

News of the Local Sections

Central New York

Announcements of the February meeting of the Central New York Section gave promise of another worthwhile program for February 22 when the section was to join with the Central New York Purchasing Agents Association with J. C. Howell, Vice-President of Brookmire Economic Service, scheduled to speak on "Business Conditions Today and Tomorrow."

Central Ohio

This youngest member of the local section group continues to hold regular meetings with increasing interest. On January 26 H. H. Vaughn discussed the problems connected with the selection of employees. This was to be followed by a symposium on February 23 on the adjustment of employees to variations in the amount of work in different localities.

Eastern Massachusetts Section

The Eastern Massachusetts Section met at the Twentieth Century Club in Boston February 17. R. T. Haslam, Director of Chemical Engineering at M. I. T., presided and C. E. Mead, Manager of the Cotton Research Company, was the speaker.

New York Metropolitan Section

W. H. O'Neill Manning, of the National Institute of Industrial Psychology, London, gave a paper on "The Psychological Approach to Industrial Problems" at the February 17 meeting. The paper gave a detailed account of the aims and technique of the National Institute of Industrial Psychology. An imposing group of discussors made valuable contributions out of their varied experience here. Dr. Donald Laird, of Colgate University, presided.

New York Southern Tier Section

The January meeting was addressed by J. A. Morford, of the National Industrial Conference Board, who discussed the Board's study of various phases of industrial relations. At the February meeting Mr. Hatch, General Manager of the Shepard Electric Crane and Hoist Co., talked on that company's experience with the Bedaux system, giving a case presentation of much interest.

A Service for Industry

Since November, 1925, the Massachusetts Society for Mental Hygiene has been publishing quarterly, under the title *The Human Factor*, "a digest of the best that is being done in personnel work in business and in industry."

Those engaged in the industrial relations field, and especially those with a psychological interest, will find the current literature, conferences and experiments in this field ably summarized in *The Human Factor*.

The Massachusetts Society for Mental Hygiene also maintains a Consulting Bureau which is prepared to furnish information, without cost, on such subjects as vocational tests, vocational guidance, mutual benefit plans, workmen's compensation, problems, housing, health service, more efficient methods of handling human problems, etc. The cooperation of their Consulting Editors, a distinguished group of educators, personnel workers and psychologists, enables them to furnish authoritative and up-to-date information on these subjects. Inquiries should be addressed to the Editor, *The Human Factor*, 5 Joy Street, Boston, Mass.

The Regulation of Business

By Ordway Tead¹

TWO remarkably dispassionate and incisive studies are the Research Reports of the National Industrial Conference Board which deal with the tremendous problem of business regulation. The following quotation from the earlier study regarding the economic conditions which give rise to the necessity for trade association activity indicates also by inference the reasons for the need of explicit public regulatory activity, as it is discussed in the other report under review. Such a statement, sponsored by a strong employers' organization, should be *ipso facto* evidence of its truth and of the severity of the competitive problem.

In considerable measure the defects of the competitive system are of another type; they do not spring from the

¹"Trade Associations, Their Economic Significance and Legal Status." Published by the National Industrial Conference Board, Inc., New York, 1925.

²"Public Regulation of Competitive Practices." Published by the National Industrial Conference Board, Inc., New York, 1925.

³"Social Control of Business," by John M. Clark. University of Chicago Press, 1926.

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mere shortcomings of law enforcement. They are grounded in the inherent nature of competitive organization and control, and would persist even under the most faultless observance of all the laws in the books. These drawbacks arise from uncoordinated pursuit of competitive advantage. They tend to place small scale producers at an unjustifiable advantage in waging what frequently proves to be an unequal contest with their powerful competitors. They manifest themselves in economic waste and industrial instability. They carry the competitive struggle to destructive lengths. Circumstances such as these provide a sound economic warrant for the pursuit of business cooperation through trade association activity. They point towards the need, for purposes of economic efficiency and industrial stability, and as a means of safeguarding the essential elements of the competitive process, of cooperative activity among trade competitors in various directions.

Whether or not one agrees with all the conclusions reached in the National Industrial Conference Board reports is of little consequence in comparison with the value which is to be obtained from the clear cut discussion of the facts which these volumes contain. Indeed, no one can pretend to an adequate grasp of the whole problem of applying scientific management in American industry and ignore the problems here treated. Every economist and broad gauged business man should be mindful of the tendencies in the size and control of corporations for which they supply the evidence. Certainly it is no longer possible for scientific management to be considered as a factory problem isolated from economic forces of a competitive or of monopolistic character on an industry-wide scale as they are here discussed.

All three of these books have this in common, that they assume the necessity for some degree of public interposition in the conduct of business. But Professor Clark is prepared to go very much farther than is the Conference Board in committing himself as to the necessity for a progressive social control of business. His volume may well be read in the light of the facts offered by the other two books, since his discussion is more philosophical in emphasis than factual. Although this work is by no means easy reading, the careful student is repaid by getting a profound sense of business activity going forward against a background of a growing recognition of a new public interest which is still relatively in its infancy.

Particularly to be commended, from the point of view of broad vision and suggestiveness, is Professor Clark's last chapter, wherein he projects forward in a thoughtful way the likely issue in practical affairs of the forces now at work in determining the size of

business enterprises and the character of their organization together by industries.

These three studies comprise a noteworthy addition to the literature of business. They are discussions of a phase of business organization which business men themselves have been reluctant to face, except as they impinge upon their own immediate corporations. They are the phases on which truly scientific thinking seems to come last and slowest in the practical executive's mind. Every scientific management study which helps to define and characterize the severe limitations under which the competitive process inherently works can help to destroy the hold on business men's minds of such now compelling slogans as "less government in business," and "competition is the life of trade."

Reviews

Marketing. By Edmund Brown, Harper & Brother, New York, 1925, pages x, 503.

The college class room continues to be all too great an incentive and limiting factor in the writing of books in the field of business administration. At least it is the reviewer's point of view that this would have been a much more fundamental presentation for the business man if the class room market had been ignored, undesirable or desirable as such an oversight would have been. Two hundred pages, approximately, present the marketing frame-work of fourteen basic trades. Six pages are allotted to a chapter on industrial equipment. Fifteen pages out of five hundred are assigned to the chapter on market analysis. Certainly the executive can increase his understanding of market problems little by reading this book.

On the other hand, the book is a happy statement for the teacher who seeks compromise between the statement of marketing principles solely, and the other extreme—the case method. The book discusses the outstanding phases of market problems, and introduces the reader interestingly to their perplexities. As a text book, it is commended to the teacher for investigation.

As a treatise on marketing, it may be said that too much is assumed by theme in the phrase on page 3—"Why marketing became a science." Nevertheless, the reader will find a clear statement of many problems involved in marketing wheat, flour, steel, textiles, cotton, coffee, coal, fresh and canned foods, tobacco, and wearing apparel. A big task is assumed by him who attempts to define and describe the "process of transferring goods through commercial channels from producer to consumer." Considering the scope of the subject itself, and the range of interests of probable readers, the book should meet with little justifiable criticism, and much commendation.

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