

accordingly. And they have got what they paid to get.

As soon as executives realize that business competition is going to demand as much science in accounting as in engineering and are willing to give the accountant a commensurate salary and standing, the industrial accountant's job will attract the more ambitious and

intelligent men who today prefer almost any other field. Of course, there are many businesses where the value of the accountant is fully understood and appreciated, but that is surely not the case in the great majority of business institutions that exist in, the world today.

Further Notes on Discussion of January 27th Meeting Addresses

DR. WILLIAM N. LOUCKS, Assistant Professor of Economics, Wharton School of Finance and Commerce, University of Pennsylvania, confined his remarks to the use of public works as a means of stabilizing employment. They may be considered both as a means of relieving the present depression and as a stimulant to business recovery. Dr. Loucks agreed with Mr. Mallery that there has been an almost complete failure to use public works as a means of relieving this present depression. He believes also that there is little hope that they will be so used in the near future. Municipalities are broke at the present time, and constitutional requirements prevent the states from over-borrowing. And even if money were available the process of planning and starting any public works program is so cumbersome that the prospect is not hopeful. A large federal bond issue would be a possibility but the government is turning its attention to other methods of inflation.

Dr. Loucks believes, theoretically, that the proposal to use public works to stabilize employment is much sounder than Mr. Warner's proposal for subsidizing industry. The reason is that credit put into public works produces something outside the competitive market. Streets and parks and playgrounds and libraries are not offered for sale. A subsidy for industry, on the other hand, might encourage increased production in a field where manufacturers were already having difficulty in disposing of goods.

Granting the soundness of the theory, Dr. Loucks suggested a consideration of what can be done about it. He is in favor of turning effort away from the present situation and devoting ourselves to plans for the future. The formulation of an ideal policy for federal, state and municipal governments is necessary. Programs need to be planned for a much longer period than has been the case and expenditures budgeted

accordingly. There is also a great need for research studies in specific municipalities and states, preceding the making of plans in such a way that reserves for public works can be set up and held for depression periods. This will involve the setting up of administrative machinery. The reserves do not exist at the present time and will not be self-formulating. The federal government has made a good start on such plans but it is up to the state and municipal governments to do a large part of the job.

WALTER N. POLAKOV, Consulting Engineer who has recently returned from work in Russia, spoke of this crisis as the end of an era. He scorns as a remedy a subsidy to manufacturers at the same time that a "dole" to the laboring man is thought bad for his morals. He also believes that talk of public works as a remedy is a hiding away from the direct issue. The best public work would be to start up our industrial plants.

The unutilized capacity to produce and to consume at the present time is tremendous. The reason for the seeming impasse is due to the difference between the price of goods and wages. The economists and sociologists must help the engineers on this fundamental problem.

MR. JOHN NORTON JOHNSON of Reimers & Whitehill, Inc., New York, pointed out the severe mental effects of unemployment and suggested, after a classification of the able-bodied and capable according to abilities by those who can certify to the quality of their work, an organized campaign to sell these abilities to home owners and industrial managers. He advocated relief rather than "made work" for those in actual physical distress.

Church Responsibility in Industrial Problems¹

A Discussion Conference Based on Eight Cases of the Assumption of Such Responsibility by Organized Church Bodies

Introduction

By **ELLIOTT DUNLAP SMITH**

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THE PURPOSE of this conference is to bring up for discussion some of the religious problems involved in the present conduct of business. There has never been a time in the memory of most of us when business has created so many moral issues and gone so far in disturbing not only the physical and economic well-being of man but also the course of his intellectual and spiritual life.

In the middle ages, an established church was able to enforce upon business practices such as the charging of a carefully defined "just price." Even in colonial America, the local churches successfully called violators of the "just price" before them for public confession and repentance. But even in that day the cry had begun to be raised against having "merchants' doings thus overthwarted by preachers and others that cannot skill of their dealing."

During the past century the dissension among churches made difficult the subjecting of business practice to any unified expression of moral principle. Today, however, the lessening emphasis upon technical matters of faith has enabled organized religion, regardless of creed, again to present a united front in matters of social welfare. Perhaps no instance is more striking than when in 1923 united action by Protestant, Catholic and Jewish church federations forced the shortening of the twelve-hour day upon a reluctant and resisting steel industry. The existence of these permanent federations of churches with staffs investigating social aspects of business and industrial problems has again vigorously raised the issue of whether experts in the complex and difficult art of business "are to be overthwarted by preachers and others that cannot skill of their dealing."

Clearly, organized religion has no place in the tech-

¹Presented before a meeting of the Taylor Society, arranged by the Federal Council of the Churches of Christ in America, the National Catholic Welfare Conference and the Central Conference of American Rabbis, New York, December 4, 1931.

nique of business dealings. Equally clearly, the great present-day influence of business and industry over men's lives at least raises the question of whether organized religion has not a right and an obligation to bring before business the human consequences of business practices and conditions.

That is the question before us. In order to get it before you concretely, and to avoid unsubstantiated generalities, the discussion will be conducted on the basis of eight recent cases which illustrate the various types of concrete industrial situation in which organized religion has taken positive action.

These cases have been selected by the Federal Council of the Churches of Christ in America, the National Catholic Welfare Conference, and the Central Conference of American Rabbis, from cases in which they jointly or separately participated. These cases will each be stated by a representative of these organizations who actively participated in the action taken. We shall thus be brought into contact with actual facts by people who can talk from direct experience.

Cases

I. The "Open-Shop" Statement—1920

F. Ernest Johnson, Director of Research, the Federal Council of the Churches of Christ in America

This was one of the earliest cases to which the attention of church bodies was called in the post-war period and was characterized by the simplicity of the issue presented.

Soon after the end of the War a movement was organized by employers, known as the "American Plan," to force labor from the privileged position which it had occupied during the War. The crux of the matter was the use of the term "open shop." On December 26, 1920, the Administrative Committee of the Federal Council of Churches issued the following statement:

The relations between employers and workers throughout the United States are seriously affected at this moment by a campaign which is being conducted for the "open-shop" policy—the so-called "American Plan" of employment. These terms are now being frequently used to designate establishments that are definitely anti-union. Obviously, a shop of this kind is not