

cieties, which, in many cases, were endowed. Another reason for my giving up the work should perhaps be mentioned. My group was not made up of preachers or many college professors, but mostly of hard-headed, practical business men. These business men recognized clearly that the principles of our little society were sound. They knew that the ideas of most pacifists were both impractical and dangerous. Therefore they rallied to my international program as they had rallied twenty years before to my economic program. Unfortunately, however, the business of most of these men was definitely dependent upon tariffs, immigration restrictions, control of trade routes, and various other things which we knew must be broken down before the world would ever enjoy peace. In their libraries they were whole-hearted members of our little society, but in their business they were unconsciously traitors to our principles.

How long the world must continue along selfish, nationalistic lines I do not know. Statistics, however, do teach that world peace will never be brought about by great armies, more battleships, or even huge fleets of airplanes. World peace will be brought about only by extending equal opportunities to the peoples of all nations who meet a certain character test and observe certain rules. My townspeople probably look back upon this experiment in internationalism as one of my follies, but I am not licked yet. If the plan does not win during my lifetime, I hope my children and grandchildren will "carry on."

A CONFESSION

In connection with the story of this society, I must acknowledge my indebtedness to Mr. Isaac Sprague, who was then both president of the society and chairman of the board of the banking firm of Harris, Forbes & Company. There was a period during World War I, before our country entered, when the German ambassador to the United States made a very effective drive to get control of our little society. He did this through the owner of a large newspaper which had always been friendly to me and which I later learned was probably owned indirectly by the German Government. The German ambassador had sense enough to know that no amount of money would directly purchase our group, but I was employed to write articles by a newspaper syndicate at a high price, which later I felt to be a form of bribe. Other members of the society also came near being misled through business contacts and subtle movements by the German Embassy.

One morning about four o'clock, when I was staying at the Bellevue-Stratford in Philadelphia, I had a telephone call from Isaac Sprague, who was keen enough to see through the whole scheme. He had the courage abruptly to cut off all negotiations. Although Mr. Sprague and I in later years differed on several problems, I shall eternally feel grateful to him for then saving me from that nefarious German net. This experience greatly shocked me and was proba-

bly another reason why I hesitated actively to push the work. Looking back thereon, I wonder how many other good causes are bought or checked by such methods. Moreover, so long as such unprincipled people are so powerful, how can a League of Nations or a United Nations really function? World peace will come only as the Spirit of Jesus grows in the hearts of man and as the principles of birth control are taught to overcrowded nations and the latent power of gravity is used as freely as air, water and sunlight.

In 1938 Mrs. Babson and I went again to Europe and I was in Munich the famous day when Hitler and Chamberlain met. In 1939 we went to the Orient, visiting Japan, China, and the Philippines.

Chapter XVII

EXPERIENCE WITH INDUSTRIAL DEMOCRACY

MY FATHER often said: "The chief difference between a man and a boy is the expense of his toys." Although Mrs. Babson and I have been economical in our living, we have had a few expensive "toys." Among them may be mentioned our three educational institutions, our winter home at Mountain Lake, Florida, and our experiment with industrial democracy. This last we tried in our business from January 1, 1916, to December 31, 1924. Without doubt, most of the money passed out on those Christmas Eves did a large amount of good. It bought furniture and, in some cases, houses; it paid overhanging doctors' bills and even mortgages on homes. From this point of view, the distribution of those sums of money did much good. Hence I am glad that we tried the experiment notwithstanding its unfortunate ending.

As for increasing efficiency, our experiment in industrial democracy was a flat failure. It may also be said that the plan created much hard feeling. Mrs. Babson and I made more enemies and fewer friends by it than we would have made if it had not been started, although this should be no excuse for giving it up. I often wonder what the employes themselves thought of it. Did they think it a success or a failure? Did they think us a Santa Claus or a fool? Whatever they thought, we know that no one of them would himself have "wasted money" in this way. At any rate, it is one of the outstanding failures of my life. Although operated with the best intentions, it was a complete flop. The community was not ready for it. I would not tell of it except for my desire to help other employers who may have similar good intentions. Perhaps "industrial democracy" will some day become general; but the workers must be better prepared for it than they were when Mrs. Babson and I tried it during those nine hectic years.

WELL-MEANING PLANS

This plan of industrial democracy consisted of far more than the mere distribution of money. It was based on a sort of an employe control of the business by the employes. (I use the word *sort* because if it had been *real*, the entire business would have gone to smash.)

The organization was "governed" by the following three groups:

The *Cabinet*, which met daily at 11 A.M., to discuss current matters. This

Cabinet consisted of the officials of the organization and the heads of the Personnel Department and of the Service Department.

The *Senate*, which was composed of the heads of all departments, and the officials. This Senate met once a week, or at the call of the secretary, to discuss any matters desired.

The *House*, which was composed of all employees who had been with us two calendar years. This House met approximately every two weeks, on Wednesdays at 11 A.M., in the auditorium of the Babson Community Building. This was known as the "Co-operator's Meeting." All employees were referred to as "the crew."

The above was supplemented by a Sick Bay Committee. Concerning this I now quote from the "Constitution" as follows:

This Committee is composed of one representative from each department in the Organization. A chairman is elected by the Committee and holds office for six months. At the expiration of that time, the chairman automatically retires from the Committee and a new member is chosen from the department, together with a new chairman for the Sick Bay Committee.

This Committee takes action in the matter of whether or not pay shall go on for members of the Crew who have been absent more than two weeks, but who are up and convalescing. Careful study is to be given to all the facts of the situation, including loyalty to the department, record in upholding and carrying out the policies of the Organization, willingness to perform necessary overtime work, essential character of position, and other considerations.

To the Sick Bay Committee is also entrusted the important mission of remembering those who are ill and letting them know that the Crew is thinking of them and wishing them a speedy recovery.

In addition to the above, we operated a free hospital under the direction of Miss Nona M. Dougherty and Miss Alice Cavanaugh, both of whom were registered M. G. H. graduate nurses. We also operated a free dental clinic under an experienced dental hygienist; and a free eye clinic for the fitting and adjusting of eyeglasses under Dr. Frank Bliss. We were pioneers in getting necessary legislation to permit this work to be carried on outside of a registered doctor's office.

We also had a system of examinations which we tried to use as a sieve so as to employ only worth-while people. In view of the large sums being "given away" as salary bonuses, we were stampeded by people wishing to leave other employers in order to come with us. (In this way the plan was unfair to other employers who were just as efficient but who had not been so lucky as we had been.) Incidentally, the only person who ever passed one of these examinations with a one hundred per cent mark was Oscar S. Pulman, who in August, 1934, became the president of Babson's Reports, Inc. These examinations were supplemented with daily report cards.

SYSTEM OF EXAMINATIONS

To tell you about our examinations, let me again quote from the "Constitution" as follows:

The Cabinet feels that the distribution under the Babson Plan is becoming too important a matter to treat lightly. We cannot afford to accept anyone as a full member without knowing him or her thoroughly. Thousands of dollars are distributed annually and only the most worthy and loyal should share in this distribution. Therefore, the following system has been evolved: Once in two months the depart-

REPOR ON Month of 1. Integrity 2. Industry 3. Intelligence 4. Initiative 5. Interest 6. Intensity 7. Punctuality 8. Neat Work 9. Reliability 10. System 11. Efficiency 12. Accuracy 13. Improvement REMARKS: Department Head

ment heads will make a written report to the Cabinet on the individual work of every apprentice. These reports will be similar to those made by teachers relative to their students in schools. They will take into consideration the loyalty and interest shown, the grade of work done, punctuality, and attendance. Thus, during the two years of apprenticeship, it will be possible to eliminate those who have not the requisite ability, spirit, and sense of loyalty to the Organization.

Those who do not do good work, and do not try to give the very best that is in them to the Organization, can also be dropped. Preceding graduation a written examination is given on the history, rules, etc., of the Organization, as well as on general subjects. In this way, at graduation time, when a class is taken into full membership, it will mean much more to everyone and to the Organization than the mere distribution of a sum of money. It will mean that these new members have passed real tests, that they have done good work in the eyes of the entire Crew, and that their spirit of loyalty and interest is unquestioned. Graduation will then be a real honor.

If the work of any member, whether apprentice or graduate, seems in need of attention, his or her name is placed on the observation list and every effort is made

to bring about the necessary improvement. To avoid abruptly discharging employes when their work is unsatisfactory, the Senate has instituted this "observation list."

1. The employes will be put on this list by the Senate for a certain definite period.
2. The list will not be published.
3. The period during which "profit-sharers" are on this list will not be counted for them in their yearly bonuses. A deduction in proportion to this period will be made.
4. The period during which "non-profit-sharers" are on this list will not be counted toward the time of service necessary for graduation.

The above was good in theory; but it did not work. Friendship and relationship were placed before efficiency. The Crew and their representatives lacked the courage to do much necessary elimination.

FAMOUS QUESTION BOX

In addition to the above, we had many other features. Among these were dormitories for the unmarried people who were living away from home. The charge at these dormitories was two dollars per week per person, two in a room. We also operated a movie theater and a restaurant, in the Community Building which we erected. This contained an elaborately furnished reception and writing room, a small dance-hall and other conveniences. Those were great days! Money came easy and it went easy. Truly every man has a toy! Of all the features, the most troublesome was the "Question Box." The "Constitution" refers to this blankety-blank box as follows:

There is a locked box in the hall of the Executive Building, on the counter by the switchboard, where all written unsigned suggestions, for increasing the efficiency of our work, *and also unsigned criticisms*, may be deposited. The box is opened before each Co-operation Meeting and the suggestions are read to the Cabinet. They are studied carefully and faithfully by the Cabinet. All questions which do not involve personalities are read by the chairman of the Co-operator's meeting, at 11 o'clock. These suggestions may be discussed fully by all graduates. All suggestions and criticisms which are deposited in the box are later recorded in a book and kept by the secretary, together with the answers.

