

Industrial Cooperation

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However optimistic a man may be, he would hardly dare to make the assertion that we have entirely freed ourselves from the ancient idea that labor is a necessary evil, or indeed a punishment inflicted upon [us] because of our fall from the perfect condition in which we were created. Of course the artist, whose every picture is an expression of his inner being which has been illuminated by a higher sentiment, or a noble thought may speak of unspeakable joy of his labor. Indeed he is living upon that high plane of moral life in which, with the native power of emotion, he translates noble truth and the finer conceptions of life and life's surroundings into the objective products of his labor. Each bit of work is an expression [of] his own inner life, although he has many hours of hard drudgery and plain every day plodding before he finds himself able to express freely. Yet he can afford to say "blessed be drudgery" because already he has gained a glimpse of that highest truth of human life, that by the sweat of thy brow, thou shalt unfold thine expanding soul. The philosopher whose life is one of comparative ease, may also say this same thing, that labor is the medium of expressing the best that is within us. It is especially noticeable that among modern writers this idea of the dignity and grandeur of labor is met with very frequently. It is, I think, an evidence of a strong healthy-minded point of view.

Yet one must admit that to many of our people this high conception of labor seems to be somewhat of irony. To him whose labor is but the maximum of effort with the minimum of intelligence, whose daily task seems to be more a repression than an expression of high thought and such noble sentiment, this talk of the dignity and grandeur of labor savors somewhat of insincerity, and bombast. The day's work is just the opportunity of earning money, and

¹ While this manuscript has no explicit date, it is hand-written, and Davis moved to a typewriter in 1907.

its pleasure is in its termination to too many of the people who make up our population.

The thing that interests me is the possibility of extending this high conception of labor which belongs to the artist, so that it may become more universally appreciated, and appear more commonly among those whose labor is less exalted than that of the artist. What I have to say consists of a few facts and ideas gleaned from various sources, which seem to me to be very suggestive as a means of accomplishing this very desirable result.

In presenting what I shall present I am particularly anxious that I do not give the impression that I am promoting a panacea. The popular notion that every principle must be carried to its logical conclusion, is responsible for many a sad failure, and many a lost opportunity. This grievous fallacy still obtains in spite of the fact that the whole broad earth is covered with the dead birds of theory, which in their blind flight towards the cornfields of logical conclusion, have come hard up against the stone wall of facts. It may be perfectly true that the Guinea Pig is one of our most prolific animals, as the author of *Pigs is Pigs*¹ points out. Assume for convenience sake that he is the most prolific animal in the universe. What follows? Does it follow that we must carry this fact to its logical conclusion and predict that a time will come when the Guinea Pig will be all in all, having converted the entire universe into a complete system of Guinea Pigs, who suspended in space squeal in perfect harmony their paeon of victory in the struggle for existence? If, indeed, we could carry this biological fact to its logical conclusion, we would have here in the unpretentious Guinea Pig, the panacea for all our moral, commercial and religious difficulties. In order to solve these pressing, and often distressing problems of state, and church, of labor and capital, of good and evil, of the congested city, and the lonely country, of the overworked state Treasury, and the underworked New England farm, all

¹ *Pigs is Pigs*, by Ellis Parker Butler. First published as a short story in *American Illustrated Magazine* in 1905, followed by dozens of printings as a book and in anthologies over the next many years.

that we would need to do would be to carry to its logical conclusion this one biological fact of the Guinea Pig. Preach the Gospel of the Guinea Pig and practice your preaching. Just give the Guinea Pig a chance. In due process of time he will overrun the entire earth, and will gradually extend his influence, until he has transformed in Guinea Pigs all the world, and its inhabitants thereof, and their problems included. This I submit would be a very attractive way out of our difficulties, and assure us of the solution of our problems with the least possible exertion on our part.

But upon second thought it occurs to me that this one biological fact is not the only fact of the Universe. The Religious Hare must be considered and possibly the tenants along Archie Road might have something to say about the adoption of this method of procedure. A few facts may serve as a very impregnable fortress against the one idea panacea. It is a wise thing to look in more than one direction. Not every stray idea that we pick up can be carried to its logical conclusion, but most ideas have some value, and some ideas have great value. It does not of necessity follow that because we have an oil trust that the whole universe will be transformed into a beautiful ocean of matured stock upon which the exclusive society of Plunderbunds will sail in their ship of trust, basking in the light furnished by the Standard Oil, while the famous golf player leads the Plunderbund Orchestra in its rendering of "Onward Christian Soldiers."

