

ployer. And if I myself am known beyond the broadcasting range and outside the special wave lengths of our Dennison advertising department, it is as none too charitable to the employer when his responsibilities and opportunities are in question. But on this fortunate and deeply valued occasion the Taylor Society expects to give the poor chap an earned respite.

So much for the Taylor Society. It stands, in a word, for the high destiny and unlimited responsibility of business management to inspire and coordinate the finest efforts of all parties to our economic undertakings towards the broadest advancement of mankind. Strife it accepts, but in the insistent faith that growing wisdom can raise the planes of strife.

Address by William Green

THE marvelous growth and expansion of American industry is due to the stimulating influence of private enterprises and personal initiative. The call of industry meets with a most hearty response from adventurous men, for there is something fascinating and attractive about industry which appeals to their genius and imagination. Hope of financial reward and material gain may be the incentive which inspires action, but risk and uncertainty always cast their shadows over the establishment and progress of every business experiment.

These uncertainties are offset by the qualities of personal initiative and confidence in the ability and resourcefulness of the human factors involved. Faith and confidence in humanity form the basis upon which industrial progress rests. Invention and experimentation contribute to material prosperity but intricate machinery and arduous research are of no avail if personal skill and technique are lacking.

Modern industry represents the development of an important phase of our civilization. Its contribution to the welfare and happiness of the people bears tribute to the worth and soundness of our civilizing processes. With all its imperfections the so-called capitalistic administration of industry is the best of any thus far devised. Under the present form of industrial administration a high degree of perfection has been attained, but even greater and more effectual progress can be made if the owners of industry and those who exercise financial control over it are sagacious enough to sense the trend of public thought and the attitude of the public toward industry.

And, ladies and gentlemen of the Taylor Society, may I make known to you William Green—miner, district president and then treasurer of the United Mine Workers of America; state senator and author of Ohio's Workmen's Compensation Law; vice-president and now president of the American Federation of Labor. His works have acclaimed him a lover of strife upon the highest planes, a believer in the great opportunities of business management, a friend of our faith with whom we can hold fruitful consultation in scientific mood. And with all his titles and honors, we tonight shall regard him chiefly as the very human leader of some millions of very human friends of ours, and as our honored and respected guest. Mr. Green—

There are many manifestations of a prevailing public desire to improve upon our present system and methods through the development of a higher degree of coordination and cooperation among all the units of productivity. There is no evidence of any disposition on the part of the people to invade the field of hazardous uncertainty by substituting some other system for the one we now have. They want improvement, not retrogression. They believe this can be accomplished through the elimination of abuses which have crept in and through the correct solution of the industrial problems which are faced by all those associated with industry.

This leads us to a consideration of the numerous factors associated with industry. They are varied, each contributing to the exigency and to the success of the endeavor. The three important factors are capital, labor and management. The others are of minor importance and of lesser consequence.

Not until recently was management considered of great importance. Formerly capital and labor were regarded as the only essential factors. This view prevailed during the period when the relationship between employers and employees was of a more personal character. It must be relinquished because financial changes have taken place until now, through the diversified ownership of corporations, management control has supplanted personal ownership control. This brought with it the formation of new relationships and the assumption of new responsibilities.

Labor is intensely interested in this changed relationship because it is directly affected by it. It is

facing the facts which this change has brought with it in a spirit of goodwill. It hopes and believes that this changing process will result in industrial improvement and human betterment.

The primary purpose of management in industry is to control and direct the forces of production in such a way as to secure the highest returns possible upon the capital invested. The methods through which this objective may be realized have been the subject of universal study. Originally it was assumed by employers that the only way by which earnings could be maintained on a satisfactory level was through the establishment of low wage scales. Financiers held that high wages and fair dividends were incompatible; that earnings could be increased only through reductions in wages. This concept has been forced to give way under the searching analysis of modern thought and study.

No longer do we accept this wage theory. Instead it has been shown that production costs may be reduced while wages are being increased. Management is very largely responsible for this achievement, not altogether, perhaps, because there are other factors in industry which contribute in full measure to the accomplishment of this result. Each and every factor deserves full credit for the part it plays in lowering costs and increasing wages.

The power of decision and direction in the formulation and execution of policies lies with management. It is the agency which is charged with responsibility and is held accountable for success or failure. The degree of success which may be attained depends very largely upon the training and ability of management. A full measure of success can only be attained through the harmonious cooperation of all the productive forces in industry. To bring this about is one of the problems of a successful manager.

The great creative force in industry is labor. Machinery, money and other equipment are of very great importance and are essential to industrial success, but these instrumentalities are made forceful, effective and active only through the service and activity of labor. This fact directs attention, in a most direct way, to the relationship of labor and management and to the functions of each with reference to production and development. All of this involves a fundamental, sound, human relationship. The establishment of confidence and understanding between management and the workers, faith in each other and a firm belief in the integrity and honesty of those

human forces is of immeasurable value and contributes very greatly to the success and welfare of industrial undertakings.

All of this requires a proper regard for the rights of labor and management. It requires even more. There must be an understanding of human nature, of human qualities and of those inspirational forces which move men who are engaged in serviceable action.

Management must deal with labor collectively and because this is true the means and methods through which it may be done most effectively are questions of supreme importance. Experience has shown that the most effective way, the most practical way, is through trade unions, organized, maintained and administered by the workers who compose them. This method insures to the workers independence, freedom of expression, a free choice in the selection of their spokesmen and a forum wherein they can consider and discuss managerial and industrial problems.

The trade union is an institution originated by the working people. It is composed of members voluntarily associated together for mutual helpfulness and self-development. The workers are the architects who designed the trade union structure and they are the builders who erected it. The members who compose it are thoroughly conscious of its potential and active powers and regard it as the agency through which the economic and intellectual powers of the workers may be developed to the highest point.

For many years both managers and owners in industry wrongfully regarded trade unions as destructive forces which should be repressed and completely annihilated. Much of the time and energy of ownership was devoted to the consideration and execution of plans and policies designed to crush and destroy trade unions. This was attended by waste of a most inexcusable kind because much money represented in the earnings of the concern was used in the attacks upon the establishment and growth of trade unions.

Such policies of trade union opposition have always been productive of losses which cannot be properly measured in the terms of dollars. These losses are represented in an absence of goodwill, of cooperation, and of a high standard of service, and in the unfavorable psychological condition which is created among the workers.

There are many evidences that these policies are giving way to a newer concept, to the belief that trade unions are firmly established in our industrial life. In