I believe in *suggestion* boxes operated to develop new ideas. But our mistake was accepting and *publicly reading unsigned questions*. There is a vast difference between questions and suggestions. Due to our lack of experience, I felt we should not require either suggestions or questions signed. I thought we could get a freer expression by such a system. We succeeded in getting a freer expression, all right! The sad fact is that "free expression" was the main thing which this industrial democracy did bring about. In time, the employes stampered one another to see who could ask the silliest and sauciest questions. However, I took my medicine. I tried to help them by fearlessly answering every question those employes asked. Of course, I may be old fashioned; but I

believe until there is a real change in human nature a business cannot successfully be run by the employes.

Accepting unsigned criticisms was a great mistake. Any employer who thinks he will not get suggestions if he requires signing, simply needs to give a few prizes (from five to ten dollars) each month for the best suggestions. Then they will come in okay with the signatures. If I had had sense enough to do this, it would have saved me from a vast amount of grief. Such signed suggestions, with prizes, would have also given us some valuable ideas. Whether or not the signing requirement would limit the number of questions is immaterial.

If space permitted, I should like to tell of other features of this famous "industrial democracy," including the pensions, socials, plays, desk discipline, and fifteen-minute recesses. Every morning and afternoon the windows were opened and calisthenic exercises were introduced. We also once had a simplified spelling bug which I had caught from Melvin Dewey of Lake Placid, New York.

MARRIED WOMEN AND SPECULATION

Our method of treating married women was rather unique. This is described by the following quotation from the "Constitution":

With the same thought in mind, it is unfair for a girl who gets married to expect to share in the profits equally with the girl who is devoting all her time and attention to the Organization. Moreover, our records show that the average period of service of our married girls is much shorter than that of the unmarried. Our success depends upon the continuous service of a large majority of our workers. It has therefore been decided that when a girl in the Organization gets married, she waives her right to participate in the "profit-sharing" and should plan to resign. This, however, does not affect those of the Organization who were already married and entitled to bonuses when this rule went into effect.

We also had a strict rule designed to prevent executives and employes from speculating. It may have worked so far as it applied to those on our payrolls, but it did not prevent their wives, brothers, and sisters from trying to beat our clients. This provision of the "Constitution" read:

All members of the Organization are prohibited from buying stocks or bonds on a margin. Infringement of this rule will be grounds for dismissal. Any member, before buying or selling a stock or bond, must obtain an approval of this purchase or sale from Miss Marie Adams in the Accounting Department. This record, of course, is confidential and open only to the Cabinet. The purpose of this regulation is to avoid possible conflicts with the interests of subscribers to the "Speculative Bulletin" or the "Investment Bulletin."

Every year there was graduated a class of apprentices, who received their diplomas and became graduate co-operators. To be eligible for graduation, the

apprentices must meet three requirements: (1) two full calendar years with the Organization; (2) satisfactory work during this period, as indicated by the regular report cards which are marked every two months by the department heads in cooperation with the Personnel Department; (3) satisfactory work on the examination to which I have already referred.

THE "GRADUATIONS"

The graduation exercises were originally held in the small assembly-hall; but this soon became outgrown. It was then necessary to use a large auditorium to accommodate the audience of relatives and friends, which often amounted to more than five hundred. It was the custom to invite to these graduation exercises guests of honor, representing banks and business organizations. People who attended these graduations remarked on the impressiveness of the exercises and the evident appreciation of the graduating class. Some seemed to believe that the occasion marked an upward and forward step in the careers of the graduates, but I wonder if it did. It was, however, an interesting event in the social activities of the Organization, with the accompanying music, flowers, graduation dresses, and all the other features. It also seems like a useless dream as I now look back upon it. It was too early for such an experiment and ahead of the times.

THE MONEY FEATURE

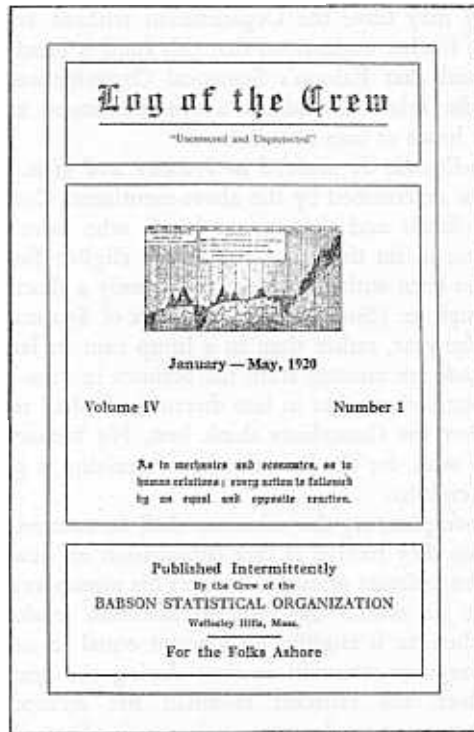
This brings me to the famous Bonus System of the plan. Most of the "Constitution" was a hodge-podge affair published in the *Log-of-the-Crew*, our monthly magazine. I, however, had the good sense to insist that the bonus feature of this document be prepared by an efficient firm of lawyers. This act saved the ship. These attorneys made the point that, although such a plan may read finely and be suggestive, yet *it must promise nothing definite and be for only one year at a time*. This last is important. To avoid tax difficulties, we were told never to use the words "profit-sharing," but only "additional salaries and bonuses." This was so that the money paid out could be charged to expenses. Here is the plan as it was finally published. This was before the name was changed to Babson's Reports Incorporated.

The employees who have been with Babson's Statistical Organization, Incorporated, two full calendar years, in addition to their fixed salaries, may receive one or more additional payments which shall be charged to the salary account. Said additional payments shall be determined as follows, and shall be paid, except to members of the Senate, in monthly or quarterly installments during the year as the Senate may determine.

1. The "Base Line" shall be \$12,671.16. The money represented by this so-called "Base Line" shall be a first charge on the net earnings and go directly to the stock-

holders. In determining what are these "Net Earnings" the decision of the Directors shall be final.

2. As a second charge, before the earnings for said year above this base line are divided, donations shall be made to the Babson Institute and any other corporation, association, individual or interest which the Directors desire to help. Reserves shall also be set aside, the amounts and purpose of each to be determined by the President.



Outside cover of *Log of the Crew*, the monthly magazine which was issued in connection with my profit-sharing experiment. It is from this magazine that the quotations in this chapter have been taken.

3. The remaining money shall then be divided into two equal portions, one-half for the stockholders, and one-half for certain employes and other helpers. The latter one-half shall be turned over to the Cabinet, consisting of the President, Vice-President, Sales Manager, Secretary, and Assistant-Treasurer, who shall serve as Custodians of this money. *These Custodians shall, after December 31, of said year, distribute this money according to their discretion.* A plan somewhat like the following is suggested for consideration:

- (a) *That Five-Eighths be divided among all* (from President to the lowest-paid employe) *who have been with the Organization for the two calendar years directly preceding February 1, of same year.* This division of the fund may be proportional to income which each of the above-mentioned employes receives from the Organization, with the understanding that it shall not apply

to that portion—if any—of one's income from the business exceeding \$14,000 per annum, or such other maximum as the above-mentioned Custodians may deem advisable.

- (b) *That One-Eighth be set aside as a Protective Fund* to be drawn upon by certain retired employes after reaching a certain age, and having fulfilled other requirements. It, however, is distinctly understood that no one has any claim upon any portion of this fund because he or she has contributed toward it, and that many may leave the Organization without receiving any benefits therefrom. It is further understood that this fund is handled for the employes by Trustees, and that Babson's Statistical Organization, Incorporated, Mr. Babson, and the other Custodians above mentioned are not in any way responsible for losses or uses of this fund.
- (c) *That the Two-Eighths be divided as bonuses and gifts.* How these shall be allotted shall be determined by the above-mentioned Custodians; but all persons (except officials and department heads who have been with us long enough to come in on the five-eighths) are eligible for such, even though any of them has been with the Organization only a short while, or, in fact, is not a direct employe. (Such bonuses in excess of \$50 may be distributed pro rata through the year, rather than in a lump sum in January.) Officials and department heads are omitted from the bonuses in view of the fact that they recommend distributions; but in lieu thereof each shall receive a flat bonus of 7%, or whatever the Custodians think best. No bonuses, however, shall be given to those who, for the first time, are receiving a portion of the above-mentioned six-eighths.

In the above plan, regular salesmen shall be entered as having "income" equal to what they receive as face commission on new business, plus their monthlies. An assistant salesman receives his money as follows: 1. The regular salesman for whom the assistant salesman works, pays the assistant salesman, when he is eligible, an amount equal to one-half of the money which said regular salesman receives during the year from this plan on business which the assistant salesman has secured. Neither Babson's Statistical Organization, Incorporated, nor the Custodians pay any portion of said money to assistant salesmen. 2. The bonus for an assistant salesman is recommended by the regular salesman and the Sales Manager and is paid 50-50 by the Custodians and the regular salesman.

Others in the field than assistant salesmen, such as office help, are paid on the amount of income received by those individuals from Babson's Statistical Organization, Incorporated. The bonus for office help is paid entirely by the Custodians.

4. Anyone accepting pay from other interests than the said Organization without turning the same over to the said Organization, and anyone who does not first use his or her yearly share to pay, so far as possible, his or her outstanding bills, may, by vote of the Custodians, not be entitled to any or all of the benefits of this plan.

5. Anyone leaving (this means voluntarily or involuntarily) the employ of the said Organization during said year, as well as women employes who marry, shall forfeit *all claim* to any of the above funds.

