

civilization is to progress. It is along these lines that economics is making its greatest strides. Most of the difficulties which are experienced, arise from either nations or individuals reaching for more than that to which they are justly entitled. Civilization has not thus far solved the problem of wealth distribution any more than it has solved the problem of government, for, with respect to the latter, the pendulum has swung all the way from the oppressions of autocracies to the stupidities and inefficiencies of democracies, and we have not yet hit upon that form of government which will preserve freedom to the masses under a popular form of government and likewise create efficiency and honesty in the administration of public affairs. Some day we shall perhaps get it, but there remains much educational and evolutionary work to be accomplished. The same is true of our scheme of distribution. The present social system replaced worn out feudalism. No doubt the day will come when some other scheme will be substituted for the system which exists today and which involves serious injustices and inequalities. Revolutions, such as those which occurred in the closing years of the eighteenth century in France, and lately have taken place in Russia, are social explosions; and when an explosion takes place, more damage occurs in the rectification of affairs than is necessary, with the result that a good deal of useless harm is caused.

Social and economic pressure continues until it reaches the explosive point, and at this stage the masses revolt, with serious consequences ensuing. The burden which rests upon right-minded and far-seeing individuals is to bring about improvements in the social system which are evolutions as distinguished from revolutions. There is no material psychological difference between the ruthless capitalist and the Bolshevik. It is only the accident of birth which makes him either one or the other. It rests with the middle and sane third of society to keep the economic ship on an even keel. Unfortunately this sane middle third is often inactive and generally inarticulate. This is also the class which usually suffers the most from revolutionary explosions.

Let me say at once that I believe the great bulk of our working classes are reasonable and only seek those things to which they are justly entitled. My personal experience may have been unusual,

but I can say frankly on this occasion as I have said before that, in all of my dealings with working people and trade union leaders, I have never found the first to be deaf to reasonable argument and fair treatment, and I have never had one of the latter let me down or pursue a treacherous or dishonest course. I think we must accept as axiomatic the statement that the great majority of workers are fair and reasonable. If this is not the case, then we may as well put up our shutters and retire from the field with the knowledge that further advancement is impossible.

The capitalist owes certain obligations to labor, which have been set forth in previous addresses this evening with singular force and lucidity. On the other hand, equally so do the labor masses owe a similar obligation to the employer. Labor unions are here, and they are here to stay. There is no way in which they can be eliminated. From the point of view of the worker, capital is equally entrenched and likewise is here to stay, and since, under the conditions which are likely to obtain for a long period of years, neither one can get rid of the other, it is not reasonable to recognize the fact that we are confronted by a condition and not a theory, and work for the mutual welfare of both?

The haunting fear of every laboring man is the loss of his job, often through conditions beyond his control; and if there can be found some scheme which will ensure work to willing hands, we shall have gone a long way towards solving the principal problem of the worker and, at the same time bring about tranquil conditions in the industrial field. I can imagine no more progressive and useful step than that which will have for its object this achievement. Imagine, if you can, the peace and happiness which would illumine the whole industrial field if every worker could go to his daily task with the knowledge that his employment is secure, his wife and children ensured from want, and his wages sufficient to permit the enjoyment of essentials and some of the luxuries of life which make it worth living. This perhaps, paints a Utopian picture, but it would bring to us those great blessings to which even nations aspire—the blessings of peace, happiness and contentment.

In the railway field, much employment has been seasonal, and much in the past has depended upon the financial position of railway enterprises. Unfortunately, we have seen times of great prosperity

when insufficient labor could be found to carry on the railway industry, and, again, we have seen signs of depression when many shops have been closed and a host of hands denied their daily livelihood. The railway industry, perhaps more than any other, depends upon the loyal support and good will of its vast army of employees. This form of industrial activity employs probably more men per unit of output than any other and most of the time a large percentage of its employees are beyond the supervision of the superintendent and the eyes of the foremen. Much must be left to the honesty and loyalty of the employee. A railway is a narrow ribbon stretching for miles and miles through the country, and therein it differs from a shop or factory whose men are constantly under the eye of managerial supervision where laxity is immediately visible. No one man or set of men can themselves operate a railway with efficiency; unless there is the day-by-day support and loyalty from the employees, failure is bound to appear. Therefore, in such enterprises, the most valuable asset which can be achieved is the good will not only of officers, but also of all the employees down to the humblest crossing watchman.

Union-management cooperation in the railway industry seeks to achieve as a primary objective continuity of employment, and in the accomplish-

ment of this objective it is destined to play a great and useful part. It has already been applied to shop work and if successful there, as I have no doubt it will be, I can see no reason why it should not be equally applied to other branches of the railway industry.

I want to take advantage of this opportunity to congratulate and to thank Mr. Bert M. Jewell, President of the Railway Employees Department of the American Federation of Labor, and his associates, for the valuable contributions which they have made in this direction and for the voluntary gesture of cooperation which they have extended to the railway managements. It is reassuring, and it is an eloquent testimonial of the high-minded spirit which animates those who direct the affairs of trade unionism. I, for one, accept that gesture with all that goes with it.

On the Canadian National Railway System we are definitely and irrevocably committed to the principle of cooperation with our employees. The experiment in shop cooperation, upon which we have lately embarked, carries with it thus far much promise for the future. We propose to move steadily forward, hand in hand, shoulder to shoulder, with the leaders of this movement, and we have an abiding faith in its ultimate advantage to both the railway and its vast army of employees.

WHEN the American Federation of Labor recently announced its new wage policy, the question arose as to whether the Atlantic City pronouncement was only a gesture of polite interest in the new science of industry which is being ushered in by recent developments in superpower, labor saving machinery, and improved industrial processes. Some believed that organized labor was not yet converted to the doctrines against which it had fought for so many years under the leadership of the late President Gompers.

But when President Green of the Federation appeared last month before the members of the Taylor Society and delivered an address on labor's contribution to the new science of industry, it was convincing

proof of the genuineness of organized labor's interest in this vital problem. Not so very long ago the appearance of the President of the A. F. of L. at a meeting of the Taylor Society would have been unthinkable. The attitude of President Green is proof that the Federation is going to carry out in definite action the wage policy expressed at the Atlantic City Convention. Already a committee representing labor is being formed to cooperate with management in a study of waste in production. All this indicates that slowly but surely a new spirit of cooperation between capital and labor is expressing itself. We consider this attitude of labor one of the most helpful signs in the present industrial situation.—*Babson's Reports, Business Supplement, January, 1926.*