ter containing the following question. *"Taking for granted the principle of collective bargaining and the careful maintenance of existing agreements between employer and union, do you favor close cooperation between organized labor and management in maintaining efficient methods of production, and in eliminating industrial waste?"*[9]

I must confess that I sent out this letter anticipating only a partial response, and fully expecting that whatever replies I did receive would be of an extremely cautious and non-commital character. The response, however, was quick and sympathetic. The replies came, for the most part, from the International or General President of each organization, and with the exception of two which are anomalous in character, these letters strongly endorse this new spirit of cooperation and express great readiness to assist it in every practicable way. I wish that time would permit my reading all these letters[10] aloud, but as it will not, I shall reproduce only one which seems of special significance, and shall then dwell briefly on its contents. The letter in question is from International President William H. Johnston of the International Association of Machinists, an organization with 103,000 members, and it runs as follows:

My dear Mr. Brown:

I have read your letter with a great deal of interest and in reply wish to assure you we welcome the assistance of all students of industrial affairs in developing a better understanding between employers and employees and establishing a real spirit of true cooperation.

Replying directly to your question I will say that we do favor, without reservation, close cooperation between Organized Labor and Management in maintaining efficient methods of production and in eliminating industrial waste. We believe that the workers in industry are the ones who suffer most for the waste and lack of efficiency in modern industry.

In order that you may have my views on this question I am sending you under separate cover a copy of an address which I delivered before the Seventh Annual Conference of the International Y. M. C. A. held at Silver Bay in August of last year . . . . . You will note the subject is "New Policies for Modern Conditions."

Under separate cover I am also sending you an article reprinted from the *Railway Age,* entitled "The Employee Morale Problem of Our Railroads," by O. S. Beyer, Jr., and an address delivered by myself entitled "Cooperation—Organized Railroad Labor's Contribution."

Trusting that this will give you a comprehensive idea of the advanced position of our Organization, I remain with best wishes

Very truly yours,
(signed) William H. Johnston,
International President.

The two printed speeches and the article referred to deal comprehensively with results from the union-management cooperative plan inaugurated in February, 1923, by the joint efforts of President Johnston and President Willard of the Baltimore and Ohio System, and introduced into the shops of that railroad. Similar plans are now being rapidly developed on the Canadian National and Chesapeake and Ohio Railways. The details of this plan and the results thus far obtained on the Baltimore and Ohio are so interesting that I feel justified in reproducing the following excerpts from Mr. Johnston's Silver Bay Address.

The foundation upon which this new policy rests is simply cooperation for mutual interest. In order that this may be realized these five important steps must be agreed to.

First—Full and cordial recognition of the shopmen's *bona fide* unions as the properly accredited agents of the employees.

Second—Accord to our unions and their representatives constructive, as well as protective, functions in industry.

Third—Agreement between our unions and management to cooperate for improved public service.

Fourth—Agreement to share fairly the consequent benefits in steadier and more employment, better working conditions, and larger yearly wage incomes.

Fifth—Perfection of definite joint union-management administrative machinery to accomplish these purposes.

Mr. Johnston then briefly elaborates and explains each of these five steps. I will reproduce only step two and step five as thus elaborated and explained.

Step Two—Accord our unions constructive as well as protective functions in the operation of industry, means the enlargement of the scope of collective bargaining. Where we now enjoy recognition and have agreements with management our task is simply to negotiate wage rates, working rules and to prevent injustices to our members. This is our protective function. Since, however, industry will afford better wages and working conditions when waste is reduced, we are ready through our organization to join with management in the elimination of such waste. In short, we expect industry to provide us with an increasingly better standard of living and we are prepared to help industry to do it. At the same time we are also prepared to help industry better its services to the public. This constitutes our constructive function.

Step Five—Establishment of joint machinery of cooperation, really means doing something practical about Step No. 2, that is, "according the unions constructive functions in management." Thus, in railroad shop service the regular local system committees of the organized shopmen confer at regularly appointed times with parallel committees representing management. These conferences consider matters of shop policy and operation, such as job analysis, better apprentice training and education, scheduling and routing of work, balancing of shop forces, hiring new men, developing new lines of work, stabilizing employment and providing better tools and equipment. The machinery of cooperation is in addition to that which usually prevails for the adjustment of wages, working rules and grievances. The latter matters are handled as they always have been, namely, by the regularly developed machinery which has become virtually standard under collective bargaining.

