

**INVESTIGATION OF TAYLOR SYSTEM OF
SHOP MANAGEMENT: HEARINGS
BEFORE THE COMMITTEE ON LABOR
OF THE HOUSE OF REPRESENTATIVES
SIXTY-SECOND CONGRESS, FIRST
SESSION ON HOUSE RESOLUTION 90**

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Investigation of Taylor System of Shop Management: Hearings Before the Committee on Labor of the House of Representatives sixty-second congress, first session on House Resolution 90 by Various

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INVESTIGATION OF TAYLOR SYSTEM OF SHOP MANAGEMENT

HEARINGS

BEFORE THE

U. S. COMMITTEE ON LABOR OF THE HOUSE ²⁷⁸
OF REPRESENTATIVES ₈₆₆

SIXTY-SECOND CONGRESS, FIRST SESSION

ON

HOUSE RESOLUTION 90

COMMITTEE ON LABOR

W. B. WILSON (Chairman), of Pennsylvania.

W. L. HENSLEY, of Missouri	FINLEY H. GRAY, of Indiana.
JAMES P. MAHER, of New York	JOHN J. GARDNER, of New Jersey
ARTHUR B. ROUSE, of Kentucky	E. B. VERELAND, of New York
DAVID J. LEWIS, of Maryland	E. H. MADISON, of Kansas
WILLIAM S. HOWARD, of Georgia	W. C. HAWLEY, of Oregon
FRANK BUCHANAN, of Illinois	J. M. C. SMITH, of Michigan

AGNES H. WILSON, Clerk

WASHINGTON
1911

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[House resolution 90, Sixty-second Congress, first session.]

Whereas it has been disclosed that the United States Government has partially installed in certain Government work a system of shop management known as the "Taylor system"; and

Whereas it is now proposed and determined that the said Taylor system, or parts thereof, shall be extended to and installed in other branches of Government work; and

Whereas the said Taylor system appears to be of such a character and nature as to be detrimental to the best interests of American workmen, being in its essential parts a "high-speed" process, where none but the strong survive and they being crowded constantly to the maximum point of physical exertion, to the end that an increased output may be obtained and at a low labor cost; and

Whereas it has ever been recognized that one of the highest functions of any Government is to guard with zealous care the happiness and welfare of its great army of producers; and

Whereas the partial or complete installation of the said Taylor system in Government work is a matter of tremendous importance to the people of the United States, and may be followed by consequences of a far-reaching character both to capital and labor: Therefore be it

Resolved, That the Committee on Labor be, and they are hereby, authorized and directed to investigate thoroughly and completely the so-called "Taylor system" of shop management with especial reference to—

First. Its effect on employees.

Second. Its applicability to Government works.

Third. Its effect on wages and labor cost.

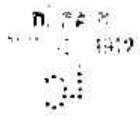
Fourth. Its possible reduction of the expense of manufacture.

Fifth. To what extent, if any, it is being adopted in Government work, and its effect.

Said committee to make a full report to this House as to whether, by reason of any facts thus ascertained, there should be legislation by Congress with reference thereto.

Said committee as a whole, or by subcommittee, is authorized to sit during the recess of Congress, to send for persons and papers, and to administer oaths; and

Said committee is hereby authorized to employ such stenographic or clerical assistance as may be necessary for the purpose of carrying out the provisions and purposes of this resolution and to pay the expense thereof from the contingent fund of this House upon warrants signed by the chairman of said committee.



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INVESTIGATION OF TAYLOR SYSTEM OF SHOP MANAGEMENT.

COMMITTEE ON LABOR,
HOUSE OF REPRESENTATIVES,
Washington, D. C., Friday, April 28, 1911.

The committee met at 10 o'clock a. m., Hon. William B. Wilson (chairman) presiding.

The CHAIRMAN. Several gentlemen have asked for an opportunity to be heard on House resolution No. 90, and the committee has been called together for that purpose this morning. I suggest that Mr. Pepper, who is the author of the resolution, be heard first.

