

Trade Associations

WE BELIEVE THAT RESEARCH in the natural sciences is the route to technical progress and thereby a factor in a sound economy.

But as we have said before, research cannot make much of a contribution to that progress unless it is put to work. This does not belittle what might be termed "purely academic research" directed only to the increase of knowledge. That lays a basic foundation. But scientific research is expensive and a great deal of its financial support must come from industry. The support of research in a given field of science then is related to the health and prosperity of the industry which bases its development upon that field of science.

Individual scientific laboratories cannot operate successfully without contact with other laboratories and a knowledge of their accomplishments. In a similar sense, the individual units of an industry—its companies—need a knowledge of the activities and progress of that industry as a whole if they are to prosper. An effective instrument for the dissemination of such knowledge is a trade association. A trade association can be compared in the area of commercial development with a scientific society relative to scientific research. Both can keep their members aware of the status of development and new directions of progress.

Any industry needs a certain amount of action as an entity. This does not mean collaboration and price fixing or other devices in restraint of trade. Studies of world commercial history will show what harm cartels can do to industrial development. Vigorous, healthy competition is a basic necessity for commercial progress and the most satisfactory development of an economy. How then, can the companies within an industry cooperate where cooperation is needed, yet avoid unhealthy relationships; a party that is objective with respect to each of the individual companies is needed. A trade association can fulfill such a need.

Such associations not only can promote the best interests of an industry through better understanding of mutual problems among its members, but they also can foster cooperation with government agencies for the welfare of both. An association can promote the best interests of its members through the creation of favorable public acceptance, protection against unfair or discriminatory governmental action, maintenance of standards of products and ethics, and the expansion of markets.

The great increase in market research during the past decade indicates industry's realization of the need for sound knowledge of existing and potential market and production situations. Some of our government agencies do a great deal to aid in providing the needed information, but it is not always all that might be hoped for. Not only can a trade association encourage and stimulate more

support of such efforts, but it can encourage closer cooperation with government agencies and law-making bodies in the development of satisfactory laws and regulations. Not only does an industry need to cooperate with the Government, but it also can benefit through good relationships with other industries. Standards of quality and specifications are important to the reputation and soundness of the future of any industry, and the development of such standards through the individual efforts of the various companies is not likely to yield satisfactory uniformity.

Another important function of trade associations is found in their meetings. They provide a forum for discussion of common problems, the like of which is not otherwise possible.

In the feature article of this issue, Paul Mayfield, president of the National Agricultural Chemicals Association, discusses the situation of that industry and its future within the framework of what can be done through cooperation with the industry's association.

Ethical cooperation can lay a groundwork for vigorous ethical competition which is a stimulant to the progress and health of any industry. Trade associations have a valuable place and deserve the support of their industries. The support should be not only enthusiastic but critical, for it is the industry's responsibility to see that a trade association becomes what it should be.

Industry-Government Cooperation

THE ASSOCIATION of American Soap and Glycerine Producers recently provided a research fellowship in the Department of Agriculture for the study of industrial application of fatty acids. Similar cooperative steps have been taken by other industrial organizations. Secretary Benson earlier has stated that he favors an increase in the cooperation between government and industry directed toward technical progress. Financial support of this kind directed through associations or institutions can provide funds for experimental work in well-equipped government laboratories in such a way as might not be possible either by individual industrial companies or by the Government.

Not the least significant aspect of this cooperation is the implied expression of confidence in government scientists. An examination of the technical progress in American agriculture yields impressive evidence of the quality and amount of USDA research work. But the granting of industrial funds is a reminder of the respect in which government scientific research is held.