

be able to put my whole establishment on a profit-sharing basis. I now see clearer *why* I had no faith in the profit-sharing, and at the same time see that things are tending towards socialism, so that there is no temptation to me to try to advance a movement which in its incompleteness would rather injure than help the cause of labor. At the same time, I see no harm in the profit-sharing business within certain limits; if, I mean to say, it only means raising the wages at the expense of the individual capitalist. I have always done this by giving wages above the ordinary market-price, and always shall do so.

"I ought to say why I think mere profit-sharing would be no solution of the labor difficulty. In the first place, it would do nothing towards the extinction of *competition*, which lies at the root of the evils of to-day; because each coöperative society would compete for its corporate advantage with other societies, would in fact so far be nothing but a joint-stock company. In the second place, it would do nothing towards the extinction of exploitation, because the most it could do in that direction would be to create a body of small capitalists, who would exploit the labor of those underneath them quite as implacably as the bigger capitalists do; just as peasant proprietors do in the matter of rent for land. In the third place, the immediate result of the system of profit-sharing would be an increase of overwork amongst the industrious, who would, of course, always tend upward toward that small capitalist class abovesaid. This would practically mean putting the screw on all wage-earners and intensifying the contrast between the well-to-do and the mere unskilled, the hewers of wood and drawers of water; for all these industrious successful people would take good care to have people to live on lower down. General result, increase of work done, which all reasonable people should try to curtail, increase of luxury, increase of poverty. Thus, you see, so accursed is the capitalist system under which we live, that even what should be the virtues of good management and thrift, under its slavery do but add to the misery of our thralldom and

indeed become mere vices, and have at last the faces of cruelty and shabbiness. The bourgeois system is doomed, that is the long and short of it, and this permissible coöperative system, with its apparent fairness of sharing of profits, is but an attempt at insurance for it, by the creation of a fresh set of petty bourgeois.

"So much for sociology; a word or two about the art I have tried to forward. That is a simple matter enough. I have tried to produce goods which should be genuine as far as their mere substances are concerned, and should have on that account the primary beauty in them which belongs to naturally treated natural substances; have tried, for instance, to make woollen substances as woollen as possible, cotton as cottony as possible, and so on; have used only the dyes which are natural and simple, because they produce beauty almost without the intervention of art; all this quite apart from the design in the stuffs or what not. On that head it has been, chiefly because of the social difficulties, almost impossible to do more than to insure the *designer* (mostly myself) some pleasure in his art by getting him to understand the qualities of materials and the happy chances of processes. Except with a small part of the more artistic side of the work, I could not do anything (or at least but little) to give this pleasure to the workmen, because I should have had to change their method of work so utterly that I should have disqualified them from earning their living elsewhere. You see I have got to understand thoroughly the manner of work under which the art of the Middle Ages was done, and that that is the *only* manner of work which can turn out popular art, only to discover that it is impossible to work in that manner in this profit-grinding society. So on all sides I am driven towards revolution as the only hope, and am growing clearer and clearer on the speedy advent of it in a very obvious form, though of course I can't give a date for it. . . . I am, etc.,

"Yours very truly, WILLIAM MORRIS."*

* See remarks on above in "Topics of the Time."

THE LABOR QUESTION.

BY A WESTERN MANUFACTURER.

THE earliest historic records of the relations of the employed to the employer are those of compelled service; that is, some form of bondage, either slavery to the state (the state being composed only of those who had power) or personal servitude to individual masters. The power of organization was soon learned, and then came the classification of slaves by their duties. This condition continued until the fall of the Roman Empire established the feudal system, while the advance of Christianity gradually did away with slavery. The classified slaves, when freed, instituted *guilds* as a protest against feudalism. These guilds gradually consolidated the forces of the laboring classes against the control of the governing classes. In these guilds history repeated itself. They first became monopolies in their several trades; then wealth began to centralize and consolidate itself; the guilds divided