Mr. Johnston's report of results, after more than a year of successful operation under the cooperative plan, is as follows:

You may say, "It sounds good, but does it work? Is it practical?" We have carried much grist to the mill since the policy of cooperation was first introduced in the Glenwood Shops of the Baltimore and Ohio Railroad, and in that case the theory of union-management cooperation has proven sound. The workers and railroad have both benefitted; the shopmen by steadier work, recognition of organizations as worthy parts of the structure of their industry, improved working conditions, increased yearly wage incomes, fewer grievances and better equipment and methods for doing work; and the management by steadier production, better quality of work, greater economy of material, increased output, new business, less labor turnover and better shop morale. The public, too, has benefitted through better service, less delay and safer travel.

We started in one shop of the B. & O. It developed so well that it has been extended to every shop on the road, forty-five in number, and last year the operating expenses on the Baltimore and Ohio were much less and they got more miles out of their cars than any other road in the eastern country. The work was done well and everybody has benefitted thereby . . . . . Sir Henry Thornton, President of the Canadian National, and a number of other railroad officials are waiting for us to help them get the plan started.

These are the general results reported by Mr. Johnston last August (1924).

Returning to the Hoxie analysis with its alleged incompatibility between trade unionism and scientific management, it would seem that this incompatibility loses somewhat in force when subjected to a close examination, and that if the possibility of cooperation between organized labor and management be admitted, it disappears entirely. Briefly restated, it is that trade unionism exists solely by virtue of its ability to maintain a fixed industrial situation and conditions over a definite period of time, while scientific management can function only on the basis of constant and indefinite change of industrial condition. The trade union, in its protective role, has been concerned largely with bringing external pressure to bear on the general economic situation so as to secure for its members favorable contracts as to basic wages, hours of work and working conditions. Scientific management, on the other hand, operates within the general economic situation, accepting wages as determined by the law of supply and demand, and then reducing labor cost by increasing productivity through improved equipment and methods. I can see no fundamental reason why these two processes, protection from without and development or evolution from within, cannot cooperate and function together. Thus *protective* features such as minimum wage rates and hours of work may still be established and maintained through general contracts—while the *dynamic* or *evolving* side of production such as the inevitable development of better equipment and improved productive methods, may be guided and controlled by joint committees representing labor and management along the lines of the Baltimore and Ohio plan, or by some other suitable joint arrangement. The general contract may be periodically revised as the need arises.

That Professor Hoxie recognized in scientific management and organized labor two forces which must in the nature of progress find a common ground is indicated by one of the closing paragraphs in his report to the United States Commission on Industrial Relations, submitted in 1915 after a thorough investigation into numerous industries in which principles of scientific management were in actual operation at that time. This is the paragraph:[11]

The fact to face is that your commission is dealing in this matter, with two forces neither of which may nor will be sacrificed to the other. Also, conflict between them would simply be marking time against the inevitable. It is in the nature of things that they both live and fructify. How, then, may they develop together?

It would seem that this question—"How may they develop together?" propounded nearly ten years ago, and inescapable in its demand for an answer rising superior to old prejudice and narrow class feeling, is,

[9] The list of officers to whom this letter was transmitted included the following in addition to those quoted on page 138: F. A. Rickert, General President, United Garment Workers of America; Hugh Frayne, General Organizer, American Federation of Labor; A. J. Berres, Secretary-Treasurer, Metal Trades Department, American Federation of Labor; Arthur Austen, Secretary-Treasurer, International Brotherhood of Foundry Employees; E. C. Davidson, General Secretary, International Association of Machinists; E. Lewis Evans, Secretary-Treasurer, Tobacco Workers International Union; B. A. Larger, General Secretary, United Garment Workers of America; Sara A. Conboy, Secretary-Treasurer, United Textile Workers of America; Martin Lawlor, Secretary-Treasurer, United Hatters of North America; C. L. Baine, Secretary-Treasurer, Boot & Shoe Workers Union.

[10] Typical letters or excerpts from letters received from labor union officers in addition to that of President Johnston are printed in an Appendix on pages 138-9.

[11] "Scientific Management and Labor," Appleton, 1915, page 137.