

THE INDUSTRIAL PROBLEM,

AND HOW IT WAS SOLVED IN THE MAISON LE CLAIRE.

BY JENNY JUNE.

THE Industrial question is the problem of the age, and one which, sooner or later, will have to be solved, not dropped, as heretofore—this, all thoughtful men and women concede. America, which opens its doors so freely, which entertains divergent ideas so hospitably, which is made up of all elements, and is at once the broadest and the narrowest, the most enlightened and the most ignorant, the best peopled and the worst, and, if recent discoveries are to be trusted, the representative of the oldest and newest civilization upon earth—this country will probably be the platform upon which the most important human issues will be decided. Universal suffrage does not settle the labor question. The laws of supply and demand are as strongly operative here as elsewhere, the antagonism between capital and industry as marked, "strikes" as frequent, and the war as fierce and bitter between accumulated wealth and hopeless poverty. Nor do the tendencies of the times point to any more favorable conditions as growing out of the well-intentioned efforts and enterprises of so-called "reformers," who would either upset the social fabric altogether, or merely put a plaster upon its sores.

It is true we are in the midst of a reactionary movement that is improving the quality of work, and introducing new elements among the workers. We are beginning to see the value, the necessity, for educated work, and for education as applied to work; but that will do nothing toward settling the vexed questions in regard to labor which still remain unsettled; on the contrary, they will be likely to increase the agitation, and render it more formidable because more intelligent. Whatever, therefore, tends to throw light upon the subject, and points to a happy adjustment of difficulties, deserves the consideration of all those who are interested in their kind. Two methods have been brought prominently before the intelligence of the present century, as offering a remedy for existing difficulties. One was the creation of a public opinion that would "Moralize" capital—in other words, compel the holder of superfluous wealth, by the force of public opinion, to use it for the general good. The second was the enunciation of the principle of Co-operation. Two of the great apostles of this latter idea, were Robert Owen, an Englishman, and Fourier, a Frenchman. Their systems put the laboring man and his family into a ready-made paradise; they made him his own master, subject only to the rules that should govern all, for the good of all. Why did they fail? Because the imperfect man is not adapted to perfect conditions; because the whole strength of natural, normal manhood is best employed in the endeavor to improve his own conditions and those of the people about him, and grows restive and dissatisfied with that which has been made "as good as can be," requires no effort, and can only be improved by change. This would be the result if the system had been all that was claimed for it, and the results all that theory, and figures, claimed they would be. That they were not, was not the fault of the theory or the calculations, but because they did not take into account the ugly-sidedness and short mental-sightedness of average human nature. The majority of people have to be compelled, cajoled, persuaded, and bribed even, into acts which are for their own good, necessary, perhaps, to their physical or spiritual welfare. One reason why theories fail is because the originator was perhaps a true philanthropist and built it up for the good of the whole, while those who adopt it do so with the idea of benefiting themselves alone.

These preliminary remarks have been suggested by an announcement that the President of the New England Granite

Works, Mr. J. G. Batterson, proposed recently, for the consideration of his workmen, a plan for the division of profits between capital and the labor employed. Mr. Batterson does not profess to be actuated by philanthropic considerations; he says he has devised it because, as now conducted, the company at times has been "forced to decline orders of considerable magnitude, for the reason that we dare not run the risk of a strike, which might involve us in heavy damages."

His proposition is, as told in the *New York Sun*, that both capital and labor shall share in the net profit made on all the orders executed during 1886 by the company, in proportion to the amounts or values contributed by each. This net profit is to be determined by deducting from the gross receipts, first, the wages of the men employed as journeymen, which shall be paid monthly, and, secondly, the other expenses of conducting the business, superintendence, traveling expenses, clerk hire, taxes, insurance, and legal interest on the capital employed. The amount left shall then be divided into three parts, one as a dividend to labor, one as a dividend to capital, and one to be reserved as a guarantee fund to which shall be charged all losses by bad debts, or credits given for materials and labor during the year.

It does not seem to be very generally known that besides the "*Famillsterre*," at Guise, in France, a painting and decorating business house was established in Paris, between forty and fifty years ago, on co-operative principles, which has been a signal success, and still carries on its work, years after the death of its founder, on the same basis, and with equally good results. The sketch of the "*MAISON LE CLAIRE*," from which the facts are gleaned, was written by M. Charles Robert, under the title of "*BIOGRAPHIE D'UN HOMME UTILE*" and a translation was made by Miss Mary H. Hart, an English lady, who is trying to build up in London, an institution similar to that of Mr. Le Claire. The *Biographie* gives in a modest way, without pretense, the simple, most instructive history, and development of one of the most remarkable men and enterprises that the century has produced.