among themselves into plodders and those who accumulated the savings of their toil, and so capital was born, as a new factor to utilize the labor of the many and a new enemy for labor to antagonize. The tendency to monopoly on the part of the wealthy led to organization on the part of the laborers, and thus grew up, for the first time in history, an independent *working class*. The question of wages also became prominent. Owing to famines and pestilences, during the fourteenth century the countries of Europe were greatly depopulated, resulting in a scarcity of laborers; but every attempt on the part of the latter to insure higher wages met with strenuous opposition on the part of employers. The application of power to machinery and the growth of the factory system strengthened the employer and weakened the employed, while between the two unceasing warfare continued.

The necessity of the laborers organizing themselves brought about the conception of the trades-union; and this form of organization, first legally possible about the beginning of the present century, has continued until the present time to thrive and combat capital. Introduced in this country by English workmen, it has spread rapidly, until every trade has its union. In several instances the attempt is now being made to unite the workmen of all countries, employed in the same trades, in international unions; while during the present decade the endeavor has been made, with some success, to consolidate all forms of unions into one organization, known as "The Knights of Labor," whose various "assemblies" are composed of the diverse unions and of individual members, all auxiliary to and controlled by one supreme central authority. As will now readily appear, trades-unions originated as the inevitable and necessary outcome of those changes in industrial life which led to the growth of a capitalist class, and were fostered by the introduction of machinery, the consequent division of labor, the aggregation of large numbers of workpeople in certain localities, and the inauguration of factory life. They were the protest of the weak and outraged against the strong and overbearing; as veritable a revolution as was the protest of the French people in 1789. As in all revolutions, the swing of the pendulum has been from the extreme of oppression on one side to the extreme of oppression on the other side. With measures often actuated only by blind fury and hate, the result of an hereditary sense of long centuries of wrong and outrage, their power has been exercised alike against their natural friends and their natural foes, until many workmen have felt that what promised freedom and help brought only tyranny and hindrance; while the capitalist class, knowing the destructive power of this blind giant, shrink from encountering the inevitable risks of business, complicated by the hazards incident to dealing with this unknown and not to be estimated factor.

Lest any may consider that the reasons for the institution of trades-unions have been overdrawn and their tyrannical operations have been overstated, a few facts from the history and legislation of England in the past regarding labor may be cited on the one hand, and instances be given to justify the statements regarding their practical tyranny on the other hand. And first as to history and legislation.

The boasted freedom of our Anglo-Saxon ancestors, be it remembered, was all enjoyed by the upper classes, to whom the inferior persons were slaves. It was not until the

thirteenth century that wages began to be paid, and it is only about six hundred years that there have been laborers receiving a money wage, competing for employment, and arranging terms with employers. The power of legislation was with the employers, its complexion always in their favor, and the statutes of labor still retained a portion of this servitude, laying heavy penalties on workers in the various trades who refused to work at a regular fixed remuneration. By the poor-laws, also, those who would not work might be virtually enslaved by being compelled to work for any householder.

The law subjected all who either verbally or in writing combined to keep up wages or limit the hours of work to punishment by imprisonment as criminals. When after the pestilence of 1349 the reduced number of workmen demanded better pay, it was enacted that all laborers should be content with their former rates of livery and wages; they were to continue to be paid in kind, where payment in kind had been customary; they were forbidden to hire themselves by the day, but must take service by the year or other fixed period; a rate of wages was fixed for all classes of hands, and their hiring must be public. In 1363 the diet and clothing of artificers and servants were fixed by act of Parliament. Clothiers must make and tradesmen sell cloth of a standard quality at a standard price. In 1548 a statute of Edward VI. enacts penalties on certain artificers, handicraftsmen, and laborers, who had sworn mutual oaths to do only certain kinds of work, to regulate how much work should be done in a day, and what hours and times they should work. These penalties were fines, pillory, and loss of ears. The rates of labor were so fixed for about two centuries, and the practice declined only because of the impossibility of preserving it. Within a hundred and fifty years a tariff of wages was drawn up by the Manchester justices which declared that any workman conspiring to obtain more than the fixed rate should, for the third offense, stand in the pillory and lose an ear. It was not until 1824 that in England combinations became lawful. So much for legislation of the past affecting laborers. The effect of this, in connection with other abuses, on the condition of the laboring class was and has been simply horrible. Time forbids the attempt to picture it. But to those who feel interested in pursuing this phase of the subject further, the reading is suggested of a book published in 1864 by Harper & Brothers, entitled "The Social Condition of the English People," by Joseph Kay, Esq. Pleasant reading is not promised, but it furnishes ample explanation of and reason for the profound

