

sential—but much of the advance in engineering is a result of the work of young men whose ideals and ambition carry them through the discouraging period when reward may be long deferred, to ultimate success and recognition.

For years I have been advocating, as perhaps the most important mission of the Taylor Society, the promotion and guidance of constructive work such as that here briefly suggested, and with this in view I presented some time before the World War, at a meeting held, I believe, in Boston, a paper outlining a proposed plan of activity for the Society in which the need for such work was emphasized. This paper may have been ahead of its time, and the time may not yet have arrived in Japan for such undertakings, but it is not too soon to begin thinking about it and paving the way for it.

In this respect the time may come when America will receive from Japan as much or more than it has given, and fortunately such exchange is not subject to the restrictions that hamper trade and political relations.

Nothing, I am sure, could afford to my great master Mr. Taylor, were he alive today, and to his associates and followers, greater pleasure and satisfaction than to see scientific management serve as a means to strengthen the bonds that have, since the time of Commodore Perry, joined our two great nations in friendship, and in political and economic relationship.

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leisure; that unemployment can accompany intense activity and prosperity; and that "the outstanding fact which is illuminated by this survey is that we can not maintain our economic advantage, or hope fully to realize on our economic future, unless we consciously accept the principle of equilibrium and apply it skillfully in every economic relation." This last generalization alone, if so seriously entertained that it becomes a stimulus to action, is an adequate reward for all the labors involved.

The phases of economic life which were examined by the survey staff are indicated by the following titles: changes in new and old industries; technical changes in manufacturing industries; the changing structure of industry: construction; transportation—railways and shipping; marketing; labor; management; agriculture; price movements and related

industrial changes; money and credit and their effect on business; foreign markets and foreign credits; the national income and its distribution.

It is no little gratification to those who are particularly interested in scientific management to discover that these two volumes are essentially a report of the influence of scientific management in American industry. It is an interesting experience to substitute throughout the report the specialized terminology of scientific management philosophy for the more general phrasology identifying equivalent concepts.

And there is likewise no little gratification to discover that the publications of the Taylor Society have made their contribution as sources of information, as is evidenced by many foot-notes. In the chapter on management is a sentence which gives us—who have tried to be pioneers—a peculiar pleasure: "A widespread interest in marketing methods cannot be said to have come with the turn of prices.

As early as October, 1920, however, articles suggesting a more scientific viewpoint on marketing appeared in the Taylor Society BULLETIN." On the other hand, there are still some who believe that the Taylor Society has never had other interest than in the field of production!

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tions in this industry were enthusiastically received in economic circles and highly evaluated by a conference having for its aim the rationalization of the textile industry. The trade unions have also favored the work of the Institute and supported its scientific activities. It has recently concluded a series of agreements with different textile industries. The tendency of enterprises to put the methods of the Institute into practice is so great that the question has come up as to the advisability of concluding a general agreement with the whole of the Soviet textile industry. This agreement would bind the Institute to train and organize labor in these enterprises in two years' time.

Men trained in the Central Institute bring into the factory not only their skill but also new methods of work, management and organization. Owing to the system of the Institute they work precisely and swiftly, are careful, clean and orderly. They are distinguished by the economical use of material and high quality of their production.

### Labor—Production—Co-operation

A Letter of William Green, President of the American Federation of Labor, to the Delegates of the Fourth International Management Congress, Paris, June 19-23, 1929

WE MUST await the return of the delegates of the Taylor Society before we can give a satisfactory account of the Fourth International Management Congress held in Paris, June 19-23. However, we are able to present the complete text of what was the outstanding item of the program—a letter read by Morris L. Cooke, Past President of the Taylor Society, on behalf of William Green, President of the American Federation of Labor.

Washington, D. C.  
June 7, 1929.

To the Delegates to the International Management Congress:

On behalf of the trade union movement of North America I send you our greetings and express our hope that your deliberations may be mindful of the interests of all groups that management policies affect.

Because management policies affect workers so directly, we feel that Labor should be in a position to present in advance of their adoption whatever light our experience may give as to the practicability of policies and their effect upon morale and production.

Labor has an interest in increasing production because only out of increased output can come sustained raises in the standard of living. Trade unions are ready to co-operate in promoting economies in production when there are set up the agencies that assure them justice and equity.

The American Federation of Labor recognizes that the interests of wage earners are interdependent upon the interests of all other groups associated together in production enterprises and that progress for Labor is inter-related with progress of the community and the nation. If industry is to maintain production, if prosperity is to continue for the community and the nation, wage earners and other groups must have a sustained purchasing power.

With mass production industries turning out huge outputs of necessities and luxuries, unless

the masses of the population have money to buy and time to use, a surplus accumulates which brings depression.

With industrial progress and technical advances, responsibilities resting upon management grow heavier. Upon management rests the major responsibility for eliminating wastes in production, for assuring steady employment for those employed, for steadily increasing wages as productivity increases, for planning in advance for workers displaced by machinery and technical change. Workers also have a responsibility for these problems which they can undertake through their trade unions when the agencies and channels of co-operation have been established.

Labor realizes that its constructive opportunity comes when mechanical power and machinery supply the tools of wider effectiveness and make possible new skill that makes greater demands on judgment and information.

Every group in industry must keep up with the pace and direction of progress if obstacles to progress are to be avoided. The workers should be invited to give management the benefit of their judgment, advice and experience in dealing with industrial problems which affect their mutual interests. Not only should they be given the widest opportunity to render collective service but, in addition, they should be given the opportunity to make collective suggestions. Management should facilitate such procedure.

The primary force in progress is mental power. Industry will make its greatest progress when the creative capacity of all in industry is released in work.

Respectfully submitted,  
(Signed) William Green  
President, American Federation of Labor

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Policy	Percentage Growth
\$19,343.24 Savings representing an increase of net profits in (4) of	29.60 per cent
6. FORECAST OF NET PROFITS FOR 1929—\$42,627.51	97.25 per cent