

Perhaps an even better illustration of the kind of facts which will be developed by a scientific analysis and tabulation of unemployment data will be the effect of jobbing or contract work on steadiness of employment. It should be obvious that it is much more difficult to provide an even flow of work when one is doing it measurably under the specifications or on the demand of customers rather than on one's own detailed plans. But the weight of this handicap will not be revealed until we are in a position to compare the unemployment scores of establishments on a repetitive basis with those still operating on a contractual or jobbing basis. Getting away from jobbing and into repetitive manufacturing constitutes one of the master-strokes lying ready to the hand of American industry, whereby we can secure not only a large reduction in costs but make possible a vastly better showing as to continuity of employment. Our slogan must be "make-then-sell"; our present practice is too largely to "sell-then-make."

For the development of any such mechanism as the "Unemployment Score" we must depend as usual upon the best-managed plants. But it is also true that the most interesting and helpful "scores" will come from those plants which have only started on the road to good management. It should be obvious that in the "Scores" made by the best plants many factors common to most plants will not appear at all, simply because they have been eliminated. I rather think that the "Score" now being made by a few model plants is from eight to ten per cent, the average achieved by representative American plants is probably not far from twenty-five per cent, while plants falling to forty per cent and even fifty per cent cannot be considered exceptional.

It is good Americanism to face the facts. In my opinion the employer who wants a master index to the effectiveness of his management—one that includes a maximum of facts—would do well to develop his "Unemployment Score."

ABSTRACT of remarks of A. B. Rich, Assistant Works Manager, Dennison Manufacturing Company, Framingham, Mass., at the first meeting of the New England Section of the Taylor Society—Boston, May 6, 1921:

We call our (Sales Engineering) department the Merchandise Department and its organization was begun by us perhaps fifteen years ago.

In general it is responsible for the research and development of the various goods we produce. It has to put out new lines and investigate the extent of the demand for the commodity and watch the quality as far as our sales organization goes. All details concerning manufacturing cost and keeping constantly alive to competition belong to this department. It has final approval of materials, designs and puts up and placing of orders for all the goods made for stock. It has to co-operate with the manufacturing department in the determination of the facilities necessary for the production of its goods. It carries on constant inspection as to quality and quantity. In the general field of marketing, this department has to be responsible for what we call sales promotion, the research and development of this company's production

through missionary work. In addition to this it is responsible for a large amount of sales promotion in the way of talking to our regular sales force, by coaching the salesmen, by lectures, conducting salesmen courses and by correspondence with the salesmen; and also what we call sales promotion in the education of our dealers and their consumers of our line of goods. Also in co-operation with the factory end of our business we contribute to publicity, price lists and catalogues.

The placing of orders for all stock goods is in this department. It involves an investigation of the demand—of the future and the immediate outlook. It checks up warehouse reports and periodic sales reports. It gets out master sales schedules. It censors orders, which means determining what varied lines of goods we will make. This division is responsible for withdrawing of goods from sales. It determines when goods shall be dropped due to lack of market, goods, materials, or for other desirable reasons. It is responsible for the final disposition of any dropped goods. It is responsible for pricing and discount policy. It is making a constant study of these problems and of organization of sales master sheets, all of which means we are months ahead of our production and consequently it means the formation of our actions on a basis of fact, or as near to fact as we can possibly arrive at.

HOW AN UNSTABILIZED DOLLAR INTERFERES WITH EFFICIENT MANAGEMENT¹

By IRVING FISHER²

I WAS reading last night some biographical sketches of Mr. Taylor, and I came across this quotation: "The dollar is the final term in almost every equation which arises in the practice of engineering." Therefore it is essential that the dollar should be a dependable unit in order to help solve these equations.

Confirming what your president has so well said, I would say that we should look at the problem of efficiency not only with a microscope but also with a telescope; not only in our own individual spheres, intensively, but in its broader aspects. If we do not, we are constantly having our predictions thrown out by something that we haven't foreseen. You know how this terrible war threw out of kilter almost all of the arrangements that we thought we had fixed in times of peace.

There are, to me, four great general subjects of efficiency far transcending the technique in individual business. You are trying to eliminate waste, and you can accomplish wonders—as Mr. Taylor and his successors have proven—in direct, technical specific ways. But all the economy that could be effected by the Taylor Society in all the factories of the world wouldn't save the waste that comes from any one of these four causes.

Bad heredity causes the greatest waste, I believe. In a village in Switzerland some far-sighted people decided to try to get rid of one of the great curses of inefficiency, cretinism, a loathsome form of helpless human degenerates common in Switzerland and propagating its kind from generation to generation. By establishing two institutions, one for men and another for women, and by care and attention they have freed themselves of this tremendous curse in that vicinity. This is an example of what the science of eugenics can accomplish.

¹An address at the Springfield, Mass., meeting of the Taylor Society, Feb. 24, 1921.

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Secondly, there is the great waste from disease. One of the hardheaded business men of this city, Mr. Harold A. Ley, President of the Fred T. Ley & Co., with my colleague, Ex-president Taft, myself and others, founded the Life Extension Institute to help diminish the death rate. I believe that in its brief career it has saved to working power in this country untold millions of dollars.

Thirdly, there is the waste of war. One of your great men, Mr. Hoover, will, I hope, help solve the problem of eliminating that waste in the next administration.

And finally, there is our unstable dollar. These four general wastes, I think, are worthy of the attention of every engineer, and this evening I am going to speak of that one of these four which falls specifically within my own department of investigation.

My old master of economics, Prof. Summer, used to say: "When you have a social situation to deal with, divide your study of it under four heads: First; What is it? Second; Why is it? Third; What of it? and fourth; What are you going to do about it? And so, tonight, I shall consider the dollar in that way: First; What are the facts? Second; What are the causes? Third; What are the evils? and fourth; What are the remedies?"

As the subject is worded, it would seem as though I am expected tonight to impress upon you the evils; and I shall, for I believe that once the evils are appreciated, the remedies will be found, if they have not been found already.

First, as to the facts. The fact is that our dollar is unstable, and this is the same thing as saying that the general level of prices is unstable. When we say that prices and the cost of living are double today what they were before the war, this is the same thing as saying that the dollar will buy half as much today as it did before the war. But I much prefer the latter