dissatisfaction that in a whole class is hereditary. Mr. Kay was commissioned by the Senate of Cambridge University, England, to travel in western Europe and examine the comparative social condition of the poorer classes in the different countries. Of England he says: "The poor of England are more depraved, more pauperized, more irreligious, and very much worse educated, than the poor of any other European nation, solely excepting Russia, Turkey, South Italy, Portugal, and Spain."

England is the mother of trades-unions. A modern trades-union is a somewhat complex organization, and may be defined as, *in theory*, "a combination of workmen to enable each to obtain the conditions most favorable for labor." As accessories, especially in England, the unions collect funds for benefit societies, insurance of tools, libraries, reading-rooms, etc.; but their trade objects may be stated in general as follows: 1. Collecting facts regarding the state of trade. 2. Registering unemployed men and aiding them to get places. 3. Regulating the number of apprentices employed. 4. Regulating hours of labor and proposing trade rules. 5. Opposing non-union employers and workmen. 6. Maintaining men in resistance to employers. 7. Organizing strikes.

The advocates of unions insist that they are the only means by which workmen can defend themselves against the aggressions of employers; that the individual workman cannot meet the employer on equal terms; that starvation treads too closely on his heels to permit successful opposition to a reduction of wages, however arbitrary and unjust; that associations of employers are practically universal, having the object mainly to secure for themselves an undue share of the profits which are the product of capital and labor united; that when trade is depressed wages are reduced, and when trade improves they are not raised; that any attempt to remedy this by individual action would be abortive; that association puts them on a par with employers when negotiating either as to rates of wages or terms of labor; that in both these matters there is a constant gravitation against the working classes that can be opposed only by combination; that many abuses have been corrected; that because of unions "the workingman's life is more regular, even, and safe"; that strikes will become less frequent as organization is perfected and the just limits of their action comprehended; that experience of past errors will warn against inconsiderate action in the future, and that in the end reason will control without recourse to force, either in the shape of strikes or lockouts,—the latter

being only a strike of employers against the employed.

I have failed entirely if I have not sufficiently manifested my conviction that in the history of the past workmen have had ample justification in demanding the correction of abuses, and in organizing to effect all the beneficent purposes above set forth. One cannot look into the matter without having his indignation kindled and his sympathy excited in the highest degree. It is only when we study the practical working of these organizations that we appreciate somewhat of their baleful influence, learn how far short they come of effecting the desired end, and see their many and serious evils.

As has been said, they were the product of a veritable revolution, and their power has been used as revolutionary forces usually are, blindly, and often fatally to friend and foe alike. The successful working of such a scheme as has been outlined implies the possession of a degree of intellectual and moral equipoise, education, and judicial conservatism, such as only could be the product of centuries of training. What wonder then that these organizations, composed mainly of those who lack these necessary qualifications, burning under a sense of wrong and outrage, in form a fierce democracy in which numbers alone control, and so subject to the guidance of those least qualified to rule, should, as they feel their power, be fierce, cruel, arbitrary, dictatorial—in a word, tyrannical!

