? Speaking generally, I should say that in many cases the motive for the adoption of welfare methods has been precisely the opposite. Care has been taken in the establishment of different ventures to safeguard the control. I know one case where even the names of the football team are submitted for the approval of the managing director. It looks foolish and yet I can understand his position when he says: "I don't want a trade union leader cheered for shooting a goal—at my expense!" This incident shows what a mark balanced conflict has left in our industrial relations. I know many cases where this

could not possibly be said. The workers are not foolish enough to choose a trade union leader for a favoured position in the football field unless, as a player of football, he deserves it. Here, however, is the real difficulty. Any development which seems to give the workers the power to choose seems to be fraught with peril to the management. It is no use to smile at it as showing unnecessary timidity. There it is and neither party is to blame. But sooner or later any adoption of welfare methods must come up against it. Whether we like it or not any realization that workers are men and women whose judgment and intelligence are to be fostered, must find that there is a realm in which, if this judgment and intelligence are to operate at all, they may not operate exactly as the employer would wish them to operate. It is another case of the child growing up. The parent may not altogether welcome the fact but at least he must take it calmly into account.

It certainly seems illogical that an employer should regard the welfare of his workers as a matter for concern and yet that in respect of the work itself they are to be "dumb and driven," no matter how gently and even considerately the goad may be applied. Practice has evolved various methods. In some cases it is regarded as enough for present purposes to hand over to workers' representation the control of all those expedients which are not directly concerned with the work. There is much to be said for this. It is healthy practice in administration and especially so in those cases where industries are joined together for the purpose. It is constructive work, too, different in aim from ordinary trade union work and it is further a striking fact that the general interest in such enterprises is very keen. Where canteens, for example, are handled in this way the interest is much keener than in the case of trade union questions, for trade unionists themselves will admit that one of the characteristics and one of the dangers of our day is the apathy of the workers. It is one result of having their thinking done for them.

Extremes meet in a curious way, and trade unionism and benevolent welfare supervision, each in its extreme form, produces the same evils. In some such way thrift associations, building societies, benevolent and orphan societies, sports festivals of all kinds, may give the workers not only some enterprise for the operation of their administrative skill and for the development of the corporate sense, but also may give them a conception of a relationship to the industry itself which has had encouraging results. More than that the employer may say that if the future does bring with it a change in industrial structure it is as well that administrative practice should be given to the workers in matters which, at any rate, cannot bring the whole industry into disaster no matter how badly they are managed. There are other common enterprises, in the middle ground, such as unemployment grants, education and sick benefit, which might be added as time goes on, and would bring the workers still nearer to an interest in the industry itself. Certainly it may be said with the utmost positiveness that schemes of profit-sharing and co-partnership, if they are to be truly successful, will need to be inspired by some such spirit as that which we have indicated—the premature adoption of such schemes has been largely responsible for the high proportion of failures.

Even so, however, a bolder step must be faced. If we are to learn anything from our study of the fundamental principles it is that under any system of ownership whatever, call it Socialism or Individualism, we shall only include the whole mind and soul of the workers if their interest in the success of the industry is quickened in some way. We need not frighten ourselves by the use of such a term as “democratic control.” There may never be such a thing as democratic control of industry or of anything else. Enterprises of all kinds are becoming so complex that highly-trained and highly-specialized management will be more necessary than ever.

My friend, Dr. W. H. R. Rivers, said to me once that in

his opinion control would become more and more personal but more and more enlightened by corporate bodies. It will be management with reference to the success of the industry and also with reference to the needs and the welfare of the workers. To achieve this may call for one of various kinds of institution, though this is a step which in my opinion will come at a later stage. There may be a sort of joint industrial committee to which various questions will be put largely for their enlightenment and through them for the enlightenment of the workers generally. There may be associations for handling the co-partnership of the workers, for we may take it for granted that co-partnership without some intelligent interest and some intelligent conception of mutuality is never likely to be the achievement of all the movements which we see before us to-day. Just the same applies to profit-sharing. As the sole means of exciting the interest and the intelligent loyalty and the enthusiasm of the worker it is of little avail. It may be that the ultimate scheme will go even further, that it will provide a real fusion at the point of the directors' table. That has been attempted and not without success in a number of industries but it is always described by hostile critics as a trick for strengthening "capitalism" by means of a dummy director. It is probable that it has been a premature movement—rather too much of a leap ahead. The spirit is not ready for it. We are asking for the fruits of mutuality before we have tilled the ground.