6. If any question arises as to the interpretation or application of any feature of the Plan, the decision of the President shall be final.

7. Later the year may be changed so that it will be from July 1 to July 1, instead of from February 1 to February 1; and the Cabinet reserves the right to extend that date for a period not exceeding 30 days.

8. The date of distribution, the method of distribution, and all details are wholly subject to the discretion of the Directors, who will announce the same on December 31, when the books are closed. Moreover, this plan is only for the next year. Whether there will be any plan in years to follow, or what such a plan may be, if any, will be announced from year to year.

OVER ONE MILLION DOLLARS

The following is a record of what we "gave away" during those years of experimentation. This division was only of that surplus remaining over and above the "Base Line" so called. This base line of \$12,671.16 was the average of the net earnings for 1913, 1914, and 1915, after paying all officials and employees, including Mrs. Babson and myself, good salaries and setting aside liberally for depreciation and contingencies. This latter figure sometimes amounted to \$120,000 a year. These sums during these nine years totaled \$1,241,179.11.

To show what these figures totaled to certain single individuals, I will say that only one of our boys—one who came to work from high school in 1907 at ten dollars a week—received the following from 1913 to 1925. These sums totaled \$227,305.33 for those twelve years to this *one* member of the "Democracy." Pretty good for a business started in a kitchen only a few years before!

	1914	1915	1916	1917
Salary and Commissions	\$3,007.46	4,708.15	7,207.35	10,850.03
Additional.....			2,548.51	2,913.23
Totals.....	<u>\$3,007.46</u>	<u>4,708.15</u>	<u>9,755.86</u>	<u>13,763.26</u>
	1918	1919	1920	1921
Salary and Commissions	\$4,181.52	13,132.30	24,726.18	30,345.25
Additional..... left for war		5,669.51	5,805.00	5,222.00
Totals.....	<u>\$4,181.52</u>	<u>18,801.81</u>	<u>30,531.18</u>	<u>35,567.25</u>
	1922	1923	1924	1925
Salary and Commissions	\$29,843.00	31,974.09	21,805.76	8,363.09
Additional.....	5,086.70	4,792.00	4,107.20	19.00
Totals.....	<u>\$35,929.70</u>	<u>36,766.09</u>	<u>25,912.96</u>	<u>8,382.09</u>

THE EXPERIMENT ENDS

I give these figures partly in order to show the falling off in 1925. The trouble with "profit-sharing" is that it "works" only when it works one way. As long as profits go up, the employer is a good fellow and all goes finely; but when the tide turns and there is *one* bad year, then an organization is shot to pieces by dissatisfaction. I do not blame my employees. They had begun to count definitely on about so much annual bonus money. (It amounted to over fifty per cent of their salaries one year.) They planned their living and made their expenditures on this inflated basis. Hence, when this bonus money failed to come,

they were panic-stricken. During the first year of falling off, they borrowed at some local bank or of some tradesman. Then when the following lean years came, they were completely swamped. They then blamed me for "leading them on," as they said.

Finally, the entire Industrial Democracy was given up in 1926. As a result we lost most of those older employes who had enjoyed its "dividends" and "privileges." Very few of these older employes are now as well off as if they had remained; but I can understand how they felt. They were a fine group, nevertheless, and I have a soft spot in my heart for every one, including the dental nurse who sued us for not properly including her! This case we fought through the Supreme Court of Massachusetts. It was the first "profit-sharing" case to come up in any supreme court. The decision should be read by all employers.

As I write this story, we have left only the hospital, the dental clinic and the pensions. This later is now even becoming a sore spot. All of us will be glad when it can be merged with some compulsory state pension plan. This, then, is the history of our "toy." We, of course, should have spent this money in reducing the price of *Babson's Reports*, instead of taking the money either for the stockholders or for the employes. Although we still have an excellent business, I know that we all—stockholders and wage-makers—would be far better off today if we had thought more of our clientele and less of our stockholders' dividends or of our "industrial democracy." In short, I believe in the goal of industrial democracy but I am sure that the nation is not yet prepared for it.

Chapter XVIII

BECOMING A WRITER AND SPEAKER

EARLY in my business career I had a desire to do some writing, but never received any encouragement. As I lacked the money to purchase advertising space, I finally determined to get into the reading section of some magazines and newspapers. Although I have since spent millions on paid advertising, none of it has equaled the efficiency of the space which has been given freely to me. In fact, for much of this writing I have been paid well.

Let me relate how my literary "career" started. My first article for which I ever received pay was entitled, "Mistakes of Investors," with special reference to business cycles. It showed that there are years when investors should buy and years when they should not buy; and that the country at that special time was probably in such a latter period. I sent the article to a little magazine in New York known as *The Ticker*, which was edited by an acquaintance of mine, the late Richard D. Wycoff. He sent back the article, with a letter explaining that, although what I said was true, he could not afford to use the article. He believed that his advertisers would not stand for it! When the postman brought me Mr. Wycoff's letter, I was sitting on the piazza at my summer home in Annisquam, Massachusetts, reading an editorial in the *Saturday Evening Post* along the same general lines. With a moment's thought, I took out my pencil and wrote on the letter which I had received from Mr. Wycoff these words:

To the Editor of the *Saturday Evening Post*: Enclosed is an article which you will see has been refused by a small financial magazine in New York. In view of an editorial which appears in this week's *Saturday Evening Post*, you may be interested in publishing my article.

I heard nothing from the *Saturday Evening Post* until one day a man walked up on to my piazza and introduced himself as Mr. Churchill Williams. He had been sent to see me by the editor of the *Saturday Evening Post*, Mr. George Horace Lorimer. He asked me a lot of questions, with the idea of checking up as to my character, experience, and whether or not I was the *bona fide* writer of the article. He courteously thanked me for the time I had given him, and said that I would soon hear from Mr. Lorimer.

DISCOVERING A GOLD MINE

Within a few days I received a formal letter from George Horace Lorimer, stating that the article had been accepted for publication October 22, 1910, and "a check will be mailed on the following Tuesday." On Wednesday of that following week I received a check for four hundred dollars from the *Saturday Evening Post* for an article which I had offered to give freely to a little magazine in New York City! The article created so much interest among the readers of the *Saturday Evening Post* that it was necessary to ship by express the letters which had been addressed to me personally, in care of Mr. Lorimer, and which letters Mr. Lorimer asked me to answer. This experience developed an entirely new chapter in my life which turned out to be a little gold mine. The next month I went to Philadelphia and met Mr. Lorimer, Mr. Williams, Mr. Bigelow, Mr. Collins, and Mr. Lorimer's faithful secretary, Miss A. W. Neall. They were a great bunch of people, and this visit marked the beginning of a happy and profitable friendship.

Mr. Lorimer finally purchased from me every other week a general article under my own name; and in addition I had a weekly column under the title of "How's Business and Why?" I was with Mr. Lorimer when Mr. Cyrus K. Curtis came in one day and told us that he had purchased the *Country Gentleman*, and that we were to prepare the "next copy." Mr. Lorimer gave me an opportunity to help on this, and I gladly accepted. He continued to pile work on me, but always paid well for my time. During the year 1915, for my material sent to the Curtis Publishing Company, I received checks aggregating over twenty thousand dollars. Surely this should give encouragement to young writers; for I had no literary training whatsoever. I was practically "taken out of the gutter" by Mr. Lorimer and *made* a writer. But this is not the end of the story! For good reasons, Mr. Lorimer was just as courageous and sudden in dropping me in 1923 after I had been writing for him for about thirteen years. Although we always remained good friends, and I seldom went to Philadelphia without visiting at his home, yet he never accepted an article from me after that fatal year when I was discharged. It may interest readers to know that all of this writing was done "out-of-doors" whatever the temperature.

WRITING FOR NEWSPAPERS

Naturally, I turned to new sources, and found that other doors were then opened to me. Every publication had respect for men whose articles were accepted by George Horace Lorimer. My first feature work was with the Scripps Syndicate, and I wrote articles for their Sunday papers. Although they did not pay so much as the Curtis Publishing Company paid, I formed a friendship with that wonderful old gentleman, E. W. Scripps, who then lived in

southern California. He was a great man, combining a keen sense of business with a social vision far ahead of his day. I worked with Roy Howard, who later became one of the most powerful men in the newspaper world. I became good friends with Earl Martin, who headed the *Cleveland Press*, and with other managers of Scripps papers.

In connection with this work for the Scripps Syndicate, Mrs. Babson and I traveled extensively over the United States. We visited the lumber camps of the Northwest, the cattle ranches of Texas, and the great farming regions of the Central West. This work was all supplemental to our own business, of which I was the executive head and which was a man's work by itself. Fortunately, my sickness had taught me to take care of myself physically. I continued to sleep out-of-doors, eat carefully, and take an hour for rest and devotion after lunch. If it had not been for my experiences in Washington later, my relations with these newspapers might have developed into something more important. Yet necessary entangling alliances with advertisers would probably have so complicated the situation as to make a financial connection impracticable.

FORECASTING THE WORLD WAR

One of my most interesting literary experiences was in connection with the *New York Times*. One day I received a letter from W. C. Reich, who was then managing editor of that newspaper. He asked me to come to New York to see him, which I did. He thereupon offered to purchase from me a series of full-page articles for his Sunday papers. After securing Mr. Lorimer's permission, I accepted the offer. He certainly featured me in a most friendly and spectacular manner. Later, Mr. Reich became managing editor of the *New York Sun*, and I had very friendly relations with the *Sun* until it changed hands. Mr. Reich gave me many assignments, but the most interesting was in connection with a trip to Europe in 1913. With headquarters at Lausanne, Switzerland, I interviewed famous statesmen from England, France, Germany, Italy, and especially the Balkan States.