STATEMENT OF HON. I. S. PEPPER.

Mr. PEPPER. Mr. Chairman and gentlemen of the committee, it is evident from a reading of the resolution that any hearing that may be had at this time should not go into the merits of the question of the Taylor system, but only so far as to ascertain in a general way what that system comprehends. I might say, however, that the question is so important, and it is so recognized by both the laboring men of this country and the employers of this country, that general notice has been taken of it in the magazines and in the public press. It involves such a change in shop management, in the attitude of capital toward labor, and the treatment of labor by capital, that, whatever its merits or demerits may be, it is recognized as a distinct policy, which, if carried to its ultimate conclusion and ultimate end, will result in a decided difference in the condition of the laboring people of this country. Now, it has grown to be such an important question, and it has received such recognition, that the United States Government has started to inaugurate the system in the various Government works of the country, especially in the arsenals of the United States. I will try to confine myself to the resolution, because there are a number of laboring men here, men from the arsenals of the United States, and other representatives of labor, who can give you answers to any questions with reference to the system itself a great deal better than I can, but I want to call your attention to the fact that it is such a question that this committee, being a Committee on Labor, and being the committee to deal with matters which affect labor conditions in this country to-day, ought to give it their careful consideration.

I suggest at the beginning that the question may arise in your minds why a resolution should have been introduced calling for an investigation when, of course, an investigation could be had by your

committee without any resolution being passed by Congress, and that is the point to which I wish to address myself at this time. You will notice in this resolution that I have called attention to the system and then have specified certain details and points which it might be well to investigate. Then I ask that Congress have this committee, either by a subcommittee or by the whole committee, to investigate this question, to sit during recesses of Congress, and to have authority to summon witnesses, books, and papers, to administer oaths, and to pay the necessary expenses for clerical hire from the contingent fund of the House. Now, I think that is a vital point in this investigation. You can not, in my judgment, investigate a subject of so much importance, covering such a wide range of conditions, located in various parts of the country, without complete authority. Now, this system, known as the Taylor system, has been instituted by the War Department in the Watertown Arsenal; it is now proposed to institute it in the Rock Island Arsenal; and, to some extent, it has been instituted in the Brooklyn Navy Yard. This system was formulated by a man named Taylor, a man who has been employed, and who has charge of the employment of labor, in the steel mills of Pennsylvania, in the Midvale Steel Works, and in a number of manufacturing establishments. He has written a book or pamphlet, which I hold in my hand, covering several hundred pages, which undertakes to lay down his theory. He has also written a number of magazine articles. There is a committee here to-day from the Rock Island Arsenal, which has appeared before the Secretary of War to protest against the inauguration of this system in the arsenals of the United States, and which comes before you gentlemen this morning, who probably have not had this matter called to your attention. I simply want to state the objections they have urged, without going into a discussion of the merits or demerits of the system, but merely to show that the matter is one which this committee ought to investigate thoroughly. Here are some of the points:

- (1) The replacing of the skilled mechanic by the laborer and the consequent lowering of the wages to little better than laborer's wages.
- (2) The relentless speeding up of workmen to the extent that only a small percentage of workmen are able to stand the pace.
- (3) The use of the stop watch in ascertaining "unit-times."
- (4) The system of promotion, which seems to be based on the contest principle; that the man who has the least regard for his fellows if he also has ability wins.
- (5) The bonus and differential rate systems for fixing compensation and the piecework system with Mr. Taylor's methods for ascertaining what shall constitute a day's work.
- (6) The system of discipline advocated, which starts with punishing the most flagrant of offenses, principally those against other workmen, and which increases the number of acts to be regarded as offenses until the required submission on the part of the workman is secured and the "factor of safety" in human endurance is reached.
- (7) The principle that workmen must be dealt with individually and not in masses or through committees, that it is no concern of one workman what happens to another.