Here, indeed, is the true mission of welfare work. Here is the application of the principles of industrial welfare which we have been discussing. It is the beginning of mutuality. It is the process of the mutual discovery on both sides of a long and deep and bitter issue that suspicions have been fostered which were unworthy and that no real progress is to be made until there is something of mutual understanding. The initial—but only the initial—responsibility lies with the owners and employers. They have

had the ascendancy. They know what is at stake, not only for themselves but for all concerned in the industry. They know that time brings changes with it and that these changes often proceed very far before they are visible.

It is in this spirit that welfare work has been adopted—a vague and uncertain going forth to meet what has seemed to be a vague and uncertain future. It has been my task to attempt an analysis which will show at least that the future though vague and uncertain will have certain features which it is not totally impossible to foresee, though in detail we cannot venture a prophecy. We need to bring our little efforts to the touchstone of these principles, so far as we are able to establish them. Perhaps by that means we shall be able to lay the foundations of a science which will reveal the ethics of industry, a progressive ethics having as their aim a conception of human welfare of which at the moment we can only dream.

There is, at this point, a final question. It touches an aspect of the fundamental principle to which we have not yet referred. In what way are we to apply compulsion even when we are perfectly certain that the compulsion is for the workers' good? We begin with the canteen. If it is genuinely for the health of the worker there would seem to be no doubt that compulsion is justified, but even so I think I would avoid it. There may be cases of individuals where it is not necessary or even advantageous to take the ordinary hot meal. There may be cases where a combined meal at home is even more economical. Further, it is a good discipline for the canteen to test its attractiveness. In respect of sport, anything of the nature of compulsion would seem to be a contradiction in terms and yet something very near to compulsion is often applied. I know one case where it is deeply embedded in the minds of the workers that the race in industrial advance is to the swift on the playing field. Probably such a case as this would be impossible with any sort of mutuality in the management of the playing-fields. There is a problem, too, when

managers and heads of departments play with the workers. Condescension is not an easy thing; the acceptance of sport-discipline is a good test of character for the management.

On the whole, in the matter of exterior welfare, it is most advisable to strive to the utmost that there shall not be pressure or compulsion. As regards interior welfare, the details of arrangements closely allied with actual production, there may be a need for compulsion. If it is discovered that certain physical actions are deleterious they should be forbidden, but I think the wisest course is to give the full reasons. Similarly, where it has been discovered from research that there are less fatiguing ways of doing work than those previously adopted the best method seems to be to demonstrate that the ways are easier. Psychology enters in every act of compulsion or prohibition and it is perilously easy in dealing with the group mind to organize opposition.

There is one particular error in judgment which has become rife of recent months. There is a kind of a thermometer reading of the amount of welfare work which is "done," and on the basis of this thermometer reading it is conjectured that the spirit of mutuality may be conjectured. It is indisputably true that there are many small industries where apparently very little is attempted which would be regarded as "welfare work," and yet the spirit of mutuality is growing in an unmistakable way. On the other hand, there are large industries having complex schemes of welfare work where sullenness and lack of appreciation and a disregard of the need for co-operation are strikingly evident. In the main it is to be said that the spirit of appreciation should go before the introduction of methods.

At a recent conference in the North of England one of the shrewdest captains of industry gave a little gathering his creed in respect of welfare work. "I believe in doing things semi-reluctantly upon an urgent demand." The student of the science of politics will not find himself in any

difficulty in suggesting parallels. It is positively easy to forget the apprenticeship which time demands before the human race, or a portion of the human race, is ready for a step forward. It is not only the children of Israel who have had to wait their thirty-eight years in the wilderness. The conception of a Paradise of industry, carefully thought out and ready to be introduced at a moment's notice, is enticing as a dream for dream mortals, but human beings need the process of preparation. Now to say this may seem to be to suggest actual discouragement, but it should suggest, on the other hand, that process of encouragement which is not anxious how much is to be builded daily, but that that which is builded shall be a real portion of the completed scheme. To apply this to our own study we might suggest that it is not a matter for concern that apparently very little has been done in the direction of organized welfare work. It is a matter for concern that that very little shall be warmed and enlightened by the rays from the well-considered principles.

