Digital Image, 2009. The Ida M. Tarbell Collection, 1890-1944, Allegheny College Pelletier Library

Nelson Co-operative Association, Inc.

FOOD SUPPLIERS

OFFICE, 506 SO. PETERS STREET
WAREHOUSE, 511 SO. PETERS ST.

CREAMERY, ERATO & FREDRET STS.
BAKERY, ELYSIAN FIELDS AVE. & CHERRY ST.

61 RETAIL STORES
4 MEAT MARKETS

New Orleans, La. 1-16-17 191

Dear Miss Tarbell:

I have finished the book, and have started to read it over again. What it contains is extremely encouraging, as well as informing: it cannot fail to have a great influence.

I am glad that your investigation, and your critical mind confirms what I have believed, that many employers are as well disposed as they know how, and as kind-hearted as people in other vocations.

I am ordering a copy for each of our Managers, and I expect to so mark my copy as to call their attention to such matters as seem directly applicable.

I may not take hold to introduce scientific management systems, for two reasons: first, that I am built to be systematic in some respects, but not thoroughly: I have a great leaning toward individuality, and have depended a great deal on the individual initiative; I know how weak that is, and I think the scientific is desirable. Not all men can adapt themselves to ~~the~~ carrying it out.

We have thoroughness as well as we can get it done in accounting, in certain useful statistical records, in piece work and in the gross profits of customer's purchases figured out on every item as a basis for their dividends, but these things, of course, are not the main points in the Taylor or the Emerson systems.

We do give every encouragement to improvements of whatever sort, including that of economical working, but I have no doubt that a more precise system would be at least an economic advantage, and perhaps even a social advantage.

From memory I recall a slight misapprehension in comparing the Baker system with ours. They take interest on the capital, and ~~the~~ dividend on the interest, and apparently an extra besides. We take interest on the capital and nothing else, just as if the money were borrowed from bank. As about two-thirds of the capital is owned by the employees and customers, they get the interest also. As a matter of fact, what they don't get is only between one tenth and one twentieth of the entire profits: in that regard we are on the basis of the Cooperative plan in which nothing but simple interest is allowed to capital.

The Baker plan, so far as dividends on the interest fund is concerned, is the same as the Godin plan; it is treated as the wages of capital, and gets dividend same as the wages of labor

#2

About three years ago we bought controlling interest in the old sanitary enameled ware factory at Noblesville, Ind. It had always been a loser, and until quite recently it has continued so in our hands. We have, nevertheless, treated it as one of our family, and are giving the employees the same dividend as in the other factories and branches.

We yesterday announced a 20% dividend for 1916.

We have kept accumulating a surplus amounting to about 50% of the capital; this surplus draws no interest or dividend, but is free capital, and of course, increases the dividend to employees and customers; ~~it makes~~ now ~~a difference of~~ about 4%.

Yours truly,

K O Nelson

Digital Image, 2009. The Ida M. Tarbell Collection, 1890-1944, Allegheny College Pelletier Library