

to management or to labor. That is my view of the matter. At present, it seems that nothing can be done about it except for workers to make an intense struggle for the organization which will give workers some degree of economic bargaining power. And those interested citizens who can influence public opinion should strive for minimum-wage laws or standards which will protect those who cannot protect themselves.

It seems to me quite out of the question for any single establishment, under present-day competitive conditions, to set up a given standard unless the industry in which it is operating applies comparable standards. I have no doubt that in every industry there are groups of employers who would like to apply higher standards than those that generally prevail, but they are prevented by the inevitable play of competitive forces from putting them into effect.

I am convinced, for example, that the program of the Cotton Textile Institute, which seeks to curb overproduction by barring women and children from night work in textile establishments, will inevitably defeat itself if another boom period should develop in the textile industry. There is, at present, no way in which the better type of manufacturer can safeguard himself against the small fellow in the Carolinas, Alabama, or elsewhere, who will run twenty-four hours a day when the opportunity arises. In the long run it will have to be some kind of organization of the workers, plus a great deal more legislative control than now exists, which will enable the cotton-textile industry and the Cotton Textile Institute to get out of the economic morass in which it is now fairly well embedded.

In conclusion, just let me say that I cannot see how any discussion on the subject of technological changes can avoid being very far fetched unless social control is also discussed. The protection of the skilled workers is an admirable ideal to advocate but utterly without hope of accomplishment except through strong economic organization, and organization can only exist in those industries where technological changes have made skill a factor. In the large mass of American industry today skill is not a sufficient factor even to enable economic organization adequately to protect labor standards.

Insufficient attention was given in designing the

Code to the emotional conflicts which develop between management representatives and workers' organizations under present conditions. Despite the fact that both might well recognize the theoretical solidarity of interest between capital and labor, this is almost impossible to achieve at present. Perhaps clearer recognition of that fact should be included in this study.

I strongly endorse the statement of Mr. Johnson that a more objective technique should be worked out by the foremen or supervisory force. It is right there that you are getting your greatest amount of harmful friction, and the responsibility is much more on management than it realizes at the present time. The foreman is the shock absorber that management uses to protect itself while it maintains a seemingly rather altruistic attitude. The insecurity of the foremen is also a tremendously important contributing factor in the emotional difficulties involved in conducting an industrial enterprise without friction.

These are difficult and serious problems which can only be overcome if consideration is given to the tremendous complexity of the economic and social factors which go into the making of the whole industrial structure.

James T. Young.* First let me say a brief word in appreciation of the Society's allowing outsiders to come and express their views. I think we should treat that courtesy with a great deal of consideration and I shall, therefore, make my remarks very brief. I want to call attention under Section III to the sentence, "Such an objective may be defined as supplying goods and services with the least possible waste of human effort." Then under Section X there is the phrase "with clear responsibility for functioning as a group in attaining the accepted objectives of the business."

We define the objectives and then ask that labor be given the privilege of accepting responsibility for one or all of them. I do not believe that labor wants anything of the kind. Organized labor especially has again and again disclaimed any desire to accept responsibility for the success of an enterprise. Beginning with the head of the miners' union, in correspondence with Mr. Stone several

*Professor of Public Administration, Wharton School of Finance and Commerce, University of Pennsylvania, Philadelphia, Pa.

years ago, down to the present there have been repeated statements that the employer is the one who accepts responsibility for the success of an enterprise and that organized labor does not participate or wish to participate in that responsibility. Mr. Gompers objected for many years, and very forcibly, to such responsibility on strong economic grounds.

Again under Section X the Code endorses labor's right to recognition as a party to collective agreements and further states that "any contract binding labor not to join an independent (standard) union should be deprecated." This means that the force of the Taylor Society is put behind the declaration that there should be no anti-standard union contracts.

That may be a very wise step, but I want to point out to you that before it is formally taken it should be expressed in a more elastic manner, so that those employers who wish to guide themselves by the accepted wisdom of this Society—and I think a great many will wish to do so—may find here a statement of principles which will adapt itself to the kind of unions they are dealing with. This is a rigid, absolute statement. In my opinion it should not be.

How ought this to be worded? I should say, let us not "deprecate." Such a statement should be made only when obnoxious, coercive action has been taken. The Code then goes on to say, "Furthermore the trend of the Courts is to the opinion that such a promise is against public policy and hence unenforceable."

The Supreme Court is among those that have shown a "trend." The trend is very clear cut in the Hitchman Coal case and in the Red Jacket Consolidated Coal Company case, which was brought to the Supreme Court on an application for review which was not granted. In both cases the attempt to violate a contract of this nature was before the Court and it showed no tendency whatever to overturn the contract. We could not accurately say, therefore, that it is now the trend of the Supreme Court to refuse to enforce these contracts. We here might vote unanimously against such contracts—and we probably should—but such a rigid, absolute statement commits your Society to a policy which no man here would have advocated in the Red Jacket case.

This case has been grossly misrepresented to the public. It was an instance of a union, closed-shop agreement faithfully observed on both sides until the surrounding mines in the neighborhood of the Red Jacket mine had a dispute with their union. The United Mine Workers then proceeded to close all the mines in the vicinity. When they came to the Red Jacket the latter protested that they had complied with all union demands and did not see why they should close. Under protest they were allowed to operate for a couple of months but were then closed with all the others. Only then did they take the extreme, drastic measure, which I submit your Society should allow them, of making an anti-union contract to protect their existence.

I suggest, therefore, that this phrasing be changed so that an employer following your advice would not be left completely defenseless.

Henry Tatnall Brown. Before we proceed to a general discussion I should like to make a few points.

Under Section I the statement is made that more than half the industrial enterprises of the country may find themselves below the requirements. I believe this should be changed somewhat as the inference is that the other half is up to or above these requirements. I hardly believe that such an inference is true. I imagine so few industries could measure up to these requirements that it occurred to me that an Industrial Code Club might be organized by the Code Committee—the requirements for membership in which would be 90 per cent performance in these matters, as judged by the Committee. This might inspire others to bring their organizations up to such a standard. Periodic dinners of the group, similar to the one arranged by the Industrial Relations Counselors for those organizations which have adopted unemployment insurance, would prove inspiring.

Having advanced these two suggestions, I now call for general discussion. I believe Mr. Cooke wishes to answer parts of Mr. Young's remarks.

Mr. Cooke. I am very much interested in Professor Young's statement as to where responsibility for management lies. I can recall being

*President, Brown & Bailey Company, Philadelphia, Pa.