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MASS PRODUCTION METHODS

by

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I particularly appreciate the opportunity of being here today because it is very seldom that I find a group of people who are primarily concerned with industry and industrial problems; who are really interested in them and who have a background which would enable them to know what industrial problems are when they hear about them. All too frequently my task is to talk to people who do not know a thing about industry and who want to learn, rather than to a more or less postgraduate group that has studied all of the things that I am talking about. And because I feel that you know the technology of industry and do not need my help on explaining advanced technological developments, I am going to try to relate some of our advanced technological developments to the new problem of industry, which industry has to solve, and that is the problem of human relations. How are we going to get along with people who work in the factories and help them to appreciate what factories really mean to America? How can we help them to understand what the factory system means to the country as a whole, both in terms of our common welfare now and our future welfare, as well as our national defense.

Today we have new conditions which did not exist many years ago. Those conditions have arisen because we have a group of people who, I am satisfied, are finding it considerably to their profit and advantage to try to teach labor to control the machine rather than to allow the machine to help labor. I am not concerned with having the machine control labor but we are all concerned with the question of whether or not labor is going to control the machine. I know from my contacts with labor leaders that the more enlightened people in the field of legitimate organized labor do not want to restrict the production of factory labor or restrict the installation of new machinery or restrict the use of new technological developments by placing power in the hands of factory workers which they have not the intelligence to use. The factory worker is only a factory worker. I do not feel very sorry for factory workers in the average plant and have no sympathy with people who are constantly worrying about whether or not they are getting a just return, because any careful and unprejudiced analysis of the facts about American factory labor will show that on the whole, in ninety-five per cent of our American factories, we have done more for labor than any one in the history of the world has ever done for workers.

I had a very interesting opportunity this year to study these things that I am talking about, and I will begin with one of my most recent experiences. There was a trial going on (it is still going on) down in Steubenville, Ohio. It is being conducted by a body which is called "The National Labor Relations Board". I have no ax to grind with the National Labor Relations Board and I certainly have no ax to grind with the Wagner Act as far as the intentions of the man who wrote the Act are concerned and as far as the intended functions of the Board are concerned. But in this case we have a plant in which the latest and best kinds of plant equipment are used and for sometime there has been a threat that those things would not be used to produce more and better goods for the American people because some people say that the twelve thousand workers in that plant ought to join a labor organization and that we ought to interrupt the process for that reason. Well now, the twelve thousand workers down there happen to prefer not to join that labor organization, and there are reasons for their attitude. In order to find out what the reasons were I selected a representative group of workers and visited them in their homes. I talked to the workers themselves, to their wives, and to their children. I visited the workers at their jobs at the mill at day and at night. The Government's indictment in this case is complete social, political, and economic domination. That is the complaint of the Government. I thought I would find out how much truth there was in the indictment, and, beginning with the alleged economic domination in this group of workers that I talked with, I asked them to show me their pay checks so that when they told me what their wages were I would be able to check on the actual wages. In this case, the case of the Weirton Steel Company, in the production of the machine for labor there was an amazing product. You know the technical description of the different kinds of labor in the mill; I will just give you a few of the actual cases of people working in the mill as examples of what is happening to American labor. Now bear in mind the fact that these people who are earning these wages are working five and one-half days a week and for the last three years have worked practically a full working year right straight through. The only time that the mills were idle was in 1932 and 1933 and then they worked two and three days a week, and on fifteen per cent less wages provided an income to the workers which was still substantially greater than steel workers throughout the world and certainly adequate to help them go through the depression.

	<u>Highest Daily Earnings Per Day</u>	<u>Average Daily Earnings Per Day</u>
48" Strip Steel Heaters	\$53.00	\$30.68
48" Strip Steel Assistant Rollers	45.00	30.98
48" Steel Strip Roughers	45.00	30.98
Titanium Rollers	15.50	13.14
Hot Mill Rollers	17.75	16.53
Davis Feeder Tanners	12.35	9.90
First Helpers on Open Hearth	20.66	17.99
10" Steel Strip Rollers	37.00	20.34

I can go right down through a long list of guide setters, gaugers, finishers, manipulators, and different occupations in the mill. I will state the last one just for the sake of the record. The last one is manipulators - highest daily earnings \$28.34, average daily earnings \$19.34. These are representative figures on the workers who have educated themselves, who learned how to use the best machinery that industry could produce and who deserve the most consideration when we are dealing with industrial problems. They have their own union. It is a good one and they don't want to join any other one.

In the case of the Weirton Steel Company, Mr. Weir introduced the eight hour day in 1909 and shortly afterward he introduced the \$5.00 per day minimum wage, so he had maximum wages and minimum hours about twenty-eight years ago. When we think of industry we have to give some of the people who have developed our finest machinery and our finest plant layouts and our highest wages and our shortest hours a little credit for having done that pioneering job - in the cases of Mr. Weir and Mr. Ford and Mr. Girdler and a lot of other people who are classed as economic royalists.

