

any European country, so far as my knowledge goes. In Europe there is much groping about and confusion regarding the proper functions of management and its proper relation to labor. The confusion has become particularly confounded in Russia. So long as the American labor movement is led by the clear head and sincere heart of Mr. Green, neither employers nor the general public need fear any confusion of council or confounding of issues.

May I venture to express the hope, however, that in according place and prominence to management in industry, Mr. Green will avoid falling into the error of visualizing all managerial functions as concentrated, and isolated in one individual or small group who do all the thinking, planning and ordering while the work of the worker is reduced to the simple, not to say imbecile, function of doing what he is told even when he knows it is all wrong. Indeed, we are all managers,⁶ more or less, in industry and out of it. Managerial ability can't be monopolized by the managers, nor is it desirable that it should be. The good manager will see to it that his managerial arm is lengthened and strengthened to the utmost possible by calling upon the vast reserves of latent managerial skill lying dormant and unused among the workers in his establishment. Industry is a cooperative enterprise to which each should contribute according to his ability. While the managers must necessarily contribute the highest forms of managerial ability, it is neither possible nor desirable that the workers be deprived of all opportunity to exercise judgment and control over their own activities in achieving the results desired. By calling into play the brains and abilities of individual workers, their jobs can be made more interesting, production can be greatly increased, and the chief cause of discontent, unrest, and open warfare in industry will be eliminated. These are no vain words, painting on the circumambient atmosphere an impossible picture of an idle prophecy of the industrial millennium. They are but a brief and inadequate statement of what has already been achieved in several of the most progressive and advanced industrial establishments in the United States.

Mr. Green, in inviting employers and managers to cooperate with the workers in attacking the problems of industry and pledging the active support of labor in seeking solutions for these problems, has men-

tioned several of the most important fields for study and experimentation. Among these are the problems connected with employment and unemployment and the problem of standardization of output. In this plea for a pledge of cooperation in attacking industrial problems I take it that Mr. Green means full cooperation in needed research as well as cooperation in setting up committees of conciliation, mediation or arbitration. In closing, I want to repeat that this meeting seems to me one of the greatest importance and promise. Strength to your elbow, President Green, and to the elbows of all associated with you in your efforts to bring about order for chaos, stability for instability, peace for war in the world of industry!

Spencer Miller, Jr.⁷ Mr. Green's address this evening is an historic statement. As President of the American Federation of Labor, and as the official spokesman of labor in this country, he has frankly recognized the role of management as a functional part of modern industry, and, as frankly, has invited the recognition of the trade union movement as a constructive and functional part of industry as well. He goes further. He tenders officially an offer on the part of labor to cooperate with management in the development of such research or joint projects as will make industry of greater service to the public. Here and there in this country we have within the past few years had a few outstanding developments of union-management cooperation, as for example on the Baltimore and Ohio Railroad which have demonstrated the fruitful character of the very type of cooperation that President Green invites. But, by and large, there has never been, in my memory, such a genuine tender of cooperation by labor to management as we have heard this evening. It is an endorsement by labor of the past accomplishment of such cooperation; it is a promise for better industrial relations in the future.

There seems to me, furthermore, to be a certain parallelism between the development of constitutionalism in industry and in the political state. The frank recognition of the Third Estate by the other two estates was, in the words of a great historian, an event of transcending importance. For this very recognition of the status of each estate in the administration of political government brought about important divisions of functions and placed administrative responsibilities upon each. And when these

⁷Secretary, Workers' Education Bureau of America.

Estates arrived at a basis of active cooperation you have the beginnings of a more responsive and responsible government. The same thing, I believe, is taking place in industry, and President Green's address and offer is a challenge to management to take the next forward step not alone, but together with labor.

If I may carry this historical analogy one step further, the recognition of the Fourth Estate—the Press—in government, often ascribed first to Edmund Burke, that staunch champion of American liberties in the British House of Commons in the closing years of the eighteenth century, finds a parallel in the recognition of the force and power of public opinion in the character of industrial relations and industrial government. The importance of public opinion in every industrial situation, I am sure Mr. Green himself would be among the first to admit.

There are but three brief observations that I should like to make about the social consequences of cooperation in industrial relations, to supplement the points already raised in the discussion. And the first deals with the whole question of leadership, whether in the state or in industry. In the modern world, leadership rests not upon mastery, but upon influence. Cooperation seems to me to be a technique that is best devised to sustain such a leadership of influence for reasons that will be obvious to you all.

In the second place, cooperation in industry implies equality not necessarily of ability to manage industry successfully, but of interest in its successful management. This stands as one of the most important results of cooperative relationships. It is the report of those who have succeeded, in spirit as well as in fact, in developing industrial relations on this basis. It accounts, from my observation, for the high standard of morale on the Baltimore and Ohio Railroad.

There is, finally, one part of this address that I believe we will do well to ponder upon, because it deals with the underlying ethics of industry. I refer to the idea that cooperation is not only a method of procedure, but is a goal if we believe that it is the function of industry to serve the community. It is not then that, in the words of Shakespeare, "The play's the thing," but rather that *The Inter-play's the thing*. In a word, when we can begin to integrate the various groups in industry together around such a common cooperative purpose, it will be well for the groups and for industry; it will be well for the community also.

Sanford Thompson.⁸ Trade unionism can never be fully successful unless, and until, the daily problems that confront the workers and the management are settled on a basis of fact, not opinion.

Mr. Green, in his paper, indicates his appreciation of the fundamental importance of the scientific treatment which alone can solve these problems.

The broad problems of labor relations, health, safety and research are matters of prime importance for mutual consideration by the management and the workers. The apparently smaller features involving the work during the entire day and every day of the week which affect the returns for service rendered and the conditions under which the work is performed, are of even greater moment. Along these lines, therefore, is one of the most needful fields for cooperation. I wonder if those of you who are not associated with industry, or perhaps even some of you who are plant executives, have a conception of the important place that the little Yankee word "guess" occupies in the conduct of our business today. It is utilized in fixing piece-rates. It frequently adjusts day wages. It even may govern the determining of company policies.

Considering particularly the features affecting earnings, we find in the iron foundries, for example, a widely accepted method of setting approximate piece rates so that they bear little relation to the amount of work done upon different weights and shapes or to the time required by the molder.

In clothing manufacturing, the work of determining correct standards of production is scarcely begun and in only a few scattered localities.

In the coal mines, although a schedule of rates is worked out, much work is carried through without definite planning. The amount of payment for certain operations, such as handling of rock, is often based entirely on the snap judgment of the foreman.

Shoemaking we think of as one of the oldest of the trades and yet nearly all piece rates are figured on the basis of guess and bargaining between the workers and the management. As a result there is rank inequality in the amount of pay for different operations which may be quite similar in character.

All of this is no indictment of trade unionism. The non-union shop is no better than the union shop as to accuracy of rate fixing methods. We can see, however, the wonderful opportunity in which the workers can unite in the satisfactory adjustment of these so

⁸President, The Thompson & Lichtner Co., Management, Research and Construction Engineers, Boston, Mass.

⁶See article "Who Can Hire Management" by Henry S. Dennison, *Bulletin of the Taylor Society*, Vol. IX., No. 3, June, 1924.—Editor.