

In this connection one may well quote the well-known steel magnate, Charles M. Schwab, who in an address on the occasion of his retirement from the presidency of the American Society of Mechanical Engineers said in part as follows:

There are reasonable wants of employees which they have a right to see satisfied as far as conditions of industry permit.

I believe they include the payment of fair wages for efficient services; steady, uninterrupted employment; safe-guarding of their lives and health, good physical working conditions; a voice in the regulation of conditions under which they work; provision for them to lay up savings, and to become partners in the business through stock ownership; and finally, some guarantee of financial independence in old age.

The records of our own company illustrate the substantial progress which has been made in reducing these peaks and valleys. Whereas the high and low points of employment a few years ago fluctuated 50 per cent from the average, during the following years these fluctuations were steadily reduced until in 1926 the high and low points of employment as measured by the payroll varied hardly 8 per cent from the average for the year.

This regularity of work is not only of vital importance to employees but it has a far-reaching influence on good business.

Even with good wages and steady employment the working man is likely to lack one factor essential to his fullest efficiency and greatest interest in the company by which he is employed.

This factor is ownership. A sense of proprietorship affords a powerful incentive to arouse interest in the performance of work. This principle has been the motivating influence of those who have been willing to take the risk incident to the building of all business. Its application to the wage earner in industry is relatively new, yet nowhere is the whole-hearted interest of human beings so necessary and vital to successful accomplishment.

In the meantime as a temporary measure your directors suggest that the emergency unemployment relief committee, which has continued to function as the agent of the Family Welfare Association in the administration of the appropriation already made, should be asked to carry on. In future years it is possible that an independent appeal for funds might be conducted outside of the regular appeal for the budgetted needs of the agencies for the purposes of unemployment relief.

This policy suggests itself because:—

1. The existence of a permanent fund for unemployment relief budgetted for and known to the public as such must tend to aggravate the problem.
2. It is impossible to estimate in September of any year the requirements for unemployment relief for the following calendar year.
3. The relief of distress from unemployment makes a strong appeal to the sympathy of well-to-do citizens who in winter time provided they have been advised of the fact that federation does not budget for unemployment relief and provided they realize the significance of the first two reasons as stated above, will gladly respond to further calls for this purpose.

#### DEVELOPMENTS WITHIN THE AGENCIES DURING 1927

Your directors call to your attention certain very satisfactory developments and activities of the agencies during 1927.

##### THE CHILDREN'S BUREAU

At less cost and at less than its budget appropriation this agency is reported to have cared for a very much larger number of children, and further, to have reduced the spread of contagious disease, by the substitution of foster homes for its receiving home.

[Mr. Howard T. Falk.]