On the other hand it does not follow that, because a Socialist Party is trying to exist upon the Guinea Pig idea that Private Property is the root of all evil, the Universe will be transformed into a Madison Square Garden, where "the People" may sit in comfort and luxury, while self-fried potatoes, automatic beef-steaks, and spontaneous combustion mint-julips come walking into the dining room to tickle the palate of the sons of rest.

While the logical conclusion of a single idea becomes a monstrosity, the idea properly related and understood may have great value.

I have taken some time speaking of this necessity of recognizing the just limits of ideas and theories because it is especially desirable in considering such a question as we are dealing with tonight. I do not present this thought of industrial cooperation, either to myself or others in the belief that it is a universal panacea for all problems, but I am convinced that it is worthy of much more consideration than has hitherto been accorded it, not only because of its moral [value] but also because of its economic worth.

Industrial cooperation in a general way includes within its scope all tendencies in industrial life which have as an end the closer organic relationship of the factors of production. In any business enterprise, whatever may be its size or nature, there are three essential elements involved, viz, labor, capital, and managing ability. In the simplest and most primitive forms of industry these three elements appear in their closest organic relationship. For example, the farmer is at once owner, manager and laborer upon his farm. As owner of the farm, he appears in the capacity of capitalist. As he plans and executes his plans, he appears in the capacity of manager. As he does the work for which his plans call, he appears in the capacity of workman. If we analyze this simple situation into its component parts, we discover that Mr. Jones Capitalist, and owner of the farm and tools, hires Mr. Jones as manager to run the farm, and again Mr. Jones, manager hires Mr. Jones, laborer, to do the work.

In varying proportions these three elements are present in every productive industry, and each is an absolute necessity. The struggling farmer with little or no capital is a familiar sight. Many such a farmer has met with failure in spite of good management and ceaseless labor. On the other hand many a farm is the burying place of good capital, and the cause thereof is mismanagement. Anyone can tell the tale of the necessity of labor on the farm. But under such a simple arrangement as the farm, these three factors are so organically related, that no conflict arises in the shouldering of responsibility, or in dividing the profits or sharing the loss. Either in one capacity or another, Mr. Jones, farmer, capitalist, manager and laborer takes all the profits, and sinks under the loss.

But the situation is much more complicated when one comes to consider the average industrial plant of the times. While the illustration which I am about to use may be extreme in many ways, yet I think that it is very suggestive in its presentation of certain characteristics of industrial conditions. An electric railroad of a neighboring state was promoted by men of promoting ability. It poured into the hands of receivers, as many have done, and thereby became the property of a large banking house of a neighboring city. As the situation now is, the road is owned by men who have no interest whatever in the towns through which the road runs. They are not even men who would be interested in the road as an engineer might. It simply means to them just so much property that must pay the interest upon the bonds they hold. It is a clear cut case of absentee ownership, which is becoming so common. The only question which interests them is how to make the road pay the largest profits upon the capital invested.

The road is managed by a young man, who has no share in the ownership of the road. As engineer, his interest would naturally lead to develop an efficient high-grade road. But every attempt at improvement meets with one reply from the owners, viz, we want net earnings. In short the road must be run upon the lowest possible basis of efficiency, compatible with the largest net returns. As a matter of fact the attitude of the owners, forces the manager to a position where in his only interest in the road is one of dollars and cents, and an increase in salary the brightest outlook.

But beyond that the same attitude which the owners have assumed and forced upon the manager becomes also the attitude of the workmen. The owners are in the game for what they can get out of it in net income. The manager is in it for what he can get out of in it salary, and very naturally the workmen are in it for what they can get out of it in wages. In short in this instance the three factors which are essential to the enterprise are combined upon the lowest possible basis of efficiency. This instance is so characteristic of present methods and tendencies, that it might seem to throw light upon the condition of standard efficiency in many industrial plants. For example, it

appeared at the strike in Fall River a few years ago², that the owners and managers of the mills had been so short-sighted in their thirst for net profits, that they had permitted the running efficiency of the plant to fall way below standard. During the past year it has come quite apparent that some of our railroads have been trapped into the same short-sighted greed and are apparently in a very unenviable predicament so far as the general efficiency of the plant is concerned. I think that it is but a statement of fact to say that the unsatisfactory conditions above referred to are the natural result of the relationship which labor, capital and management have to each other in the ownership and operations of the roads.