There is no harm in going slowly if you are on the right way ; there is no use in going quickly if you are on the wrong way. The progress with schemes which involve psychological and ethical considerations at every point is not likely to be according to a plan. The glorious uncertainty of human nature is bound to have its influence, and the more unexpected the way in which that influence operates the more we should be ready to adapt our schemes to its demands. The profound mistake which is made so often is to expect a uniform response. " If you do so-and-so the men and women will respond." It is not always the case that all men or all women do respond in the expected way. No acceptance of a principle of industrial welfare can disregard this fundamental characteristic of human nature.

Duty and responsibility may be clearly conceived, but as to the methods by which duty and responsibility are to be carried out there must be careful thought at every stage.

Consequently though I should claim that the principles of industrial welfare are fairly clear, I am convinced that the methods of welfare supervision are by no means so definite as sometimes is suggested. More than that I am confident that the effectivity of welfare supervision has frequently suffered from over-dogmatism as to the methods. We have evolved the methods largely apart from a recognition of the principles. My contention is that the methods may vary in different conditions, but that they must spring from a clear recognition of principles which are basic. I do not assert that these principles can be stated categorically as yet, but I do assert that there are many indications as to their general content. More than that, I think that there is good ground for the belief that the search for these principles will be of far greater purpose in the process of industrial reconstruction than any conjectures of visionaries, for all the time we shall be assured of their practicability in commonplace life. It is precisely that actuality or practicability which is urgently demanded of any social or industrial reorganization as its first quality, and once we are assured of the immediate practicability we can go forward with far more confidence in the path of reconstruction or reorganization.

CHAPTER VIII

THE ETHICS OF INDUSTRY

THE dictionaries tell us that industry is the opposite to sloth and idleness, that it means our heritage of work. Earlier theology has suggested that it is a burden for our sin, a conception which has its element of truth if we understand it as meaning that no good thing is given to us without man's contributory toil. But industry is really the attempt to universalize Nature's bounty for man's welfare. If we take the sternly individualist theory and regard as an ideal each man tilling his own plot of land, rearing his sheep, his wife spinning and making the clothing, we get the basis from which we may begin.

Industry is the means whereby we make the wide world the unit, whereby we bring to England products of other countries and supply those countries with means of life which they require. Thus the concomitant is that the needs of man are growing. We supply steel bridges ; the world supplies wheat. Paris supplies Brazil with costumes and Brazil supplies Paris with coffee. The increasing complexity of life all the world over, the increasing elaborateness of life, so raise the standard of demand for each human being that there is more and more opportunity for productive industry. Thus industry is attempting to meet two aspects of what we may call world-economics, there is first the aspect of providing food, raiment, and housing for the Western nations by means of the interchange of what we choose to call " goods " ; there is, secondly, the aspect of encouraging and providing for the increased needs of human individuals as those needs develop. Both these aspects are of immense importance to an ethical survey of industry. We can sum them up by stating that industry emphasizes the interdependence of all men and assumes the steady development of man. In another phrase,

industry is that which provides for the extensive and the intensive development of mankind in its relation to the use of the products of nature.

But, says a critic, you are using the phrase "development of mankind" as if you were sure that such a development is a good thing. Frankly, I am so using it. I know that there is a dark side to the use of machinery and to many of the developments which follow. I know there is a dark side to what may be called the power of capital. I know that in the moral of the distribution of good things we seem to be hopelessly behind the production of good things. Admitting all this, yet it seems to me that it is beyond all manner of dispute that the increased wealth of the world in the past fifty years has resulted in a considerable expansion of life to human betterment. I do not think it can be disputed. It may be said that by some other system we should have seen a better result, but after all that is only conjecture. What seems to me to be certain is that there has been an expansion of human character, a growth in kindliness of outlook, a desire for justice in reward, and that in the amenities of life for all classes as a whole there has been an advance. It is this aspect which is now coming into prominence. We are beginning to realize that just as the Sabbath was made for man and not man for the Sabbath, so industrial products are for the betterment of man and not man for the production of industrial products. Michael Angelo wrote of the ultimate value to mankind of the pursuit of art. "Nothing," he said, "makes the soul so pure, so religious, as the endeavour to create something perfect." We may surely apply this, with even deeper implications, to industrial organization. We want to build it towards perfectness, in order that it may react upon personal perfectness, or on the approach to personal perfectness.

Looking back on the history of industry, we have reason for apprehension lest this distinction should not have been realized. It is puzzling to any fair-minded man to read

such books as Dame Anderson's history of the Factory Laws or the life of Lord Shaftesbury, and to understand how it came about that men tolerated such conditions for their unfortunate workers. It is said, of course, that the employers were monsters of hard-heartedness, but we can hardly accept this as a full explanation.