The most amazing thing to me today is this: that while our organization and our staff have been developed, and the organizations and staffs of a lot of other publishers have been developed, for the purpose of studying the best technical developments of industry, we are now in the position of having to stop our studies of the best technical developments in order to do what no one else is doing and that is to look over the whole field of industry and find out whether or not there aren't a few good things about American industry that other people are overlooking. It is impossible to go into the average American industrial plant and not find three or four times as many good things in that plant as there are bad. I believe that the case of the underprivileged is an exception in the factories, and I am not speaking with reference to the unemployed or with reference to those who are technologically unemployed. The people who are working in the plants now are working under better conditions and have a better opportunity than they have ever had before in the history of America.

Let us take the case of mass production in its relationship to the individual, the individual American. At General Motors three weeks ago I was talking with Don O'Keefe, who is purchasing agent for the Chevrolet Division, and I told Mr. O'Keefe that I wanted to ask him about some of his experiences and that I hoped he would tell me what his ideas were concerning the opportunity for the individual. Is it any less today than it was twenty years ago or is it more because we have mass production industries? He said: "Mr. Barclay, I have just had an experience which I would like to mention to you. I think it will interest you since your birthplace was out in Iowa." I said: "Tell me the details."

He said: "A boy came in here who was a regular Iowa farm hand. He had been working for over seven years in filling stations, draining crankcase oil out of cars. While working there he got an idea, and it was a good idea. In draining the oil out of the crankcases he saw that a lot of metallic sediment came out of the crankcases with the oil. Then one night when he went home he stumbled over one of the child's toys on the floor; he connected the two incidents together and invented a magnetic crankcase drain plug with a small magnet set in the center. He made up, out of his savings, a few samples of this magnetic crankcase plug and installed them in a few cars out in Iowa. When he tested them he found that they worked fine, that all the metallic particles in the oil would circulate down

to that plug and then would be grasped firmly by the plug and stay there until the oil was drained."

This farm boy came in to see Don O'Keefe and said: "Mr. O'Keefe, I did not know where to go with my idea because I haven't any money, but an Irish friend of mine, who is a lawyer, told me that if I came down to see you maybe you would give me an idea of what I could do with this."

Mr. O'Keefe looked at the plug, went into the next room, and when he came back he had an order in his hand, which he gave to this boy, and when he gave it to him the boy fell on his face on the floor - the order was for one hundred thousand parts.

The kid said: "Well, Mr. O'Keefe!" (and he started to cry) "I cannot do this because I haven't any plant and I haven't any equipment and I never thought I would ever get an order like this. Haven't you made a mistake? Shouldn't there be a decimal point in there somewhere?"

Mr. O'Keefe said: "No. This is not a big order, this is only a beginning. If we use these things we will use two million of them this year."

The kid said: "I haven't any factory, I cannot produce them."

Mr. O'Keefe said: "You have sixty cents, haven't you? Go over to the nearest telegraph station and send a telegram to the folks back home. Tell them that you have a bonafide order for one hundred thousand of these parts from Chevrolet Motor Car Company, and when you get back home you will have your plant, you will have your equipment; you will help put people to work in your hometown, and you will have skilled mechanics there waiting to help you produce these parts."

Well, that is a simple little story. The story is repeated over and over again. It is repeated every month throughout industry. As long as industry is unshackled and free enterprise can exert its sway. If it could not, our finest principles of technological development and mass production methods would not mean a single thing because we would not be able to use them.

I would like to get into the picture of what is happening in plants today. Today there is a certain group of people that we have to recognize who are trying to spread the theory of communism through our factories, and by

communism I do not mean any political party theory, I mean the Marxian communism of control of industry by labor, elimination of the profit motive and substitution of a theory of "production for use". I believe that we have the best theory of "production for use" that any one can possibly want right now and that we do not need a substitute - no one has offered a better substitute. But here is what is happening in factories: We set up fine materials and handling systems, and the best machine tools we can find and then instead of having that equipment used to its maximum efficiency, to get out of it what we can readily calculate should be the normal production, a strange influence comes into the shop. A fellow comes over to see the superintendent and says: "We are not going to make six hundred of these things, we are only going to make four hundred. We are going to control the rate that these things are produced at. We do not like the finish you have on there because that finish is not the same thing we had three years ago." There are nineteen fellows who used to have jobs in our department who haven't got them now because you decided to spray paint it, or weld it, or do some other thing to it. We want those fellows put back to work, so you go back to the old system." In other words, there is a group who say that they should have the right to determine the way in which the product is made, the rate at which it is made, and the wages that should be paid; they say that they should be able to interfere with the installation of new plant equipment - and they are doing it. They say that they should be able to control any new steps in the process of production. That is the fundamental conflict and that is the fundamental problem of mass production right now.

