

so widely recognized as to be generally beyond debate in theory and beyond contest in practice. That right may be exercised through various forms of organizations. "Company unions," however, can perform the function of collectively representing the employees only if control of this organization of workers rests fully and really with the workers themselves. With whatever form of workers' organization an employer must deal, fairness, good faith and complete frankness about all governing facts are the surest means to understanding and agreement.

Any condition of the work contract binding the workman not to join an independent labor union is inadvisable. Such a promise is necessarily coerced and its exaction is born of lack of confidence. It therefore destroys at the outset the willingness and loyalty out of which the co-operative spirit must grow and engenders instead either apathy and servility or a covert hostility. It promotes secret association apt to flame into violence. Furthermore, the trend of the courts is to the opinion that such a promise is against public policy and hence unenforceable.

#### XI. Employment Records

The personnel function can be properly discharged only if adequate records are kept, upon which decisions regarding individuals, their development and promotion can be based. Co-operation with governmental departments in providing data on employment and earnings for current use as a guide in business policies is a contribution of the individual establishment to general industrial stability.

#### Discussion

Morris L. Cooke, Chairman.<sup>2</sup> As Chairman of the Industrial Code Committee I want to impress upon you the tentative character of this code. We have no plans as to when, if ever, it is to be adopted; we are simply feeling our way. If in the course of a year or two we have evolved something that would seem to be an aid to American industry then we may ask you for some sort of an endorsement. We want you now to feel free to discuss it knowing that it is in no way a finished product.

The use of the word "code" in this connection has been questioned. In planning for this committee we compared its possible function, for example, with that of the A.S.M.E. committee which

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developed the boiler code. There are hundreds of such objective codes now in use in the country. The Industrial Code cannot yet be as objective in its field as those that operate in a field where measurements with the foot rule and weighing scales are possible. Perhaps some day we may get there. But in the meantime the word "code" gives you a broad and informing idea of its proposed function.

It has been our theory in taking up one matter and another connected with this code that as representatives of the Taylor Society we could afford to discuss anything. It has too frequently been the policy of committees and associations such as ours simply to omit any points which might prove troublesome or embarrassing. So far as I can recall there have been no such failures to meet the practical and essential things that came up in our field. We have simply acted in accordance with the Taylor Society tradition of providing a thoroughly open forum for all points of view.

As to the history of this idea, the Ordnance Department in 1917 put out its General Order Number 13, "Suggestions for Arsenal Commanders and Manufacturers," which covered somewhat the same field as the code we now have before us. I am proud to say that it carried the signature of our honorary member, Major-General William Crozier, then Chief of Ordnance. It was later issued by the Quartermaster General of the Army, so that it can be said that billions of dollars of work were done under its provisions. Some of the members of the Taylor Society worked with General Crozier and General Sharp in formulating this document.

At a Taylor Society meeting held less than three years ago remarks were made from the floor which indicated that practices considered highly desirable by Taylor Society members were still debatable in some areas. And other practices which we would have supposed to be generally abandoned were apparently still in high repute. The need for such a formulation of ideas as is here presented was there apparent.

It might also interest you to know that it was brought out in a discussion at Boxly during the recent visit to this country of sixteen Japanese industrialists that six months' compensation was the normal separation or dismissal wage in Japan. In other words Japan, the country once classed as

backward by the International Labor Office, considers it normal to give a worker a feeling that his job is secure for at least six months ahead while we in this country have no general rule, except perhaps that of giving domestic servants a week's notice.

You will notice that certain parts of this code have been set in italics. This is the fifth draft that has come before the Committee. The first few were considerably longer; later ones will undoubtedly be shorter. The Committee felt, however, that in the present stage some effort should be made to weight certain parts of the code. And so the effort has been made to give emphasis to the subjects of great importance by means of italics.

In justice to my associates on this committee, I think I should say that this code has not attempted to say the last meticulous word on any particular subject. From the point of view of experts especially in highly technical subjects it may be open to criticism. I have in mind particularly certain of the health references. If this part of the code meets with the general approval of this group we shall then pass it on, for further work, to people who have specialized in this field, and so with other sections.

You have only to read the names of the eighteen members of the committee that has been working on this code to know that if each one of these people had been assigned the task of drafting this document we should probably have had eighteen quite different results. And yet nothing in this document has met with any serious objection on the part of any of the eighteen. I am grateful to my associates for the time and effort they have expended on this project and happy to say that they voted unanimously to present the code to you in its present form, of course, with the understanding that it is all quite tentative.

L. K. Comstock.<sup>4</sup> I think this is the best statement I have seen to date on the general subject of human relations in industry. Criticisms of this document may occur to me, and to others, as time goes on but the document gives such evidence of intensive study on the part of competent people that they do not occur now to me.

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In Section II, I believe you have the meat of the entire code. If you can get the kind of co-operation here described all the rest of the things in the code will follow as a matter of course. Without that co-operation nothing is possible. The other points in the code can be regarded as road signs pointing the way to that co-operation described in Section II and should be as briefly and concisely phrased as possible.

I can speak on this matter of co-operation out of my own practical experience in forming the Council on Industrial Relations for the Electrical Construction Industry. Our first meeting took place some ten years ago with five employers and five labor men present. Following the usual custom, the labor men all lined themselves up on one side of the room and one, as spokesman, demanded what the employer group "had up-its sleeve." The self-appointed chairman of the meeting first suggested that the seats be changed so that each employer should sit next to a labor man. This was done and the atmosphere immediately changed. The chairman then simply stated that no definite goal was sought but merely a common ground to stand on. We sat for the entire day discussing what we at that time called a declaration of principles and as a result eight principles were evolved which form the fundamental law of the Council on Industrial Relations today. We might have called it a code.

The chief objective was to build a strikeless industry the world around and we have accomplished that objective. Four years after the Council started to operate, the international union converted a strike fund of more than a half million dollars into the nucleus of the capital necessary to set up life insurance for the union. Since 1925 there has not been a cent in the treasury of the international organization for strike purposes and there have been no strikes.

The insurance company, which was set up and is operating under the insurance laws of the District of Columbia, has been very successful.

All wage adjustment provisions should have the element of at least relative permanency. Through the work of the Council on Industrial Relations for the Electrical Construction Industry almost all sections of the international union now use an agreement, or agreements, with employers that never comes to an end. It is a continuing