most promising means for emerging from under it. In March, 1925 the Shipbuilding Employers' Federation and the Shipyard Trade Unions instituted a joint inquiry into foreign competition and conditions in the depressed shipbuilding industry. After the appointment of joint committees, the collection of pertinent data and the holding of twenty-two meetings conclusions and recommendations were agreed upon. They included several recommendations for government action, summaries of facts on wages and prices, the encouragement of piece work and the introduction of labor saving devices, reforms in the demarcation of work, and improved time keeping. Certain of these recommendations have been receiving practical application in the industry.

It was inevitable, too, that the long development of the newer types of joint relations machinery should bring with it gradual changes of attitudes. It is too generally taken for granted, for instance, that British workmen still retain their early objections to piece work and the introduction of technical improvements. The truth appears quite otherwise. Payment by results is steadily increasing; and at times the representatives of the unions themselves press for its extension. They all insist, of course, that the workers should be safeguarded against abuses with which their past experience had familiarized them—speeding up, reductions in the rates when earnings increase, and arbitrary determination of standards. In the same way some of the most powerful unions today are actively urging the adoption of technical improvements, again of course with jointly agreed safeguards for the workers. Employers in Britain repeatedly told me that they have no difficulty in introducing improvements of any kind provided they negotiate beforehand with the unions concerned.

But this evolution in labor's attitude toward industrial efficiency has been a gradual, unplanned process. What differentiates the new tendency emerging since 1926 from the quiet undercurrents of the years before is the manner in which emphasis on efficient management, and co-operation, are becoming the articulate program of many leaders on both sides. They seek today to gather up all the historic machinery and methods that had been developed during the past and turn them to the new service of constructive co-operation for the increase of production and the welfare of the nation. Where formerly collective dealings between employers and employed were concentrated upon the problems of dividing the proceeds of industry, today attention is being directed to possibilities of increasing the product to be divided.

The continued impotence of the old methods against the prolonged economic depression is of course giving substance and direction to the new tendency. We in the United States with our huge, protected home market find it difficult to grasp the strains and stresses of the seven years through which British industry has had to pass since 1921. Through a variety of causes the "workshop of the world" suddenly found the bottom dropped out of her chief export industries—cotton, coal, iron and steel, machine manufacture, shipbuilding — about which her entire economic life had centered in the past. The results offer a mixed picture of long stagnant export industries and prosperous home trades, the wane of old industrial areas and the rise of new ones, a continuing million unemployed and an increased standard of living among certain groups—all indices of fundamental shift and transformation.

In a sense it was but natural that the British people should refuse at first to accept these signs as indicating the need for new adjustments and a radical reconstruction of traditional methods. For years they hoped that lost markets would be regained, that former good times would return if only they waited and let things take their usual course. Under the circumstances, indeed, it is evidence of the stability of British industrial relations that this period saw so little upheaval. Yet although important industries passed through it without a major stoppage, although England called its industrial conferences, launched its inquiries, tried new methods here and there, the attitude of both sides up until 1926 was in the main a fighting one. Employers pressed for wage reductions, changes in working conditions, reduced labor costs, and backed their demands with threatened and actual lockouts. The unions accepted the logic of the times sullenly and watched doggedly for chances to recoup their losses. With the miners as the spearhead of the movement, their economic strategy was supplemented by broad programs of nationalization, reliance on political action, and vague demands for some ultimate control by the workers engaged in the various industries.

The ending of the General Strike, as I said, marks the turning point. Labor began to take stock of its old philosophy. Accepting the signs that told them plainly that capitalism was not slated for an immediate collapse, that instead it was showing everywhere evidence of vigorous recovery from the post-war chaos, the unions definitely prepared to try new methods. They began to do more intensive research; they looked into American experience. The result has appeared in the announcement of what may be considered a really new policy for the British trade union movement at the annual convention of the Trade Union Congress in Edinburgh in September, 1927. The President of the Congress, Mr. George Hicks, set the keynote of the new policy in his opening address when he said: ". . . . I would say that we are just at the beginning of the constructive period of Trade Unionism . . . . Much fuller use can be made of the machinery for joint consultation and negotiation between employers and employed . . . . A direct exchange of practical views between representatives of the great organized bodies who have responsibility for the conduct of industry and know its problems at first hand . . . . would bring both sides face to face with the hard realities of the present economic situation, and might yield useful results in showing how far and upon what terms co-operation is possible in a common endeavor to improve the efficiency of industry and to raise the workers' standard of life."

The Congress officially accepted this proposal. Now this in many ways is a remarkable change of front. For labor was on the whole in an angry and resentful mood because of the Trade Disputes and Trade Unions Act which had been passed within the year. This act, you will recall, deprives British unions of many liberties they had enjoyed since 1906. It makes illegal large scale sympathetic strikes, curtails picketing, prohibits government employes from affiliating with the Trade Union Congress, makes possible the use of the injunction in labor disputes, and threatens seriously to cut down the financial resources of the Labor Party. In resentment against this act the unions had refused to co-operate on several industrial proposals; the Edinburgh Convention itself had rejected Premier Baldwin's overtures for industrial peace. But within industry itself, and through their long established machinery of industrial relations, they expressed their willingness to co-operate in promoting efficiency to help Britain out of its economic crisis and to increase the workers' standard of life.

The first outcome of these overtures by labor is perhaps known to most of you. The official employers' association, corresponding to the Trade Union Congress—The National Confederation of Employers' Organizations—refused to meet for the proposed discussions. They took the position that whatever might be done to improve labor relations had to be done within the individual industries themselves. But Sir Alfred Mond (now Lord Melchett), who has increasingly assumed the leadership of progressive employers in England, succeeded in gathering a group who were willing to confer with labor leaders on "how to increase efficiency and improve the workers' conditions." Both employers and workers have suggested subjects for joint inquiry at the first meetings held. They included, among others, such issues as "Rationalization and Amalgamation," "Security and Status of the Workers," "Works Councils," "High Wages Policy," "Management and Labor," "Participation of Labor in the Effects of Increased Production," and "Publicity for the Facts of Industry." Subcommittees have been appointed to consider the agenda, the first meetings of which were held on March 21. Regular joint weekly meetings have been arranged.

Of course nothing revolutionary will come of these conferences. In a sense it is true that every industry must work out its own methods. Yet undoubtedly these conferences will clear the air of suspicion and may result in the adoption of guiding principles and methods to be used in specific industries. Discussion has arisen over the possibility of creating a permanent "Industrial Parliament" to carry on continuously the type of activity undertaken by these conferences. But whatever their concrete outcome, they symbolize the remarkable change that since 1926 has been carrying industrial relations away from their old, traditional war footing.

Let us turn now to Germany. While Britain today is just discussing methods of reorganizing industry to increase its efficiency, Germany has already made rapid strides with a program of extensive rationalization. In Britain the labor group is urging improved methods upon employers who are often reluctant to undertake the fundamental