

somewhat crude ways to cancel and nullify those evil influences. But we face a very persistent, a very real, a very active difficulty arising out of the inequality of bargaining power of the employer and the individual employee.

I say it is important. It is especially important because the sense of injustice is brought to light every week in the payroll. To the laborer it is especially important because as a usual thing a laborer is close to the margin of subsistence, and small differences mean more to him than similar margins in the price of cotton or paper would to the employer.

It is, therefore, fundamentally important that by all possible means inequality of bargaining power be remedied, or be nullified so far as possible. Of course they can be nullified, you will see, by wisdom on the part of the employer. That can be done in individual cases, but it is not to be reasonably and sensibly expected from the whole body of human beings who are and will become employers. We have little in the past to teach us that there will be breadth and generosity of attitude displayed on the part of any considerable group of men with the power in their hands which the present situation represents.

The inequality, of course, resides practically in this fact; that in bargaining with an individual workman, say in a factory of 1,000, the workman is exposing his whole stake on the bargain while the employer has at stake one-thousandth of his interest in that particular subject. As a practical matter, of course, we all recognize our power with the individual employee, although, of course, we do not always exercise it.

So it seems as if the only permanent remedy is the organizing of the workmen into collective units of one sort or another, so that with the whole group bargaining together with the employer, there would be represented on both sides an equal stake. The employer stands to lose all of his employees, just as each one of the employees stands to lose all of his job.

There are the two ways to organize employees, through the trade formation and through the shop formation. Without going too deeply into the reasons therefor, let me express my own view; that both of those forms will prove to be essential to sound social structure.

On the one hand, the shop union will offer for the individual plant the greatest advantages for cooperation, for getting ahead, for improvement, for the development of good relations; but it will have the fundamental weakness, if left alone, that the workers will be too much within the power of the employer.

It will be, as a matter of fact, too easy under stress of national and international competition, almost to do away with the organization of workmen if the shop union is all that there is.

The trades union offers a defense of the workmen's interest which the shop union has not. But it loses almost entirely, I think, that opportunity for cooperation, that opportunity to develop good will and effective partnership which the shop union has.

There are instances of trade unions working closely with employers, and undoubtedly there is a promise that there can be closer working than there has been in the past. But there are not cases in sufficient number to warrant our judging by past results. We must judge by such reason as we can apply to the subject, and it seems clear to me that the workers cannot expect sufficient strength from shop unions, nor can we expect sufficient cooperation from trade unions. Undoubtedly we shall have both those forms, as they are the warp and woof of the labor structure.

So I took as the point of view—I don't know whether it is a middle course, but certainly it asked something from each side which it was apparently unwilling to give—that there should be the two alternative channels of mutual dealing—the trades union and the shop union.

There is much to say for the existence of alternative channels of dealing. The likelihood of any one channel turning too much in favor of one party or the other is very much overcome by the possibility of turning to the other channel. Each of those forms of unionism will serve, to my way of thinking, as a valuable check upon the other.

I want to say a word about the necessity that I believe rests upon employers of receiving, of making an honest attempt to deal with, any sort of representative that any group of their employees wishes to choose; and I am perfectly sensible of the employers' point of view, that dealing with a man from a national labor union may frequently be dealing with a man who has not the interests of his employees at heart, but has simply the interests of the national union; and the two may not coincide at any given moment; also, that he may be dealing with gentlemen of a red complexion, or with men of no knowledge of his particular conditions.

Nevertheless, if we as employers put any limitations whatever upon the right of the employee's choice of representative, he has not a free choice. And if we are to have collective bargaining, it is absolutely essential that there must be a free choice. If they choose

to hang themselves by choosing any sort of a representative, red or pink or striped, that is the freedom that they must have in order to work out their salvation.

And as a matter of fact, this choosing of representatives, wherever unions have gradually developed constructive dealings with employers, has been done reasonably wisely; the roughest choices are made only where the bitterest fighting exists.

So my own point of view in the statement which I made, was that I felt that in the interest of the best development of industrial relations employers have absolutely no right to refuse to deal with any representative which their employees or any fraction thereof might choose. The dealings might be short, many times would be unsuccessful. But the employer has no right to prejudge the man who has come to represent his employees.

Practically no chance whatever was given to do any constructive work at the conference. We had a committee, of which I was a member, which had just one hour of work. Three men from each of the groups were members of the committee; but in that hour we came to an agreement absolutely unanimous upon a not unimportant matter, and the spirit of working together in those smaller committees was delightful and very hopeful. And if by any conceivable tactics we could have stalled and staved off that fighting question, the steel strike, so that some of the committees could have gotten to work and spent a few days together, I am convinced that we should have gotten together. We should have had many points of difference, many points upon which there would be three different resolutions; but I believe that, nevertheless, there would have been some important details of the industrial problem which we could have virtually agreed upon and sent out as an acknowledged step which must be taken.

The present conference may or may not be found to have what will be considered success. It is to my mind essential that it should be called, and it is not unlikely that it will make a contribution to the subject. When it is over and the subject has had a decent time to rest, whether it be successful or otherwise, I should suggest calling another. The depth of ignorance, the depth of misunderstanding on the subject, is such as to warrant a dozen more conferences to start us going on a road which we know we must travel but which, unfortunately, we know too little how to travel.

I hope conferences will go on, and, of course, I more deeply yet hope that this Society by the work of

its individual members, by the work of its meetings and its committees, will make its peculiar contribution; because after all, notwithstanding the importance of collective bargaining and all the rest, I do place the greatest emphasis upon efficient management.

Without efficient management any system of industrial relations will go wrong, be it shop committees or profit-sharing, or anything else you might mention. With efficient management—there are already conspicuous examples of success in industrial relations in plants which have no conspicuous system for dealing with employees.

It is fundamental and essential that the work to which this Society devotes itself should be carried along to the very utmost of our strength.

II.

IDA TARBELL

How we went to pieces at the Industrial Conference on the principle of collective bargaining has been explained by Mr. Dennison.

We were sent there, as I think you know, to deal with the future. The President's call was specific. He asked us—and here I am quoting from his call—"to try to find some common ground of agreement and action with regard to the future conduct of industry." The conference was asked to concern itself not with the old but with the new phases of industrial organization.

Because of the comparatively few moments the conference was allowed to deal with the future some of the things which were in the minds of the members did not come out. They did not get to the public clearly and I think the public at the end felt that the members of the Industrial Conference had no ideas for a plan for the future conduct of industry. It is not quite fair that the conference should go entirely out of mind without examining this point, and I have made a rough sketch of some of the things which did come out and which might have been used if we had had the opportunity.

You know how we functioned. We were made up of three groups. The procedure was this: Each individual had the right to present any resolution that he wanted to get before the conference to his group. If the group thought it relevant, it could go to the floor of the conference, and be passed from the floor to the general committee and then assigned to a sub-committee.