

Taylor Society Meetings

Philadelphia, November 11 and 12

This is a meeting of the American Academy of Political and Social Science in which the Taylor Society co-operates. The program will emphasize the problems of collective industry: the immediate problem of unemployment; the long-run problem of unemployment; revision of anti-trust legislation; the need of a new attitude toward industry; national planning; etc.

New York, December 7, 8 and 9

This is the annual meeting of the Taylor Society in which the Society of Industrial Engineers will co-operate. The program will emphasize the management problems of the individual enterprise: production; merchandising; selling and personal relations.

Reviews

L'Organisation Scientifique dans l'Industrie Américaine. Par la Société Taylor, Traduit d'après la Deuxième Edition Américaine par A. Schubert, Dunod, Paris, 1932, pages xviii, 611.

This French translation of the Taylor Society book, "Scientific Management in American Industry" (Harper & Brothers, 1929) has just come from the publishers. It gives every evidence of excellence; even forms are reproduced in the French style with captions and explanatory matter in French. All of the material is thereby made available to a new body of readers who will, we believe, find its study as profitable as have its English readers.

Economic Stabilization in an Unbalanced World. By Alvin Harvey Hansen, Harcourt, Brace and Company, New York, 1932, pages ix, 384.

This book is not destined for a popular audience, but everyone seriously interested in constructive thinking about ways out of the depression and toward increasing economic stability and planning must reckon with the considerations here raised. The purpose is distinctly to sound a note of warning and caution; and the underlying theme is that the continuance of consumer freedom and economic progress may be jeopardized in a serious way by the restraints of increasing social control, which efforts at stabilization usually imply.

As a cautionary check upon constructive thinking, the book performs an invaluable service even for the reader who feels that many of the writer's objections can be coped with if we will. But certainly the factors he emphasizes will require reckoning with constantly and earnestly.

Professor Hansen's treatment covers practically all of the basic problems bearing on instability. The inclusion

of the often-omitted topic of population increase is especially useful and suggestive, as is also his analysis in the chapter "New Trends in Capitalism and Socialism."

ORDBWAY TEAD¹

International Unemployment. A Study of Fluctuations in Employment and Unemployment in Several Countries, 1910-1930, pages iii, 496.

World Social Economic Planning. The Necessity for Planned Adjustment of Productive Capacity and Standards of Living, pages lxiii, 585.

World Social Economic Planning. Addendum, pages 587-935. The three volumes edited by M. L. Fledderus, International Industrial Relations Institute, The Hague, 1932.

The results of the World Social Economic Congress held under the auspices of the International Industrial Relations Institute, in Amsterdam in August, 1931, are now available in this three-volume work.

The first contains introductory analyses of fluctuations in employment prepared for study in advance of the Congress. They give a picture of the recurrence of unemployment in different parts of the world during the two decades preceding the present world-wide depression. Conditions in Australia, Canada, China, Germany, France, Great Britain, the United States and Russia are set forth by authorities who support their texts with the available statistical data. All the material except that on Germany, which is given in German, is presented in English. Synopses in French and German follow the English texts, except in the case of the Russian material, and the one German text is followed by synopses in English and French.

Miss van Kleecck points out in her "Introduction and Summary," which is printed in the three languages, the reasons why this material was considered basic to the study of means of stabilizing a high standard of living throughout the world—the object of the World Social Economic Congress. By consultation with the International Labor Office and the Economics Section of the League of Nations prior to the Congress it was found that only a start had been made in the collection of comparative data on employment fluctuations in the different countries. The special studies given in this volume were, therefore, thought desirable and were made with the hearty co-operation of the International Labor Office.

An outline of information desired was followed by each group of authors so that the material collected is in a sense on a comparable basis. It brings out certain similar tendencies in all the nations but Russia, where there was in 1930 a labor shortage instead of unemployment, and China, which is not

¹Editor of economic and business books, Harper & Brothers, and lecturer on personnel subjects, Columbia University, New York, N. Y.

²*International Unemployment and World Social Economic Planning* (including the *Addendum*) are priced at \$2.50 each, and may be obtained in the United States from the Russell Sage Foundation, Department of Industrial Studies, Room 600, 130 East 22nd Street, New York, N. Y.

yet industrialized. All the material shows the need for further effort toward uniformity of information if these data are to be used as a basis for international economic co-operation.

The two volumes on World Social Economic Planning constitute an international text on that subject which should be of lasting value. In these volumes also the papers are given in the language of their authors, as is the discussion. Synopses of the papers (but not of the discussion) appear in the other two languages in the "Addendum," which also contains some of the preliminary papers and the papers on supplementary subjects.