The tendency of all unions is to place men on one dead level, and that not the level of the highest, but the level of mediocrity. They dislike the exertion of special or superior ability by any of their members, deeming it an injustice to the rest that one should gain higher pay or win a loftier position. For this reason they decry piece-work, and where it is imperative set a limit upon each individual's production beyond which he must not go. Some of their restrictions are so strange and arbitrary as to seem ridiculous, yet they are enforced with a severity that is appalling. For instance, in the London building trades, if a hod-carrier carries more than nine bricks at a time he is subject to fines and penalties. If he ascends a ladder at too great a speed, fines and penalties. If in going from the shop to work abroad, men walk faster than three miles an hour, fines and penalties. In nearly all trades, if any work is done beyond the limit set by the union, the pay for it goes to the union, and not to the workman doing it. In this way individual excellence is discouraged, and every man is coerced to his damage. This coercion is called "rattening," and is employed to enforce payment of dues and

obedience to rules. Contumacy is visited by punishments in fines, in threats of vengeance, in personal outrage, and sometimes by the murder of the offender.

The Parliamentary Commission of 1867 reported that out of about sixty trades-unions in Sheffield, England, all were charged and thirteen proved to have promoted or encouraged outrages of various degrees of criminality, from theft and intimidation up to personal violence and murder.

All this for members of the union.

Those outside of the union have no rights to be respected. They are "black sheep" and "scabs." Union men will not work with them nor permit them to be employed in the same shops with themselves; and any man who ventures to work on terms which the union condemns takes his life in his hand. So far as individual workmen are concerned, they have exchanged the right of private contract, with all its disabilities, for the despotism of the union, which acts as an effectual bar to the industrial progress of themselves and their class. It is difficult to see how men can preserve their self-respect who tie themselves body and soul to these organizations.

In endeavoring to control in matters that are outside of their proper functions, they also work only evil. By this is meant the arbitrary enforcement of obnoxious restrictions upon the hours and modes of working; opposition to the substitution of improved methods and machinery; the prohibition of apprentices from learning trades; the refusal to conform to the necessary changes demanded by changing tastes and markets; and the attempt to limit the action of non-union workingmen, who never have consented to submit to their control.

There is another and serious class of objections. There can be no doubt that unions foster an unfortunate spirit of antagonism. Being constantly and consciously on the defensive, they come at last to suspect evil in every movement and to put a sinister interpretation on every action of employers. The special interests of the trade affected are often alone cared for, and narrow, selfish, and unjust regulations are enacted for its supposed benefit; and that it may remain a close monopolistic corporation, objectionable terms of service and other coercive measures are enforced, unjustly affecting the working classes generally and subordinating the general well-being to the desired prosperity of a small and selfish number. Strikes have been ordered at times when the position of the market rendered success impossible, resulting in severe and prolonged suffering, while in some highly skilled and limited trades a far higher rate of

wages has been enforced for a time than the value of the labor performed would justify, which, with the adoption of unnecessarily burdensome methods and rules, result in the end in materially checking production, deteriorating the quality of the goods produced, and so tending to transfer the industry to other countries. Not unfrequently arbitrary demands have been pressed upon employers, simply that they might compel compliance and thus show their power,—demands immaterial to the men, but which if submitted to were injurious to the employer, and if resisted must involve heavy loss. The spread of communistic and anarchistic sentiments among the working classes with the growth of trades-unions, and their political significance since the organization of the Knights of Labor, which leads all political parties to cater to their ideas, however erroneous, has introduced into the discussion a new and perplexing factor. The enactment by Congress of a law at their demand, whereby it now is illegal to contract with any foreigner, except he be an opera-singer, for service to be rendered in this country, is a case in point.

