

Mr. Bates: I would do just what some of our great leaders say. I would see that capital was used fairly, that those who got patents were used fairly, and I would give labor a living wage. I would pay whatever is necessary to those who make these great inventions which help us all, would give all of the two millions for several years, if necessary; but after that I would go on a basis of 50-50. I would not cut down the incentive to genius; I would give the man who had made a great invention enough to make him happy for life, enough for himself and future generations, but after that I would go 50-50.

Professor Mixer<sup>1</sup>: I think, for this Society in particular, this idea is pertinent: that the chief thing, in order to reduce the cost of living and advance the standard of living for labor and everybody, is standardization, worked out in each industry. There are more billions of wealth in that than in anything else.

Mr. John M. Bruce<sup>2</sup>: Mr. Chairman, it was pointed out that the conservatives and progressives had more in common than the conservatives and radicals. Possibly that is true. If it is true, the progressives have got to swallow up the conservatives, or the radicals will swallow them both.

Mr. Gustav E. Schultz<sup>3</sup>: Mr. Chairman, I should like to ask for information. In view of the discussion in regard to profit-sharing between labor and capital, I should like to know whether, if Bradstreet's figures are correct with respect to business failures, labor would share the loss on the 70 to 80 per cent of ventures that start and fail?

Mr. Cornick: Mr. Chairman, I am willing to answer that question. I will ask that you give labor credit for enough intelligence to know that if the entire earnings of capital should be divided among them, that would not permit them to advance their standards of life to the extent that they are hoping to advance them. That would be a matter, I believe, of a few cents, some twenty-eight cents. We want more than that. We want to get together with capital and executive forces and have this thing brought down to a unit where there is only one class, of which we are a part and you are a part, with the object of creating more wealth for us all. As far as losses are concerned, labor has had to bear the brunt whenever an industry has failed, and they are certainly game enough to take any responsibility in regard to losses

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<sup>2</sup>Vice President, Remington Typewriter Co., New York.

<sup>3</sup>Capt., Ordnance, U. S. A.

that might come their way.

Mr. Morris L. Cooke: Mr. Chairman, I am reminded that this is a management society. I listened to Mr. Otterson's address quite attentively. I did not notice that he criticized the so-called Rock Island plan from any management standpoint. That is, he did not point out any particular principle or mechanism that was involved that violates the creed of good management we all hold. Just for my personal satisfaction, I should like to ask whether there is anybody in the hall who sees anything in the plan outlined by Captain Beyer and Mr. Cornick that is inconsistent with what we hold to be the essence of good management?

The Chairman: I think you have heard the question. The inquiry is made whether anybody finds in the Rock Island plan outlined by Mr. Cornick and Captain Beyer anything obviously inconsistent with the principles of good management?

Mr. Edward W. Clark, 3d: Mr. Chairman, I would like to ask why we should put ourselves on record one way or the other until we know how it works out?

Mr. Cooke: A vote is not requested; is undesirable; but there are 500 or 600 people here, experienced managers and industrial engineers, and I think it would be an interesting thing to know whether in this audience there is anybody able to point out an obvious flaw in this scheme from a management standpoint. No matter what one's intimate opinion may be, if it is not possible immediately to put one's finger on an obvious inconsistency with good management, it certainly takes it out of any Bolshevik class and brings it out on the platform where one can discuss it freely without losing social standing.

The Chairman: Has anyone anything further to say on that particular point?

Mr. Hugh Archibald<sup>1</sup>: Mr. Chairman, I should say that the elected representatives of democracy are generally a bit above the average of the people constituting the democracy. At the starting of any scheme you find good men coming to the fore, but as time goes on the average of those men is liable to drop. I think that is a thing that should be borne in mind.

Mr. Cooke: I should like to ask Mr. Cornick a question: Whether you have in mind, whether up to date, you have taken any step, which would tend to take the administrative leadership out of the hands of what you might call the regularly constituted authority,

<sup>1</sup>Mining Engineer, Scranton, Pa.

or whether you have confined your attention to bringing to the attention of such authority matters which you think should be brought to their attention? In other words, do you still continue to see leadership under your plan as one continuous line of authority from the bottom to the top?

Mr. Cornick: Mr. Chairman, I could answer that question by just saying "No". But I am not going to do that. I think I may make it a little clearer by saying that a few days ago, when I had a conference with the Chief of Ordnance, we had a difference of opinion. He was of the opinion that I should be in the pay of the War Department, since the work I was doing was apparently for the War Department. I was not of that opinion, because I felt that I was freer to act, because paid by the employees. I think when this thing develops a little further it will perhaps be well to have the War Department pay. But I told him he would not have any more control over my feelings and actions were he paying me than at the present time. He said perhaps not, but that there was one thing he could do; he could fire me. But I called his attention to the fact that that was all he could do, and my job there was to do my part in building up a healthy spirit of cooperation between the Ordnance Department and the workers; that we had representatives there in the arsenals of whom that was their duty; that formerly we had chosen the labor leaders because they didn't have sense enough to be afraid of anything, had chosen them because of their courage; that the nature of the problem had changed, and that if I was so constituted that I could not cooperate with them I was not fulfilling my mission, as representing the employees in Washington, and I would be just as willing to withdraw from the plant as he would be to have me go; that his power of discharge in that case would be absolutely unnecessary and useless.

Mr. Henry S. Dennison<sup>1</sup>: Mr. Chairman, I have learned that I am running for office in this Society. Being somewhat nervous with regard to its prosperity, I want to do what I can to prevent my being elected, so I am going to make one statement. It has seemed to me that this Taylor Society has one prime interest in the subject before us tonight, one which it cannot afford to overlook and one which ought to be expressed. I shall express my own views upon it. From my own experience of scientific management, and from general considerations also, I believe that

<sup>1</sup>Dennison Manufacturing Company, Framingham, Mass.

the work which Mr. Taylor started cannot go much farther without taking labor into full account and pretty nearly full partnership. The advancement of the ideals which this Society stands for is dependent upon our recognizing the share which labor must have in management. It is not designed that labor shall take over the reins. Labor itself does not expect that and is the first to reject it. It is to be a difficult and a slow retail job, and because of that I urge that the members of this Society give to the subject of management-sharing a very important part of their time and attention.

Mr. John M. Carmody<sup>2</sup>: Mr. Chairman, I want to make just one observation in connection with Mr. Cooke's question to one of the speakers of the evening, and that is this. I wonder whether or not, if those men prove themselves to be more efficient in the operation of the arsenal or any other plant, there is any good reason why constituted authorities should be continued, if we are going to continue along the lines of democracy and efficiency?

The Chairman: Does anybody wish to answer that? Or does everybody wish to answer it for himself, to himself?

Mr. Kendall: Mr. Chairman, if that word of harmony seems unanswerable here, I want to bring up another subject. It would seem to me unfortunate if this meeting were to break up without taking some affirmative action in the matter of definitions. I have recently experienced not a real labor difficulty but what might be called a near labor difficulty, through the matter of definitions. I think the Society might make some effort to make a list of terms, or a dictionary of terms, which should be a very important part of its terminology. There are two names in industry which to my mind have had associations from childhood which it is hard for me to get away from. In my early childhood I was more or less brought up on Bible stories and "Uncle Tom's Cabin," and when I became a textile manufacturer in a small way I tried to change the term "overseer" to "foreman" in a couple of cotton mills. I have not been successful in that. I always think of an "overseer" in connection with "Uncle Tom's Cabin." I also remember about the Egyptians trying to compel the Israelites to make bricks without straw, and the word "task" is still objectionable to my mind. Neither do I like the word "bonus". I am going to suggest that this Society

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