Now these are some of the objections. Whether or not these objections are good, as applied to the Taylor system, is a question which I think should be investigated. I am not here, as I stated, to argue either on the merits or the demerits of the Taylor system; I only want to call attention to the fact that it proposes such radical changes

in the conduct of the working establishment of this country, and that as it is being applied to Government work and will affect the employees of the National Government, and that it is of such importance that in the interests of labor it should be investigated. Now, it may be that some of these objections are not good; it may be that the objections raised by labor at this time are not well founded, but that is not an argument against the investigation of the subject. If the objections are not good, the investigation will so show, but if they are good, then it is of the more importance that some legislation should be enacted which will have a tendency to prevent, at least, the National Government setting the example and putting its stamp of approval on a system open to such objections. The Government should not approve a system which reduces the laboring man to a mere machine, to an organism which is to be put to its greatest physical test, not for the benefit of the laboring man, but only for the purpose of wringing from that laboring man the highest possible result, regardless of his health or happiness. Now, I think that would be an unwise policy for both the employer and the employee.

There are a number of gentlemen here who can answer a great many questions, which no doubt will arise in the minds of the committee, in reference to this matter. This question has received the marked attention of labor all over this country, and I do not believe that any investigation that you gentlemen could conduct without the authority contained in this resolution would be effective. I do not believe that you could sit here and listen to arguments purely from the theoretical standpoint and arrive at any just conclusion. You must ascertain the facts; find out where this system has been in operation; what was its effect upon labor and the condition of working people, and determine the line of your investigation from those facts. I might say that this system was in vogue at Bethlehem, Pa., for some time, but was afterwards abandoned. Now, that would be a very important question to investigate; find out why it was abandoned and how it operated there. We have two stories about the matter, one from the standpoint of the employer and one from the standpoint of the laborer, and it will be a very important question to determine why a system that has received such recognition from the United States Government should have been abandoned by a private institution.

Mr. VREELAND. How long has this system been in use?

Mr. PEPPER. I can not tell the exact number of years, but I think it has been in use for five or six years. You understand this system is so complex that it can not be inaugurated in a day or a month or a year; it takes two or three years to get it into operation. As Mr. Taylor says, if this system should be inaugurated at once there would not be any men working in the shops. You must gradually work it in in order to allay what he calls the suspicions of the laboring men.

Mr. BUCHANAN. Did I understand you to say that Mr. Taylor advocated treating with laborers as individuals and against treating with them collectively?

Mr. PEPPER. That is a part of the theory which he advocated.

Mr. LEWIS. Does it necessarily follow that there should be no collective relations among the workingmen?

Mr. PEPPER. It does, if the system is carried to its ultimate conclusion. Under this system every man is put to the highest degree of efficiency. In this book here he attempts to get up what he calls a unit of time system; that is, the shortest space of time in which the best man can produce a given amount of work, and the work of such a man in that given time constitutes the standard. Now, if a man does not reach that standard of efficiency—

Mr. LEWIS. Are the men docked for the shortage?

Mr. PEPPER. Under this Taylor system he has to be put at something that he can do better, but if you follow that to its logical conclusion there will always be the average man, a man who is not the best specimen of physical manhood, who can not find work that will return him the living to which he is entitled by reason of the very fundamental principles governing the employment of labor.

Mr. BUCHANAN. If that system were put into effect, would not every man work at the highest rate of speed he could go, and would not every workingman undergo a strain in the effort to reach that standard?

Mr. PEPPER. Yes; that would be the standard. I might add that Mr. Taylor says that that standard is only that degree of speed and that degree of wage which the laboring man will be happy and thrive under.

Mr. HENSLEY. Who is to be the judge of that?