This *résumé* of the past history and relations of employer and employed demands a brief statement of the position in which the two parties to the question now find themselves. It is simply a condition of war. The employer contending against the competition of the world finds himself hampered at every step by aggravated restrictions and senseless interferences with his business. Faithful and honorable service, as a rule, is a tradition, but no longer a fact. His interests are not studied, nor indeed cared for. So far as he can discern, his men rather rejoice at his loss than at his gain. He encounters a spirit of antagonism that prevents excellence or certainty of production. Endeavors to enforce discipline or to compel general economies are met by threats of strikes. He cannot even dispense with the services of unworthy or undesirable men, except at the same risk. And he is compelled to transact his business, if he subordinates himself to the behests of the union, at the expense of a serious loss of self-respect. In his endeavors to free himself from this bondage he finds the whole labor element of his community, whether interested in his specialty or not, leagued and arrayed against him, and ready to oppose him and those workmen who feel the burdens of their position to be too heavy by every conceivable means, whether legal or illegal. Through the medium of the various assemblies of the Knights of Labor, a complete espionage is kept over all his workmen as well as himself, and every endeavor is made to prevent any amicable arrange-

ments which do not recognize the union; while if such are made, the workmen and their families are denounced with opprobrium, terrorized by fear of outrage, or debauched with drink, for which purpose organized committees or paid agents are employed.

What wonder, when the conflict joins, that the sentiment, lamentable as it is, that starvation and suffering alone can secure reasonable consideration for employers, should exist and find expression?

The workmen, on their part, look upon their employer as their natural enemy. The historical reasons for this have been stated. Although the relations have so completely changed that the employer is now, perhaps, as frequently the victim of oppression as are the employed, the facts which justified organization have not been forgotten, and the feeling that now that labor has the upper hand, that hand shall be heavily felt, rules the temper of the unions. They justify any and every proceeding that in their opinion tends to maintain the monopoly of the union, prevent workmen from finding independent employment, or employers from conducting business regardless of it. The controlling sentiment is, "all is fair in war, and we are at war," and they are as ruthless, as regardless of age or sex or pity, as must be an actual army, while the grim endurance often manifested of the self-imposed sufferings growing out of strikes cannot but excite wonder alike at its stoicism and its folly.

The more intelligent and thoughtful of workingmen acknowledge that they attain their ends by means which entail a loss on their part of self-respect. The situation is one most deplorable; subversive alike of the best interests of employer and employed, of those of society at large, and of all correct economic principles; socially, economically, and morally wrong, and working only evil.

That there will always be some richer and some poorer, in property as in character and in intellect, must be accepted as inevitable. The most we can hope to attain is to remove unnecessary and destructive friction, and so enhance the general well-being. There is no specific panacea for all these woes. Help can come only from the general education and elevation of men, and from a nearer and nearer approach to the ordering of society in accordance with the principles of the Golden Rule; but a clear presentation of existing evils may lead to an intelligent appreciation of their gravity, and possibly may suggest the better way. Surely a condition which on both sides results in the loss of self-respect and in the absence of mutual respect, must be capable of improvement: there must be a better way.

The problem to be solved may now be stated. Given, a field of production open to the competition of the world, employing capital, the savings of labor applied to production, and labor, administrative, creative, and distributive, what relations shall exist between these so that the highest well-being of all shall be subserved? The question must be discussed not only as to man as a laboring animal, but also as to man as a social, intellectual, and moral being. The field of production must be so tilled that individual character shall be developed, and the proper division of the costs and profits of production be recognized in all states of the market as equitable and just. Under the wage system, when prices are high, labor gets less than its equitable share; when prices are low, it gets more than its equitable share, or production ceases and it gets nothing. To correct these evils strikes and lockouts are the sole remedy—a remedy almost worse than the disease. Arbitration has been proposed to meet such exigencies, but arbitration does nothing to remove the cause, and is confessedly only an expedient. It has no power more than temporarily to alleviate, and the moment a change of market occurs its basis of settlement is disturbed. No mutual interests are or can be by it created, that shall be operative under all conditions, and automatic and self-regulating in action.

This cannot be under the wage system, and some basis must be found that shall recognize what we all are so glib in expressing, that "the interests of capital and labor are mutual and identical"; that shall give that idea practical working force, so that capital and labor shall be in fact partners in the costs and profits, be they greater or smaller, of production; shall result in continuous and not spasmodic employment; shall be free from all socialistic and communistic taint; shall by its self-evident equity produce such content as is humanly possible.

