

Having said this much in praise of the main feature of the paper, perhaps I shall be pardoned for calling attention to a point on which I fear its author will not secure the endorsement of our friends, the economists, who recognize three factors in production, i.e., land, labor and capital. Since labor includes every form of useful effort, mental or physical, management is classed, economically, as labor.

Any one who thinks land is an unimportant factor in industry has only to look about him, and if he does his looking in this city, for example, he may perceive other interesting things.

The newspapers of the city were filled some time ago and still publish a good deal about the rapacity of the suppliers of building materials and the still more exasperating rapacity of building trades unions, the two together making building operations so expensive as to be almost prohibitive. But at the same time the prices for building sites (i.e. bare land values) were increasing much more rapidly, and no paper commented unfavorably upon this, but favorably instead.

Still it must be acknowledged that the supplier of building materials and the building trades unions, however wicked they were or are, do render service in the production of buildings. But what service does the land speculator render? Absolutely none, but by constantly raising prices of land upon which buildings must be erected if at all, he restricts building operations and limits opportunities for the employment of both capital and labor.

For these reasons I recommend to Mr. Green that he always include land as a prime factor in production, and leave out management as a prime factor.

Royal Meeker.⁵ I have been attending meetings of all sorts for many years and I had the impression that I had learned all that was to be learned from listening to utterances from the speaker's platform. After listening to Mr. Green's address this evening, however, I perceive that this generalization is, like all generalizations, much too general.

For tonight I have learned much. I regard this meeting as one of the most significant, if not the most significant, labor-management meeting I have ever attended. It is a remarkable occurrence that the Taylor Society, which is devoted to the study and promotion of better management in industry, should invite the

⁵Formerly Chief Scientific Division, International Labor Office of League of Nations; recently Secretary of Labor and Industry, Commonwealth of Pennsylvania.

President of the American Federation of Labor to address its members and those of the American Society of Mechanical Engineers upon the ideas and ideals of workers with respect to management. It is equally remarkable that the leader of American trade unionism should accept this invitation in the spirit of mutual helpfulness and cooperation with which it was tendered. It is still more remarkable that after naming management along with labor and capital as the most important factors in production, Mr. Green declares that the ends of labor and management are one in eliminating wastes and increasing output. As I listened to Mr. Green's sane, temperate, reasoned, practical statement of the ideals of labor regarding management, he has seemed the prophet of a new and better epoch in industry. For he speaks with authority. He is the titular and the actual head of the organized labor movement of America and his voice is the voice of labor, for only through organization can labor make its views and aspirations vocal.

I have been asked in my discussion of the address of the evening to contrast the relations between labor and management in America as against European countries. I have reluctantly consented, more or less under duress, but because I have accepted this formidable task, do not think me foolish enough to attempt a full and thorough comparison of the labor movement at home with the labor movement abroad. I shall only attempt to compare and contrast some of the features of labor organizations in the United States with some of the corresponding features of labor organizations abroad as I have come to know them.

It is quite the fashion for students of what is called the labor movement to say that the movement in America is fifty years or eighty years or a hundred years behind the movement in Europe. This is nonsense. In some respects Europe is in advance, in others America leads. Europe is a very much divided and diversified conglomeration of widely differing and more or less hostile racial and national groups. In England, which is the only European country which can fairly be compared with the United States, the trade union movement is older than in the United States and in point of organization and collective bargaining, it is far ahead of American trade unionism.

Let me give an occurrence which illustrates what I have in mind. In 1921 there was a dispute between the employers and the engineers' union in Great Britain. The British nomenclature is often confusing and all wrong. When the English speak of *engineers'*

union they mean *machinists'* organization. Now the national organizations of employers and workers in the engineering trades had negotiated and signed a collective agreement covering wages, hours and conditions of employment in these trades applying to all Great Britain. After the union scale had been put into operation, certain local shop committees protested that in view of the high cost of living the wage rates were too low and asked their employers to modify the national trade agreement. The employers without exception refused to consider the demands of the committees composed of men working in their own shops, on the ground that these local workmen were irresponsible, could be familiar only with temporary and relatively unimportant local conditions and could not have a proper understanding of the effect upon industry in general and the engineering industries in particular of a modification of the collective agreement negotiated between the trained, experienced, and responsible representatives of the trade unions and of the employers' organizations.

The local shop committees pressed their demands with the result that the employers ordered a lockout in support of the national officials of the engineers' union. I will bet that none of you present ever experienced a lockout. Employers are shy folk like the modest violet. They prefer that the workers shall appear in the spotlight of pitiless publicity as the aggressors in declaring industrial war. But here was an example of *bonafide* lockout. Why did the employers in this instance depart from their time-honored policy of permitting or forcing labor to bask in the lime light as the aggressor? The answer is simple. The employers were wise enough to see and seize the immense advantage of coming to the support of the long accepted system of collective bargaining on a national scale which has come into being in England as the result of much conflict and compromise.

In accepting the support of the employers in this rebellion against authority and the established system, the national trade union leaders were actuated by no more altruistic motives than were the employers. The union leaders were seeking to hit down rebellion. They held rightly that the preservation of the union and of peace and order in industry based upon the system of collective agreement between representatives of workers on the one hand and of employers on the other, was vastly more important than the gaining of temporary, local advance in wages. The employers were doubtless not adverse to helping in a

civil war within the union while at the same time serving their own immediate ends of keeping wages from advancing. There is no doubt, however, that the employers saw quite as clearly as the national trade union leaders the great advantage of establishing and maintaining order in industry throughout the whole nation through organization and conference. Here we have an example of the leaders of employers and employees working side by side toward the same ends.

I could cite other examples to show that, in respect to collective agreements, order and discipline in industry, British trade unionism is much further developed and more influential than trade unionism in the United States. In other respects, however, American labor is far in advance of labor in Great Britain or in any other European country. Mr. Green has named management as co-equal with labor and capital in production. In so doing he recognizes the difference between management and other kinds of work. He ascribes leadership to management, but at the same time recognizes the joint responsibility of labor with management in carrying out industrial policies. Mr. Fred J. Miller has suggested that the economists will insist upon including land among the factors of production and advises Mr. Green to drop management from his list. Whatever else he may do, I urge that he retain management as distinct from and co-equal with labor and capital, whether or not he lumps all forces of investment under capital as some economists do, or names separately that specific form of capital called land. I was an economist—I am still an economist—whatever that may mean. I would say that the terms you use depend on the particular school of economics to which you belong. I hold that the recognition of management as distinct, though not independent of labor or capital ownership, is of first importance.

Mr. Green's frank statement that the success of management means the success of labor; that increased production, the elimination of wastes, and the cutting down of costs is quite as much the concern of labor as of management; that lower costs of production are perfectly compatible with higher wages and increased profits; and his pledge on behalf of labor to assist management in tackling industrial problems, all go further than any previous authoritative utterances by American trade union leaders, and, in respect to industrial management and research, place American trade unionism in advance of labor in