Now industrial cooperation is an attempt to supplant this inefficient relationship by bringing into our complex business conditions something of the spirit and principle which prevailed in the days of more simple industrial relationship. If capital and management and labor can become more organically related, upon a basis which shall openly recognize their interdependence, a great step will have been gained, is the thought behind industrial cooperation. To those who believe in its practicality, it offers great possibilities in overcoming the intolerable friction and uncertainty and the unsatisfactoriness of the current situation.

Industrial cooperation is to be distinguished from that superimposed paternalism and welfare work, which at best is but charity, and at its worst is a sort of anesthetic employed to sooth the discontent of the workmen. The Dayton Cash Register Co. and the Pullman Company are notable illustrations of the latter type of paternalism, while there are many less distinguished examples of that charitable kind of paternalism which seeks to force upon

² Fall River, Massachusetts, was a major textile producer in the late 19th and early 20th centuries. There were several strikes at Fall River textile plants over this time, including strikes in 1884, 1904 and 1928. Very likely the strike that Earl Davis refers to here is the "great strike of 1904," which, according to the 1910 edition of the *Encyclopedia Britannica* (entry for "Fall River") was perhaps "the greatest [strike] in the history of the textile industry in the United States."

the workmen in the form of a gift, the money or its equivalent, which has been withheld from them as a wage.

Perhaps the best way of presenting the industrial cooperation idea is to use a concrete case or two where it has been successful, and to point out by the way how it bears upon the above mentioned problem.

Cooperative Industrialism is to be found in an undeveloped stage in the profit sharing system of the House of Leclaire, who is called the Father of Profit Sharings and his system of profit sharing develops quite naturally into the cooperative system proper.

Leclaire³ was somewhat of a genius. Born in 1801 about one hundred miles southeast of Paris in a little village in which his father earned a scanty living as a village shoemaker, the boy had, as Jack London so pointedly says of his own life, no outlook, only an uplook. At the age of ten, his school life was completed, and he found himself a tender of herds of cattle and swine in the fields about the village. At this occupation he continued until he was 17 years old, when one day the road leading to the achieving city of Paris attracted his attention and thither he went to seek his fortune. In Paris he took up the trade of house painter and decorator. In eight years' time he had achieved in the proficiency of his trade to such an extent that he had established a shop of his own. Two years as his own master served to establish his business reputation, and assure his success as a master painter. But this erstwhile tender of swine was by no means an animal himself. Aside from his advance in business, he had found time to satisfy his thirst for knowledge, and he became a keen student of economic conditions and problems. This knowledge of economic theories, coupled with a thoroughly human interest in his workmen led him to make a trial of the method of sharing with his workmen the net profits of his business. The public in general and his workmen in particular were suspicious of his motives in this matter. Also he had to contend with police regulations which

³ Earl Davis is writing about Edme-Jean Leclaire (1801-1872) a French economist and businessman who developed an early system of employee profit-sharing.

prohibited the assembly of men for consultation. However, in 1842, Feb. 15, he issued a circular letter to his workmen in which he said, "The entire plan is to distribute among a certain number of workmen, who will be wise enough to deserve this advantage, a part of the profits produced by labor." This plan was put into operation, and on the 12th of February, 1843, Leclaire assembled the 44 painters who were entitled to a share in the profits of the year's work. He turned down on the table before them 12,666 francs in gold, as their share in the net profits of the year. Each man received about \$50.

Thus worked the first successful years operation of the profit sharing system.

I cannot go into the history of this concern, except to say that the first year was the least successful of this most interesting business house. The death of Leclaire removed his personality, but with very slight changes the same general plan is in operation at present. I believe as an illustration of the extent to which this concern developed, I will give total figures for the year 1886. In that year there were 716 men to share in the profits. Their wages for that year were 869,001 francs, with a bonus of 182,500 francs or 21 percent of the increase in wages.

The management of the business is in the hands of two active partners, who hold $\frac{1}{2}$ the capital stock. They are personally liable for losses to any extent. The mutual aid society as Partner, "en commandite," and having no control over the business is liable only to the extent of its capital; while the liability of the workmen is confined to their interest in the reserve fund, a fund maintained to meet losses.

