

ing between business men and governmental officials is strongly reflected in the character of official statistics in this particular direction. The figures which are published tend in almost all countries to be those which are thrown up by the accident or necessities of administration. And public administration has hitherto concerned itself very little with distribution save in the form of international trade. With the partial exception of Germany, outside the United States, official statistics which bear upon domestic consumption or distribution are virtually negligible.

This review of the possibilities of international planning would be wholly misleading were it limited solely to the action of the League. In many other directions, both in public and in private institutions, men of various nations are becoming associated for investigation, for study and for action. Since the war, co-operation between the central banks for mutual adjustment of currency and financial policies has become increasingly common. Here again the stimulus of an urgent practical question which had to be solved, the placing of reparations on a business basis, combined with the aid of American initiative to produce the requisite machinery. The foundation of the Bank of International Settlements is too recent for any judgment as to its ultimate effects. But no one can doubt that its potentialities are enormous.

Among older, established official institutions is the International Postal Union. Here again we have an illustration of the fact that when there is an obvious practical job to be done national sentiment does not necessarily stand in the way of adjustment. The International Agricultural Institute at Rome produces an important series of international statistics bearing on the production and consumption of agricultural produce.

The private institutions are legion. In the economic field they correspond to some degree to the various types already mentioned in the case of the United States, though they are of course far less numerous. Several important industries have their international organs of varying quality. The World Power Conference and the International Advertising Congress are representative of important functions of business. Scientists and professional men in many different fields bearing upon economic life are associated internationally as well as nationally. The International Chamber of Commerce unites

the business interests of the world in discussion on many questions of common concern. We have with us tonight the President of the International Association for Industrial Relations—a body which not only represents internationally those interested in personnel questions but provides an invaluable forum for prediscussion to those in all countries who recognize that the welfare of the individual is bound up with a more rational and coherent arrangement of business activities.

The multiplication of such international contacts for constructive common purposes is urgently to be desired. It is not by building super-states or establishing authorities that we shall exorcise the demon of nationalism or make international planning a reality. In international life, as in business, formal authority unaccompanied by power is an empty thing. And power in the final analysis is knowledge, the capacity found in some individuals to get things done. Its effective manifestation rests upon the intellectual and emotional fitness of the common run of humanity to appreciate its aims and to follow its leadership. To complete our machinery of international association over the whole range of economic functions and interests is therefore an essential work of preparation and education. And it is not enough only to construct mechanisms. We must give them content and set them to work.

From the experiments which have been reviewed briefly in this paper, it is possible to disentangle certain principles and tendencies which should guide us in this matter. International action in the economic field is not likely to prove successful unless the immediate practical necessity for such action can be made manifest and is clearly understood by all concerned.

Collaboration for economic ends is largely a technical and administrative question. It will be effective in proportion to the degree to which technical issues can be considered objectively without political interference, and administrative contacts can be multiplied functionally rather than confined to diplomatic channels. Where political considerations enter in, and in few instances can they be wholly disregarded, arrangements must be made to segregate them functionally so that political authorities deal with the political aspects of any question and leave technical experts free to propound practical solutions. Arrangements must be

made to secure the continuous co-ordination of these functions throughout the whole process of adjustment.

Where national susceptibilities are involved no attempt should be made to ignore them. The forms of procedure should be so designed that free opportunity is given for their expression, while at the same time the plan of action should be so drawn that the probability of this opportunity being used is reduced to a minimum. The gravest difficulty will be encountered where minor differences are allowed to crystallize into assertions of a national standpoint.

Lack of understanding between groups within nations is far more obstructive to international action than differences between nations. Examples are the grouping of capital and labor or of governmental officials and private business. In the economic field no effective initiative can be anticipated from any of these groups unless in the matter in question arrangements have been made to co-ordinate their action with the other interests concerned. Where such groups are organized formally or informally their influence is apt to assume a political tendency destructive of the objective approach essential in economic questions.

In international economic co-operation, associations for several purposes are likely to prove of importance. The value of such associations will be in direct proportion to the singleness of purpose with which they can pursue the object for which they have been founded and the validity of their international character. Factors likely to prove detrimental to their success are representation in their control of interests organized for other purposes and arrangements designed to prove of advantage to single nations or to a group of nations.

It remains to bring together the considerations recorded in the second part of this paper. It is obvious that something remains to be done in the United States and much more in the international field to complete the mechanisms of research and investigation necessary to any effective scheme of international planning. There remains the work of co-ordinating the results and of giving effect to them. There is more reason why the start on this latter task should be delayed till the former work is completed.

The business that waited to start manufacturing and selling till its whole apparatus of research was

set up would invite bankruptcy. The nations are inviting bankruptcy by their continued failure to co-ordinate both nationally and internationally the large amount of effort and material which is already available. The facts of a business are mechanical and international; the control of business is haphazard and individual. There is no question as to the practical urgency of trying to ameliorate the present situation.

The first essential is to collate the facts and the available knowledge and to present them in measured and understandable form. It is doubtful if any further action will be required. When the business leaders of the nations can see clearly the consequences of private initiative which is unrelated to the broader social purposes for which business exists, or swayed by emotionalism, whether personal or national, they are unlikely to wish to continue in courses as damaging in the long run to themselves as to the community. All that will be necessary will be to provide them with adequate opportunity for organized discussion.

In this matter the United States has a special and a peculiar responsibility. She is the largest single economic unit in the civilized world. She has, in proportion to the remainder of the industrialized nations which are debilitated by war, an overwhelming supply of trained executive ability. She has developed two new experiments in this field which are of first-class importance—the co-ordination of business and governmental action and the voluntary association of business men for public purposes. Finally, she is the motherland of Frederick Winslow Taylor, the source and origin of that objective and scientific approach to business problems which is the only clue we possess to the labyrinth of the machine age.

Because she had that great fortune her business men possess to an exceptional degree a popular understanding of all that is implied in the term management. For inevitable reasons she has been unwilling to collaborate politically with the other nations. Some of us have counted that a misfortune. It may prove the greatest good fortune if, in this crisis of our civilization of the West, it leaves her free to assume from a new angle a leadership in economic questions, to inject management into the ordering of the world's affairs.

Is that dream so impossible? America likes to think big and this is a big question. Business is