The major papers, several of considerable length, are The Present Growth of World Productive Capacity (in German) by Dr. Otto Neurath, Social Director of the Economic Museum, Vienna; The Problem of Economic Planning by Lewis L. Lorwin, of the Brookings Institution; Scientific Management as a Philosophy and Technique of Progressive Industrial Stabilization by H. S. Person, Managing Director of the Taylor Society; European Aspects of Scientific Management in Economic Planning (in German) by Hugo von Haan, of the International Management Institute, Geneva; and several significant papers on the technique of planning in the U. S. S. R. (in English) by V. Obolensky-Ossinsky and other members of the Soviet delegation—the first Russian technical papers presented with official sanction at any international congress. These and other papers, make this one of the outstanding books on industrial regularization through national and international planning.

Miss Mary van Kleecck's "Analysis and Review of the Congress," which opens the main volume, is a masterly presentation of the common thought and purpose behind the contributions to the Congress, of the differences of opinion and conviction which were brought out and of the revealed need for co-operative effort to relieve the desperate needs of humanity.

HELEN A. CARNES²

New Roads to Prosperity—the Crisis and Some Ways Out. By Paul M. Mazur, The Viking Press, New York, 1931, pages xiv, 194.

Mr. Mazur realizes that the capitalists have most of the power in our country for better or for worse. He addresses them clearly, authoritatively and in their own interests as he sees them. The book is, therefore, written for the study, open mindedly and with the utmost earnestness, of capitalists and their conscious and unconscious allies: Others will have little complaint with any of his thesis.

Mr. Mazur goes with the inflationists to the point of showing ably the need for some way of getting the surplus earnings back into use without reinvestment into capital goods. And he keeps this diagnosis clearly and consistently throughout his discussion. Beginning with an astute analysis of our difficulties he discusses our chaotic production and pricing, our foreign policy, our ill-fitting gold standard and our banking structure and traditions.

We are faced with the need "for adoption of intelligent planning that will allow economic evolution to take its course."

²Taylor Society, New York, N. Y.

His prototype for "The National Economic Council" is the United States Supreme Court. Yet it would be purely advisory and have the power of publicity as its "instrument of effectiveness." Also certain banking reforms would make it possible for the banks to co-operate in giving the Council effectiveness. The Council, with broad representation and advice, would plan for statistics in a purposeful way now entirely lacking and would use the existing federal services to collect and supply the figures. The Council would integrate and interpret them, issuing warnings when necessary to business, finance and the Federal Reserve System. It is to be presumed that the Council is to be provided legal sanction to get the facts which are now often given tardily and inaccurately, or refused.

He advocates a general enforcement of the five-day week, recognizing that it will require most vigorous campaigning to procure the legislation necessary to effect this and to prevent "giving a special privilege to those business men who do not participate." Three objectives are all to be simultaneously worked for: "First, action by the individual states; second, expansion of the police powers of the federal government and its regulatory power over interstate commerce; third, constitutional amendment."

Certain policies are recommended to manufacturers to direct funds away from unwise expansion and into "the balancing channels of consumption."

"First, that a more generous percentage of profit be paid as dividends on equity stocks.

"Second, that the dividends paid each year be in direct relationship to the income of that year.

"Third, that all expansion of plant capacity, the necessity of which is not patent, shall be provided by capital in part out of earnings and in part out of subscriptions to stock offered with a covering letter of explanation at the time of the dividend payment. (This is the same as an alternative offer of a stock and cash dividend and gives the stockholder a chance to elect his choice.)

"Fourth, that funds accumulated for the purpose of protecting requirements of working capital and solvency be kept in cash or its equivalent and *not* invested in capital assets for increased production.

"Fifth, to the extent that directors . . . elect to carry over a part of the surplus from the current year, that surplus item should be invested in assets that can be easily converted into cash and not in productive equipment."

Mr. Mazur is a powerful supporter of a comprehensive housing project (what student is not!) and offers suggestive provisions to control by increasing interest rates the possibility of overstimulus.

His chapter on consumer financing advocates that it be undertaken by much strengthened sanctions of the Federal Reserve System. It is on this most difficult subject that his clear logic is not allowed to drive him to outspoken conclusions. The deuce of it is that it is the unemployed and their dependents who need purchasing power if we are to regain a sound economic consuming power. If he recommends direct loans to those with no possible means of repayment and with little prospect of any, he does not make it clear. But he defends consumer financing in general in manful and unmistakable terms: "Credit which helps man to maintain or establish his