I think the *New York Times* was the first large American newspaper in which any writer forecasted the coming World War. In the files of this paper will be found my series of Sunday articles which appeared in the spring of 1913. In these articles I clearly forecast the coming European war and its origin in the Balkan States. Mr. Reich also arranged for me an interview with Kaiser Wilhelm, but I was unable to get to Berlin in time. I was in Italy during its war with Tripoli, traveling with the late J. P. Morgan, Sr. I had during those months numerous interesting and unique experiences. The writing and selling of articles, however, was like the manufacture and sale of any merchandise. As long as the goods are wanted, very well; but when the demand ceases, you are like a boat on the beach, with the tide out! Worse than this, I was always

dependent upon the whims of some one man. This I did not like. Finally, in 1923, I started a newspaper syndicate of my own, known as the *Publishers Financial Bureau*. This began with a few papers and grew to some four hundred and twenty papers and is still going strong. Although there has never been much of an income in this syndicate, owing to the expense of operation, yet I am no longer under the thumb of one publisher. In making this change I applied the law of averages and the principle of diversification to the sale of my writings.

BECOMING A SPEAKER

My breaking into the field of speaking was as sudden as into the field of writing. I had never given a talk since my old Christian Endeavor days in Gloucester during the years preceding 1895, until one day in 1909, when I received a certain letter from New York. This letter told of a series of lectures that was being given in the Cooper Institute in connection with the American Institute of Banking, an association newly organized to give extension education to bank clerks. I received a tremendous thrill from this invitation, as up to that time speaking had never occurred to me. I carefully prepared the lecture and went to New York and delivered it extemporaneously. Let me add right here to young readers: *Do not read an address*. If you believe wholeheartedly in what you are going to say, you can give a good extemporaneous talk with only a few notes. This Cooper Institute address resulted in an invitation to address the American Statistical Association at their annual meeting in St. Louis during Christmas week, 1910. At that time, my acquaintance began with Woodrow Wilson, who later became President of the United States. On December 29, 1912, I read in Washington a paper entitled: "Ascertaining and Forecasting Business Conditions."

My first invitation to speak before a Chamber of Commerce came through the Cleveland Ad Club in 1912 and was followed by a similar invitation from Chicago. Invitations then began to come in from Chambers of Commerce all over the country. I enjoyed speaking at these gatherings. I fearlessly told the audiences what I thought. They always appreciated my frankness, although many of them disagreed with me. These addresses were all based on the business cycle which was more or less a new idea to business men at that time, although most of them have since become familiar enough with it through sad experience. Invitations then began to come in from various colleges. I have since addressed the students of most of the large universities. For many years I gave a talk each May to the students in the course on business administration at the Massachusetts Institute of Technology.

These talks, despite the fact that I greatly enjoyed giving them, pulled me down physically. When working at my regular business, or when writing an

article, my time is my own, as I am the boss. If I feel well, I work; if I do not, I rest, or take a day off in the woods. When, however, I was signed up weeks in advance to address a thousand men at a banquet of the Chicago Chamber of Commerce, I was obliged to be there, whether I felt like it or not. If obliged to speak when I was feeling tired or had a cold, it so sapped my vitality that I was compelled to curtail public addresses. I should love to accept invitations for addresses now, if it were not necessary to decide on a definite date in advance. As a practical matter, this cannot be done; hence, to my great regret, I now am obliged to refuse most invitations to speak—especially at evening affairs.

CLIENTS' CONFERENCES

As a result of these meetings a demand developed on the part of clients that our organization hold conferences once a year, one in each of the country's largest cities. To meet this demand, Mr. Ernest H. Gaunt organized the first clients' conference in September, 1914 at Wellesley Hills, Massachusetts. These conferences continue to be an annual event. They start with a series of meetings at Babson Park, Massachusetts, in September, and end with meetings at Babson Park, Florida, during the following February. Many are held in the ballrooms of the leading hotels, and are often accompanied by mass meetings at some large auditorium to which the public is invited.

These field conferences were born of a desire to spread sound economic doctrines not only to our clients, but to business and financial men throughout the United States. A larger factor in their genesis, however, was our desire to serve society by disseminating reliable information as to the causes of depressions and the remedies therefor. They provide opportunity for personal contacts between those who prepare and stand behind *Babson's Reports* and the thousands of clients who receive them. They not only give business and financial men an opportunity to hear brief addresses by experts, but also to present their individual problems to these experts through the question-and-answer method. These question periods often last for hours and cover questions on every phase of business and finance, politics and foreign situations, commodities and general business conditions.

From their inception up to the present, clients' conferences have been held in practically every large city in the United States and Canada. Speakers from the Organization have also often made special trips to those cities where conferences have not been held. It may, therefore, safely be said that every city of any prominence whatsoever in the United States and Canada has either had a conference or has heard the sound economic doctrines of the Babson Organization. Below is a list of some of the more important cities in which conferences have been held. At these meetings three or four members of our Organization have spoken to groups ranging from one hundred to fifteen hundred.

Atlanta	Dayton	Montreal	St. Louis
Baltimore	Denver	New Haven	St. Paul
Boston	Detroit	New York	San Francisco
Buffalo	Hartford	Ottawa	Seattle
Chicago	Kansas City	Philadelphia	Springfield, Mass.
Cincinnati	Los Angeles	Pittsburgh	Springfield, Ohio
Cleveland	Milwaukee	Providence	Syracuse
Columbus	Minneapolis	Rochester	Toronto
			Washington

NATURE OF THE MEETINGS

For a number of years these field conferences consisted of two meetings in each city—first, a service conference for clients only; and second, a mass meeting for business men and investors. The mass meetings were usually held under the auspices of some of the leading business organizations; but sometimes they took the form of a noonday luncheon before one or more of the city's business organizations. Where mass meetings were held, the clients' conferences usually convened at 10 A.M. and the mass meeting at 4 P.M. To make sure that those for whom the meetings were intended—business men and investors—could gain entrance, admission to the mass meetings was by ticket. Other than at the Clients' conference, my only public appearance in a city I made at the mass meeting. This field work I did at considerable cost in physical energy. My associates, however, did everything within their power to arrange the details, so that I had only to come on the platform at the given time, deliver my address on the general business and financial outlook, and answer questions as long as I was physically able to do so.

The first mass meeting was held in Symphony Hall, Boston, on December 1, 1920. The entire seating capacity (2,621) of the Hall was filled, with hundreds standing and hundreds turned away. The largest mass meeting, however, was that held at the Chicago Colosseum on January 9, 1921. This hall, which has a seating capacity of 10,000 people, was filled to overflowing. I recall one meeting held in Tremont Temple in Boston, on January 4, 1922, to which, for some unknown reason, some two or three thousand more people came than the hall possibly could hold. It was a bad night, snowing and half raining. I mention this to show the great effort which we made to develop the business which followed. I believe similar opportunities exist today in other fields for those willing to plow, plant, and nurture the growing crop as we then did. Other large mass meetings were held in Cooper Union in New York, the Metropolitan Opera House in Philadelphia, Gray's Armory in Cleveland, the Pitt Theatre in Pittsburgh, Moolah Temple in St. Louis, the Armory in Detroit, the Pabst Theatre in Milwaukee, the Auditorium in Minneapolis, the Music Hall in Cincinnati, and the Calvary Baptist Church in Washington.

At all these mass meetings, the halls were filled to capacity. I remember speaking at a meeting in the Chicago Opera House when it was necessary for our Mr. Ralph B. Wilson to hold an overflowing meeting in a theater a few blocks down the street. Some idea of the popularity of these conferences may be had from the fact that in 1922 the total attendance at the conferences, the mass meetings, and the luncheon meetings was 49,865, excluding the 4,200 who were turned away. Considering the fact that our field conferences and mass meetings have been held since 1919, it would be safe to estimate that over 300,000 business men and investors throughout the United States and Canada have been reached by me personally through these field conference methods.

WRITING BOOKS

In recent years I have had the honor to do some work for the *American Magazine*, *Collier's Weekly*, and other national magazines. In connection with this work, I have especially been impressed by the attention given by their editorial staffs to making corrections and revisions, and by their insistence upon rewriting and improving the articles. Some of these articles have been returned to me three or four times for changes. Either I am slipping and becoming more careless, or else editorial offices are improving and becoming more careful.

Publishers who had read my articles or heard me speak began to ask me to write books. Although the permanency of a book appeals greatly to me, yet the writing of the book and the correcting of the proof have always been a drudgery. When writing an article or making a speech, the enthusiasm of the moment carries it along, and the effort becomes a joy. Sometimes it seems absolutely necessary that I either write an article or make a speech, or burst! When it comes to rehashing, my interest is in something else and I do not enjoy the work. This is probably why my books have never amounted to much. This autobiography is my last book. These books contain probably two million words, and each word has drained me of nervous energy.