The results of this arrangement have been especially significant. A point which is worthy of attention is this. It is said that an incompetent workman cannot hold his job for 48 hours. Very little money is expended for superintendents, etc. because the men take such a vital interest in the business that the need for these is reduced to a minimum. There are no loafers or deadheads. There never has been a strike. Consequently there has been no loss either to the workmen, or the leading owners because

of idleness of labor or capital. Another point, worth noticing, involving a factor which is likely to be more important as the years go on is the fact that the high grade of workmanship assures the company of all the works that it can do. If I mistake not this touches a very weak spot in the industrial conditions of the present day. It may be easy enough to secure sufficient quantities of labor, but to secure the quality is indeed another thing.

But this is not industrial cooperation proper, but it has seemed to pave the way for the consideration of a manufacturing company in this country which is developing into an industrial cooperative plant. The Leclair company recognizes the organic relationship between the three factors of production, and raises the efficiency of their contribution to each other's welfare, by openly recognizing their interdependence. The company to which I am about to refer takes a step in advance of the Leclair Company in that it tends towards what is strictly speaking a cooperative basis of production.

I refer to the N.O. Nelson Manufacturing Company of St. Louis.⁴ The concern manufactures steam and water brass goods, rubber and leather belting, pump engines, boilers, and plumbing fixtures. Several hundred workmen are employed.

In 1886, March 20, Mr. Nelson sent a letter to his workmen stating that one year from January first he would divide profits with the workmen. The basis of this arrangement was as follows: "Capital should receive 7% interest, and the remaining profits should be divided between capital and wages in the proportion which they bare to each other." Six months service would give a claim to share in the profits. The men were invited to have a representative examine the firm's books at the end of the year, and assist in apportioning the profits. As a result of the year's business under this simple arrangement \$4,828 was divided among the men. One hundred and fifty men were qualified for a share. The shares ranged from \$27 to \$46 per man. At this time the men were given the option of

⁴ N.O. Nelson Manufacturing Company was founded by Nils Olaf Nelson (1844-1922) in 1877 in St. Louis.

taking the dividend in cash or permit it to remain in the hands of the firm and bear interest. About 2/3 of the men left their money with the firm. For the second year some modifications in the arrangements were made. One-tenth of the profits left after deducting all costs, interest on capital, wages, salaries, etc., should go to a fund for the care of the disabled, sick and for the care of the families of deceased employees; one-tenth should be set aside for a fund with which to meet losses and pay dividends in bad years; 1/50 part was to be set aside for a library fund. The employees who had left their dividends of 1886 in the firm were given an advantage of $\frac{1}{4}$ greater dividends in 1887. Of the results of the second year Mr. Nelson thus speaks,

After making full allowance for men and tax, possible bad debts, interest on capital etc., there remained something over \$30,000 to be divided. Of this, \$3,000 was set aside for the relief fund, and we are now regularly caring for the families of those who have died or are disabled. This is done under the supervision of a committee of employees. \$3,000 more set aside as a special surplus fund. This fund will be kept growing during good years, and thus be on hand to help make up for losses, or help pay dividends in good years. Six hundred dollars were set aside for the library fund. ... After all these deductions there remained a dividend of 10% on the preferred men, i.e., those who had left their dividends of 1886 in the hands of the firm. All the others received 8%. Thus the second year the invested capital received 7% fixed interest, and 8% bonus, or a total of 15%. The workmen who had received the dividends in 1886, and left the money in the plant received in 1887, in addition to their wages, 7% fixed interest on their dividends plus 8% dividend on capital, plus 10% dividend on wages for 1887. At the end of the second year about 80% of the men left their dividends in the business. The shares of the individual workmen for the year 1887 ranged from \$60 to \$125. To make a more concrete statement of the effect of this arrangement upon the prospects of the workmen, any man who earned \$15 per week

in 1886, and left his dividends in the business, taking a certificate therefore, earned in 1887 in wages and dividends \$21.45 per week.

Mr. Nelson, in speaking of this success of the first two years says,

There is a most perfect satisfaction on both sides, and a perfect unity of feeling. I am satisfied beyond any question that the system is right and judicious, whether regarded from a moral or a purely commercial standpoint. ... Our belief is that the additional care and effort of the entire force will make up the dividend paid. I look upon the plan as business and duty.

In this way the N.O. Nelson Company entered upon its business career on the basis of free and full recognition of the interdependence of the factors of production, tending toward an industrial cooperation.

Before passing to consider the subsequent history of the firm, there are one or two observations that might be noted.

From the point of view of the employer of labor, if one may judge from present conditions, there are three pressing problems. 1st is the problem of securing good workmen. 2nd to arouse their interest in the welfare of the firm, and last, but not least to retain them in one's employ.