I was born in industrial Lancashire fifty-six years ago, and my earliest recollections are of factories where the conditions were (there is no other word for it) abominable. I have hideous recollections even from childhood of contemporaries of my own in the village school who tortured me with stories of what they had to bear, where they worked as half-timers, under conditions which no modern employer would tolerate for a moment. One recollection is of a small boy who walked three miles to a bottle factory to reach there at six in the morning with no opportunity for change of clothing on wet mornings, with twenty minutes' breakfast-time, with constant work until one o'clock, and then school at two o'clock. Yet I knew the masters to be religious men, prayerful and anxious for the uplifting of the world, admirably described by the Master of Balliol as men who were really religious, sincerely patriotic, and personally benevolent, "who could defend as a quite natural state of things such facts as children of six kept at work in factories from 5 a.m. to 9 p.m., girls under eight crawling through coal seams eighteen inches high, boys of four sent up flues seven inches square." I have recently come into possession of the correspondence of one of these masters—some day I will publish it, for it is an opening of his heart, an apology for his attitude. Put briefly he maintains that industry is for the whole world, that benevolent interference with the normal process would be risky, that industry was in an initial stage, and that, so long as there were vast races who were unproductive for the world's good, there could be no remedy short of an international remedy. Then there is this sentence: "All progress of the world is at the cost of the apparent agony

of one generation for the benefit of the next, and of one little sub-section for the benefit of man. There is a God who is guiding us. We must not hasten the work." It is exceedingly difficult for us to put ourselves in a position to judge that man. Similarly the next generation will look back and wonder how it could come about that we, who think ourselves so enlightened, could possibly be so timid in respect of co-operation towards the welfare of those who work with us to produce goods for the betterment of man. The fact is that my friend of fifty years ago could not easily shake off the prejudice in favour of goods as against man ; we, too, often regard the inanimate things as those of final import, wages and credit, production and distribution, prices and stocks. Our glittering shop-windows are eloquent of the fact. There is a sort of hedonistic paradox which affects us, for just as those who follow the search for happiness too closely fail to get it, so do those who follow industry with too slavish a regard for the goods, the economic laws, the organization, fail to achieve their end just as they fail to realize that the true aim to be followed is the betterment of man.

If we are to understand the problem we must go back to the fifteenth century in our studies. We must analyse that strangely sudden development which brought in the intervention of capital, as a result of the discovery of new countries, before the age of invention which introduced a still further development, the locking-up of capital in expensive machinery. By this development of a money economy the religious authority, which hitherto had touched upon the economic as upon other spheres of life, was baffled. This authority had attempted to enforce protests against usury ; it never found an Ethics of Industry to suit the changing needs. Hence the moral coldness which has surrounded the rapid development of industrial enterprise. In other words, it is a tragic fact of history that freedom, which seems to have been won from a dominant religious authority, also meant

freedom from religious responsibility in economic relations.

That to my mind is the beginning of the study of the Ethics of Industry. It is to introduce moral warmth into the process. This moral warmth must not be confused with sentimentalism. We must be strict in our scientific processes of thought, always illumined by spiritual values. Softness and mere immediate kindliness, and capricious manifestations of unguided feeling, are a peril. Newman's words are a suitable warning —

He who lets his feelings run
In soft, luxurious flow,
Shrinks when hard service must be done,
And faints at every woe.

Industry is hard. It calls for vigour. Nature gives, but she makes a bitter demand of human contribution. That vigour is likely to increase in the coming years, and we shall have to meet the need with better organization, and that better organization in turn will need better human instruments. The next stage is to correlate this warmth, as I call it, with the necessity for efficiency. I question if there is much to be gained from stating the problem of man versus machine. The truth is that if the primary object of industry is to universalize the products of the world the machine is inevitable. Indeed, I would go farther and say that in this universalizing process we need far more machinery than we have, and a far bolder use of natural powers. We are only at the beginning of the use of electric power. Certainly we are only at the beginning of the transmission of electric power. I heard a scientist say that the scientific world is hushed in expectancy. He was looking at the telegraph working on a long-distance cable and he made this remark: "Cables exist because all that we can transport over a hemisphere is human ideas. The next generation will be in a less feverish hurry to transmit ideas and in a greater hurry to transmit power." That opens a striking vista. It may mean that the localization

