

Lincoln Preaches

W. T. & S. V. N.

Incentive Plans

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COLUMBUS, Ohio, April 30.—Better products at lower prices, rather than profit alone, should stand as the true aim of American industry, James F. Lincoln, president, Lincoln Electric Co., Cleveland, Ohio, last night told the spring meeting of the American Society of Mechanical Engineers.

Mr. Lincoln said, "the first thing to do is to make sure that industry is organized for the one sole end of creating or producing a better product to be sold at a lower price. Doing that would leave no doubt that profit would be automatic."

Instead, he said, business is organized solely to make profits, a completely essential aim. "But if the only end in view is profit," he added, "I think we have gone a long way in the wrong direction."

His own firm, he said, now sells the same product at a lower price than it did 18 years ago. At the same time, margin of profit has held constant, wages have doubled, productivity per man hour has jumped nine times.

If all industry does not follow a similar pattern, he indicated, then the workers will continue to do as little as they can for as much as they can get, with friction between labor and management as usual.

As a solution, he urged that incentive policies lead both labor and management to work together. The only other way out of the dilemma, he said, is dictatorship, "which will again eliminate the individual and his progress but will also eliminate all friction."

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