It is Mr. Nelson's opinion that the dividends paid to the workmen represent none than the production of their increased efficiency, i.e., this method has seemed to draw out latent efficiency. The increase in wages thus indirectly produced, does not indicate a withdrawal from the net profits of the invested money, but is simply the workman's return for his own increased efficiency. In other words, the workman realizes that his own returns depend upon his contribution in efficient labor, and he will not tolerate a poor workman about him.

This leads to the second point, viz, the problem of arousing the interest of the workmen in the welfare of the firm. By this arrangement not only his wages which are

current rates, but also his dividends depend upon the welfare of the firm. The payment of wages by the hour or day regulates the time quantity of labor. The payment of dividends upon the basis of net profits regulates the quantity of and quality of production, so that it is for the man's interest not merely to come up to the standard of time quantity, but also of productive quantity and quality. In short, the man is an organic not a mechanical part of the firm and he recognizes the fact that the firm's interests are his own.

We now pass to the third observation from the point of view of the employer, viz, the problem of retaining good labor. Aside from a comparatively small percent of inherently nomadic workmen, the great bulk of the changing from place to place is the result of the workman's desire to better his lot. Really the effect of such an arrangement as above outlined upon this problem of the permanency of employment, can be best seen by looking at the plan from the workman's point of view.

The final cause of the dissatisfaction and unrest of the workman is not that he does not receive enough, but that he has no prospects ahead of him. He has to content himself with settling down to the dead level of a wage that is not likely to increase. Many, if not most, reach the high water mark of attainment in a few years. Lacking in the capacity for larger and more responsible positions their only hope is to maintain their standard of wages, and hold their own. At best it is not inspiring. Sometimes it is hopeless.

Now here is a plan which offers the workman the possibility of looking forward to, and actually realizing the fact of an increasing income, depending upon his own thrift and faithfulness. Give most workmen that opportunity and little will be heard of strikes, lock-outs or labor troubles. Give the workmen that prospect, and the nomadic idea will disappear, the panorama of changing workmen will be a thing of the past.

But light will be thrown upon these generalizations by returning to the history of the N.O. Nelson Company. The tendency of development has been in the direction of making the company more strictly a cooperative plant. In 1896, the

workmen in the shops of the N.O. Nelson company at Leclaire and St. Louis numbered something over 400. The majority of the four-hundred are stock holders and draw dividends upon their stock, in addition to wages, and dividends upon wages. Whenever an employee leaves the company, the company stands ready to redeem the stock at par value.

For the ten years from 1886 to 1896, the following dividends were paid to labor, and like percentages paid to stock over the 7% fixed rate: 1886, 5%; 1887, 10%; 1888, 8%; 1889, 10%; 1890, 10%; 1891, 7%; 1892, 4%; 1893, nothing; 1894, 5%; 1895, 5%; 1896, nothing. In an editorial in the January number of a periodical published by the workmen, Mr. Nelson, that Nov. 30, 1906 closed the 20 years of operations upon this plan. He speaks with high praise of the success of the arrangement not alone from the point of view of the workmen, but from his own point of view as the heaviest stockholder. He points out especially the fact that during the hard times of 1893 + 4, the company was able to pay its fixed standard of dividends to outstanding stock. During the 21 years of the company's existence upon this basis, besides maintaining the standard dividends and standard wages, they have been able to declare bonus dividends ranging from 4 to 10% every year except two. From the point of view of the workmen, he points out the fact that any workman who has been with the company during the 21 years has received in dividends on stock and labor an amount equal to between two and three years of his wage income. In as much as Mr. Nelson holds and supports his claim by these years of experience, that the dividends to labor, represent simply the just returns to the workmen for their increased efficiency, it would seem that the corresponding bonus dividends to stock represented the increased earnings due to the greater working efficiency of the plant. To make a rough estimate based upon an average wage of \$15 per week, and upon the basis of an average of 300 workmen, it would not be far out of the way to say that the actual dollars and cents results of increased earnings due to general increased efficiency for causes above mentioned, is \$108,000. This sum has been shared between stock and labor proportionately.