It was at a period, when "disquietude reigned in France," says *M. Robert*, and Louis Blanc was scheming "the organization of labor" by means of legislation and State intervention, this "useful" man was unobtrusively setting himself to accomplish that end by his own individual effort.

Edme Jean Le Claire was the son of a poor shoemaker, and was born in a little village, Aisy-Sur-Amançon, in the department of the Yonne, May 14, 1801. He hardly learned to read or write, before he was taken from school, and set to tending cattle. Up to the age of seventeen he worked alternately as an agricultural laborer, or in doing odd jobs as an assistant in building and masonry. A party of hay-makers starting for Paris, on their return trip, after a week's work in the country suggested to him the idea of trying his fortune in the great city; he joined them, and, among other places, stopped on his arrival, at the door of a house-painter, who engaged him as an apprentice, giving him a bit of bread and some coffee in the morning, a penny for his dinner, and some more bread, and a "shake-down" at night.

It was a hard life, but Le Claire never complained; he worked heartily, made himself useful in every way, and shortly received in addition a franc every fortnight for pocket-money. At the end of the first year he had conducted himself so well that his master made him a present of about \$15, at the end of the second year of double the amount, and at the end of the third year trebled it, by this time he had learned the business thoroughly, was occupying the

place of foreman, and boarding with his employer's family. At twenty he separated himself from his employer's household, and demanded regular wages (three francs and a half per day) seventy cents. Out of this he saved the first year more than half—a sufficient sum to buy off the risk of being drawn off as a soldier, and he also began to cultivate the abilities which it dawned upon him that he possessed and could put to good use. He borrowed books of his master, who was not an ignorant man, and bought others, forming for himself the nucleus of a good library. At twenty-two he married a good, young wife, who shared all his aspirations and made him a home, between which and his workshop his time was divided. During these years—between twenty-two and twenty-six—the already clever workman made rapid progress; he learned from books and by practice the art of decorating, and was able to earn six, and even eight francs per day.

In 1827, at the age of twenty-six, he set up in business for himself, at a little shop in the Rue Cassette, at a rental of something less than a hundred dollars per annum, and a capital of not more than two hundred and fifty dollars. It was two years before he received a contract of any importance, and when he did, finally, he worked with his men so well, he inspired them with so much of his own spirit, that it was executed admirably within the time, and at once established a reputation which brought him work from the best Paris architects, and, in 1834, a contract for work upon government buildings and the Bank of France. Le Claire had made no complaints when he served a hard master at the lowest wages, but when he became an employer the moment the work justified it he offered his workmen of his own free will one franc per day more than the four they were in the habit of receiving. He began to be talked about, labor reformers were attracted to his shop, and among the rest a man of intelligence named Fregier. It hurt the gentle and generous soul of Le Claire that, in spite of all he could do, there was suspicion and a rooted antagonism between master and workman, and he could not see the way to conquer this inherent antipathy. Discussing this subject one day with M. Fregier, the latter replied that he saw no solution of the difficulty except the *participation of the workmen in the profits of the master*. He spoke without much thought and without considering the force of his own words, but they sank deep in the mind and heart of Le Claire, and from henceforth the potent charm of associated instead of divided interest had full possession of his soul. He asked himself if a workman by putting more *heart* in his work would not be worth more to the business interest which employed him?—if he could not increase that interest by greater care of his tools and avoidance of waste, and if, admitting these facts, the sums made and saved could not be given to him without loss to his employer. Here would be a profit to be shared gained out of nothing.

The nucleus of his new scheme for benefiting his workmen existed in a Mutual Aid Society, a sort of benefit club, which in 1838 he had been instrumental in founding, and to which the "business" was the largest contributor. By the articles of the constitution of this benefit society, it could be wound up at the end of fifteen years if the members so decided, and its assets be divided. This would not occur till 1853. In the mean time M. Le Claire, in 1839, had increased the pay of all his workmen, and subsequently in a general meeting, for which he obtained consent of the government, explained his projects to his workmen, the Prefect of Police being present.

"My object," said M. Le Claire, in his opening remarks, "is simply to give to such of my workmen as deserve this advantage a share in the profits produced by labor. It is a great work, and those who desire the *end* must desire the

means to the end. The first of these is that the master shall be the sole judge of the rights of every man."