The books on which I have worked the hardest have been the poorest sellers; while those on which I worked the least have been the best sellers. Some of these books on which I have worked for months have brought me little return; while others which I have dictated in a few hours have been profitable. A list of these books follows:

- 1907 *Investment Stocks. What and When to Buy*
- 1909 *Business Barometers*
- 1912 *Stocks and Bonds*
- 1912 *Commercial Paper*
- 1913 *The Future of the Working Class*
- 1914 *The Future of the Churches*
- 1914 *The Future of the Nations*
- 1914 *The Future Method of Investing Money*

- 1914 *The Future of the Railroads*
- 1914 *Prosperity and How It Must Come*
- 1915 *The Future of Us Boys*
- 1915 *The Future of South America*
- 1915 *The Future of World Peace*
- 1919 *W. B. Wilson and the Department of Labor*
- 1920 *A Central American Journey*
- 1920 *Cox the Man*
- 1920 *Fundamentals of Prosperity*
- 1920 *Religion and Business*
- 1921 *Making Good in Business*
- 1922 *New Tasks for Old Churches*
- 1923 *Business Fundamentals*
- 1923 *Enduring Investments*
- 1923 *What Is Success?*
- 1924 *Recent Labor Progress*
- 1927 *A Continuous Working Plan for Your Money*
- 1927 *Instincts and Emotions*
- 1928 *A Business Man's Creed*
- 1929 *Storing Up Triple Reserves*
- 1930 *Easy Street*
- 1930 *New Ways to Make Money*
- 1930 *Invest Fundamentals*
- 1932 *Cheer Up*
- 1932 *Fighting Business Depressions*
- 1932 *Washington and the Depression*
- 1933 *Finding a Job*
- 1934 *Washington and the Revolutionists*
- 1934 *The New Dilemma*
- 1935 *What About God?*
- 1935 *Actions and Reactions*
- 1936 *Increasing Church Attendance*
- 1938 *Coalition or Chaos*
- 1939 *If Inflation Comes*
- 1941 *Campaign for the Presidency*
- 1942 *Looking Ahead Fifty Years*
- 1943 *Before Making Important Decisions*
- 1945 *Can These Bones Live?*
- 1949 *Roger W. Babson's Autobiography*

I do not read novels, but prefer biographies and books on economic and social questions. I read rapidly and make marginal notes as I go, underscoring the essentials. In history, the past is projected to me as a beam to illuminate the future. Poetry arouses my emotions, and usually these are my best emotions. My primary interest in reading, however, is to learn more of human nature. Business men need to know more about people—how they live, what they desire, how they slip into ruts, build nests for themselves, depend upon push-

buttons instead of push, and coast on past performances. The reading of history tends to develop honesty, fairness, and good judgment. It is well, however, to shun gossip and stories which pull down instead of build up. I like to read a book that arouses in me desires to be a better man. One gets many new ideas from reading the news and stories; this applies also to the reading of advertisements. Continued success depends on continually learning new ways "to skin the cat." Mr. Lorimer tried to teach me to use simple words and short sentences, with many illustrations. He astonished me once by explaining how the greatest event in history—the crucifixion of Jesus Christ—was related by Matthew and the other Apostles in only about four hundred and twenty words.

One should be positive when writing, rather than negative, in his point of view. I found that people like mottoes and mementoes of earlier days. In the long run, however, successful writing depends, like everything else, upon a proper mixture of industry and emotion. Sick or well, afoot or on horseback, a good writer must always be up to something—talking, reading, dictating, planning, praying. As for sleeping, that should be made a business, like work. When it is time to go to sleep, I want to sleep; but when it is time to wake, I want to wake. Some can write only at night, but I am just the opposite. Most good ideas come to me while I am shaving in the morning. I can work at sixty miles an hour from 7 A.M. to 1 P.M., but I drop into low gear after lunch. When attempting to sell a man something, I always go at it in the morning; but when some one wants to sell me something, I always insist that he call in the afternoon. We dine at 7.30 P.M. and go to bed early. I am never any good in the evening except quietly to read by myself on a couch.

BE KIND TO REPORTERS

Practically all of my writings have been dictated. It is my custom to have a file of envelopes on different subjects. Into these envelopes I will from time to time put clippings. When the call comes for an article or book on a certain subject, I go to the respective envelopes and run through these clippings while I dictate the story. I revise the first draft and try never to see it again. My revisions are always in longhand, which I can hardly read myself the next day. I have done many interviews; these have included Presidents, great captains of industry, and scientists.

While once interviewing Thomas A. Edison for the *Saturday Evening Post*, I formed a friendship with him which lasted until his death. Readers will be interested to know that these appointments with Mr. Edison were always between 11 P.M. and 1 A.M. at his home at Orange, New Jersey. Whew! but he was a worker, if there ever was one. Anyone who followed in his footsteps would never be looking for a job.

I have been misquoted a great many times, but have found that it is im-

practicable to make denials. A lie travels so fast that it is impossible to catch up with it. Besides, it is much better to be friendly with all, especially with the reporters, who are working hard to earn a living and have far more troubles than I have. Reporters can render a great service to those who will help them. I remember once a reporter for a small newspaper, with a circulation of only ten thousand, coming to see me. I was tired and busy, and sent word out to him that I could not give him any time. This reply came back from him: "Mr. Babson, if you were informed that ten thousand people were assembled in your front yard, asking you to speak to them, would you not drop everything and do your best to comply? Well, my newspaper has ten thousand subscribers." Of course I went out and saw that reporter, and from that day to this I have always received courteously and thankfully every reporter who took pains to call on me.

I was once sitting in the library of Princeton University, waiting to talk with the then president of that institution. Two well-known professors were sitting by the fireplace, and one of them was reading an article by me which appeared in that week's *Saturday Evening Post*. Said he to the other professor: "What do you think of this man Babson?" The other professor replied: "I think he writes interestingly and is probably doing a lot of good, but I would rather have him write these articles than write them myself. They carry an atmosphere that is lacking in dignity." This professor was serious. He would have said the same thing had he known that I had received as much money for that short series of articles, written in a few days, as he received as an entire year's salary.

TIPS TO AUTHORS

Looking back over my life, I feel that my teaching of simple economics through books, magazines, and the press has been my greatest contribution in a literary way. I have tried to take great subjects, heretofore treated only in scientific papers, and present them so that the man on the street may understand and enjoy them. Furthermore, this is important because, unless such men get correct ideas of economics, this country is doomed. It is said that I set an entirely new style in the writing of financial news and editorials. Brisbane, the greatest newspaper man America has thus far produced, has often complimented me for getting away from the stilted jargon intelligible only to the financial and economic writers who have produced it. I have also never been afraid to forecast either prosperity or depression. Yet before my day the subject of business forecasting had been tabooed by the financial press.

All successful writers must observe, analyze, preserve, and apply. The community where you live, and the people with whom you are associating, are abounding in resources and material for books and articles. If you will fearlessly

and truthfully write about them, in simple words, your articles will be accepted. Remember the importance of emotion. Never dicker with a publisher as to price. Gold is good only for filling teeth and gilding picture frames. The fun is in the striving and not in the arriving. Money earned is of no use until it is usefully invested or given away. Yet, being able to produce marketable goods—whether merchandise or literary articles—at a profit, is thus far one of the best barometers of their worthiness. I shall probably live to write some more material which will be *printed on paper*, but I am taking no chances. I am now engaged in writing a book where the words are being carved in stone; that is, on the boulders of Dogtown Common, Gloucester, Massachusetts.

Chapter XIX

ACQUAINTANCE WITH PRESIDENTS

WHEN I was born, Ulysses S. Grant—who led the Union troops to victory in our Civil War—was President of the United States. When I was two years old, Rutherford B. Hayes, was inaugurated. I well remember the death of President James A. Garfield, on September 19, 1881, at the age of only forty-nine years. Although I was then but six years old, I can remember distinctly my father's coming home and telling mother about it. He draped the outside of his store in black, an example which most of the other stores followed. Our city of Gloucester, and most other cities in the North, went into mourning for thirty days, during which time few social events were held. Chester A. Arthur, who was Vice-President, succeeded to the Presidency. I was about ten years old when Grover Cleveland was elected for the first time, in 1884.

The first presidential campaign that I clearly remember was that of the fall of 1888, which resulted in the election of Benjamin Harrison. I was then thirteen years old, a very impressionable age. There were no radios or moving-picture theaters in those days. There was little political newspaper advertising, if any. Campaign managers depended upon public speeches—"rallies," so-called—and especially on torchlight processions. These torchlight processions took place, of course, in the evening. These parades would be composed of several companies. The fishing concerns made up one company; the Civil War veterans made up a second company; the professional people, including doctors, lawyers, ministers, and schoolteachers and college students, made a third company; while the merchants made a fourth company.

PRESIDENTIAL CAMPAIGNS IN THE 'EIGHTIES

Each marcher in a presidential campaign parade of those days would have an oil-lamp on the end of a pole, which he would hold on his shoulder. The lamp would be suspended on a swivel, so as always to be upright. These lamps had a wick nearly an inch in diameter and the flame, of course, was smoky. The different companies would have different styles of uniforms, made of cotton cloth. Some companies would be all white; others would be all blue; and perhaps the professional group might be dressed in silk hats and Prince Albert

coats. Each company would be headed by a group of men on horseback. My father was always on a horse at the head of the company of merchants. Those on horseback would wear broad-brimmed black hats, decorated with a gilt cord; and on the front of their hats would be a small lamp.

My father, I remember, had for his horse on such occasions a very fancy saddle and accouterments. These were given him by the family of Colonel David Allen, a Gloucester man who used them on dress parades during the Civil War. The Allen family farm adjoined my father's homestead. Houses were often decorated, and the homes which were sympathetic with the marchers were illuminated with candles in the windows. My emotions were tremendously aroused by these presidential campaigns. Whether my father really believed that the world would come to an end if his candidate had been defeated I do not know; but I, a thirteen-year-old boy, surely felt it.

History now shows that at the time of the next presidential campaign, in 1892, the United States was on the verge of the great panic of 1893. Naturally, Harrison went down in defeat at the end of his first term, and Cleveland was re-elected in November, 1892. The depression, however, was only about half over in Cleveland's time, and he, of course, was blamed for its continuation, and hence the Republicans had a good opportunity in 1896. Surely politics are as good now as in those days—in fact, in some respects they are better.