of industry, as we have known it, will be revolutionized, and that the wealthy country of the future will not be the country with coal and steel but the country with waterfalls. Viewed in this light, the use of machines as we have seen it is a trifling matter. My friend's letters were based on the entire localization of industry. For that localization he was sorrowfully prepared to sacrifice the well-being of men and women and children—on their agony, in his own words, the prosperity of the world was to be builded and the progress of men and women and children of the next generation was to be purchased by that agony. We have learned in our day that there must be limits to exploitation of this kind, not legal limits but economic limits. We study the psychology of the use of machines. The results, as yet, are not definite but they point to the economic need for safeguarding the human unit. That safeguarding may mean in some cases a development towards monotony rather than a development away from it. More than that it seems as if further study would bring economic science and true benevolence closer together. Righteousness and peace will kiss each other, as the prophet promised that they would. We shall study vocations not merely that we may get the best out of men, but because giving that best is better for the men themselves ; we shall study change in digital actions not merely as a check against the evils of monotony of work but because balanced monotones, while still being automatic, may be far more effective in product and in reaction on the individual ; we shall study mental development so that minds may be alert and even prolific while fingers are employed ; we shall include in our citizenship and not only as part of industrial organization such a valuation of opportunity for leisure and recreation that true freedom may be encouraged, the freedom of mind and of soul. The Plato and Shakespeare of the future may be Adam Smith's maker of pins and be proud of the fact, and get away from the pseudo-respectability of leaving industrial occupation as a task to be scorned.

Freedom is a word which demands very careful definition. Most of us know that our freedom is challenged at every point—largely for the sake of our freedom and the freedom of others. No one can look on a modern factory without feeling that here is restraint which comes perilously near to servility. The conclusion of the Great Charter has a sentence which rings curiously in our ears after seven hundred years: "We will not, by ourselves or others, procure anything whereby any of these concessions and liberties be revoked or lessened; and if any such thing be obtained, let it be null and void, neither shall we ever make use of it, either by ourselves, or any other." They are brave words, indeed, a charter for a feudal age. But it can be said, as Ruskin would have said, that the whole process of machinery has "revoked or lessened" these concessions and liberties.

Yet let it be remembered this is not the whole story. While machines have developed there has also developed a right to organization within the State. This right has been won not by concession but by conflict. To regard trade unionism as the ultimate end of human aggregation in industry is parallel with a tendency to regard armies and navies as the ultimate international development. Nevertheless, though the structure of industry to-day bears marks of the hostility which the process evoked, it is an evidence of corporate liberty which even the Great Charter meditated. It is the liberty of action which has been restricted by the machine and not liberty of thought or of the expression of thought. And liberty of action has been restrained for all of us by the very complexity of the social machine. We take our pleasures with much less scope for choice; we live our social lives in a comparatively narrow range, even to the times of meals; our clothing is almost a uniform. Vocational selection might narrow us even further, for the square peg in the round hole at any rate has sometimes the value of aspiration; his discontent is not altogether to his disadvantage, and the daily discipline

which he applies to himself is not to be despised in its chastening influence. There is no reason to believe that the Divine order in the world has suited positions to human capacities. Thus it seems as if the process of social and industrial development had narrowed the apparent range of action. Nevertheless here is food for thought for those who think that the time has arrived for the consideration of personal welfare in respect of liberty. It may perhaps be less and less possible to allow the worker freedom in his work, but at the same time it may be more and more possible to encourage freedom in leisure, in thought, in recreation. It is only necessary to utter a word of warning at this point, lest well-intentioned schemes of welfare should carry the necessary restrictions of industrial operation into private life, for there is a real peril lest welfare work should emphasize not mutuality but the greater responsibility of the employer only.

What seems to be evolving is a sense of mutuality which has been far to seek in the past. I have contrasted the essential individuality of more primitive life with the corporateness of our complex life. The odd thing is that we are so slow to realize mutuality ; we live as an aggregation of unrelated individuals rather than as an organism, mutually bound together. In the letters to which I have referred there is emphasis upon mutuality in the whole world, China dependent upon England and France upon Siberia. But the local interdependence escaped the writer. He employed his workers frankly as "hands." He did not disguise it. They offered their units of industrial work, he said, for the betterment of the world. It did not react upon their own betterment, and it was not expected so to react. They were the sacrificed. We can lay precisely the same emphasis upon the universal mutuality and yet insist that each industry must be a microcosmos in which this very spirit is to be fostered. We can protest that there must be no utter sacrifice, no complete disregard of any section or race, and at the same time we can realize quite

frankly that in the process there may be self-surrenders which are of precious value not to the world only but to those who make the surrender.