Mr. PEPPER. The employer, and, therefore, the ultimate result will be that in order to procure bread for his family a man will say that he is happy whether he is or not; otherwise, it would be plain that he has not attained to the standard prescribed in the system under which he works. Now, the question as to whether or not he is happy or is thriving is left to the decision of a partial judge, that is, it is left to the decision of the man who is trying to wring as much profit as possible out of a man's muscles. I may not understand this system, and that is the reason I am asking this committee to investigate it.

It may be that I have not read the book right; it may be that the facts I have ascertained from workers under the system may be wrong and misleading; but I submit to you gentlemen that this matter is of such importance and is being opposed by so many laboring men who look to the welfare of themselves and their families that you will be doing a service to this country if you investigate it thoroughly. You will be doing a service to the manufacturers of this country if you can prevent the inauguration of a system which, in its ultimate results, will bring labor to a lower standard than at the present time, because unwise men sometimes in their greed for gain will do things to wring profit from labor which, if they were wise to their own interests, they would not do. So I think we should look at it from the broad standpoint—not even from the standpoint of the laboring man, but from the standpoint of the general welfare of this country. If this system is carried out to its ultimate conclusion, it will certainly result in a complete change of the attitude of capital toward labor, and it is, therefore, a matter that ought to receive the attention of Congress and its merits thrashed out. I do not want to take up the time of the committee by discussing the merits and demerits of this system, because there are gentlemen here who are thoroughly familiar with it.

Mr. VREELAND. How generally is this system employed?

Mr. PEPPER. So far as the Government is concerned, it has been in effect at the Watertown Arsenal about two years, but, as I have already stated, it takes some time to completely inaugurate the system. It is being tried at the Brooklyn Navy Yard, and it is proposed to install it at the Rock Island Arsenal. Now, a number of private institutions—a number of them in Philadelphia, although I can not now call the names—are now using the system. The Midvale Steel Works and a great number of manufacturers have started it. Some of them have the system only partially, and some of them have it complete.

Mr. LEWIS. Has any connection been shown between this system and an undue tendency to accidents?

Mr. PEPPER. I can not answer that; I do not know. We have here what he calls the factor of safety, that is, he punishes workmen by a reduction in their wages for the purpose of securing that factor of safety, but this is effective in many cases to simply reduce the wages of the laboring man.

Mr. LEWIS. The wages of the men employed in these arsenals are fixed by regulations of the War Department and not by statute, are they not?

Mr. PEPPER. Yes, sir; there are some regulations, I think, that govern for periods of time. Of course, the War Department has complete charge of that part of it. In fact, they say that the attitude of the arsenals toward wages has been that they will pay as much for eight hours' work in the arsenal as private individuals in the vicinity of the arsenals pay for ten hours' work. That is the general attitude.

Mr. HENSLEY. What conclusions have they reached about it since that system has been in vogue at the Watertown Arsenal?

Mr. PEPPER. Gen. Crozier says that there has been a great saving to the Government, but he has not yet done anything more. I should have stated that the Taylor system comprehends a great deal more than the speeding up of the workmen. That is only one of the things. I think a great deal of the system is not original with Mr. Taylor. I think he compiled a great many things together and advocated them as a general system. One feature of the system is the double check from the storehouse to the factory, so that a man can be supplied with the proper material, and not lose time running around to find material for the work upon which he is engaged. There is also a general system of supervision, which is a very vital part of the system. A planning department is provided where every piece of work is planned out, with written instructions as to what each man has to do. Now, in Watertown, they have done nothing except to put in the general scheme of saving time in the making of tools and things of that kind. Nothing has been done there towards the inauguration of the speeding-up process and trying to eliminate those who have not been able to reach a certain standard. But, of course, Gen. Crozier says that if it works any hardship to the laboring man he will stop short of that; but he is to be the judge.

Mr. Taylor himself says that the system must be carried out in full, or he will not stand responsible for its effectiveness, and the natural result is that if a man can not attain this high speed—that is, if he can not perform this greatest amount of work in a given space of time—he will find himself without a job. In my opinion, he will be eliminated. One of the illustrations he uses is in the case of carrying