thirteen weeks' compensation, it must be admitted that this benefit would operate to some extent in reducing labor turnover.

As the compensation paid a workman laid off would be $6 a week, and the maximum time thirteen weeks, an employer who laid off an employee would assume a possible liability of $78. Mr. Hackett shows that the disqualifying features of the new law would make the number of persons eligible for compensation in the four firms less than the 9,650 laid off, but in view of the considerations presented there are additions to counteract some of the subtractions. Let us assume for the sake of discussion, that 8,000 employees laid off would be entitled to compensation, and even if the estimate is unjustified it will not seriously affect the argument.

On this basis, the 8,000 lay-offs present a maximum liability to the employers of $624,000. Would the prospect of the payment of a considerable portion of this liability have operated as a direct stimulus to more conservative policies and better management technique? Would not the firms have been more interested in personnel administration and more inclined to listen to outside specialists—as they have been under the workmen's compensation laws? If not, consider the case of one organization which laid off more than two-thirds of its workers,—mostly long-time employees—early in 1921; or the U. S. Steel Corporation, whose annual report for last year tells us that the number of employees on the payroll in July, 1921, was 106,000 less than the number in January.[1] Mr. Morris L. Cooke was kind enough to send the writer a reprint of an article he wrote some time ago, in which attention is called to the frequent changes in standard production among firms whose experience Mr. Cooke has observed. "A remarkable instance," Mr. Cooke writes, "is an eastern locomotive building concern which on two occasions within the last ten years has laid off more than 75 per cent of its force almost over night. On January 1, 1908, this concern employed over 19,000 men and six weeks later had less than 8,000 working half time."[2] Would Mr. Hackett say that the liability of having to pay up to $78 per person laid off or on part-time would not have been an important factor in the minds of those controlling this concern?

The Huber Bill could be considerably improved in detail, no doubt, but its main provisions would be effective because the penalization of planlessness would emphasize the need for better management and would make the wastefulness of irregular employment a large factor in the money economy by which business is motivated. The Huber Bill puts a direct tax on haphazard management.

As mentioned at the beginning, one significant aspect of Mr. Hackett's statistics was not pointed out. Peculiarly enough, it has received scarcely any mention in the discussions of unemployment insurance. This factor is the great advantage which the firm with high turnover has over the firm with low turnover under a system of unemployment compensation which penalizes only lay-offs. For if a decrease of forces becomes necessary in a firm with high labor turnover (which, let us assume, is an inefficient firm), all that the management need do to reduce the payroll is to stop hiring, and the normal turnover will take care of the reduction. Such a firm might even make itself disagreeable by reducing wages and increasing hours, etc., and thus accelerate the rate at which employees leave their jobs. But if a decrease of forces becomes necessary in a firm which is efficient and has a low turnover, its employees would probably hang on, and a lay-off that would involve considerable expense in unemployment compensation might become necessary. To illustrate how serious this might be in a concrete instance, consider the following facts which appear in the article by Mr. Cooke previously mentioned, concerning the improvement of the turnover record of the Joseph & Feiss Company, of Cleveland, during the years 1910-1914.

	Standard Pay Roll	*New Hands*	*Per cent*
1910......	1,044	1,570	150
1911......	951	807	85
1912......	887	663	75
1913......	854	569	66
1914......	825	290	35

Here we see that in 1910, before the firm had put in practice its exceptional technique, the turnover was 150 per cent, or an average of 12½ per cent a month, while in 1914 the turnover had become as low as 35 per cent or 3 per cent a month. Under the former system a considerable reduction in forces could have been arranged for easily through normal turnover without the need for lay-off compensation, while under the improved system such a reduction would have taken so long that lay-off compensation would have had to be

[1] Twentieth Annual Report of the United States Steel Corporation for the fiscal year ended December 31, 1921. Page 28.

