

## INDUSTRIAL RELATIONS

II. GENERAL DISCUSSION<sup>1</sup>

BY

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I THINK that the most significant thing about my being here is that you should be interested in what labor's point of view might be. Another significant thing is that a representative of labor should be sufficiently interested to do the best he can to give you labor's view of the whole situation which is now developing in this country.

The problem of industrial relations in conjunction with scientific management is a psychological question, and necessarily must be dealt with as such. The psychology of the workers, we believe, is a very important factor in this development. I do not feel that I am competent to deal with the question entirely from the psychological point of view. The most that I feel I can do is to give you instances of what the reaction of the employees themselves has been in cases where they have been taken properly into consideration, according to our way of thinking.

I want to say for myself, before getting fairly started, that all the unlovely things you have heard about radicals I consider rather as a compliment than as a criticism, because I believe that it is through radicals that all steps forward have been taken in the history of the world. I do not know whether I can justly be called a Bolshevik or not. At times, I believe, that term has been applied. However that might be, I want to state my own personal position, and that is that I stand squarely for the labor movement and that I concede no points to local organizations within separate concerns,—what you call a union within a factory. The reason for that position is that

such an organization has no background, and in case the employees were ever compelled to use the only weapon they have to enforce what they conceive to be just, they would be alone, without the support of the regularly recognized labor movement.

My interpretation of efficiency is simply this: that it is an administration of and a capacity to utilize abilities available—that efficiency does not represent the ingeniousness of any one person. If we are to have the maximum production that we hear so much about, we must utilize all the ability available. Some contend differently, of course, but, because of our experience (which I will relate to you later), I hope to demonstrate to you that it is possible to get a high efficiency when utilizing all abilities available; that in the long run the employees themselves control the situation to this extent, that coöperation must be voluntary—and they can withhold it. Because of economical control, they may be forced to do little things here and there and concede points once in a while, but only when they are compelled to do so. I think this is a good sign, too, as it only demonstrates that they are good Americans, that they resent being forced to do things; they know and feel that they would be able to help if they were taken in on a proper basis.

I do not want to talk too much of efficiency, but I do want to go a little farther along this line, because efficiency and maximum production are so closely related to industrial relations that it seems necessary to make my point clear, even though a great many contend that there are no limitations to material expansion and that we should continually go on and on with increased efficiency and increased production. I will say here that the workers as a class are undoubtedly in favor of using a minimum amount of energy and a maximum amount of brains for the production of necessities. What they do object to is that the resulting increase in production, caused by their ingeniousness and efforts, is appropriated by others out of

all proportion to their contributions. When the workers can be shown that more economical means of production will broaden fields of opportunity—their especially—then, and only then, will they have complete confidence in what is going on, and then only will they give fully and freely of their abilities towards greater production.

They must be convinced that increased production broadens the field and does not make a growing class of unemployed. Of course, I know the many arguments put up about taking care of those people, and so on; but our experience has been that when there is an unusual expansion in production, an expansion that comes quickly, the workers are always the ones who suffer while the situation is adjusting itself so as to absorb that expansion. This is a condition that must be guarded against, because it is on a basis of stabilizing employment, looking out for the interests of the workers and making them feel secure that industrial relations are built up.

You will agree that there is nothing more demoralizing in an industry or institution than lack of work. You cannot and should not expect that when a man has what appears to be the last job on his bench or at his machine, he will work as hard as he would if he felt sure that his employment would be continued for some time. In fact the workers feel that a doctor is the only one who is supposed to work himself out of a job. I rather think that they are justified to a degree in this position. At any rate, the point I wish to make is that those are some of the things that must be taken into consideration if you are to develop this maximum production that we hear so much about.

After offering brief criticism of some of the methods that have been tried, some of the experiments that have been attempted in industrial relations, I should certainly be called upon to at least attempt to offer a solution. I should have to offer a solution that would tend to raise the status of the worker in society, increase his opportunities for development and make him a real citizen.

There is a great deal said nowadays about an equitable distribution of wealth created through the joint efforts of capital and labor. I think the position of the workers would be best expressed by comparing the thing to a race. For myself, I would say that I have three children. When the barrier in the race of life goes up I want those boys and that girl well developed and ready to go. As far as industries are concerned, I am willing to do my share to bring about

that end. I am convinced that the sincere, conscientious worker has a right to develop himself and his family up to the highest standard possible and make all possible opportunities for them. They are the backbone of the nation, and if we are ever to be the greatest nation in the world, it will be through developing the individual and not by specializing and minimizing the amount of development for the individual for a temporary increase in production. I think ultimately a course of that kind—for temporary increase of production—will be as much regretted by the employer as by the employee, because it eventually brings about a lower standard of workmen. What we want, of course, is a higher standard of workers. I think I will let my general remarks about our attitude as far as industrial relations are concerned go at that.

I want to take up the development of the Army arsenals with which I have been associated, and try to let you know just what the whole thing implies and especially what results and responses we are getting from the workmen. I want to quote just one paragraph from the order of the Secretary of War, which is as follows:

"That an agency be established within the War Department whose entire function will be the solicitation of business for the War Department manufacturing agencies, primarily the arsenals, to produce equipment for other departments of the Government as well as the War Department."

What does that mean? It means that the War Department is recognizing the basic interest of the employees in these manufacturing institutions.

There are three distinct groups that are interested in the manufacturing arsenals—the public, to whom they are an investment; the Army, for whom they are an experimental station; and the workers, to whom they represent an opportunity to earn a living,—and my conception is that that is the only thing that justifies the existence of an industrial institution.

It has been said that by carrying out this problem of administration that is involved in securing work for other departments of the Government, the Government could in its own factories do its share in dealing with the problem of unemployment and unrest in this country, by doing what a great many manufacturers are doing, that is, making an honest endeavor to stabilize the employees in their jobs. They recognize also that should this not be successful the employees themselves are the ones that will suffer the

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