I told you of some of these high wages. I could repeat high wages all day, citing wages from actual plants that I visited. But these workers are not the ones who want to control the rate of production, these are not the ones who want to say: "You cannot install new machinery", they are not the ones who say: "You cannot use this new process". These workers are the fellows who say: "Go ahead and put in everything new that you can think of because we think it makes more and better jobs." So there is a division in labor today, one group of which says: "We want more and better mass production", and the other, made up of radical labor organizers, of which says: "We do not want it". Let us analyze what has happened to mass production as a result of the people who say they do not want it. We have a good example in the Ford Motor Company at Kansas City -

the plant is closed down and the production is being moved to other places. We have a good example in Douglas Aircraft at Los Angeles. We have a good example in fourteen steamship lines on both coasts of the United States that are closed down and out of business. One interesting example is in the hosiery industry, in which the group who wish to control production got control in 1931. Out of thirty-six plants in the industry operating under closed shop union contracts, fourteen went out of business completely, closed down their plants, dismantled them, sold the machinery, and jobs were gone. Other proportionate numbers either have so been required to restrict their production or are so close to bankruptcy that they are practically out of business entirely. There are now only sixteen plants that are operating profitably and that have enough of a surplus to be able to look ahead to any degree of future prosperity either for themselves or for their workers.

So the question of mass production methods largely comes down to a matter of the attitude of labor and whether or not we can make a defense for bigness in business. I would be inclined to say, if I had no contacts with industry, that bigness in business could not be defended; that Mr. Ford and Mr. Mellon and all the rest of the people who have built the largest plants in this country might be said to have taken too much out of America for what they gave - if I did not know the facts. But I do know the facts. I have carefully studied and tabulated the balance sheets of those corporations and estimated accurately the amount that it has cost America to have bigness in business. Bigness has created our mass production; it has created our efficiency; it has created our high wages; it has created our refrigerators and our automobiles and most of the good things that we have, and bigness from the standpoint of personal income has taken only six-tenths of one percent in cost as its portion. So when we are talking about bigness we have got to remember that we are talking about a smaller fraction than the savings in efficiency created by bigness because practically every saving in efficiency shows anywhere from ten to forty percent cost reduction savings passed on to the consumer; and expressed in increased wages paid to the workers. That is the comparison we have today, so I say there is a defense of bigness. In addition to that, the best defense of bigness is the fact that in these plants we have our whole backlog of national defense, which gives us a better preparedness than any other nation of the world.

Now let us look into these plants which are engaged in mass production methods and see what they are doing. In the first place we can take a plant (and I do not want to go into names of typical plants) that has a line production system in which they have broken down every operation - we will say twenty operations here (drawing illustration on blackboard).

This is a regular line system. They have developed efficiency standards for every single one of these operations, but the whole production of the organization, that is, the use of all the parts coming in from the different departments of the manufacturing, can be held up at any stage of production if a little group of men, even four or five men, at this point here (indicating) say: "We do not like this system and we are going to shut this place down for a while". Now we have had that happen too often; it has been too frequent an occurrence, so what is happening today is that instead of concentrating production on single assembly lines (and it does not make any difference whether it is an automotive plant or any other kind of plant) production is being arranged in four or five lines and these lines are either distributed so that they cannot be concurrently interrupted in any one plant or they are being distributed in different plants so that a simultaneous interruption in production cannot occur in all the lines. That is a simple little thing, but it means a great capital investment for industry to have to do that and it means that production methods in the large plants are limited. I believe that we have now seen the end of the superplant. I think we will never see any plants any larger than the ones we have today because I believe that all operations will have to be decentralized, deconcentrated, spread farther and farther around throughout the country, and taken out of the heavy congested industrial districts and put in locations in which all production cannot stop at the same time.