He was a wise employer who said that he would never be satisfied that his industry was on a sound footing until his workers came to him frankly and said that they realized that for the sake of the common good they should be paid less. He himself knew what sacrifices were, but whilst he made them and whilst they had been made by the workers at his suggestion, there was something lacking in mutuality when the process of years had so driven it into their minds that from their point of view any surrender which is to be made must be made sullenly and at the instance of superior force. We must deal tenderly with this aspect of the lack of mutuality. It calls, if there is to be a remedy, for faith and enlightenment. It calls for a mutuality far deeper than mere good-humoured friendliness. When it has been achieved we have come into touch with the practical Ethics of Industry.

If it is true, as the theological historians say, that private property was invented because of human sin, we can say perhaps that true mutuality is hardly practicable, because of human weakness, without some actual partaking in material benefits. The details of such proposals belong to the economic student, yet from the point of view of Ethics there is something to be said. One of the slogans of the hour is "wage slavery," yet there is an ethical side to wages in that they are a guarantee of an expectation, and for my own part I never can understand the obloquy which is said to attach to wages. The sufficiency of particular wages is apart from this issue, for if recurrent fixed wages be slavery it is not the amount but the fixture of that amount which so constitutes it. The wages of management are equally wage-slavery. On the other hand, the variation of interest does constitute a moral problem.

Professor Ashley dealt fully with the religious attitude to Usury in his *Economic History*, and Dr. George O'Brien

has since assigned to "Interest" a function in what he seems to regard as the general deterioration since the Reformation. We need not pursue this controversy, though it is of great value to study it at the present moment, but it does seem that the Ethics of Industry in their emphasis upon mutuality lead us to some attempt to correlate increase of wages with increase of dividend and decrease of wages with decrease of dividend. Put in other words, it seems to be desirable that the unit worker shall be in much closer touch with the progress or otherwise not of his own craft only but of the industry of which he is a part. So-called "corporate bargaining" while pretending to erect a bridge has really deepened the gulf. It is only by some attempt in this direction, within wide limits of possibility, that we can bring home the primary conception that industry does mean and does suggest an organization of the world for production for the benefit of man, that in this organization the individual man or woman is of supreme importance in so far as his mutual relationship to others is of supreme importance; and that the unit industry, while facing its universal aspect with an appropriate recognition of its value, also faces the men and women who give up to it their careers and the fortunes of their families and suggests such a mutuality of endeavour and reward that from each of them it attracts not merely the best that they can give but a sense of guardianship and of pride which is all the healthier when applied not merely to their own interests but to the industry as a whole.

It will be said that these ideals are only practicable if we attempt such a reconstruction of industry as would remove personal ownership. I would avoid particular controversies in an attempt to touch upon the issues of personal welfare, for that after all is the object of our immediate ethical inquiry, but I would venture to suggest that the arguments tend exactly in the opposite direction. Ethical righteousness does call for individual agents, "with souls to save and bodies to kick." Vast and vaster organizations have the

disadvantage of having in their corporateness a void in respect of conscience or of sensitiveness not to wrong-doing merely but to imperfection of ultimate aim.

There is a human passion for a Person. Vague ethical qualities demand an Incarnation. So far from believing in the Karl Marx theory of vast and vaster aggregations, it seems to me that we are beginning to see a reaction, and that mutuality in individual effort will be one of the factors in this later development. In fact there are reasons to believe that much of the aggregation has been due to lack of ethical purpose for which both sides to the issue must bear some share of responsibility. The expansion will be rather, I think, in the direction of smaller groups, the members of which know each other more intimately, and be more keenly interested in the prosperity of each and of the group. Small industries have been absorbed in large industries for many reasons, among them the fact that regimentation has been less effective in small industries than in large industries. It may be that the remedy is not regimentation at all, but a sense of mutuality in which the small industries will be at an advantage. At least the centralization and distribution of power may modify the aggregations which we have known as factories, may modify urban accretions, may emphasize the goodwill and spirit of fellowship which must be the ultimate aim of any industrial ethic worthy of the name.