BRYAN VS. MCKINLEY

During the last years of Grover Cleveland's second administration the inflationists made a drive, as they always do in the last part of a business depression. This gave a fine opportunity to William Jennings Bryan, a popular orator, who developed a great following appealing for "more money," not realizing that it was a more rapid circulation of the money already existing which was really needed. Finally, the presidential campaign of 1896 simmered down to a struggle between the "sound money" interests, headed by William McKinley on the Republican ticket, and the "inflationists," headed by William Jennings Bryan on the Democratic ticket. This campaign took place while I was at the Massachusetts Institute of Technology. I was too busy with my school and highway work to take part in the campaign, but I attended several rallies. I well remember being invited by a friend to visit the Williams home in Dedham when William Jennings Bryan was a guest there during the campaign. I cast my first vote in 1896 and it was for the Republican Party.

Conditions were similar then to those existing during the presidential campaigns of 1932 and 1936. The conservatives and radicals were lined up in about the same way. There was much similarity in the campaign speeches. To the great satisfaction of the business interests of the country, William McKinley was elected President in 1900. Let me say, however, that if radio broadcasting

had existed in Bryan's time he would have been elected with a large plurality. Business was naturally ready to improve. With the Spanish War as a stimulant, the country soon swung back into a period of prosperity. While attending the Buffalo Exposition, William McKinley was shot. He died in Buffalo on September 14, 1901. As already explained, I was in Buffalo at that time and was keenly stirred emotionally. It probably had an indirect effect on my own illness, which started soon thereafter. The rapidity with which business improved after the collapse and extreme pessimism of the 'nineties should give heart when succeeding depressions come upon us.

THEODORE ROOSEVELT

Theodore Roosevelt, who was Vice-President under McKinley, immediately succeeded to the Presidency and completed McKinley's term. Theodore Roosevelt was re-elected in 1904 for a second term and I then voted for him and the Republican Party. He might have been President for a third term had he not made the fatal slip about "a cup of coffee." I was always fond of Theodore Roosevelt. He had character, judgment, and courage. Although a conservative, he endeavored to be fair to all parties, yet keep all within bounds. He used the "big stick" with both the industrialists and the labor leaders whenever either got out of line. I personally met him in connection with the peace efforts in which I was engaged at that time. He certainly talked to me like a father to a sick child, although, as I look back upon it, I am surprised that he bothered to see me or to write me. I was then only about thirty years old and wholly unknown. He was just the man needed for the country in those days.

If Franklin Roosevelt had possessed the characteristics of Theodore Roosevelt, the country would probably have snapped out of the depression of 1929-1935 much more quickly. I became acquainted with some of Theodore Roosevelt's sons and felt proud of my association with President Roosevelt himself. Whenever possible, I heard him speak. I especially remember a great gathering in Indianapolis which we attended together on a Fourth of July in the latter part of his reign. Among the accompanying illustrations is a letter which he wrote me after he retired from the Presidency. This summarizes the position that he had previously taken with me in interviews. Readers will especially be interested in his personal interlining. Handwriting experts say that his chirography is one of the best illustrations of character, energy, and determination.

WILLIAM HOWARD TAFT

As President Roosevelt had gotten himself into a position where he could not run for re-election, he did the next best thing by having his personal friend, William Howard Taft, who was then Secretary of War, elected in his stead. Mr. Taft was elected in 1908 and I voted for him and the Republican Party.

William Howard Taft was a fine man, but he did not possess the necessary characteristics to enable him to be a successful President of the United States. To give him a good independent start, Theodore Roosevelt left this country on his famous African hunting trip. While he was gone a group, who were antagonistic to Theodore Roosevelt, got control of President Taft. Upon Roosevelt's return, the fat was in the fire. I saw something of President Taft both in Washington and at the summer White House at Beverly, Massachusetts, which was only a few miles from my Annisquam summer house.

I remember once being called to Beverly by President Taft for an analysis of business conditions. By this time the Babsonchart had been worked back in an elementary way to the 'eighties. On this chart I had marked the presidential elections. They showed that when a presidential election came during a time of bad business like 1911, the incumbent was defeated and the opposition party came into control. President Taft immediately saw this and remarked: "Your charts apparently indicate that I will be defeated at the end of my first term. Are you employed by the Democratic National Committee?" I assured him that I was not, in any way, shape, or manner; and up to that time had always voted the Republican ticket. In fact, my father and grandfather were dyed-in-the-wool Republicans. Apparently this was not the advice desired, because the Republican leaders turned to other statisticians for consolation. Mr. Taft, however, needed consolation, both during his administration and after his defeat by Woodrow Wilson in 1912. I voted for Theodore Roosevelt in 1912.

After retiring from office in 1913, President Taft spent his summers in the St. Lawrence region near the New York-Canadian boundary. He changed his residence to New Haven, Connecticut, where he lectured at Yale University. On his first trip from his summer home to New Haven, he passed through Boston, coming into Boston at the North Station. That day I was coming to Boston from Gloucester. The train on which I was traveling pulled into North Station just about the same time as did the train upon which ex-President Taft was traveling. We met each other in the station. He was carrying two large leather bags, while I, fortunately, had no luggage. I thereupon turned to him and said: "Mr. President, let me give you a lift." He smiled and seemed grateful. (For some reason, up to that time there were no red-caps or porters at the North Station.) We both headed in the direction of the taxis. When we found one, he turned to me, with tears in his eyes, and said: "Babson, the last time I was walking through this station, the mounted police were necessary to protect me from the cheering crowds. The American people are lovable, but I fear are very fickle and forgetful." I later functioned with Mr. Taft in connection with the War Labor Board during the first World War. This was a work which he enjoyed. I was happy to see him later appointed to the United States Supreme Court, which filled his last years with real satisfaction.

WOODROW WILSON

The election of Woodrow Wilson in 1912 and his inauguration the following year came in accordance with the Babsonchart. I first became acquainted with Woodrow Wilson in connection with my economic and statistical writings. I was, however, so busy in those days that I did not mix in politics until he came up for re-election in 1916. Up to this time I had never voted the Democratic ticket; but, being especially sympathetic with President Wilson's attitude on the World War, I shifted my political affiliations and worked for his re-election. I spent a large portion of my time freely at the headquarters of the National Campaign Committee. I was at the conference in New York City with the Publicity Director, Robert W. Wooley, when we chose that famous slogan, "*He kept us out of war.*" Moreover, I am not ashamed now of that slogan.¹

If it had not been for Senator Henry Cabot Lodge, of my own State of Massachusetts and my home county of Essex, President Wilson would have continued to keep us out of war. I go a step farther and say that the world would have been just as well off if we had never entered the World War at that time. My own idea was to let Germany make her peace with France when, as, and if she could; but for the United States to reserve its forces for the protection of England. It would have been fatal for us to have allowed the English people to be persecuted for their part in the conflict. There, however, was no danger of this, as Germany would have been content to make a peace treaty with France by taking over the French colonies. It is too late to pull off scabs, and I will not discuss the war further.

SOMETHING TO REMEMBER

As I was in Washington during World War I, I saw considerable of President Wilson. He was a peculiar man. He had two distinct sides. One was the

¹ On March 5, 1917, Walter H. Page, American Ambassador in London sent a cablegram to President Wilson, which stated:

... "[England] cannot continue her present large purchases in the United States without shipments of gold to pay for them, and she cannot maintain large shipments of gold. . . . The almost immediate danger, therefore, is that Franco-American and Anglo-American exchange will be so disturbed that orders by all the Allied Governments will be reduced to the lowest minimum and there will be almost a cessation of Transatlantic trade. This will, of course, cause a panic in the United States. . . . If we should go to war with Germany . . . all the money would be kept in our country, trade would be continued and enlarged until the war ends, and after the war Europe would continue to buy food and would buy from us also an enormous supply of things to re-equip her peace industries. We should thus reap the profit of an uninterrupted, perhaps an enlarging, trade over a number of years, and we should hold their securities in payment. . . . Perhaps our going to war is the only way in which our present pre-eminent trade position can be maintained and a panic averted."

Did this argument influence President Wilson in his declaration of war a month and a day after receiving this cablegram? Were Page's high professions of idealism in his support of the Allied cause an insincere pretense covering real motives of promoting our entrance into the war from motives of material gain, or was he emphasizing what he thought would influence his fellow-countrymen?

hard, cold-blooded, self-satisfied side of the schoolmaster. He felt he was always right, and that everyone who disagreed with him was wrong. His other side was emotional and friendly, especially to those he considered the plain people. I was much impressed by his book, *The New Freedom*, and believed he was absolutely right in his formation of the League of Nations, although perhaps he was ahead of his time. The odds were against him from every direction. He truly was the world's greatest martyr for the cause of internationalism. He was not content to have the strong nations "enforce peace" along the lines suggested by ex-President Taft and his conservative friends. President Wilson saw clearly that neither armaments nor treaties would bring about world peace. He knew that only as the economic causes of war were eliminated would world peace follow. He understood that these economic causes could be eliminated only by an international League of Nations with teeth.

Let me tell just one story about President Wilson. Readers will remember that he made two trips to Paris during the peace negotiations. Between these trips he spent one week in the United States, trying to get the Republican United States Senators to do the decent thing. On the Sunday of that week, in the afternoon, he called me to the White House. When I got there, Senator Henry Cabot Lodge was just leaving, and I saw tears in President Wilson's eyes. He opened the conversation by saying: "Babson, my trouble is that the Democrats seem to be all heart and no brains; while the Republicans seem to be all brains and no heart. This country, during the duration of this emergency, certainly needs an unselfish coalition government." It was with this thought in mind that—in 1934—I began my work for a coalition government to end the depression.

WARREN G. HARDING

As Woodrow Wilson had served two terms and was a sick man, he was out of the running for re-election. The conflict in 1920 lay between Warren G. Harding and Governor James M. Cox of Ohio. I naturally would have returned to the Republican fold; but I knew Warren G. Harding as Senator, and had no respect for him. Later years clearly justified my position. I thereupon became actively interested in the election to the Presidency of Governor Cox, who had Franklin D. Roosevelt as a running-mate. I had the honor of writing the Life of Governor Cox, which was published in book form and used during the campaign. Cox was defeated; but he put up an honorable campaign, and I am proud of all that was then said and done. Harding and Coolidge were elected. However I voted for Cox and the Democratic Party in 1920.