Industry has tried to do a good job of building its plants. It has put plenty of daylight on the ground floor and found that the daylight on the ground floor merely gave people an opportunity to break a lot of windows and to interrupt production by throwing bricks through the windows, destroying valuable machinery. So we have a new situation in which the ground floors of plants are going to be completely closed in and air-conditioned. This is not because anyone wants to prevent a worker from having the best opportunity to work that he can have - he can have a better place to work and better working conditions by having a totally closed plant. Also, the departments of an organization are being divided up in a little different way. Instead of having a conveyor line that comes around here (indicating on blackboard) in an open floor in which different operations are performed here and here and here and here (designating on drawing on blackboard) this floor is now being broken up and we are putting partitions between departments so that the people who are in one department cannot

come over and interrupt the production of the people in the other three or four departments in the plant. Well, industry is certainly on the defensive when it has to do things like that. Beyond that, we have found that the multiple story plant, the three or four story plant, is a more difficult plant in which to maintain proper human relations than a single story plant so we are going to the single story plant in the outlying districts. That will be the conventional type of factory in the future. In addition, instead of having one factory entrance, as we had in the old days, we are going to have more and more factory entrances all around the building and different workers will come in and go out at different places so they will not get upset when they see each other and have to talk about their own problems. Also, instead of having this fronting on the street where the sound cars can go by and interrupt the workers in their work and keep them from maintaining their normal production by singing parodies on "My Country 'Tis Of Thee", which I will show you on stereopticon slides, the plant is being set back from the street with a nice fence around it and we have an entrance here (indicating positions on drawing on blackboard). Then, too, for the convenience of the workers many plants are arranging suitable places for the parking of their cars.

There have been many other new developments which are equally interesting. I do not know whether you have read any of my articles on "Air Conditioning of Foundries and Machine Shops", but today there is no reason why every section of every factory should not be completely air-conditioned if they have any precision work in the plant at all. There is not a single machine tool operation nor a single foundry operation in which air-conditioning does not make for standardization and a superior product, and the cost is very low. So this plant, we find, today is installing complete air-conditioning in every department. And that air-conditioning of course takes care of all of the heating in the winter as well as the cooling in the summer and helps the workers to have better working conditions. In addition to that, every department of the modern plant has now a complete sound system. Therefore, instead of being chased out of their offices the management is able to talk directly to the workers over a sound system immediately if emergency arises, and they do not have to be eliminated completely from contact with the employees in the plant. The service facilities in

the plant are being considerably improved. Instead of having centralized service systems that can be controlled completely from one place, where one man can pull one switch and shut the whole plant down, service facilities are being arranged in the average plant today so that no one man at one switch can shut the plant down under any conditions. Furthermore, the plant is being taken to the market instead of having the market come to the plant. We have seen the growth of great industrial areas in which people who wanted to buy products would have to go from Texas to the plant in Detroit or in Chicago or in Connecticut. Now we find that the plant is going to the market so that the convenience of the product to the user will be facilitated and the user will feel an identity of interest with the production of the product.

Of course you are quite familiar with the new developments in welding which make lighter, safer and stronger products: cheaper and easier methods. Welding is going ahead so rapidly that it is almost impossible for us to keep up with it. In the same sense we realize that no one has ever seen or can imagine the limits of die casting. The limits of die casting will be dependent entirely upon the sizes of die casting equipment that we can produce, and we haven't found out what the limits of those sizes are yet.

Those changes are revolutionary and yet those changes are the kind of changes which make it necessary for us to see that this system of enterprise and individuality does not end because of a dispute over the Wagner Act. You know what has been accomplished in the field of automatic feeding of machine operations. We are just beginning to explore the ultimate portion of that field. Automatic cyclical control of operations likewise is an important development. Automatic inspection and testing falls in the same field. In our model plant over here, however, (indicating drawing on blackboard) another thing we are doing now that we have not done before is this: In the past we have drawn elevation views of the building; we have made plot plans of the ground;

we have made floor plans of the floors of the building and have shown the location of the machinery and where all the service facilities were; but now I find a new development, which is rather interesting in that the movement of materials and the studying of places to work are being developed along a diagram like this (drawing diagram on blackboard). We are drawing elevation diagrams of floors showing the location of machines where overhead space can be conveniently used for overhead systems which will be continuous stock and inventory systems of production and whereby we can analyze the movement of every part from the floor to the machine; out of the machine up to stock, or the movement of raw materials down to the machine, or the movement of the man around the machine itself. That thing has such great possibilities in it as to condense the size of factories approximately forty to fifty percent by making use of more overhead space without interfering with light or air, and in that we feel that we have in "Mill and Factory", and in other industrial publications, a great opportunity to go into a whole new realm of time and motion study and materials handling by coordinating elevation views of mechanical operations in plants and analyzing them in relation to time and materials.

Those are in general my summaries of the things I wished to say about the technological aspects of the modern plant, but there are a few more things that I want to say about the human relations problem. We know that there are great opportunities ahead for the country and for industry through modern mass production systems, but we have got to solve this human relations problem.