The wage system a failure, its results pernicious,—what shall succeed it?

Before the answer is suggested, you will have anticipated it, and in your minds have said coöperation. The suggestion is not at all novel. To the idea of coöperation the best minds have been naturally led, and certain tests or partial tests of its value have been made, largely in Europe, where, in special industries in which it was of comparatively easy application, its workings have proved eminently satisfactory. "Why," it may be asked, "if this is so, has it not been universally adopted?" There are many reasons, some of which may be given.

On the part of employers. So long as the

wage system could be worked without dangerous friction, and the control of production and the laws regulating it were wholly in their hands, the necessity of change was not sufficiently felt to compel it. As the conditions grew more onerous this class were unwilling to admit that labor had any rights in the results of business. There was a profound ignorance on the part of both employers and employed of all economic truth. Employers were selfish, and, assuming it to be true that they took all the risks, demanded all the profits. They were wedded to the wage system, knew of no other, its results could be speedily and definitely ascertained, and change to an unfamiliar system seemed portentous. There were and are also practical difficulties in the way of accounting which render it hard to ascertain the proportion contributed by each to the cost of production. Employers mostly are not philosophers, but are hard-headed, dogmatic, averse to change, and especially averse to change that is forced upon them. The fact that as the subject was usually presented it involved some communistic features, and offered to the employees some degree of administrative control, was especially distasteful to employers. Since in most pursuits administrative control has well-nigh wholly passed out of their hands, and their two sole functions as producers now are, to provide material to be worked up under rules formulated by the workmen, and money to pay wages whose rate is not at all of their making, this objection now is less obvious; still, thus far they have doggedly stuck to the old way, though confessedly it was out of joint and failed to produce good results.

The employed also are ignorant of economic truth; wedded to the wage system with its frequent and final settlements; lack confidence in the truth of employers' figures as well as ability to verify them; are uncertain as to their final remuneration, and unable to wait for their pay until results are ascertained. Being aware that inefficient workmen are a dead weight on business, the good workmen dislike to carry the poor ones on their shoulders, and falsely think that the wage system compels the employer alone to sustain the loss incident to their employment. On both sides this is a formidable list of objections, those having their basis in ignorance and prejudice being perhaps the most difficult to overcome. But men are educated rapidly under the stress of necessity, and this pressure is upon us.

Let us see if it be not possible to suggest a practicable scheme of coöperation that shall be reasonable, not unduly difficult of application, self-acting so far as maintaining equita-

ble relations in all states of the market, require no greater degree of educated intelligence to render it operative than all should aspire to, enable employer and employed to maintain their self-respect, stimulate individual excellence, and place production on a "peace footing."

To illustrate: The elements of the cost of articles are interest on capital, active and fixed, taxes, insurance, repairs, allowance for deterioration and renewals, and labor. Assume as a basis of cost the usual business interest on capital, taxes, insurance, repairs, a proper allowance for deterioration and renewals, a proper compensation for services of proprietors, salaries, wages to unskilled men, and the current wages at the time being of skilled workmen. Each of these will compose a definite percentage of the cost not difficult to ascertain. If the selling price of articles produced just meets this cost, there is no profit; if it is less, there is loss, under the present system sustained alone by the employer; if it is greater, there is profit, now unshared by the employee. If, however, the interest on capital, compensation of proprietors, salaries, and wages were increased or decreased in proportion as the selling price was higher or lower than cost, there would be practical coöperation, in which all would share the profit or loss in proportion to their respective contributions to cost.

Assume further that the wages are forty per cent. of this cost. If the business of any given year showed a loss of say ten thousand dollars, forty per cent. of this would fall upon employees and sixty per cent. on the employers. If for a like period it showed a gain of ten thousand dollars, the employees would receive of this, in excess of their computed wages, forty per cent., and the employers sixty per cent. In either case both capital and labor would receive all that the business as transacted was capable of paying.

