



GEORGE W. PERKINS.

Relation of Capital and Labor.

The freedom of the business man to do as he pleases is now being seriously challenged, and I most heartily agree with what Mr. John D. Rockefeller, Jr., said recently at Cornell University to the effect that one of the chief qualifications for a manager of a large business concern is rapidly coming to be the human quality and ability to adjust differences between capitalist and laborer and to understand their relationship.

Until recent years little broad thinking was given to this problem and differences were settled on the basis of "might makes right." All this is rapidly changing and we are entering a period of new industrial relationships.

In the long ago the relationship between capital and labor was that of owner and slave, then came the period of master and man, then the period of employer and employe, each period being a decided step forward.

In my judgment we are just now entering a period of copartnership, where the tool user will be part tool owner and where capital and labor will share more equitably in the profits of the business in which they are jointly engaged.

This advance is inevitable because of our educational system, which teaches the workingman to think for himself.

It is inevitable because intercommunication has told the workingman in one community what the workingman in other communities are striving for and achieving.

It is inevitable, because strikes and lockouts can never be settled satisfac-



torily or permanently by merely raising a man's wages.

It is inevitable because it gives stability to business and because it is as advantageous to capital as to labor.

As a matter of fact, when a working-

man strikes it is not merely to obtain an increase in his wage; that is what the papers tell us the trouble is all about and that is what he asks for; but way down underneath what he is really striking for is a larger percentage of the profits of the business.

He may not realize this, but, subconsciously, this is precisely what he is doing.

No mere increase in wages can ever satisfactorily solve this problem. It can be solved only on the basis of profit sharing.

By profit sharing I do not mean bonus giving. I mean actual profit sharing plans based on the earnings of the business, with a fair percentage to capital and a fair percentage to labor after ordinary wages and interest have been earned.

Profit sharing can be done satisfactorily only when the business concern makes public its transactions, so that the laborer and the stockholder can know as much about the business as does the manager himself.

In the adjustment of difficulties between capital and labor I am confident that open books will accomplish much more than open shops.

These changes are far-reaching and fundamental. What are we going to do about it? What is to be our mental attitude? How are we going to handle these problems?

Can we approach them from the same point of view as did our fathers, who lived in a strictly individualistic age? Can we approach them from the knowledge we have gained from law books which were written in the individualistic age? If we do we will be combatting the mighty onward rush of new thought and new conditions, provided in large measure by the scientist, the educator, the inventor.

What the Future Holds Forth.

What is the outlook? Is it a sad, pessimistic future that unfolds? Does life hardly seem worth living under the new conditions or does it hold out an optimistic future, with finer opportunities and more worth while goals?

Let me see if I can picture it as I see it. First, just a glance into the past.

About the only goal we have had has been the almighty dollar. The first question asked when a man dies is, "How much was he worth?" with scarcely a thought as to how much he did for his community or his country.

But what has it all amounted to? Have the men who have lived and worked simply to acquire great fortunes obtained peace of mind, happiness and honor? How many of them could answer "Yes"?

Has the country been benefited by the course they have taken? A very large majority of our countrymen would answer "No."

On the whole, the individualistic age has not been a success, either for the individual, or the community in which he has lived, or the nation.

We are, beyond question, entering on a period where the welfare of the community takes precedence over the

interests of the individual and where the liberty of the individual will be more and more circumscribed for the benefit of the community as a whole.

Man's activities will hereafter be required to be not only for himself but for his fellowmen.

To my mind there is nothing in the signs of the times so certain as this.

How the Rewards Will Come.

Our only decoration—the almighty dollar—is receding into the background.

The man of exceptional ability, of more than ordinary talent, will hereafter look for his rewards, for his honors, not in one direction but in two:—First—and foremost—in some public work accomplished, and, secondarily, in wealth acquired.

In place of having it said of him at his death that he left so many hundred thousand dollars it will be said that he rendered a certain amount of public service and, incidentally, left a certain amount of money.

Such a goal will prove a far greater satisfaction to him, he will live a more rational, worth while life and he will be doing his share to provide a better country in which to live.

I have two reasons for believing that future conditions will be as I have briefly sketched them:

First, because the world is being drawn together in one centralized community through the wonderful development in science and the marvelous work of the inventor.

Second, because in our country especially we are entering upon a new stage of development, which calls loudly for men who will render disinterested public service.

We face new conditions, and in order to survive and succeed we will require a different spirit of public service.

One reason why I am strongly for universal military training is that it develops in the youth a sense of all around responsibility to his country, not only in time of war but in time of

Why a New Era Co-operation Must Succeed Pure Individualism.

“WITH intercommunication drawing the world together, the act of an individual can affect a large number of people; therefore that form of freedom which is simply another expression for license to do as one pleases can no longer exist.”

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peace. He is much more apt to be a faithful, conscientious servant than if he had not had military training. He

enters public service in time of peace in more nearly the same spirit that he would enter military service in time of war—namely, from a sense of patriotic duty and a desire to serve his country and his fellowmen.

In recent years we have been hearing a great deal about government ownership of our railroads. We are told that in Germany the railroads are owned by the government and that their operation is most successful. This is true, but in German conditions are vastly different.

The military training of the youth, in fact, the entire trend of education in Germany is to impress upon the young men of that land that they owe service to their country. When a man enters the government's employ in the railroad business he is as conscientious as he would be were he entering the government's service in time of war.

If our railroads were to be taken over and operated by our government at this time, how many of you think we would duplicate Germany's success?

Government ownership of railroads may be as desirable in this country as it is in Germany, but we must first have public servants who will at least come somewhere near the standard of Germany's public servants in efficiency and honesty.

Look at the spectacle we are presenting to the world at this very mo-

The changes of the last twenty five years socially, industrially and economically have been very great, yet I believe they are infinitesimal compared to the changes that are coming. Precedent makes cowards of us all. But the educator, the scientist and the inventor have left us no choice. We must adjust our thought and action to new conditions.

GEORGE W. PERKINS.

ment in our pork barrel legislation! Could we afford to have our railroads operated by the same type of public servants?

If our government is to endure, if we are to take our proper place among the nations of the world in the new civilization, the man of the future must live not for himself alone but for others.

Consideration for one another is speedily becoming a social, industrial and economic necessity.

Centralization is the order of the day. The telegraph, the telephone, the automobile and the airship are the causes. They have wiped out not only old precedents and customs but State and national lines as well.