The situation in 1920 was best expressed to me by Calvin Coolidge of Massachusetts, who was elected Vice-President in the Harding administration. I was boarding a Boston & Albany train one day at Springfield, Massachusetts, bound

for Wellesley. Vice-President Coolidge was sitting in a drawing-room of the train with a Secret Service man. The Vice-President chanced to see me, but I did not see him. I took a seat in one of the coaches. Soon a Secret Service man came through the train, paging me. He stated that the Vice-President desired to see me in his drawing-room, and I went back and rode to Framingham with him. He was especially interested in discussing the economic situation. He then referred to my work in the campaign for Governor Cox, and stated: "Babson, if President Harding and I had joined you in campaigning for Governor Cox, he still would have been defeated. The people were tired of the bureaucracy built up during the war; they knew that a Republican administration was needed to clean the slate and start over again."

CALVIN COOLIDGE

The story of the Harding débâcle climaxing in his death and the succession of Calvin Coolidge to the Presidency is too sad to discuss. I, however, saw considerable of President Coolidge. He had Mrs. Babson and me as his guests at the White House. His personal secretary was living at my Washington home, at 1115 Sixteenth Street. President Coolidge often came up to this little house to see his secretary, "Ted" Clark. One Sunday morning I remember the doorbell ringing several times. As Ted and his wife were late sleepers on Sundays, I finally went down to the door, assuming it was the paper boy. I went down in my nightshirt, with my face covered with lather, as I was shaving. To my great amusement, it was the President of the United States, who was out for an early Sunday morning walk!

President Coolidge sometimes came up to our little home for breakfast. Once I told him how honored we felt by his visits, and he replied: "Do not fool yourself, Babson; I do not come up for you, but for the condensed milk! I have great difficulty in getting condensed milk served at the White House; but at your house I not only get condensed milk, but also have the privilege of pouring it out of the can into my coffee. This is the only way it should be served."

Opinions greatly differ as to the ability of Calvin Coolidge; but he certainly knew politics, having been therein continuously from his boyhood days. Furthermore, he had character, common sense, and an uncanny "smell" enabling him to avoid pitfalls. Probably no man who had been in politics all his life, and finally reached a high office, ever made as few mistakes as did Calvin Coolidge. His opponents would retort by asking if he ever made anything else; but never mind—"Cal" Coolidge was a good President. I voted for Coolidge and the Republican Party in 1924.

HERBERT HOOVER

President Hoover, who was elected to succeed President Coolidge in 1928, lacked political training and acumen. He also lacked a sense of humor, which

is important to such a job. President Hoover had always been in an executive position, and most of the time at the head of his own business. He therefore was greatly irritated by being obliged to "waste time" discussing things in detail with so many Senators and Representatives, who, he felt, lacked his own knowledge of the situation. The Babsonchart, which I had shown to President Taft twenty years before, showed clearly that the Republicans were headed for defeat in 1932. The forecast was again correct. Herbert Hoover, however, possessed a fine character and a keen intelligence. He probably was better equipped, in many ways, for the Presidency than any president up to his time. It was on account of Herbert Hoover's character and stand on the liquor question that I voted for him in 1928 and again in 1932.

I did not see much of President Hoover, although I was well acquainted with his personal secretary, Theodore L. Joslin, who came with the Babson Organization in 1932, after the Hoover defeat. I always felt kindly toward Herbert Hoover, and my sympathy always went out to him. I cannot forget the wicked statements which were made by certain Democratic leaders, both during his administration and the campaign in which he was defeated. The Democrats could have won just as well, and perhaps better, if they had put up a more Christian and manly fight. The change of administration was inevitable. Whatever may be said, Herbert Hoover was a martyr to the cause of righteousness and sane economics. Some day his work will be appreciated.

FRANKLIN D. ROOSEVELT

The administration of Roosevelt II is too recent history for me now to discuss. I do, however, wish to say one thing—namely, that his interest in the under dog and his tendency to compromise were not new characteristics. During the war, when I was an Assistant to the Secretary of Labor, a meeting was held once a week of the Assistant Secretaries of the main departments. Franklin D. Roosevelt, a tall, fine-looking man, always attended these weekly meetings as representing the Navy Department, while I often had the honor of attending as representing the Labor Department. Mr. Felix Frankfurter, who later became an important factor in connection with the New Deal, was chairman of this committee. Often some violent arguments would develop, but Franklin Roosevelt would never let us adjourn until we had settled our disputes. Then he would go out of the building arm-in-arm with the two most bitter disputants. Furthermore, at these meetings he always took the part of the under dog, having an instinctive sense of social responsibility.

Franklin Roosevelt was naturally a conservative, and his whole bringing-up was among Tory friends; but he was always interested in the plain people, and, in his heart, anxious to do something for them. He felt that the New Deal was what the plain people needed; but if he had found something else, either more radical or less radical, which the people wanted, he might have shifted his

position. I always respected him for his attitude, even though I felt he unconsciously at times was doing the country a great deal of harm. He was right in his demand that opportunities be more equal and that burdens be removed from the backs of the less fortunate. But he was undermining character when attempting to set aside *rewards* for industry, thrift, and courage, and *punishments* for the lack of these qualities.

WHAT I HAVE LEARNED

I am a mere statistician and cannot in any way pose as a politician. I have never held an elective office, and my work in Washington during the war was purely administrative. I have learned, however, certain things; *and one of these is that three groups govern the American political situation.* The most important group is made up of petty politicians, who represent one of the two great parties in every community. This group has grown up through many years of breeding and feeding. There are several hundred thousand of them. They, directly or indirectly, get their living out of politics. At all times one half of this group is "in" and the other half is "out." The election is primarily a conflict within this group, between the "ins" and the "outs." The "ins" want to stay in and the "outs" want to get in.

Another thing I have learned about politics is that there is a second group made up of a few strong national leaders who have energy and can secure campaign funds. Such a group consists of certain Senators, a few House leaders, two or three governors, and some conscientious students of politics; but business men are a great factor. This is the group which operates the two major parties from the top; which has charge of the national conventions; and which usually determines the presidential candidates.

The third important group is made up of those "independent" American voters, of which there are five million more or less. There is the "regular" group who are always Republicans or always Democrats; but this smaller group of about five million swings the elections. These elections are determined primarily by business conditions. So long as business conditions are good, these five million people vote to continue the existing administration; but when business conditions are bad, they vote for a change. Hence business conditions are the cause of making Presidents, rather than Presidents being the cause of making business conditions. So long as American politics is set up with these three groups, there is no chance of a third party being successful. Third parties are always being talked about and are sometimes launched. They even succeed occasionally in getting the vote of a large portion of these five million independents, but thus far they have never elected their national candidates. For any party to succeed, it apparently must have thousands of petty politicians in the home towns. Thus far no third party has these. Whether such an organiza-

tion can be built up under the American system I do not know. These petty politicians of every community are also a great drawback to the formation, in emergencies, of a coalition government, which at times is much needed.

As to my personal political ambitions, I will say that I have been an independent since 1908, unaffiliated with any political party organization. I inherited and was trained in a conservative home. My father always voted the Republican ticket. Everything else being equal, I am naturally a conservative. History shows, however, that any party too long in power becomes careless. A change then seems absolutely essential for the good of the nation. At such times a conscientious independent will use his vote to bring such a change about.

Having known Franklin Roosevelt well during World War I, I was free to consult him from 1933 to 1945. Once during World War II he sent for me and offered me a very attractive position. I told him he should give the opportunity to a younger man especially as I then owed to my clients all my time and energy. *Babson's Reports* were performing most important war work; while the Babson Institute was training 2,000 naval officers in accounting and purchasing. President Roosevelt then said to me: "But, Roger, is there any job which would interest you?" I thought for a minute and then replied: "Yes, I would accept the position of being advisor to the world's boss." To this the President replied: "But, Roger, I have too many advisors now." To this I answered: "I do not mean you, but rather Mr. Stalin." That was in 1943. He abruptly changed the subject and never sent for me again.

Neither has any President since!

Chapter XX

LIFE IN WASHINGTON

I WAS at my summer home in Annisquam, Massachusetts, when World War I broke out in August, 1914. It would be unfair to say that I was sympathetic with Germany, but my studies in Europe had convinced me that the war was inevitable and that Germany was not wholly to blame. Although I could not approve the German character or methods, yet Kaiser Wilhelm was merely fighting for a new international deal, as Franklin Roosevelt later fought for a new social deal. Despite the fact that I was active in working to eliminate the economic causes of war, I was never a pacifist. This is not saying, that I may never become one. Certainly war should be unnecessary, and unnecessary wars are the world's greatest crime.

When our country entered the first World War, I had a certain background which I knew would be helpful to President Wilson. I felt that, with this background, I could bridge the chasm between captains of industry, who were making huge profits, and wage-workers who were engaged in the manufacture of munitions. Having no direct affiliation with any of these interests, I could use my knowledge of publicity methods to the mutual benefit of the nation. I thereupon went to the Hon. William B. Wilson, Secretary of Labor, and offered my services. He assigned me to aid in the formation of the United States Employment Service. This was then operating, however, not to secure jobs for the unemployed, but rather to secure workers for industries which were contributing to the war. For an office we took over an old brick hotel on Sixteenth Street, near K Street, and turned out a lot of work. For a home I bought a small house at 1115 Sixteenth Street, into which Mrs. Babson, her sister Miss Knight, and my daughter Edith, moved with me. Edith did her part at war work and now has her certificate as evidence.