[2] "Scientific Management as a Solution of the Unemployment Problem," by Morris Llewellyn Cooke. Reprinted from Vol. LXI of *The Annals* of the American Academy of Political and Social Science. Page 11.

paid. While certain other elements in the situation would protect good management, the possibility of having the firm with high ideals and low turnover suffer because of the lower ideals and high turnover of a keen competitor, makes it necessary to consider the adjustment of rates with some reference to the total separations. Just how can this be effected in a practical way? The obstacles seem almost insurmountable. That is why the simplicity and directness of the provisions of the Huber Bill make it a good start in the exercise of social pressure to reduce the chief evils of unemployment.

ANNUAL BUSINESS MEETING

THE annual business meeting of the Society was held Wednesday evening, November 22, following a dinner at the Café Boulevard, New York.

The place of meeting and the dinner were unusually satisfactory. The attendance, however, was not satisfactory; there should be more than fifty members at a business meeting of the Society. It is apparent that the evening before the beginning of the public sessions is not a suitable time at which to hold a business session. Members from out of the city, particularly, find it inconvenient to arrive before the morning of the first day of public sessions. Notwithstanding the small attendance, the meeting was one of interest and enthusiasm.

After introductory remarks by President Richard A. Feiss, the meeting proceeded as follows:

1. *Election of Officers.* A special committee consisting of Clarence E. Davies, Joseph W. Briggin and Francis Goodell announced the following result of the letter ballot for officers for the year 1922-1923:

President	—Richard A. Feiss	*400
	H. K. Hathaway	7
	Scattering	6
Vice-President	—Howard Coonley	*391
	H. K. Hathaway	11
	Scattering	8
Treasurer	—Edward W. Clark 3d	*405
	Scattering	2
Two Directors	—John H. Williams	*227
	Keppele Hall	*208
	A. B. Rich	149
	Percy S. Brown	98
	Horace B. Drury	90
	Scattering	8

2. *Reports of Officers.* The Treasurer's report was presented and placed on file. Mimeograph copies were distributed among those present. As soon as the auditing is completed printed copies will be sent to all members.

The report of the Managing Director was informal; he stated that his formal report—concerning the development of the work of the Society—had already been submitted to the membership in the pamphlet "What Is the Taylor Society?" His principal purpose at the business meeting was to give information concerning the intensive membership campaign to be held in January. Following the statement of the Managing Director members of the Membership Promotion Committee explained various details of the campaign. These are presented elsewhere in the BULLETIN, under the caption "Plans of the Society."

3. *Special Business.* Under this heading the following vote was proposed by the Directors and was passed without dissent: "Voted: That the president be and hereby is authorized to appoint a committee of five members whose duty shall be to consider revision of the Constitution, and if they so decide, to propose revision of the Constitution; and that any revision of the Constitution proposed by such committee, if approved by the Board of Directors, shall be presented directly to the members of the Society by letter ballot for their vote; such action by the committee being hereby approved as satisfying the requirement of preliminary action by those present at this meeting, in accordance with Article C29 of the Constitution."

PLANS OF THE SOCIETY

1. *The Financial Problem*

THE Treasurer's report for the fiscal year ending Oct. 31, 1922, discloses a deficit of about $2,000, inclusive of depreciation charges. The preceding year had shown a deficit of $1,800; 1920 a deficit of $6,800; 1919 a deficit of $2,900. Thus there has been a deficit every year since the establishment of the work of the Society on its present scale. These deficits have been taken care of in one way and another by the efforts of a small group of members.

Realizing that such a society as the Taylor Society must be eventually financially self-sustaining, and realizing that to be self-sustaining there must be a larger membership, the Society in the Fall of 1920 instituted a two-year membership campaign, the peculiar feature of which was that each member subscribing to the campaign had the option of securing the number of new members he specified in the subscription, or of paying in cash for two years an amount equal to the dues of the number of new members specified. It was expected that the subscriptions would be liquidated in practically all instances by the securing of new members; as a matter of fact, however, although many new members have been secured, in the greater number of