But it was not easy to accomplish so manifestly good a work as the disposing of half his own pecuniary returns for the benefit of others. A weekly journal got hold of the story and credited him with shameful motives; some of his men excited by this tissue of falsehoods questioned his sincerity—this pained him most of all. On February 13, 1842, however, he issued a circular to his men, telling them he was prepared to carry out his scheme on condition of submission to its rules and those of the house, reminding them that his effort would be useless unless there was mutual confidence, and that what he had done in the past, should assure them in regard to the future. The still incredulous men demanded some assurance as to whether the promised bonus, or division of profits, would really be made, and Le Claire immediately settled the question by paying it out at once. This promised participation in the profits was not due till January, 1843, when the profits of 1842 had been calculated, but struck with a sudden pain, by the intimations and suspicions with which his whole-souled offer had been met, he called his best men together, met them with a bag of gold, the half of the profits of the preceding year, which he divided among them. This stroke "worked wonders;" it bound every man to him and gave conclusive evidence of his sincerity, of which, indeed, they soon had abundant proof, for year by year the profits increased as well as the number of men entitled to receive a share in them.

At the close of the fifteen years (1853) the "Mutual Aid Society" was dissolved and the assets, amounting to quite a large sum, divided. This was not approved by M. Le Claire, for it broke up and withdrew its benefits from weak and infirm members at a time when they most needed it. During the following year the society was re-established, but on a different basis. M. Le Claire, instead of leaving it to the men took the matter into his own hands, and instead of deriving its fund from a monthly subscription, it acquired its capital from a sum annually granted by Le Claire from his share of the profits of the business. The limit of time was the same as that of the previous benefit association, but the assets, instead of being divided as before, at the end of fifteen years were to constitute pensions for the sick and aged. This idea met with determined opposition on the part of the men, but Le Claire steadily adhered to it, and threatened if they did not yield to withdraw his annual subscription and let them get along without his help. This forced the men to submit, as it was clearly their interest to do so, and their willingness to accede to the conditions having been declared he said to them in his direct, quiet way: "I congratulate you on your determination and thank you for the confidence you repose in me. Since the beginning I have had much to contend with; our ideas have seldom agreed and the reason of this is very simple, each of you considers only his *own* advantage, while I consider that of *all*." This is the secret in a nutshell of the failure of those social agitators and reformers who strive *against* others and *for* themselves.

Three years after this little conflict of opinion, Mr. Le Claire formally enrolled the name of the Mutual Aid Society, as a sleeping partner in the business, thus, "associating the members in a corporate capacity in the partnership." From this date the Society, like other partners, received five per cent. on its invested capital, while it was allotted twenty per cent. on the annual profits, thirty per cent. being divided individually, among the workmen, in proportion to the wages earned, and the remaining half shared by Le Claire and his partner, a son of one of the old foreman, who had served his apprenticeship in the house, and been taken into partner-

ship in 1853. In handing over these new statutes, in 1864, M. Le Claire thus addressed his workman:

"As members of the Mutual Aid Society, you are no longer day laborers, working like machines, and leaving work when the hour has done striking. You are partners, and as such nothing in the work-shop can be indifferent to you. Every one ought to look after the plant and the materials as if he had been specially appointed guardian of them." He concluded with these words: "If you wish that I should leave this world with a contented heart, it is necessary that you should realize the dream of my *whole* life, which is, that after regular conduct and assiduous labor the workman and his wife should, in their old age, have the wherewithal to live in peace, without being a burden on *any one*."

In 1865 M. Le Claire retired from active duty to his country house at Herblay. The following year he suffered the unspeakable sorrow of losing his wife, for forty years the sharer of his highest hopes, and soon after gave up his post of President of the Mutual Aid Society, and was succeeded by M. Charles Robert, who is identified with every effort for social progress which has been made in Paris of late years.

Retirement did not mean repose for M. Le Claire. He was made mayor of his town, but he could not induce the peasant population to apply his principle of co-operation to the cultivation of the territory. He also applied himself to the formulating of a new and permanent charter, and a board of control to settle vexed questions, so that the permanent life of his Paris organization might not be endangered when he should be taken from it. These modifications were not made without the collaboration of the workmen. A printed letter containing the points, in the form of questions, was sent to them, with a request for detailed answers. These points covered the following: "Creation of a council of discipline; nomination of foremen; inequality of wages; the conditions required to become a sharer in the profits; advantages to be granted to workmen who were non-associates; control of accounts and deeds." The answers sent in were carefully weighed, and analyzed by a committee appointed for the purpose, and upon their recommendation the provisions of the final Charter were based, which received the approval of the workmen in general meeting, and which, in 1869, became the binding Charter of the "Maison Le Claire." The working capital was fixed at a sum of which the two partners each represented a fourth, and the workman, through the Mutual Aid Society, the other two-fourths. From this time M. Le Claire ceased to appropriate any part of the profits, only drawing the five per cent. on his invested capital.