Further, and this is a delicate matter to mention, there are signs that vast labour aggregations are beginning to be equally uncomfortable, and that while there may be a craft or an industrial organization for the country at large there must be a definite local organization for the industry itself. No matter how industry may be owned, either on the large or on the small scale, the demand at the moment is for the emphasis upon the individual and upon his sense of responsibility, and for bringing the members of the groups within the scope of human intimacy and human affection. There is a somewhat superficial idea abroad that with

nationalization or with municipalization we shall discover a new stimulus, a new motive, a change of heart. There is little evidence of this as yet. On the contrary, there is evidence that security is not without its perils to individual endeavour and certainly to individual enthusiasm, that to banish all chances of industrial failure is to banish the stimulus towards the betterment of the industrial process, that improvements in processes are born of unsuccesses, that however we may seek to develop freedom or strive for evenness of reward, there still remains the human need for discipline or authority.

Once we recognize these facts we shall see that the Ethics of Industry will not differ fundamentally even if we do attempt a transformation of ownership, that in short, any progress which we make in the realization of an Ethic of Industry will be of value whatever adaptation there may be in the basic foundations. We must beware of two temptations. First, there is the temptation to Impatience, for the process goes steadily forward but may not provide a dramatic moment. Second, there is the temptation to postpone all moral effort until the day when there will be a complete transformation of the structure of Industry. The ethical life is a personal life, after all, and no organization can be conceived which will take the place of a personal ethic, and the place for that ethic is here and the time for it is now. We might have had a transformed industrial world long ago if so much tender thought and vigorous effort had not been diverted from actuality into the fashioning of distant ideals. Those who talk a little glibly of sweeping away the capitalistic system have robbed that system, in so far as there is such a system, of the benefit of their day-by-day constructive criticism, for whatever may be said of personal ownership it is malleable and adaptable to new conditions.

But we must beware of considering this ethical life of industry in a one-sided fashion. It is not a one-sided benevolence. There is no law of gravity in the attempt to

be more kindly and more profoundly considerate in the mutuality of human relations. It is a crude conception which makes it fall from the presumed superior to the presumed inferior class, "like the gentle rain of heaven upon the earth beneath." If we have found that economic laws are insufficient to control and direct the responsibilities of the employer they are also insufficient to control and direct the responsibilities of the worker. If it is a violation of the Ethics of Industry to measure wages and the conditions of labour by the hard rule of supply and demand only it is equally a violation of the Ethics of Industry to measure work done by a similar standard, and to make mere sufficiency a criterion of value.

After all, as Browning said, the distinction between man and the rest of creation is that "a man's reach should exceed his grasp." Man can aim beyond the attainable; his ideal is a passing-beyond, or it is the ideal of the brute and no more. Putting the stimulus of an ethos, a character, behind this commonplace of daily work alters its scope, in intention at any rate if not in actual performance. This needs to be said at a time in history when in consequence of a sorrowful past it is being overlooked. The Ethics of Industry are not the Ethics of Employing or the Ethics of Management. They are wider in their scope because they cover the whole mutuality of enterprise, they assume a counter-play of duty and care, of thought and insight, they assume manhood in its fullness on both sides of an issue which, by their means, may cease to be an issue, and they set out in a spirit of aspiration towards an ideal which may seem to be distant but is none the less real, none the less actual in attractiveness, none the less tender in considerateness because it passes, almost with scorn, beyond the merely sentimental, none the less full of hope because the way has been marked by misunderstandings arising as much from undue haste as from sloth, arising as much from blind benevolence as from heedless hard-heartedness. And, as we have seen in so many aspects, conflict will

achieve no real constructive work, for unless we are building, unless we are edifying, we have failed in our central task which is to fashion out of all aggregations of mankind a Temple meet for a life which must be something more than toil for food and for clothing and for a house. If civilization provides these only it fails ; alas, if we have to say that it fails to provide even these. And, let it be said quite frankly, unless our schemes involve some greater freedom for manhood and womanhood, some higher achievement in the realm of the mind and the spirit, let us go on with the limited freedom and the limited personal achievements of the slums. At least mankind gains something in the struggle.

For betterment, if it is to be worth the name, must involve the conception of expansion. The growth of human needs has its economic aspect in that an increasing population can only find its needs met by what we must call, in an apparent paradox, an expansion of individual need. I would not go so far as some of my American friends who see hope for civilization in the rapidly-increasing demand for the motor-car, in artificial aids to its purchase by means of credit associations and the like. But there is some point in it, for all that. It does suggest a greater consumption-demand of an article which requires art and science and skill and labour to construct, which demands ingenious application and high organization of productive forces. It may be that we are tempted sometimes to a sort of austerity, the theory of the simple life, but there is little evidence that by means of such austerity we should save society. Questions of wages in their relation to profit and in their relation to the success of an industry are very complex, but it can safely be said that the only wise aim is that they shall be such as to permit some expansion of life, and that this is the true economic wage, and if this aim is in the foreground it is not unlikely that it may encourage fresh austerities of life. The danger is lest we measure the advance too narrowly by the measurement