I would like to take you back to the town of Hershey, Pennsylvania, last spring. They had a little strike out there on the part of a few people who did not want to work in the factory. The wages in that plant are high. Hershey is the most beautiful town, I think, in the whole state of Pennsylvania. The workers' homes there are beautiful homes. The story of Hershey was more accurately reported than other industrial stories. The tragedy of our present situation in industry is that we do not see and we do not hear the truth behind the industrial picture today because the news is not thoroughly and accurately reported. In the case at Hershey the main reason the workers were upset was because some people from New York came in and wanted to teach them a new set of words for "My Country 'Tis of Thee". I will show you those words on a slide film very soon. Also, they wanted to teach them a new set of words for "Stand up, Stand Up for Jesus". I am not very religious but the boys out at

Hershey were, and they did not like that. It made no difference whether they were Catholic or Lutheran or Methodist or Mennonite or Amish, they just did not like that and they did not like to see the American flag taken down from the flagstaff above that plant and another flag imposed over it. In that case we had a group of reporters who stuck together, stayed in the same rooms at the hotel, and tried to do the best job of reporting that entire incident, and I think the whole thing was better reported than most of the other strikes. I can say to you here today that when I look back and think of the time when I shoveled coal for twenty-five cents a ton, worked in machine shops for fifteen cents an hour, and followed through the different steps that I have followed in industry, (and I have seen my friends from my youngest days go ahead, at least those who wanted to educate themselves; save money and improve themselves) and then at this late date get in a fine car made by American workmen and drive out, as I have driven many times, over a few beautiful American hills on a beautiful highway and up to a plant in which the windows are broken and the plant is not operating and see flying above that plant a flag that has no business flying in this country, then I say that is our biggest mass production problem and I hope we do solve it because that flag flying over our plants is no true interpretation of the Wagner Act and has no place in any consideration whatsoever under any legislation that might be passed by our Congress. I know that labor itself and the organized labor leaders, who are my friends and who believe in the kind of work that I am trying to do, do not want that flag to fly over any factory at any time or to have anyone put it there. But it is flown too many times, and if labor itself gets upset about that and if we do have a few more battles around some of our factories and if the facts are not reported and if we wonder why thousands and thousands of workers are opposing a movement in which they will have no part, I think if you will dig deeply enough you will find that that is the reason for it. And if you dig deeply enough you will find that that is the reason why many workers are not paying their dues after they get into an organization of that kind. Also, that is the reason why, for example, one man I know, who was an organizer in that group, shot one of his associates in his office in Chicago last week, and only three weeks ago the National President opened the door of his hotel room with a .45 revolver in his hand. So I say that our mass production problem now is a mass production problem of human relations. I hope that we will all do our very best in trying to solve

that the best way by helping to move toward higher wages in the American way, shorter hours in the American way, and doing the best job we can of cooperation with labor in the process.

I have a few slides that I would like to show you before closing. How much time do you want me to take, Colonel Jordan?

Colonel Jordan: You have no limit on your time, sir.

Before going ahead with the stereopticon views, I did want to make one further statement. I spoke to you about my friends among the group that I believe the legitimate labor leaders. One of the most prominent in that group is Major George Berry. George Berry is a greatly misunderstood man in many respects, and I want to bring out this incident in his life which has a bearing on just what I have been talking about. I don't want you to get the idea from what I have said here this morning that I am in the least pessimistic about the future or have any doubts. I have absolutely no doubts about it at all because there are in the field of labor men like George Berry who have a very realistic viewpoint on the whole labor problem. Back in 1925 the union of which he is international president decided that they would drop the use of the strike as a weapon of wage and hour negotiation because they felt they didn't need it, and they haven't had a strike since. They have taken the funds which would otherwise have been spent for strikes and used that money to build for that union a great home for the aged members called "Pressmen's Home". It is in Tennessee, and down there they have one of the finest printing plants in America.

In our industry of printing we find this condition existing today: a man like Major Berry will come in and he will say to a man who is operating a shop at low wages, "We'd like to have these wages raised because these fellows need higher wages and you're not paying them. But here's the way to do it. We can help you to get out better products and more products. We can show you, if necessary, how to sell your product." So we find a man like George Berry going in with employers to show them how to make and use more of the products of the labor group that he represents.

It was very interesting to find recently that today, from the standpoint of value of product, printing and publishing is America's No. 1 industry. That was news to me. But I think it shows you how important it is to have that understanding, peaceful and cooperative relationship there and to know that that relation can work. Now I'll tell you just how it worked in the case of ourselves. A year ago last January we published an issue of "Mill and Factory" which weighed five and one-half pounds. We had three shifts of men working in the printing plant on that issue continuously for about four weeks. The fellows who worked in the third shift at night for five days a week made \$120 a week while working on that issue. It was a high wage, but it was justified because we had high production and because it was efficient and because our end product was more and better goods for the people who wanted to buy our product. That, I think, is true wage and hour negotiation and true collective bargaining. Now we will go ahead with these slides.

