

As high a degree of industrial standardization obviously will not be practical in most industries in times of peace as during the war. The experiences of the last eighteen months, however, indicate that a somewhat modified program of conservation would be thoroughly advantageous. It is in the interest of national economy to avoid unessential multiplicity of styles, varieties, and sizes of products, in order that manufacturing processes may not be unnecessarily complicated and retarded, or labor, materials, and capital wasted. To be sure, any plan that is adopted should be sufficiently flexible to permit experiments and to allow readily for the introduction of new articles of merit. Otherwise, industrial progress would be severely handicapped. Nevertheless, it is to the interest of the public and to the interest of manufacturers and merchants that obsolescent products and immaterial variations in products should be scrapped as rapidly as possible. The real problem in regard to a comprehensive program of industrial conservation is how to have it brought about. Most business men will agree with the theory of the project. Many know from experience that is has resulted in large savings under war conditions. Nevertheless, it appears that we may drift back into the old state of affairs for want of practical machinery to secure the economies on which a large majority of manufacturers are agreed in principle. Although some individual manufacturers are following a far-sighted policy by refusing to yield to the temptation to follow their competitors in producing unessential styles and sizes of products, concerted action is necessary to secure the maximum savings.

The Federal government is naturally the first agency for consideration in formulating and carrying out a comprehensive program. Eventually it may be practical to have this work taken up again by the Federal government, but personally I am dubious about the prospects of gaining more than we lose by such a course. One thing is certain. It would be fatal to have any government bureau given mandatory power, even if it could be done constitutionally, to compel the observance of a standardization program in times of peace. Such mandatory power easily could strangle progress. The government agency almost certainly would move slowly, and I fear that not infrequently it might act arbitrarily. If it became a political issue, irreparable harm might be done to many businesses.

I am not at all optimistic that such plans could be worked out successfully by a department of the government acting even in an advisory capacity. There

would be more or less of the bureaucracy that is so common in governmental activities, and under existing conditions I suspect that the machinery might become too expensive. At the present time it is so urgently necessary that government expenses be cut down that I, for one, should hesitate to approve a recommendation that the government spend additional funds even for so highly meritorious a purpose as that of industrial conservation. I am one of those old-fashioned Yankees who look with apprehension upon the tendency for so many business men, as well as would-be reformers, to turn immediately to the government for the paternalistic remedy for ills that beset them. In fact, instead of adding to our government services, I should suggest that perhaps a program of elimination might advantageously be applied to them.

Inasmuch as the benefits of industrial conservation or standardization will accrue in the first instance to the trade itself, the cost of the investigation and administration of the plan in each trade should be borne by that trade. It should be worked out on a comprehensive basis which would provide for a thoroughgoing investigation in manufacturing plants and a study of the problems from the standpoint of wholesalers, retailers, and consumers. This investigation should show specifically what savings have been effected by the conservation measures in each industry during the last three years. It also should develop the details of a program that can be applied in a practical way in the future, with provision for such modifications as will be necessary to protect new inventions and improvements and to insure progress. A large amount of good might be accomplished merely by the publication of the results of such a comprehensive study of the facts. Once the facts were ascertained, however, the task should be undertaken of securing the adoption and observance of whatever plan was proved to be practical. In many cases this work probably could best be done through national trade associations or similar agencies. There is also the possibility that the colleges and universities might take part in the work.

I do not agree with the view that industrial conservation can be accomplished only through the government. If government control were necessary, I should consider the whole project practically hopeless. To develop such a plan successfully it would be necessary that the business men in each trade work together harmoniously with a real spirit of give and take. Unless this spirit were present, the government

would be able to accomplish little. If the morale of any trade is strong enough to work effectively with the government, I believe that it also can work just as effectively through its own association or with some other agency and avoid the dangers that are inherent in government interference. The problem is one for the business men themselves to solve. Something can be done by manufacturers acting individually. More can be accomplished if an entire industry will take hold of the job from the standpoint of broad general interest.

We need to recognize more clearly that the war losses of labor and material must be made good if our standard of living in America is to be maintained. Our most difficult problems are national problems, and their successful solution depends in large measure upon our taking a national point of view. Just as industrial conservation was one of the most effective means of meeting war conditions, I am satisfied that a development of similar plans by business men on their own initiative would be a particularly sound method for meeting the financial and industrial problems of the country during the next few years. The savings that might be made through a sound program of industrial conservation would cover a substantial portion of the burden of the annual charges on our war debt. The carrying out of such plans, moreover, would be merely an application of the labor-saving principles that have been fundamental to the success of American industry in the past—a tendency to concentrate on the production of standard articles in large quantities. The general adoption of such plans would strengthen American industry enormously in world competition. While it is true that it would necessitate some changes in our business habits and customs, this would be a small price for business men to pay for the national advantages that would be gained.

II. AS A TRADE ECONOMY

By ALFRED L. SMITH¹

The motive for standardization is the desire on the part of operators of individual businesses to obtain an increase in profits. In general, they aim to achieve their ends by means of more efficient production in their plants. The immediate results of their efforts, if successful, are increased volume of production, improved quality of product and decreased unit cost.

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The motive for and the aim and immediate results of standardization are intimately connected with individual plants only. It is not strange, then, that the matter of standardization should be generally—although I believe erroneously—looked upon as almost exclusively a plant problem.

Standardization is as much a trade as a plant problem. The individual manufacturer who endeavors to develop standardization in his plant will find himself unable to proceed very far—at least compared to the possibilities—without cooperation of some kind from the other elements of his trade; while any appreciable progress in standardization by important units in a trade cannot fail to have material effects upon the trade as a whole.

This mutuality of interest in standardization is not confined to concerns operating in the same branch of an industry or trade, but extends throughout an entire industry. In fact, progress in standardization by important individual units in any branch of an industry is more dependent on similar progress in those allied branches of the industry which are its suppliers of materials, or users of its products, than it is in other plants of the same branch, and the results are often reflected more definitely in allied branches of the industry.

Some of the reasons for this mutuality of interest throughout the trade, and its allied lines, become apparent on very little investigation. They are soon realized by anyone attempting standardization in an individual plant. A few of them may be mentioned, and will undoubtedly suggest many others.

Frequently standardization means such changes in the character of the product—usually of a minor nature actually, but seemingly radical—that the prejudice of the distributor or the ultimate consumer must be overcome. Seldom is an individual able to accomplish anything in such a matter. It requires the joint and interested efforts of an entire trade. Thus does the problem cease to be a plant matter. In fact, the allied trade which sells the product becomes vitally interested, not only in learning of the real nature and benefits to them of the standardization planned, but also in protecting themselves from such standardization as their experience shows would be unwise and in promoting such as is desirable. Thus the cooperation of an allied trade is secured. At the same time, the requirements for changes in character of materials create problems for the manufacturers of such ma-