of material goods. The evil influence of measuring life by "the abundance of things which a man possesseth" lies in the example which it offers for general imitation. A theory of life, when accepted as expansion of life including both the material and the spiritual, demands something more than a benevolent outlook, but it does demand a benevolent outlook, and it does demand venture and foresight. It asks for a foresight which takes factors into consideration which sometimes are beyond the immediate horizon of thought. We can imagine a perfectly static society in which there would be neither growth nor expansion but I very much doubt if it would be tolerable in the end. It is one of the subtle objections to excessive organization; it is one of the subtle objections to operations on a plane as wide as the State itself.

Hope and aspiration are essential elements in human endeavours. Rather than a static condition it is probable that a state of ebb and flux is healthier, though this again may seem to be a hard saying. Constant measured progress might be almost static in relation to the individual; he needs arrests; he needs the "hours of insight"; he needs propulsions forward. At any rate one is on sure ground in coming rather near to dogmatizing that life which is worth having must include some elements of reasonable hope of expansion, not merely in its form of increased wealth for accumulation but also in its form of increased possibilities of expenditure, and that this hope of expansion is quite consistent with periods of reaction, for there may be seeming reaction with a firmer grasp on principles. Progress may have to step back in order to leap forward.

One of the dangers of our time is that in despair with the complexity of the problem we should occupy ourselves so much with immediate difficulties that the spiritual values escape us. It is well sometimes to be reminded of these spiritual values. They are not mere sentiments, or individual idiosyncracies, or the eccentric peculiarities of a handful of men who contrive by some strange means to

allow their Sunday thoughts to run into the week-day, not overflowing by a flood but trickling just sufficiently to be disquieting. After all, we are striving to discover the character of the relationship between men in production. We are seeking its repercussions. The very discontent of the past, violent as it has been in so many instances, is often the child of non-ethical conceptions of leadership rather than of apparent economic injustice. It does not ask for what the Victorian age so aptly called "molly-coddling," but it does ask for humaneness. That humaneness may not necessarily be shown in schemes or plans of welfare or of organized care. There must be the responsibility for surroundings, but that need not necessarily manifest itself in undertaking responsibilities which, if they are to be undertaken in the sense of appreciation, belong by right to the workers themselves. Mutuality is the word, after all, and it necessitates a contributory attitude on each side. That contribution, on each side, should be a spiritual contribution, a focusing of mind and interest and loyalty. I am confident that in this respect the future leadership lies with France, and that the old French paternalism in industry is much more virile to-day than we suppose. Certainly it is singularly well-balanced in its action and singularly attractive of co-operation. If we study the history of industry in France in the last hundred years we shall not be satisfied with any solution based upon merely material considerations, nor shall we leap to the opposite pole of emotional management, which performs all and expects nothing.

If life is more than food and raiment in the attitude of employer to worker, it is also more than food and raiment in the attitude of worker to employer. This needs to be stated, for of all the aspects of the present controversies it is the most readily overlooked. "Duty" is an old-fashioned word, a little unpopular to-day. There is that which is owing, duty, measurable by some standard; but there is that bigger and bolder conception, measurable only

according to the standards of spiritual values, according to which one may know that he is an unprofitable servant for he has done only his duty. Here again Browning's theory of the "passing beyond" applies. It is only in such a passing-beyond, such a stretching past one's grasp, that the fullness of life in industry can be found. It may seem to be a hopeless quest, but it is the only quest which is worth while and until we see some vision of it, even though faint, our industrial problems are lacking the promise of a solution. And when we do gain the vision of it we may realize that what has too often been described as "the grim blight of industry" in distinction from the idyllic life of the fields and the woods may be not merely the method of provision for increased populations but a disciplinary training for mankind itself. That discipline may have a wider content than we suppose. It may be a stern process whereby we shall learn both the sacredness of individuality and the insufficiency of individuality. It may be a melting pot of many forces whence may emerge a conception of responsibility which is mutual and corporate and generously other-regarding, and on that basis, paradoxically enough, may be profitable and successful beyond the dreams of our present methods. It is in this sense that I have spoken of welfare, progressive and free, and based upon spiritual values—a sense of welfare which will add to the life of industry the crown of ultimate purpose.



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