

Union-Management Cooperation in the Railway Industry¹

A Case Presentation of Effort Towards Stabilization

I. By OTTO S. BEYER, Jr.
Consulting Engineer

II. By BERT M. JEWELL
President, Railway Employees Department
American Federation of Labor

III. By SIR HENRY WORTH THORNTON, K. B. E.
Chairman of the Board of Directors and President
Canadian National Railways

Introductory Remarks of Frederick H. Ecker², Presiding

THE associated societies under whose auspices you have gathered here extend to you a cordial welcome. Your response to their invitation is most gratifying; owing to this unusual weather, even for New York, and the extent to which this storm has doubtless prevented many from coming who would otherwise have been here, perhaps I should say with more emphasis than I should otherwise that your presence testifies to the importance of this meeting.

The full significance of the meeting must, perhaps, come in retrospect, but we know in advance that it is significant in at least two respects.

In the first place, it is to be the first complete and authoritative statement of the ideals, methods and results of a great experiment in labor-management cooperation—an experiment under way on four great railroad systems, the Baltimore & Ohio, the Canadian National, the Chicago & Northwestern, and the Chesapeake and Ohio systems. Involved directly are 40,000 miles of Class 1 carriers, and 45,000 employees; and

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²Vice-President of the Metropolitan Life Insurance Company and President of the Chamber of Commerce of the State of New York.

indirectly, the families of these employees, the business affairs of the communities in which they live and through which the roads operate, and the great financial interests concerned. The facts to be recorded here by men of authority and distinction are of significance to all American industry.

In the second place, the spirit in which this meeting is held is of even greater significance. It is the spirit of cooperation; it is the spirit of social service; it is the spirit of engineering science. Prejudices and controversies have been laid aside, and representatives of two great functional industrial groups have come together "to consider," in the words of the representative of labor, "in a dignified, detached and scientific atmosphere, the first organized steps in the actual realization" of certain ideals.

At the recent Atlantic City convention of the American Federation of Labor certain resolutions were passed which attracted world-wide attention; resolutions which in effect declared that labor is ready to cooperate with ownership and management in eliminating waste in industry and generally in improving and regularizing industrial operations. At a meeting of the Taylor Society in December, William Green, President of the American Federation of Labor, in a noteworthy address reiterated the spirit of those resolutions. We regret that prior official engagements have deprived us of Mr. Green's presence on this platform, but he is ably represented. Now comes this meeting at which in calm, dispassionate and engineering research manner, the facts of a great cooperative effort to give expression to the spirit of those resolutions are to be put on record.

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I. The Technique of Cooperation

By OTTO S. BEYER, Jr.
Consulting Engineer

Theory of Union-Management Cooperation

UNION-MANAGEMENT cooperation in the railroad industry must meet seven basic requirements. These are:

1. Full and cordial recognition of the standard unions as the properly accredited agents to represent railroad employees with management.
2. Acceptance by management of the standard unions as helpful, necessary and constructive in the conduct of the railroad industry.
3. Development between unions and management of written agreements governing wages, working conditions and the prompt and orderly adjustment of disputes.
4. Systematic cooperation between unions and management for improved railroad service and elimination of waste.
5. Stabilization of employment.
6. Measuring, visualizing and sharing fairly the gains of cooperation.
7. Perfection of definite joint union-management administrative machinery to promote cooperative effort.

Necessity for Union Organization and Collective Bargaining

The necessity for the first three requirements arises from the fact that before employees can cooperate on a collective basis with management, they must be united in an organization which can give effect to their collective desires and functions. Obviously when the relationship between employees and company is simply on an individual contractual basis so that wages, conditions of work and hours of employment are strictly a private matter between each employee and the company, there is little if any basis for organized employee cooperation with management.

The situation in the case of employees functioning under "employees' representation" or "company union" plans is not much better. Such plans either have been brought into being by management or exist by sufferance of management. Employees organized under these plans have had little or no training in

overcoming obstacles and do not enjoy the support of affiliated workers and organizations in other industries. Hence, their organizations lack the capacity, experience, discipline, leadership and power of initiative to mobilize the collective faculties of their members to cooperate effectively with management. Their unwillingness or inability to organize themselves independently and win recognition for their independent organizations attests to their basic incapacity to build the very foundation upon which cooperative effort must rest. Furthermore, without independent leadership and without the assurance that their organizations will safeguard for them their share of the gains of cooperation, company union employees can have no confidence in the company union type of organization. They cannot be sufficiently encouraged and will not feel properly inspired to participate enthusiastically in a program of cooperation.

Thus it is that the requirements of employee organization are not adequately met until the standard unions of the railroad employees are properly recognized by management on the basis of genuine collective bargaining. Where this condition prevails there has come into being an organized relationship between management and employees which has usually been of slow and difficult growth. It has had to justify itself at each step of its development, both to management and to the workers. The roots of its existence go deep into the structure and tradition of the railroad and its personnel. In simple words, where real collective bargaining exists, it has come to mean a great deal to both railroad officer and employee. It has come to be an integral part of railroad administration.

With the gradual establishment of collective bargaining has come also the development of leadership on the part of the organized employees. The necessity for conferring with representatives of management has imposed the necessity of selecting men with definite ability to represent the employees. Collective bargaining has precipitated distinct types of local union organizations with business-like ways for carrying on their activities such as holding meetings, electing officers, raising funds, extending organization and