

idly as the organization indicates that it is capable of absorbing it, while there should be retained a sufficient central summary of information to permit a firm, intelligent central control of the general policy and progress of the organization. Size is a very determining factor in the amount of decentralization desirable, it being obvious that with a small organization no decentralization is possible or desirable; but that as an organization grows, central authority must be progressively relieved of detail in order that it may be able to properly concentrate on the vital policies of the organization.

Other departments of the War Department professed to believe in a very much greater degree of decentralization than was found wise in the Supply Division and at the time it was proposed to absorb

the duties of the Supply Division into the Division of Purchase, Storage & Traffic of the General Staff, a rather sharp difference of opinion made itself evident between the two departments on this subject. Unfortunately, from the point of view of organization experience, the war ended without permitting a complete demonstration as to which form of administration was correct.

Our opinion remains fixed that complete decentralization must produce waste of effort and material, provide inefficient service, make uniformity of practice and progress impossible, and deprive the decentralized units of the services and advice of functional experts to an extent that would more than overbalance the advantage gained in the transfer of detail away from the central office.

## INDUSTRIAL RELATIONS

### I. SOME NOTEWORTHY RECENT DEVELOPMENTS<sup>1</sup>

BY

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#### I. GENERAL

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I AM rather amused than surprised that Mr. Kendall thinks better of me out of office than in office.<sup>6</sup> I was one of those who dealt with labor matters, partly because when the need for people of experience arose, the field of specialization was large but the field of general knowledge was rather narrow. Naturally, the Government turned to those who presumably had the familiarity arising from some study of the whole field rather than to intensive competence in any field.

I remember most vividly the meeting of your Society on the very eve of war, in the early winter of

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<sup>6</sup>Reference to a *jeu d'esprit* in the introductory remarks of the presiding officer.

1917, and few discussions, at least on my part, were more enjoyable and more stimulating than the discussion evoked that night by Dr. Person's paper.

Having in mind the famous caution of a professor of chemistry to his students not to find in the laboratory what they are looking for, I nevertheless must say if one is to bring back the sum of his experience, observations and reflections for the better part of two and one-half years in office and in contact with industrialists, labor leaders, both in this country and in England and in France, and from contact with other men whose experiences have been gathered from even a wider field, that the line of discussion and the questions raised in that debate of two and one-half years ago have been vividly reinforced by the war.

What is it that one observes in this country, in England, in France, and infers from Canada and Australia? In the first place, prevalent dissatisfaction by business men as well as workers. Show me a business man who is happy, who is contented in his work, and you will find a man who is at least considering and is interested in and humbly exploring the meaning of this "so-called labor problem"; show me a business

man who is unhappy, harassed and racked, and you will find a business man who is "standing pat," who denies that there are any real problems except "agitation," or that they have any relation to his business. That is true in Canada, England, France. It is true of present-day Germany.

There are, of course, considerations in these other countries that do not apply to us. I mean that the outstanding fact in connection with low production in Europe today, to my mind, is the exhaustion, the physical and nervous weariness, of the people. One could think of nothing more helpful to the solution of questions over there than to put the whole European world to sleep for six months, so that they might recuperate in nerves, mind and spirit.

But, over and beyond that, the problem is intensified and irritated because certain conceptions are abroad in the world which will insist on being translated into institutions, into conduct, into relationships. I ventured to put before this Society, in that debate on Dean Person's paper, the practical suggestion, that there is nothing more practical than the fundamental attitudes towards this problem. If we once can get an agreement as to approach, as to attitude, as to what the "so-called labor problem," as Mr. Kendall rightly says, really is, I think we shall at least be on the right road.

In regard to the "so-called labor problem"—because to speak of it in that way is to simplify the solution—I cannot think of the so-called labor problem being anything less than the entire complex of modern industry. The whole problem of government in industry is part and parcel of what is suggested by the phrase "the labor problem." Therefore, when you ask for a solution—you don't ask, but the general public—"What is your solution, your panacea for this labor problem?" the expectation ought not to be to get a definite or a formal answer. Experiments on hours of labor, piece-work, and what not, are not the final answer to the question. The problem is wider, deeper and different than hours and wages.

I should like to put before you what I conceive to be the central issue of the industrial problem. I should like to put before you a statement of the situation by a great statesman. I am going to ask your indulgence to let me read a statement which I think, if accepted with full sympathy, with full belief, will take us out of the woods and out onto the high road of solution. This was a letter to the *London Times*, *apropos* of a speech by Mr. Smillie, who said:

The mine-owners have always told us and you tell us now, if you hand the mines back to them for free competition amongst each other, that we have no right to a voice in the working conditions of the mines—no voice on the commercial side at all. They say, "We invested our money in those mines and they are ours; you are merely our hands." Now, I say we invest our lives in those mines, which is of greater importance than the capital of the employer, and to that extent we have a right to say as to what the conditions shall be, not merely the working conditions, but we are entitled to have some information on the commercial side of the thing also.

That paragraph from a speech by Mr. Smillie made the text of a letter to the *London Times* by Lord Robert Cecil; to say the least, he is one of the few men in line of succession to the Premiership of Great Britain. Mind you, ladies and gentlemen, Lord Robert Cecil is a thorough conservative. His traditions are the traditions of the aristocratic, established order. Lord Robert Cecil, however, is one of the most candid, one of the most courageous, one of the most penetrating minds, not only in the statesmanship of Great Britain, but, I think everybody will admit, in the statesmanship of all the Powers that assembled in Paris. And I think it behooves us to consider well the measured words of a man like Lord Robert Cecil, speaking, as he does, not only his own mind but the mind of a great mass of people, those who have realized that the war has not only left a legacy of problems but has also left a legacy of spiritual demands; that the war has left behind it a ferment which will somehow or other have to be guided, and that the ferment exists primarily in the industrial-world.

Lord Robert Cecil proceeds as follows:

I believe that these sentences—

the ones I have just quoted from Mr. Smillie—

contain the essence of the industrial problem. It is not merely or even chiefly, a question of wages or hours of labor. These things are important, but they are not at the root of the present discontent. If it were so you would find the gravest unrest in the worst-paid occupations, which is notoriously not the case. I believe that a large part of the more extreme section of the labor world consists of men who a few years ago were the backbone of working-class conservatism, men who have done well in their trades and have the respect of their fellow workmen. At least, so I was told when I was standing for an industrial constituency a few years ago. What these men complain of is not so much that the conditions of their work are bad as that they have no say in what these conditions should be. A man's labor is a part of himself, and not a mere commodity to be bought and sold in the market. He has a right to be