If you are familiar with the situation on the Pacific Coast, you know we have out there a situation in which Mr. Harry Bridges is virtually a one-man dictator over at least 40% of the organized labor on the coast. Mr. Bridges makes no bones about his attitude toward employers. He says he believes that there will be no employers after labor gets in the saddle. In some of the western plants labor has even insisted that the factory managers sign up as members of some of these more radical unions. Now that is carrying organization work pretty far. When factory operations are interrupted because the factory manager does not want to join a union, I think we've gotten entirely out of the field in which the Wagner Act had any application whatsoever. Yet this is typical of the attitude of certain people.

Here you have a photograph of the actual method used by certain groups in their organization work. A flying squad which may be made up of workers from four or five different states supplied with cars and money and weapons goes around and lines up a lot of people and they sign these cards, often without payment of any dues whatsoever, completely interrupting factory operations and holding these fellows under duress until they do sign. As a result, they may come out with virtually all of the employees in a plant signed up as members. But that, too, is not what I would call collective bargaining.

Here we have a typical parade. I want to call your attention to the different emblems in the parade. We see the American flag prominently displayed, but we also see other kinds of flags. These here are predominantly red, and I have counted as many as 120 or 130 of these red flags in workers parades led by radical groups in Pittsburgh and a wide variety of places.

This is the end product of that kind of radicalism. If you go down in the soft coal fields of Southern Ohio you will find an area over 110 square miles in size that looks just like this picture. That is a blaze that crops out on the hills down there, just outside of Steubenville, about 10 miles in one direction and 11 miles in the other. This fire was started in 1884 by the original members of the first union, which eventually grew into United Mine Workers of America. They loaded coal cars with oil, set them on fire, ran them down into fire shafts, and the fire was started. Every worker lost his job; the farmers lost their farms; and all of the storekeepers lost their stores. The churches were closed and all of the schools were closed. That whole region is nothing but devastation, right here in America. Just this year the Government, through W.P.A., spent \$365,000 trying to stop this from going further north.

This picture shows where the money was spent to set up a few barriers, and you can see how inconsequential those barriers are compared to the actual fire. This is New Straitsville, Ohio, the scene of the world's greatest mine fire. Here are where the shafts were fired in 1884. These jagged lines are the path of the fire. Here is one barrier and here is the other. That's all that \$365,000 could accomplish. In the meantime, all these coal veins are going to be completely destroyed before the fire finishes. I say that thing isn't collective bargaining.

This shows a typical mine entrance. This fire occurred two weeks previous to my arrival. At the time that I was down there it had reached over here (indicating on screen). A man was employed at the mine at a very satisfactory income until that 1884 fire came over and reached this section.

This shows typical gas and oil wells and farm buildings that are still being burned down there today, and the roads are constantly being undermined. The state has to spend a lot of money to fill in the gaps in the road caused by the burning of the coal underneath.

Here we see a building that looks almost nice enough to be a palace of Versailles. But it isn't a palace. It is an employees' community clubhouse at Hershey, Pennsylvania. That's a finer clubhouse than any club I have ever thought of belonging to. In this clubhouse every factory worker can enjoy any of the sports that are provided for in there.

This shows the scene in which the loyal workers ran up the American flag on the top of the Hershey Building after they regained possession of the plant. The American Legion under O. B. Keck led the movement back to the plant, and the American Legion are seen there raising the flags up again.

This is the trade school set up by Hershey for 950 orphan boys who are the actual owners of the Hershey plant. These boys, in addition to this, have other comfortable facilities, and there is no school in America that has all of the educational equipment provided in this building by the Hershey Foundation for the Hershey orphans. In that respect industry has lead the way in trades education, and in this case took care of practically all of the orphans in one whole county of Pennsylvania and gave them a better education than they could get at any other place. These boys are and have been the real owners of the enterprise and they are the people who are most seriously affected by the strike.

Now these are some of the loyal workers. These fellows here, for example, are shown down here in the front row, and the rest of them are somewhat similar. They are the ones who got upset because the words of the tune "Stand Up For Jesus" were changed. When they sang the "Star Spangled Banner" at their meeting of over 3,000, I was very much surprised that they sang a verse that I wasn't even familiar with as much as I should have been. It expressed their sentiment so much that they wanted to sing that verse over three different times, and they did. Ever since then when I go around to the meetings where I hear the "Star Spangled Banner" sung I wish that they could have the same enthusiasm that these workers did at the Hershey plant when they sang it. To those workers that verse meant a great deal and if you go to the places that I go you'll find that more and more of them are singing our national anthem with the same kind of enthusiasm.

This shows the hocky arena provided for the factory workers down there. They had the national hocky championship last year, and they will probably have it again this year. They certainly have no complaint about being socially or politically underprivileged.