Besides the participation in the profits, the Mutual Aid Society bestows a retiring life pension on every member who has attained the age of fifty and worked twenty years for the firm; and half of this annuity is continued to the widow of such pensioner for her life. It also insures the life of every member for a sum (one thousand francs), which is handed over to his family at his death. But according to M. Charles Robert, Le Claire's principle of "participation" meant more than the sharing of profits, it meant also "sharing responsibilities; it meant the social and moral uplifting of the wage-earning class, and he applied it in a manner to constitute the education of all who came under its influence."

As a means to this end, he instituted a Board of Control, which he called the "Noyau" (Kernel), and which has now become the moving spirit of the whole organization. To be eligible for admission to this inner circle, a workman must be in the prime of his manhood, between the age of twenty-five and forty; he must be of unblemished character; and a skilled workman. Applications for admission are addressed to the "Court of Conciliation" which consists of five workmen, three clerks, and has for a president one of the two

managing partners. This Court also constitutes a moral tribunal, before which are brought cases of misconduct or insubordination. For the first offense advice and warning are given, for the second suspension, for the third dismissal. At the annual meeting of the "Noyau," the foremen are elected, and in the event of the death or resignation of a partner, his successor is also to be appointed by this body. Here, it is said, the power stops, the executive, and general direction of the business is entirely in the hands of the two managing partners, who were both elected to their positions, M. Le Claire's partner only surviving his old friend three years.

By opening the door of the house to the latest talent employed by it, the founder sought to put in practice a maxim of S. Simon; which was one of the inspirations to his work. "To every man according to his capacity, to every capacity according to the work done." "In order," says the *Biographie*, "to render possible the election of the best-qualified man as managing partner, it is provided in the Charter, on the occurrence of a vacancy, that the capital of the outgoing partner shall not be compulsorily withdrawn, but remain, if required, until his successor is able to replace it out of the profits due to him from the date of his appointment." M. Robert declares, of his own personal knowledge, that the appointments made by the "Noyau" have been uniformly good, and have justified the confidence reposed in that body by M. Le Claire.

In reply to inquiries made by Miss Hart, the following facts were furnished: From the 21st of February, 1879, to July 23, 1880, there were but six cases of delinquency; two of these were punished with dismissal, one with a warning, two with suspension for five and fifteen days, respectively. A note appended, said: *We have had no cases of drunkenness for several years.* This in a firm which employs nearly twelve hundred workers.

In the last address which Le Claire made to his men, and on the occasion of the confirming the Charter in 1869 (he died in 1872), he said:

"On all sides there is agitation; turn a deaf ear; perfect your own work. * * *

"It is not enough that antagonism between employer and employed has died out between us; it is not enough that the *cause* of strikes has disappeared from among us. The sentiments of brotherhood must be more and more manifest. Our courtesy and our *savoir vivre* must express our best feelings even in our most intimate relations, and on every occasion we must conduct ourselves so as to raise our moral level to the grand work we are doing."

M. Le Claire died at Herblay, July 13, 1872, aged 71, "happy," says Miss Hart, "in the consciousness that he had carried out all the dreams of his youth, and that his work survived him and would live after him. The last pleasure of his life was to know that \$10,000 had been paid the week before, over and above their wages, to six hundred of his workmen, and that the conduct of all was exemplary. He left a fortune of about \$250,000, and constantly insisted that his course of action had been for his own advantage; that it was better to earn a hundred francs and give fifty of it to his workmen, than twenty-five and keep it all himself."

Since the death of the founder and proprietor, a natural growth and sure foundation has made the Maison Le Claire yearly more prosperous. Its aggregated capital is now quadrupled, and the profits divided among the workmen up to 1882 had amounted to about \$100,000. The end achieved by Le Claire was, as Miss Hart well remarks, "the extinction of poverty and pauperism, simply by the application of the co-operative principle between employer and employed, on a basis of obligation fulfilled by both." But the great secret was, and is, that *each* must work for *all*, for true self-interest is built on self-sacrifice.