Possibly one of the most interesting and pertinent incidents is connected with the business depression of

1893+4. This company with others felt the general depression of 1893, and found itself in a very serious situation. The company found itself compelled to reduce wages 25%. The manner in which this reduction was affected called forth the heartiest support of the workmen. According to agreement, the workmen, including salaried officials were to divide proportionally with stock, all net income above the fixed stock dividends. Now in 1893, when it became necessary to curtail expenses, the salaries, wages and fixed stock dividends were reduced 25%. Labor and capital were to be reimbursed for all losses because of the reduction before a bonus should be declared. All hands took hold to pull the concern through this period of depression with the result that before the end of the year, the old rates had been restored, the workmen, salaried men, and capital had been reimbursed to the full amount of their reduction while the year 1893 netted them no bonus, the standard of wages had been maintained, and the stock invested received its 7% fixed dividend. I submit that this is a very striking illustration of the strength of the cooperative idea, and will go far towards refuting the objection so often made that the cooperative company is never able to meet adverse conditions.

What I have tried to do is call to your attention this business house, which is run upon the principle of recognizing the essential nature of the three factors of production, and organizing upon the basis of this organic relationship. I have tried to show that there is a mechanical basis of organization. Personally I believe that there is much of value to be learned here. At least the friction, the uncertainty, and the inefficiency of open warfare, or at best, periods of truce between the parties who represent the factors of production is intolerable, and must give way to conditions of peace. The peace must be the peace of justice. While I realize the great difficulties involved in the wider adoption of this method of conducting business, a method which has been eminently successful in a few cases, yet I am certain that it is not a case to be laughed out of court.

But after all, in considering any problem of this nature, we have to bring it to the test which Ruskin applies to all

wealth. "Wealth is that which avails for life."⁵ As already pointed out this company has been successful in increasing its financial returns, but the question of whether or not this increase of wealth has availed for human life has not been touched directly. What has been the moral and aesthetic result of this method upon the lives of those involved in its history? One more illustration will serve us here. In 1890, the business interests of the company led it to establish a plant outside of St. Louis. A tract of land was secured about 125 acres in all, 18 miles east of St. Louis.⁶ Ten acres of this land was reserved for factory purposes and public interests. The remainder was laid out in winding streets and avenues for residences. Lots 5 to 100 feet front, and 130 to 180 feet deep were staked out. They were put for sale in the open market, and the workmen, and others bought them and built their houses. While others besides those connected with the company took advantage of the opportunity, about half of the employees now own their own houses in this little village of LeClaire. The houses and lots are theirs to do what they please with. The company stands ready at any time to buy any house should any workman care to move away.

I don't know why it is but when people wish to make an estimate of the moral conditions of a town they always turn

⁵ John Ruskin (1819-1900), English writer, philosopher and art critic. The quote here is a small adaptation from a passage in "Unto This Last," published in four parts between August and December 1860 in *Cornhill Magazine*: "There is no wealth but life. Life, including all its powers of love, of joy, and of admiration. That country is the richest which nourishes the greatest numbers of noble and happy human beings; that man is richest, who, having perfected the functions of his own life to the utmost, has also the widest helpful influence, both personal, and by means of his possessions, over the lives of others."

⁶ The LeClaire neighborhood of Edwardsville, Illinois, was created in 1890 on a profit-sharing model by N. O. Nelson as he sought to relocate his manufacturing company to a rural area. LeClaire, Illinois, is now a neighborhood of Edwardsville, Illinois. LeClaire's unique history was recognized by the Illinois State Historical Society in 2006. There is substantial information about LeClaire provided by the Friends of LeClaire on their website, <http://www.historic-leclaire.org>.

for evidence to the question of drink. However in this town of Leclaire, whose population is made up of the variety of nationalities, which is especially characteristic of western towns, presents some interesting facts. The village itself, says Mr. Nelson has no saloons, and it has few teetotalers. But the neighboring towns, which bear about the same relation to Leclaire, that the Morningside District in Pittsfield does to North St., has plenty of them. However, one never sees a staggering man in Leclaire and in 15 years there never has been an arrest in the village for any offence. Mr. Nelson says,

Our people are of all nationalities, drawn mainly from the city worker's manner of living. They have informed by no influence but themselves and their neighbors and public facilities, such as every city and town aims and hopes to have for its people. There are no rules or regulations, no law except that of the state, and the country. No one is even asked to cut his grass or keep in his babies or chickens. But being wholly free, he and his family choose to stand as well as any of his neighbors, and fashions his home and his way accordingly.

In short this one tale seems to say that the organic relationship of the factors of production, and a frank recognition of their interdependence, not only avails for the increase of wealth-producing efficiency, but also for life-producing efficiency. To be sure it has limitations, but it also has possibilities.