This is the swimming pool and the bathing arena. This is their parking lot back here. There must have been at least 2,000 cars in the lot on the day that this picture was taken and certainly from the appearances of their new cars they didn't look as though they were lacking in cash or anything else.

Here is the parody that they sing in radical groups on "My Country 'Tis of Thee." It is being taught by the distribution of hundreds of thousands of copies of a red song book. This is interesting because I have heard this song sung by groups as large as 20,000 or 25,000, and I have seen that song taught to workers through the use of recordings because the workers could not speak English and did not have good pronunciation of the English language and perhaps didn't even know the correct words of "My Country 'Tis of Thee." I have, in addition, about sixteen sound recordings of this and other similar songs, all of which tend to promote and increase class hatred and which are designed for no other purpose than to stir up unrest and create conditions which we don't want here in America.

This is the main building of the Hershey plant in which are the administration offices and the superintendents' offices. This is completely air-conditioned, and all of the lighting is of the ultra violet type so that their employees have full sunlight lighting all the time.

This is a blackjack which this man received by taking it from one of the members of the organization which I complain of out there. It's a very fine instrument and has been put to good service before he gave it to me as a souvenir. I thought it would be a good idea to have a picture of it.

This shows where the boys in the Hershey organization are taught their trade school apprenticeship work and is only one small section of a very large portion of the school devoted to that purpose.

Now we find practically every large industrial plant is putting in a modern hospital, and I wanted to show you this as an example of what a modern hospital looks like. Every worker in that plant is examined with a radio-cardiograph to determine whether or not he has adequate heart strength to be able to stand whatever physical strain he has in his work. In addition to that, we find facilities of this type which rival the finest facilities found in any hospitals in

America, and they are typical of the facilities in the best plants. While I was out at the Ford Motor Company a little over a year ago I saw a man who had had a fifty-foot concrete pile fall on his leg. He was brought into their hospital and within forty-five minutes his leg was in such condition that he could be removed to another hospital for further treatment without the danger of amputation. It was his own fault that the concrete fell on his leg. He was a private contractor and was improperly unloading his truck. In spite of the fact that it wasn't Ford's responsibility they had that man well on the way to recovery within an hour of the accident.

This shows a typical kitchen in one of the modern industrial cafeterias. We find the best equipment and the best kind of food that anyone could possibly want.

This shows what happens when factory windows are on the ground floor. There is one way of getting around it. If you go out through Detroit and Chicago you will find that almost all of these first floor windows now have a big wire screen arrangement on the outside so that the windows cannot be broken and so that missiles cannot be thrown through. Also, the workers cannot go out through the windows in the event of trouble.

This shows a typical group of professional organizers. Here is a girl who has had a steady income for many years selling radical literature. The industry which promotes unrest for profit in this country has an income of profits of substantially over \$6,000,000 a year. This fellow over here has been photographed in many scenes. I must have at least twelve different pictures of him myself. He takes dummies around, labels them with names of prominent people in industrial organizations, and then either hangs them in windows, kicks them around factory yards, or hangs them in effigy. That's his act and for it he gets 50¢ a member for every member he gets into the organization.

This scene is interesting because it shows what happens when you don't have the cars of employees divided on the different parking lots that I showed you. If one group of employees, for example, dislikes another they will take their cars and do considerable damage to them. They will engage in light sports, such as dropping fire extinguishers from the fourth story of a building on them and throwing tools and dies through the windshields. This is typical of literally hundreds of scenes which have existed during the past year and, of course, that has no place in collective bargaining.

This shows the arrangement for convoys of pickets. This is a typical organizer's sound car. This car is preceded by a car loaded with guards and in the back seat they have a radio amplifying arrangement for these sound equipment devices. The organizer sits in back and broadcasts to everyone in the community from this travelling car. This is a car of guards, and then back here there will be truckload after truckload of pickets. Now if they happened to be carrying this convoy through a friendly town in which the local administration is either controlled by or friendly to the organizer they can shut off all of the side streets and get a parade permit so that they can have exclusive use of the street for the period of time that they elect. On the other hand, they are not always given that privilege and then they have to get it. When they have to get it they have some of these trucks back here just parked in the street for five or six blocks on each side so that no one will interrupt them in their promotional activities. That's a pretty well organized and pretty well financed kind of work, and in many towns today there is an intense political activity going on to prevent the people who do this sort of thing from becoming members of the city council or mayor of the town. In that it is not a question of democratic or republican or socialist politics. It's just a question of good government in the opinion of most people, and yet in spite of it there have been many towns in which these folks have obtained their offices.

