

MEMORANDA OF DISCUSSION HELD WITH
Mr. McWade and Mr. Colpoys
on the afternoon of Nov. 27th.

Atlanta, Ga.

Nov. 27, 1914.

In reference to the points mentioned:-

CONTRACT FORM

This contract has been in existence in our plant for many years. It has no objectionable features; in fact, the same effect might be accomplished by merely posting notices to that effect in the Mills, as has been declared by our Supreme Court, as well as to its reasonableness, but the reason that we do not run under such conditions is that certain help would plead ignorance of the rule, or inability to read, therefore, to prevent such excuse, we have a printed Contract which each and every employee signs before entering the service of the Company, and in the case of minors, is signed by both the minor and the parent or guardian.

The essential feature of this contract is to demand of the employees one week's notice of intention to quit, and the penalty, if they fail to do this, is that they forfeit one week's time. The interpretation that we have put on this clause is that if they work not less than five days' notice it will be considered equivalent to one week.

Our records show that for a period of from Nov. 1, 1913, to Nov. 1, 1914, the total number of discharges were 688. The total number of notices worked during that same period, (in conformity with the terms of the contract,) that is, their desire to quit, is 2469, but of this total we would judge that 20% returned to work on Monday morning following the completion of the notice on Saturday and settlement with them, which kept their premium in force. A good many of the help worked notices with a view to drawing their back week's pay for some

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emergency or imaginary requirement, but, so as to continue in our employ, they signed a new contract on the following Monday morning, going back to work as a new employee, with the following exception,- they do not lose the right to the premium, which will be explained in a subsequent part of this note.

During the period Nov. 1, 1913, to Nov. 1, 1914, 1666 call notices were worked. A call notice is a notice on the part of the employee that at the termination of one week he or she wants to draw 75 per cent. of their back time, with a view to filling an emergency or imaginary necessity. This does not require the re-signing of the contract, as the terms under which the notice is given indicate that they do not intend to quit work.

Prior to the labor troubles experienced in May, we were gradually eliminating these two styles of notice,- that is, quit notices and call notices,- and had the trouble not arisen we had hopes that for the year 1915 we would have reduced this amount at least one third.

As already indicated, the contract having been in effect all these years, the conditions of same being thoroughly fair and in compliance with the law, we will under no circumstances entertain the discontinuance of this contract. We attach herewith copies of forms used in call notices, regular quit notices, and discharges.

Statements have been made that employees on notice and who report for work, but who cannot be worked on account of excess of help, are told when five days have expired that they cannot get their pay because they have not put in fifty hours work. This is absolutely untrue. This has never been done; in fact, hands who appear here for work and it cannot be given them because of help conditions, are credited as if they had worked, as far as their rights covered by the notice are concerned.

FINES

Some statements have been made regarding fines assessed. Our method of fining is brought about only by the necessity for discipline, and not from the desire on our part to collect money from our employees. Records kept covering a period from Jan. 1, 1913, to May 2, 1914,- in other words, sixteen months,- shows a total amount of miscellaneous fines, \$309.76; fines for defective work, \$1249.23. Proportion of fines given to employees for discovery of defective work,- which, in other words, was a refund to those who helped us to find defective work,- \$871.03. This, therefore, shows a net collection on our part of \$687.96; or, roughly speaking, \$44.00 a month, which would hardly pay clerk hire for carrying on the system necessary to keep track of this matter.

One must realize that a plant of this sort cannot be carried on successfully without a fining system,- but the object of fines is to minimize the defective work, which finally reacts on the earning capacity of the employees, and subsequent operations, who are all paid on a piece rate basis, but all of whom are interested in having good material placed before them.

WAGES

We insist that our Mill pays the highest wages of any in the State,- or, in fact, in the South, on the same character of work. You have already stated that you have commenced an investigation of the wage conditions in our immediate vicinity, and have found out that our statements are correct as to paying the highest wages on this class of work. To give some idea of the wages, we mention below the average wage in each of the following Departments,- Carding, Spinning and Weaving:

Carding.....	\$8.59	per week	per employee	
Spinning.....	\$6.94	"	"	"
Weaving.....	\$10.01	"	"	"

May 1914 Shows
 8.41
 7.16
 10.50



Of course, this average wage does not fairly represent the efficient operative; the high-paid operative's record is wiped out by the indifferent operative; for instance, in the Spinning Room, where most of the minor help are employed, we have some doffers who earn \$2.00 a day, while others on the same class of work will earn only \$1.00 a day. Therefore the true basis is the possible earning capacity for an efficient operative, and from that standpoint our Mill is absolutely incomparable with others on the same class of work. We intend to maintain a high wage scale for those who apply themselves; in other words, efficiency counts.