I do not care to go into the details of its application, but is it not obvious that under such a system the workmen would be stimulated to lessen cost and increase production, to economize in time, material, and labor, so as to avoid loss and assure a profit to be shared by them; and would not this new spirit conduce to self-respect, to elevation of character, to sobriety, and to a general uplifting of all engaged in production? Would not the dissatisfaction which now spends itself on conditions then be alone felt as to results? Would it not tend to improve and elevate the social, intellectual, and moral nature of every man? Would strikes and lockouts be possible under such a system intelligently and honestly administered? Would not antago-

nisms be allayed because of all having a common interest, definite, practical, and easily appreciated? And might we not hope that with the subsidence of the war spirit between capital and labor, the divine truth and practical working value of Christ's second great commandment, "Thou shalt love thy neighbor as thyself," would be recognized, and so lead men to accept both the second and the first of his commands as their rule of life? The way is long; progress will be slow; but it is on such lines alone that there is hope.

Edward L. Day.

COÖPERATION.

BY A NEW YORK MASTER-PRINTER.

ABOUT twenty years ago some journeymen of an important trade in this city formed a coöperative association with the intent, as they said, to be their own employers. Most of them were good workmen. Their joint contribution of money gave them enough of capital to equip a respectable workshop. All had been members of a large trades-union, and had the sympathy of that union and the active good-will of the unions of other trades. They began business with hopeful prospects, with very little debt, and with assurances of excellent custom.

At the outset the association had all the work it could do. The receipts of the first quarter were larger than had been expected. Success seemed beyond all doubt. But this apparent success made changes in the habits of a few of the coöperators. Their industry slackened. Men who were earning, or thought they were earning, eight days' pay for six days' work, felt justified in coming later and going earlier every day, or in absenting themselves for an occasional entire day. To other coöperators who worked steadily, this irregularity was offensive. Quarreling followed, production fell off.

The balance-sheet of the first year's business did not show the large profits expected. Then came dissatisfaction with the management. Every coöperator was sure, if he were manager, that he would stop many useless expenses, and compel his fellows to do more work. The business meetings of the association were made inharmonious by trivial complaints and impracticable suggestions. The inability of the manager to always get the extreme high rates of the trade, or to compel customers to accept inferior work at ordinary price, was a frequent cause of complaint.

The second year's business showed no real profit. What was worse, the tools and materials were wearing out, and the custom of the association was not increasing. The manager said truly enough that custom would diminish if the association did not furnish buyers with the better workmanship that

could be had from better machines. He recommended the purchase of improved machinery and severer penalties against indolence or neglect. A majority opposed the buying of new machinery — opposed any policy which postponed a present profit for a future benefit. Most of the members voted not to wait; they wanted results and profits at once.

Under these restrictions the business became entirely unprofitable, and the association broke up. All the coöperators returned to the older method of working weekly for fixed wages. To this day the failing coöperators attribute their failure, not to neglect and want of enterprise, but to internal dissensions and insufficiency of capital. There were other reasons which were not apparent to them then or now, and which will always have an influence on similar enterprises.

Not one of the coöperators had any training in the counting-room or at book-keeping, or knew the proper methods for managing a large business. Taught their trades in a workshop, they had no opportunity. They underrated expenses and overrated profits. As journeymen under the influence of the trades-union spirit, they had regarded capital as antagonistic to labor; as coöperators they could not divest themselves of the old opposition: but the capital to be opposed by them as an association was the capital represented by their friends the customers, who were often treated as old employers had been treated — not as friends to be conciliated, but as antagonists to be coerced or brought to terms. It was a more difficult task.

The greatest obstacle to the success of manufacturing coöperations of journeymen is their imperfect knowledge of the expenses of business, and of the smallness of the profit made from each workman. To illustrate. A factory that employs one hundred workmen and pays a net profit of \$10,000 a year does a thriving business. Few journeymen can see that this profit of \$10,000 a year, if paid to them, would give each only about two dollars more a week. The average workman is not