Here is a typical scene in New York. It seems to have no relationship to this other scene. This is an employment agency and upstairs there were three different offices of employment agencies. I made a personal canvass of all the employment agencies on Sixth and Seventh Avenues and on Third to see what conditions were last summer. In this case I found more people in here listening to the free lecture on Wondertone products than there were upstairs getting jobs. This board here was full of jobs and those jobs paid anywhere from \$32 to \$45 a week. I use this as an example because in this case there were jobs for over seven hundred different men in factories. But these men would rather go in here and listen to Wondertone products or stand around, rather than work in the plants. So I asked the employment managers of all these different employment agencies whether or not the reason the men wouldn't work in the plants was because those plants were sweat shops and every employment manager got upset. I asked to look at the wages and was shown minimum wages in practically every employment agency that I called

on and was amazed to find out what minimum wages are in most industries today. The average minimum wage out of New York employment agencies in factories -- I'm not talking about restaurants or the like, but in factories -- is around \$32 and \$33 a week, with plenty of jobs for \$40 and \$45 a week.

Now here is a little song I would like to read to you, called "Nine Old Men." I think that it has no part in the legitimate collective bargaining, and yet it's part of the things used to create unrest and create disturbances among workers. * * * * *

These fellows are giving a typical raspberry to someone who said that they thought some of the labor problems could be decided by the Supreme Court. Instead of creating respect for our institutions we've got organized creation of disrespect. I think that was entirely aside from anything that Senator Wagner had in his mind when he wrote the Act and entirely aside from what any of us think ought to happen under the American system.

Here is a view showing the pleased expressions on the faces of the sympathizers with the strikers inside at the ejection through this small window of a "scab". This fellow is coming out in a hurry and is pretty soon going to land on his shoulder and break it.

If all of our union leaders were honest that would be one thing. But up in New York under Mr. Dewey we have had the recent experience of finding out that many of them were quite dishonest. I could speak to you for an hour about my experiences with dishonest union leaders, but I'll give you one example. One of the organizers of the C.I.O. strike at General Motors was repudiated by his own union within two months after the strike because he walked out with \$26,000 of the members' money. And that's remarkably typical of a certain group which would rather create unrest than do anything else they can think of.

Now as a result of some of the things that I have pointed out to you, let's see what the results of labor reform have been:

To reduce the buying power of the average citizen. We all know that commodity prices have gone up.

To apparently increase employment and actually to increase the number of citizens on relief. I have a list of over one hundred forty-seven factories that have closed and sold their machinery simply because they lost all their business due to labor difficulties.

To increase debt and taxation.

To increase the burden of government and restrict opportunity for independent workers.

To stimulate unrest and radicalism, and to breed class hatreds.

To raise prices and increase the high cost of living.

To multiply unworkable laws.

To create an artificial scarcity of commodities.

To break down confidence in a constitutional democracy.

To promote disrespect for laws and courts.

To increase fear and uncertainty in the business world
In investigating the work and workers who are making the lower wages I found that these factory workers were the ones who saved money and invested in common stocks. But when they get into difficulties of the type they have had this year they lose confidence in the future of industrial investment, and I am not surprised that they do.

To penalize small business and encourage monopolies. I know a lot of new mills that ought to be built now and for which money is available, but they do not feel they can risk the capital of their stockholders.

It has created monopolies of labor opportunities by union organizations, taught un-American economic doctrines, destroyed the enthusiasm and interest of the worker in his job. I believe that Senator Wagner had none of these ideas in his mind when he wrote his famous act.

Now let's take the independent worker, the man who says, "I don't want to belong to anything. I just want to be independent." What about him? Independent workers are being imposed upon and discriminated against because state laws

have been broken down due to lack of enforcement. Over in Youngstown, according to the paper last night, of three hundred people who were under indictment for causing disturbances I think ninety-two of them were given sentences. It is a typical example. There have been no prosecutions by many states for the following illegal acts by union organizers:

The use of violence on persons or property of independent workers.

Depriving independent workers of tools, implements or clothing.

Conspiring to prevent independent workers from exercising a lawful trade or from using tools.

Conspiring to force employers to discriminate between union and independent workers in wage scales.

Conspiring to force employers to discharge independent workers.

Conspiring to force employees to coerce independent workers to join unions.

Conspiring to increase the necessary risks of employment for independent workers.

Those are seven different ways, all of which are illegal and by which independent workers have been discriminated against and under which they should have been protected under state laws.

In conclusion, we have had these products: disorder and violence; unemployment; independent workers have been wholly unprotected; United States laws, courts and government have been ridiculed; promoting or rackets and racketeering; labor laws have been practically ineffective; communism in factories protected under excuse of union rule; American patriotic and religious ideals are being undermined; the public pays in the long run; and continued disorder. That, in general, is the summary of my observations.

I certainly appreciate your interest in listening to me, and I am very happy to have had the chance to be here and talk to you.