Supplementing the above high rate of wages, we also pay a premium for steady work. " Steady work " means that an employee should either report daily, or work daily, without interruption, except for a good excuse. An investigation on that point will soon convince you that we have done everything in our power to encourage steady work, and have been more than liberal in an interpretation of this section, with a view to giving the operatives a chance to earn the premium. There is no feature of efficiency or earning capacity attached to the premium; the only thing that is required is that they should work every day, or have an excuse for not working, and in this connection, if we let them off after reporting here, they are credited the same as though they had been at work, so far as the premium is concerned.

At the termination of the first three months of employment 3% is paid on their total earnings, (same as if deposited in Savings Bank;) after the second three months 5%; for the next six months 7%, and this rate of 7% continues for each and every six months there after.

Our records show that for less than eleven months,- i. e.,

from Jan. 1st to week ending Nov. 21st., 1914, we have paid out in ^{Atlanta, Ga.} premiums \$13,454.80. This, you will see, is an additional incentive to steady employment, and must not be considered in the wage average, or any of our references to wages.

SANITARY CONDITIONS

Certain references to the sanitary conditions have been made. We presume you did this largely on the strength of what you have been told, more than what you have seen. As explained, when certain demands were made of us for changing the toilets, etc., by the Sanitary Department of the City, (which demand was undoubtedly brought on by pressure due to the labor agitation,) we acquiesced and did exactly what was required. We have experienced great difficulty with the new installation, the same as the old, as to keeping the property in such condition as we would like. The unfortunate part is the employees, to a large extent, are seemingly not interested in their own welfare, and although we maintain men regularly, whose duty it is to keep the Village cleaned, we are faced with the lack of co-operation on the part of the tenants themselves,- therefore, we are not to be blamed for these conditions, since we are doing everything possible,- in fact, more than can be expected of any landlord.

WELFARE WORK

Possibly it has not been called to your attention that we have been directly and indirectly interested for a number of years in attempting to build up the moral and physical condition of our employees, Such efforts have been expressed to a great extent in what we call the " Wesley House," or Settlement Home. This work was started many years ago, first by us, and, later, on discovering that

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our help was rather suspicious of our intentions, we were glad to turn the work over to the Methodist Mission Board, who became interested and desired to carry on the work. The understanding was, however, that whatever work they did should be absolutely non-sectarian, and we believe that it has been carried on along these lines.

The work comprises "clubs for boys and girls" under their own control and managed by their own officers, and merely guided by adults in charge of the work.

Gymnastic clubs for boys and girls, each on different nights.

Public and social entertainments of varying kinds.

Free clinics from some of the best physicians in the City, for different diseases, such as eye, ear, nose and throat, children's and female diseases.

Trained nurses, who visit the families and teach them how to care for the sick, and how to live.

Free library.

Day nursery, where children of self-supporting mothers are taken care of for the sum of 25 cents per week, - which includes food and care of the child during that period.

Kindergarten.

Last, but not least, - a Night School, which has become so successful that it has received the sanction of the Board of Education of this City, who gladly furnish teachers to help carry on the work. Our average attendance at the Night School is almost 100, which speaks well for the intention of the growing-up help to become educated while they have to work.

To accomplish the above work we have set aside a large brick building in its entirety, in which are housed all the workers

and the different Departments above mentioned. This building contains 47 rooms and an auditorium.

In addition to the above we keep a resident physician whose duty it is to give free treatment and advice to all who apply to him. He also attends to accident cases, but is not called on to perform major operations; for the attention of such, we call in skilled surgeons.

SUMMARY

The whole trouble originated on May 20th. It has been explained that on May 19th, about 5 o'clock, a communication was addressed to us setting forth that during the past few months we had discharged about 85 employees because they were members of the Union. Being so late in the evening we could not give the matter consideration, but the next morning at 8 o'clock went into a Directors' meeting with a view to acting on this communication, but before we could conclude on this matter, the strike was called on the morning of May 20th, at 9 o'clock. The only demand made was that 85 people should be reinstated. During the same interval, - that is, from Oct. 1913 to May, 1914, we had discharged over 300 operatives. We did not know union from non-union. If the union knew of 85 members, what was their intention regarding those non-union members, who were in the large majority?

All demands outside of the reinstatement feature were afterthoughts, and were not a basis of the trouble.

If there are any other features in connection with this matter that occur to you we shall be very glad to hear from you. If it is in our power, and appears proper to give you such information, you can depend upon getting it.

OE:MC

Yours truly,
FULTON BAG & COTTON MILLS