

## December Meeting Program

Theme: The Significance to Management of Recent Economic Changes

WE HAVE been so impressed by the report of the Hoover Committee on Recent Economic Changes that it has been made the basis of the program of the December meeting—New York, December 4-6, 1929. We refer our readers to an adjacent comment on that report.

The report is almost entirely a record of the facts discovered by the Committee. However, accompanying the record of facts is a brief set of very broad generalizations by the Committee. None of these is so presented as to indicate—perhaps we should say explore—its bearing on the managerial policies of individual industries or enterprises. Therefore it is the purpose of the December meeting program to consider in a practical way the significance to management of the facts and conclusions in the report, and the major questions of managerial policy raised by it. The tentative program follows:

## Wednesday Forenoon, December 4

Registration and reception of members

## Wednesday Afternoon, December 4

## General Session

Paper: Analysis of "Recent Economic Changes" with emphasis on subjects of practical interest to management.

## Wednesday Evening, December 4

## General Session

Paper: Are there practicable steps toward an industrial equilibrium?

Paper: What bearing has industrial equilibrium on regularity of operations and of employment?

## Thursday Forenoon, December 5

## General Session

Paper: What are the controllable and the uncontrollable factors in management?

Paper: Is there an optimum size of organization? (involving the problems of centralization vs. decentralization, effective control, etc.)

## Thursday Afternoon, December 5

## Simultaneous Group Sessions

1. Will unit labor costs continue indefinitely to be reduced at the same rate as during the past decade?

2. What must be the characteristics of an adequate accounting for distribution costs?

3. Is the fatigue element in computing standard times based on an adequate research into fatigue?

4. What are the limits to standardization of items involving aesthetic qualities?

5. Organization of a retail stores room.

6. The progress and importance of industrial standardization.

7. Can any sound managerial policy assume stability of the demand for its products?

8. The technique of methods study.

9. The practical value of economic data to management.

## Thursday Evening, December 5

## Annual Dinner—Addresses

## Friday Forenoon, December 6

## General Session

Paper: Is it good management policy to assume that consumer wants for particular goods are insatiable?

Paper: Is it a sound assumption that consolidation invariably, or even usually, results in reduction of distribution expense?

## Friday Afternoon, December 6

## General Session

Paper: How shall large groups be organized and managed to secure the ability, capacity and energetic effort of each individual as though he were in a business of his own.

Paper: A case of joint regulation of industrial relations in a textile plant.

## Friday Evening, December 6

## General Session

Three papers on the progress of research-determined managerial control in three leading industries.

Recent Economic Changes<sup>1</sup>

THESE two volumes will be read by every forward-looking executive eventually; therefore why not now? As we indicated in the June issue of the BULLETIN, there is a formula of reading which simplifies the problem for the busy man: read first the report of the Committee (seventeen pages); then the Introduction by Edwin F. Gay (twelve pages); then the conclusions at the ends of the fact-reporting chapters (aggregating some forty pages); then the concluding chapter by Wesley C. Mitchell (seventy pages); and finally the remainder of the report in such order as is dictated by one's particular interests.

The reader should orient himself in advance by perception of several characteristics of this report.

1. The Committee itself did not conduct the survey here reported. It acted principally as a planning group. The report is to the Committee, not by it.

2. The survey was conducted on behalf of the Committee by a special staff of the National Bureau of Economic Research, Inc. A more dependable research institution could not have been secured. The report is a report of this staff to the Committee.

3. The National Bureau of Economic Research, Inc. is a research institution of which the object is "to ascertain and present to the public important economic facts and the interpretation thereof in a scientific and impartial manner, free from bias and propaganda." Its technique is that of quantitative measurement and its interpretations are interpretations of what the facts are, rather than of their significance.

4. An interpretation of the significance of the

<sup>1</sup>Recent Economic Changes in the United States, Report of the Committee on Recent Economic Changes, of the President's Conference on Unemployment, Herbert Hoover, Chairman, 2 Vols., New York, McGraw-Hill Book Company, 1929.

reported facts is to be found in the seventeen page report of the Committee to which the Bureau made its fact-finding report. But this interpretation is brief and along very broad lines.

It is apparent, therefore, that an executive must approach these two volumes as a record of facts and must not expect to find interpretations which indicate what the significance of the facts may be to his business, his industry or industry generally. It will suggest to him questions relating to his managerial policies, but will not answer them directly.

In this matter we believe the Committee might have ventured to be more constructive. It appears to have satisfied itself with generalizations on which all of its members could easily agree. The result is a series of conclusions generally held prior to the searching labors of the survey staff. Many of these are mild when compared with what may be found in the staff's report. For instance, the Committee makes emphatic the mild statement that "the distinctive character of the years from 1922 to 1929 owes less to fundamental change than to intensified activity"; notwithstanding the significant statement by Edwin F. Gay in the introduction to the Bureau's report that "The chief characteristics of the present economic phase . . . are, it is true, evolved logically from what has preceded. . . . But there seem now to be differences of degree which approach differences in kind." A difference in degree approaching a difference in kind has more significance for public policies and individual managerial policies than a mere intensification of activity.

The outstanding generalizations of the Committee are: that the present conditions of industry owe less to fundamental change than to intensified activity; that the activity is not equally distributed among industries; that increased use of power has increased the speed of production; that there has been marked spread in the source and use of credit; that rising wages and relatively stable prices have increased consumption; that there has been marked increase in production and a corresponding increase in human wants; that wants are practically insatiable; that consumers in the midst of an abundance of items are exercising options in consumption; that there is more leisure, and more mass services, in part a consequence of the demands of

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