New York, December 6, 1919

Dear Mr. Rosenwald:

I am afraid you are thinking of my delay in replying to your letter that I was prostrated beyond expression by the result of the first Industrial Conference. Not so, I was not in New York when your letter arrived, and in the few days since my return I have been overwhelmed with imperative things to do.

I do not know that anything that I may say will be useful, but here is about the way I see it now, briefly and inadequately expressed, I am afraid:

It is a simple, clear and logical plan of what might be done to bring industry onto a peaceful basis that the country needs now more than anything else. It should be something that everybody could understand, and, as I see it, should be built up from the bottom. Anything that goes out should begin with definitions. What is industry all about anyway? It would seem that the last thing that the confused public thought of was that its aim, the reason of its existence was abundant and economic production. The factors of industry must be made clear, and I feel confident that the thing to be stressed now is management. In the plan that labor presented in the first conference, management, as I take it you and I understand it, was not considered at all. I am convinced that if we had a thorough overhauling of the management of the mining industry, for instance, thoroughly scientific and modern processes introduced everywhere that we would have the basis for permanent peace in that industry; and that we will never get it until we have some such sort of an overhauling.

When trouble occurs in any industry this is where, it seems to me, the first inquiry should be made. Is the thing being run properly?

This management must be cooperative. No industry is run properly where there is not full cooperation of all the factors which make it up. How this cooperation is to be brought about is one of the greatest of problems. It cannot be imposed from without, and no one scheme will suffice for all industries. Every plan for bringing about a more perfect participation in the management should have intelligent and sympathetic recognition from both labor and capital. It may be convinced that the methods on which a certain plant or industry is proceeding will not work out, but the experiment must be watched with a friendly and unlearned
rather than the hostile eye of the opponent may lead to some real fresh contribution to industrial life.

This cooperative management should, so far as possible, handle in each industrial plant all problems that arise, ages, hours, conditions, profits, and how they are to be divided, for I myself think the day is past when there can be any peace in industry where there is no attempt to adjust the thing we call profits justly; and in order to do this so that everybody concerned may be convinced it is just, there must be open accounting. A great deal of trouble in our industrial life comes from the suspicion that somebody is getting more than he deserves, and this of course is pretty generally true. Industry must attack this problem resolutely and if we have not an exact measuring stick, at least we can have a frankness, which will remove suspicion, and enable us in the long run to work out our measuring stick.

I see that your Conference is given right away to plans of arbitration and conciliation. Probably in the circumstances this was necessary, but when making a plan to go to the public, conciliation and arbitration comes in rather at the end than at the beginning. What we want is an organization that will make a machinery ofconciliation and arbitration as far as possible unnecessary. We must have it of course, but rather as a thing of last resort.

Secretary Wilson's plan which I suppose is before you as it was before us, seems to me to be in its bones at least excellent. There should be these local boards or bodies, only to be appealed to when the cooperative management of a plant cannot take care of the trouble; and there should be the General Board, if the local fails; and then an umpire or Supreme Court at the top. Of course there are numerous other things that should be considered -- the encouraging of cooperation in production, in distribution, effective and social insurance.

Your Conference certainly should emphasize the importance of scientific study of unemployemt, its causes, and its prevention; but in this as in every other difficulty cooperative management will reduce the problem to almost nil. I was in a plant of 14,000 workers the other day, where since the war they have had a labor turn-over of only 4%. They sent something like 1700 men into the army. They lost perhaps 50 by death. Practically every one of the remaining men, whether crippled or not is now working in this factory, most of them at their old machine and their old window. They were promised that they would have their old window when they came back.

I hope, dear Mr. Rosenwald that this preachment, I am afraid that is what it is -- is not entirely impracticable.

And please believe me, I have both sympathy for and hope in this Second Industrial Conference.

Very sincerely yours,