workers the realization of high living standards as this condition would be of benefit to both owners and workers in industry.

Organized labor looks most earnestly toward the establishment of such an industrial relationship. It stands ready to do its full share in bringing about the consummation of these ideals. We ask that employers and management join with us in this noble and inspiring work.

Discussion

John A. Fitch.[3] I have always believed—and never more than tonight—that the most specific and constructive invention in the field of better industrial relations must be the joint production of management and labor. If the word is ever to be spoken that will have the power to bring order out of our present chaos of misunderstanding and maladjustment, it will be uttered neither in the legislature nor in the cloister, but in the workshop. Nevertheless, the social scientist, standing somewhat outside the struggle, may at times measure, weigh, or appraise developments. It is in this spirit that I venture to discuss certain phases of Mr. Green's paper.

The president of the American Federation of Labor, standing here tonight, makes three outstandiing proposals to management:

That you deal with the unions.

That you study certain phases of industry that are of concern alike to management and to labor.

That you cooperate with labor and invite its cooperation in the solution of some of these problems.

I find myself in basic agreement with these three propositions.

To accept the first proposition one need not endorse every act that has ever been done in the name of trade unionism. The speaker is not asking us to do that. But we may give adherence to the basic idea that labor should have the right to organize in its own way and to bargain collectively through representatives of its own choosing. It must be noted that this is a formula that is not met by the device of the company union. However meritorious in given cases, these are organizations of the employer's devising; and the worker is ordinarily limited in his choice of representatives to his own fellow employees. This may seem not to be a serious handicap, but no employer's group would be willing to accept such a limitation in their choice of a representative.

Organized labor may well be suspicious of the company union because of these limitations, and because many of them have confessedly been brought into being as a device to oppose trade unionism. In other cases, suspicions are aroused because of the obvious desire on the part of management to prevent the development of genuine bargaining strength on the part of their employees. For example, there is a corporation with three separate plants under unified management, located in the same industrial district, but in different towns. In each plant there is a separate company union. When the committee in one of the plants proposed a joint conference of the committees of all three plants for purposes of developing a uniform policy, the management resisted, and prevented the plan from coming to fruition. There can be no sensible explanation of this attitude that ignores the obvious desire of management to maintain its own superiority in bargaining strength.

But there are other aspects of the company union question, and this brings me to the second of the three points I set out to discuss.

I heartily agree with Mr. Green that there are many problems of joint concern which need to be studied. I will add the suggestion that many of them should be the subject of joint inquiry. In addition to those enumerated by Mr. Green, I should like to add this very subject of company unionism. Those of us who stand somewhat apart as observers rather than as promoters or members of company unions find ourselves at times perplexed by what appear to be conflicting and contradictory tendencies in this movement. We know from observation that there are company unions deserving of all of Mr. Green's criticisms and more. But what shall we say of a company union developed in a plant where no previous organization of labor has existed? In some of these plants there was lack of any recognized method for the presentation of grievances. In others there were definite efforts on the part of the foremen and superintendents to prevent even the individual expression of a grievance. Now, however limited the plan may be, the development of a company union gives these workers for the first time an organized method of stating their case. Is not this a real improvement in the status of these employees? There are other plants where craft organizations exist with a large substratum of unskilled labor, not eligible to membership

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in unions. Here the development of a company union would seem to provide more complete representation.

There are company unions which have come to my attention, of which very much more can be said. Under some of these plans there exists something very closely approaching collective bargaining. Mr. Green might say that there cannot be real collective bargaining where there is not behind the demands of the particular workers involved the massed strength of fellow workers through the industry. I am in essential agreement with that position. Nevertheless, and despite the limitations suggested, there are company unions where the representatives of the rank and file of the employees regularly and as a matter of course bring the needs of the workers to the attention of management and where either through the force of numbers or through the force of argument they are able to accomplish definite improvements in working conditions.

What conclusions are we to draw, in view of the existence, side by side with the fake company unions, of other plans of representation which have resulted in an improvement in conditions of labor, and a genuine advancement of the employees in standing and influence in their respective plants? It seems to me that the situation definitely calls for further study, and in such studies both employers and organized labor must be deeply interested. We have had some reports on the subject of company unions, but almost all of them have been inadequate because they failed to include the point of view of the workers. They have presented evidence gathered in conferences and from correspondence with employers or derived from documents furnished by employers. Last spring the first studies in this field which included a consideration of the point of view of the workers were brought out by the Russell Sage Foundation. I refer to the reports on the Rockefeller Plan in Colorado and the Dutchess Bleachery. We need many more such studies.

In this connection, I may remind you that both the employers and organized labor are somewhat disqualified for investigation in this field; first, because they are partisan; and second, because they are not experts in the field of social investigation. That, like anything else calling for specialized technique, is a craft in itself.

The third point in the address of the speaker of the evening which I wish to emphasize is his offer of cooperation. He comes to the engineers and executives in this representative group and offers the help of organized labor in the direction of better standards of production in factories and workshops. This is an epoch-making proposition; and is socially and economically sound. There are, it is true, some points in which cooperation between management and labor will not be possible. The theory of the economy of high wages is demonstrably correct, but we must recognize that wages and profits cannot advance indefinitely. A point must inevitably be reached where an increase in one must result in a decrease in the other. But reasonable men on both sides, when acquainted with the facts, will be inclined to adjust their demands in such a way as to avoid reaching the breaking point. Therefore, we must regard Mr. Green's proposal as one meriting the most thoughtful consideration. The president of the most representative and by far the largest labor organization in America has come forward with an offer of cooperation toward the achievement of the most cherished aims of the industrial technicians. Such an offer management cannot afford thoughtlessly to reject.

Fred J. Miller.[4] This paper is, I take it, an authoritative statement of a position toward which labor has been moving for some years past and it is certainly very gratifying.

Especially are we to be congratulated, I think, upon the fact that the new science of industrial management is thus recognized and credited with being an important if not *the* most important factor in showing the way to a new and very much better relation between employer and employee.

Those of us who are in the habit of facing the plain facts that are before us perceive clearly enough that organizations of almost every imaginable group of individuals having a common interest are the order of the day; and, whether we like it or whether we do not like it, workmen in many lines are now pretty thoroughly organized; and, so far as we can see, will become more thoroughly organized as time goes on.

This offer of organized labor to cooperate with the managers of industries in the promotion of industrial efficiency is exceedingly significant and encouraging, tendered as it is in recognition of the fact that, from the increased harvest thus to be reaped, labor's fair share will be the more easily secured in proportion as labor perceives that its interest lies in promoting that efficiency.

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