

posting to the detailed ledger accounts of the customers concerned, a credit to the customer in the detailed Ledger of Accounts Receivable and a debit in the detailed Ledger of Notes Receivable. At the end of the month the total of such entries would be posted to the corresponding accounts in the General Ledger. If the company had very few such transactions it would make a compromise in the matter of not having a detailed Ledger for Notes Receivable similar to that made in the case of the Journal, and would currently post the details to a page in the General Ledger for Notes Receivable as transactions occurred. The same would hold good in the case of Notes Payable if the company occasionally gave its note in settlement of an Account Payable to a creditor.

An interesting detail in connection with Taylor's handling of Accounts Payable and Accounts Receivable was his practice of posting, in the detailed ledgers, each payment received or made, on the same line opposite the original entry which it settled. This enabled one to see at a glance exactly how an account might stand. Of course "payments on account" by customers may offer a difficulty in some cases, but as a rule the customers' co-operation in this matter may be secured. It was also Taylor's object to make the books self-explanatory to a far greater degree than had previously been the practice. For

example, whereas it would have been necessary under the old way of doing things, where a transaction with a creditor was recorded simply, for the credit entry as "to merchandise" and its settlement "by cash," our entry might show the purchase order number, the voucher number and the symbol of the particular material, and when paid, the check number. Under the old scheme of bookkeeping it was frequently necessary to trace a transaction back to its source in order to get such simple information.

Taylor's system of accounting was of course originally designed for manual entry in bound books. It may, however, be readily adapted in such degree as may be desirable to the various forms of mechanical accounting. Such adaptations, while offering certain advantages, sometimes entail a sacrifice of flexibility or added complication which may offset their benefits.

In this article it has been my endeavor to make clear certain of the principles underlying Taylor's scheme of accounting and to some extent the purposes to be served, as well as to describe the books in which transactions are originally entered. In the next article the various ledgers and the accounts appearing therein will be taken up.

*This is the fifth of a series of articles which began in the October issue of the Bulletin of the Taylor Society.*

*(Comment continued from page fifty-five)*

NRA looks in this direction and has taken slight steps in this direction—chiefly at present looks in this direction. Various choices between a succession of forks in the road ahead by administrative and legislative decisions will determine the direction in which we really face. One of these forks is indicated by a necessary choice between, on the one hand, labor as a recognized and organized overhead cost and, on the other hand, interest and profits as an overhead cost. At present NRA appears to be trying to choose both. It appears that it started with the assumption that American society cannot and will not stand for the former method of readjustment by sufficient bankruptcies and unemployment; that capital structures must be preserved; that at the same time labor must be given a larger share of social income to establish purchasing power; and that employers shall be compensated by increase of prices. There are inconsistencies here and it is inevitable that they will become clear as the issues are drawn sharply.

It is possible that in the future some arrangement may be worked out whereby interest, profits and wages will each to a certain extent be established as overheads, and each in addition have a claim to the variable surplus of income. But whatever the formula in particular, in general it will undoubtedly recognize the claims of worker-consumers as an overhead of a higher order than the other two.

### Semi-Centennial Celebration of the Graduation of Taylor from Stevens Institute of Technology

*See the Outline of December Meeting Program on back cover*

### NECROLOGY

Professor Charles Adamiecki

1866

1933

Warsaw, Poland

A creative leader in the Scientific Management movement has been lost through the death on May 16 of Professor Charles Adamiecki, director of the Institute of Scientific Management at Warsaw, a vice-president of the International Committee on Scientific Management and a member of the council of the International Management Institute, Geneva.

In 1903, the same year that Taylor presented his paper "Shop Management" before the American Society of Mechanical Engineers, Adamiecki read a paper before a technical society in Poland which presented the idea that management could be put on a more scientific basis. Consequently he appreciated the significance of the work of Taylor who had already constructed the technique expressive of that point of view.

Adamiecki became and remained until his death an independent creative force in the European management movement. His death took from us the last of an international trio—Adamiecki, Fayol and Taylor.

