

FOREWORD

Industries are always in a state of readjustment. The changing ratio in demand and supply, the development of new commodities and of new markets, the effects of a changing purchasing power of money, progress in marketing and retailing and the opening or closing of marketing channels;—these and other forces in normal times force readjustments in and by industries. The rapidity of those adjustments and the risk involved in them are greater just now, and hence the topic is of peculiar importance. Of special interest is the work of readjustment going on in the United Kingdom as typical of the more difficult reconstruction problems of those countries longer at war than was the United States. (Part I.)

For years many social and economic forces have been at work to cause a readjustment in the relations between capital and labor by creating new social standards as to what purchasing power constitutes a fair living wage and a fair opportunity for the expression of all the normal human instincts. The securing of these standards involves a new bargaining relationship between labor and capital. (Part II.)

The world in ideals and in facilities for communication is now more nearly a unit than were the colonies at the time of the adoption of the American constitution. In the days of the cable and the wireless, international business coöperation becomes as vital as was national business coöperation to the United States but little over a century ago. To meet both national and international needs there must be that new relationship between governments and business by which the industrial equipment can find its maximum output at minimum cost. The spirit of Anglo-Saxon industrial institutions is to preserve the usefulness of competition. The plane on which competition shall take place has been constantly elevated by social concepts of justice. With the change in the plane of competition has come a change in its form, and hence in the real tests of what constitutes fair competition and what is an unreasonable restraint of trade. The competitive unit is broadening beyond nations, even to include the

zones of climate, the favorable locations of continents, and racial standards and ideals. This readjustment in the form and field of competition is accompanied by a movement to fit form of government to the changes in industrial functions by giving to administrative bodies wider discretionary powers over competition and restraint of trade, in lieu of leaving this function to the hardened common and statutory law as enforced in the courts. (Part III.)

The standardization of weights and measures as a prerequisite to the free flow of goods between markets has been recognized as to certain types of weights and measures. But in that class of goods most vital to human welfare—foods—much remains to be done. Internationalizing commerce brings new needs for other standards, such as standardization of motors and machine parts. In this new field of standardization lie the possibilities of a free flow of commodities from one world market to another. Such standardization opens to industries possibilities almost as large and as revolutionary as those opened up by machinery. The same commercial needs that placed in our national constitution a provision for nationalizing weights and measures for interstate commerce now necessitates world-wide standards to keep international commerce mobile. For this new type of industrial standardization the British have a fairly well developed program. The American program is in the making. (Part IV.)

The normality of industrial readjustment and the character and rapidity of industrial readjustment depends upon the industrial and financial outlook. To foresee the future is more difficult and less certain than recounting the past. But every worker and every business man must be a prophet; or be guided by prophets. For it is the business outlook that shapes the business present. (Part V.)

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