WORKING WITH GEORGE CREEL

I had not been long in Washington before I became acquainted with George Creel, who was operating the Committee on Public Information at Jackson Place. He was a successful newspaper man who had helped President Wilson in his election. He was conscientious and was a terrific worker, although not much of an executive. He, Carl Beyers, and William McCormick Blair of

Chicago quickly built up a very efficient organization. Mr. Blair brought on with him from Chicago Ernest T. Gundlach, who wrote most of the four-minute speeches which were sent out and delivered by thousands of speakers all over the country. The Committee on Public Information had numerous divisions. I was put in charge of the Poster and Pay Envelope Division. I thereupon gave up my work with the Employment Service on Sixteenth Street and moved down to Jackson Place with George Creel.

From the beginning of my war work I served as a sort of liaison officer and contact man between the Committee on Public Information and the Department of Labor, which Department was unjustly looked down upon by Mr. Creel and his associates. The Department of Labor was made up of earnest people, although they had neither social connections nor money. Like the employes of other departments, they were much interested in holding their jobs. Later, while Herbert Hoover was Secretary of Commerce, I was the means of keeping the Department of Labor from being wrecked. As Herbert Hoover thought that I was not working for the best interests of the government, he at that time scratched me off his list of "friends." Frankly, this was the reason why I was never one of his confidants after he became President. I have always believed in the Department of Labor and shall always do what I can to help it.

With this country so poorly prepared and France on the verge of collapse, Congress finally became thoroughly frightened and hastily put through some war legislation. In connection with this World War legislative program, a Labor Administration was formed, one of the divisions being "Information and Education." Congress provided that a director of this work should be appointed. After a conference between President Woodrow Wilson and Secretary of Labor William B. Wilson, I was appointed Director-General of Information and Education. I was not, however, a "dollar-a-year man." I received a salary, under congressional direction, of five thousand dollars a year. It was at the time of this appointment that I purchased my home at 1115 Sixteenth Street and moved my family to Washington. My work primarily was to "sell the war" both to employers and to their wage-workers. Employers were urged to be reasonable as to profits, and wage-workers were urged to give the best they had in time and energy. We rented an entire building on G Street, near the Department of Labor building. Mr. Ernest T. Gundlach left Mr. Creel and became my close associate. Together, we determined on the following organization, consisting of five Divisions:

1. *Educational Division.* The purpose of this Division was to assemble all labor news in a central office which would serve as a clearing-house for presentation to the people. The news had to do with labor and its allied topics, cost of production, cost of living, current wages, working conditions, labor union activities, etc. Mrs. Clara Sears Taylor was acting director of this Di-

vision. Its purpose was to strengthen, by the printed word, the morale of both workers and employers. In securing this information, we clipped newspapers and magazines, covered labor meetings of all kinds, contacted foreign information bureaus, and studied economic reports. Our material was sent out by telegraph and mail, with the full cooperation of the Associated Press, the United Press, the Western Newspaper Union, and about five thousand American newspapers. Our stories reached a total circulation of over twelve million readers a day.

2. *Information Division.* While the Educational Division collected and produced material, it disseminated it only to newspapers and magazines. The work of the Information Division was to present these data orally, and in other ways, to the people themselves. I remember Mr. Felix Frankfurter, then chairman of the Labor Policies Board, saying to me: "Production is vital to the winning of the present battle and for the winning of the war—uninterrupted maximum production. Production means supplies for the fighting forces, and production is wholly dependent on labor. There must be an adequate labor supply, wisely distributed, to meet the needs of war industries. There must be sound and just conditions under which labor is employed." This Division was under the operation of Mr. George W. Coleman. We operated a very efficient speakers' bureau through the cooperation of about four hundred active volunteer speakers. A motion-picture bureau was organized under Mr. David Niles, and films were sent out weekly carrying our message. Most of the leading moving-picture houses cooperated with us, so that we reached about twenty million people a week along these lines. We also developed close relations with luncheon and other clubs of all kinds. This enabled us to reach some eight thousand different organizations, with a total membership reaching to the millions.

3. *Industrial Plants Division.* This Division was to work directly in the plants among employes engaged in war work. We especially combated pro-German influences among war workers in this country. This Division was under the direction of Mr. F. T. Hawley. Committees of loyal workers were formed in each plant where plant meetings were held. This Division was also useful in assisting the Conciliation Bureau of the Department of Labor in connection with adjusting labor disputes. I believe that this Division was a very important factor in increasing production through reducing absenteeism and speeding up manual labor. We also worked closely with the Public Health Service, to prevent such epidemics as influenza. It was in connection with this work that my attention was first called to the importance of cleanliness and the use of sanitary equipment such as paper towels, paper cups, etc.

4. *Poster Division.* This Division devised posters which were first used to hang in factories to explain simply to wage-workers why the United States was in the war, and what wage-workers must do to bring the war quickly to a

close. We started by issuing 100,000 posters a month, and this finally reached a monthly figure of 647,624 the month that the Armistice was declared. In addition to having general charge of all the Divisions, I also personally directed this Poster Division. Besides getting these posters in factories, on railways, steamships, etc., I made arrangements with nineteen systems of chain stores for displaying them in their windows. When the Armistice came, we were having these posters regularly displayed in the windows of thousands of stores from the Atlantic to the Pacific. Anyone interested in seeing samples of these posters should send to the Government Printing Office for the report of the Information and Education Service for the year ended June 30, 1919.

5. *Economic Division.* With all the various departments and services in operation in Washington, I found that there was both duplication and contradiction. Therefore, I organized an Economic Division, under the direction of Professor Davis R. Dewey, of the Massachusetts Institute of Technology. This Division was largely of an advisory character, and was concerned particularly with assembling information in regard to the labor policy of the various government departments. It checked the output of all the other four Divisions, to see that our messages were economically sound and in harmony with the messages of the other departments. Where we found conflicts, we immediately arranged interviews and decided on a common policy. This is one division of the work which certainly should have been continued. There has never been a time when it has not been needed in Washington. Our first duty was to maintain inter-departmental contacts with the State Department, the War Department, the Navy Department, the Department of the Interior, the Department of Agriculture, the Department of Commerce, the Department of Justice, the Treasury Department, and the Post Office Department. Inter-Divisional contacts were maintained with National War Labor Policies Board, Children's Bureau, Bureau of Immigration, Bureau of Labor Statistics, Bureau of Naturalization, Labor Adjustment Service, U. S. Employment Service, Woman in Industry Service, Training and Direction Service, Working Conditions Service, Investigation and Inspection Service, and Bureau of Industrial Housing and Transportation.

Perhaps I may be forgiven for quoting at this point from a letter once written to a mutual friend by Mr. Ernest T. Gundlach, reminiscent of those busy Washington days:

Mr. Roger Babson came to Washington early in 1918, and we had many talks. I had always been a careful analyst; I had, in fact, some reputation for my closeness of analysis. Now I met a man of my own age who did not sit back and merely take lessons from me; instead, he contributed to my fundamental development. At first, when he started to talk, it seemed to me he was just "moseying around," but later I realized that while I was analyzing the details, he was looking at the picture as a

whole, somewhat like a man who is standing on a mountain top. Many details might escape him; but as to the direction in which we must go, his contribution was far more important than mine. In other words, while I had always been engaged in working out tactics, he was thinking about strategy.

I have sometimes said of Babson that he reminds me of a man running around with a gang of men in a fog, all of them more or less confused as to where they should go and what they should do; all of them scrambling around in the dim light of an early dawn, hunting for a certain mountain. And the one who could stub his toe the most often and get his feet wet higher up the ankle than any of the others, was Roger Babson. That was because he could not see things right in front of his nose. Yes, his eyes seemed a little defective.

But by and by the gang saw that this man with the defective eyes could see farther than the rest of us through the fog. While the rest of the crowd were running hither and thither, Roger was stumbling around, waving his arms here and there, falling over a tree stump, slipping into the quicksand; but then he said "Over that way is the mountain." And when we asked him how he could see a mountain, he pointed out that the fog was darker that way, and that meant that a mountain was back of the fog. Anyway, he pointed out the direction, and the rest of us had to follow in that direction, even if we had to carry him over some of the bad places where he alone would have broken his leg. He automatically became the leader because he knew the all-important fact—the direction!

After Babson had floundered around Washington for a few months, he hit on the one direction for additional governmental activities most required at that time. It was no longer necessary to inspire the American people to fight the war. When another man is punching you in the nose, you do not need any bystander to tell you that you should get mad at him. But there at home were the laboring-men. There was unrest among them. They wanted more wages. They wanted shorter hours. Some of them wanted to saw off entirely. Some were pro-German, others were pacifists, others were I. W. W., and so on.

To inspire labor to go out and cooperate—that was the big problem of the government; not merely to have divisions of conciliation and bureaus for labor statistics, but to put a vital spark into the hearts of the great masses of American workingmen. That was the objective that Babson outlined. When he suggested this kind of bureau, Secretary Wilson said "Babson is right and he is the man to head that bureau." Mr. Wilson said that to me later while Mr. Babson was sick.

Mr. Babson later had an operation, and it was owing to this accident that I, as the Associate Director-General, happened to take charge from that time on until November 1, 1918, when Mr. Babson returned. It did not take many weeks for me to realize that he had struck the keynote of the needs of further government activities after the activities to develop material resources had been fully established. Important government officials said this to me right and left, including even one of the head men in the War Department. I have had many peevish remarks with Roger W. Babson, but I have always admitted that I owe the change in my fundamentals of thinking to my contact with him during the war.

At the close of the Armistice, we immediately shifted our efforts to getting the soldiers back to work. We helped manufacturers switch from war supplies to peace goods, and especially in getting home building again started. We