## Three Papers on Economic Security

Presented to a Meeting of the Taylor Society, New York, December 9, 1932

### I. The Responsibility of the Individual for His Own Unemployment

By E. HAYDEN HULL

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THE ENGINEER measures and weighs. His emotions, as a good engineer, are supposed to be kept in the background in any truly analytical study. He can therefore not be blamed, even in these times of human distress, if he casts an appraising eye at the situation and tries to evaluate the degree of the individual's own responsibility for his unemployment. The fact is obvious that some people are working and others are not. Why are those particular people at work? Why are some people walking the streets while their fellows still have jobs? Of course there is a myriad of answers. Changing conditions have altered, in a variety of ways, our opportunities to get jobs and to keep them. Present economic circumstances have also forced out a certain proportion of the working population with absolute inevitability. But why these particular ones? To what degree are they responsible, and for what are they not responsible? To what degree is society itself responsible? To get a proper perspective on this matter, we should review for a moment the fundamental change which has come about in our whole industrial and economic situation.

It was not so long ago that all of industry was of what might be called the "frontier" type. Operations were simpler and individuals supplied their own wants to a considerable extent. Concerted enterprise in production was comparatively limited. There was substantially no lack of employment, for in general every man employed himself, or at least was but one step removed from the employer, and maintained a more or less permanent relationship which was in some respects that of a family.

I need do no more than remind you that today we have a very different picture. As far as the individual is concerned, only a minority can any longer employ themselves. Most people are now dependent upon their ability to serve someone else profitably and satisfactorily, and are thus subject to all the vicissitudes of our industrial and social system.

As far as the system itself is concerned the changes are equally fundamental. Technological developments, mass production, division of labor, rapidly shifting vocational requirements, the segregation of the worker from the real boss, various broad economic and social developments, have overturned older methods and have also tended to sacrifice the worker on the altar of general material progress. They have in many cases impaired his economic security, destroyed his old vocations, nullified his past skills, reduced him at times to a mere cog to be discarded when slightly worn; they have limited the duration of his self-supporting working life, submerged his individuality and hampered his opportunities for growth.

These vicissitudes are added to by the fact that even before the depression we had changed with relative swiftness from a deficit economy to a surplus economy. Formerly society was short of goods and was eager to take all that could be produced, of any sort which filled its wants.

Under our more recent surplus economy there is always more productive capacity and more productive man power than society now knows how to use. The fact that under a properly planned and balanced world economy, society could still use all that men could produce, does not alter the fact that at present our economy is decidedly a surplus one. This being the case, the lot of the unit producer—the average man or woman—is made more difficult by the general decrease in the demand for productive services. There are not enough jobs.

Widespread and inevitable unemployment will exist in the future to a large and perhaps increasing average degree as long as we have the national lack of planning, the limited economic vision, the want of stabilization, the maldistribution of purchasing power and other factors which adversely affect our national economy as a whole. Furthermore the vicious cycles of unemployment and bad times will recur unless remedied, and will bring in their train increasing difficulties for the person who must earn a living.

Another factor produces what might be called sociological unemployment. That is the loss of a position due to changes in fashion, or other caprices in public demand whereby an entire craft skill may become obsolete. The worker is helpless in the face of such social change. Even so-called technological unemployment is more of a responsibility on general society than is sometimes admitted.

Strictly speaking, a man is technologically unemployed only if he has been actually thrown out of work by the introduction of a machine or process, and there is no other work which he himself is able to perform under any reasonable circumstances. Of course this is really a somewhat unusual case. If a man who is thrown out of work by a machine is capable of doing other kinds of useful work, but is not able to secure such employment, the fault is not strictly with the machine (which is a builder of productive efficiency and lower social costs) but is with society and our industrial structure for not having available other kinds of work. This man should then come under the classification of general unemployment rather than technological.

It is not the function of this paper to assess the relative responsibility of industry and society at large for each of the various causes of unemployment. For some, industry itself is primarily responsible. For others, our whole social-economic structure must share the blame.

What we are principally interested in here is the relative responsibility of the individual himself for getting and keeping a job. Is he doing the best he can under the circumstances?

The picture of his difficulties is not a pretty one. He appears to be pitted against a host of adverse forces and conditions. There are not enough jobs to go around in the first place. He gets and learns a job, and then the whole vocation disappears through a change in fashion or technique. A machine drives him out of another. A faulty industrial and economic system brings on a depression and drives him out of a third.

Society has also perhaps afflicted him with other difficulties which handicap him. He has to struggle against the effects of lack of adequate preparation by our educational system and by industry itself. He is discouraged by the lack of adequate opportunity in many cases for any kind of substantial economic