

Discussion

W. J. Austin.² Whatever our views on Russia, their ideal does seem to challenge our industrial supremacy. We must admire them for conceiving the greatest engineering plan which has ever had a possibility of execution. A nation of over 150,000,000 people is being transformed from an agricultural to an industrial nation on the basis of a definitely preconceived plan which involves new methods not only of manufacturing but of living. This is the largest investment of capital and skill that has ever been undertaken in so short a time. Inasmuch as this is an industrialization plan and involves large management problems it seems to me a very proper plan to discuss here.

You are all more or less familiar with the Five Year Plan, with which our company has had some interesting contacts. These have given us an opportunity for analysis and comparisons which have led to some conclusions concerning the effect of this plan on our supremacy.

While Russia has no background of industrial experience similar to that of the United States it has large industrial enterprises. Its railroads, ship yards, locomotive works, steel mills, textile mills and other manufacturing operations make it a manufacturing nation in a small way, but its production of raw materials is the important thing.

They have the advantage, in starting a new scheme of things, of less industrial capacity than we have and the disadvantage of a limited supply of labor and managerial ability. They do not have the obsolete plants that are a handicap to us but can start with the most modern construction and equipment that is to be had. They are free to execute their ideas unhampered by an aggregation of plants which will not fit into their plan. They feel they have the opportunity to create the highest industrial standards in the world today and have sent their engineers all over the world to study and evolve their own plans from the experience of others.

In general their first principle is standardization of production at capacity. Their aim is to keep production up to demand and no more. Without competition their central planning body is able to do this and to eliminate competitive selling costs, the expense of duplicate plants, models, etc.

²President, Austin Company, Cleveland.

They have adopted the idea of continuous operation. Each worker has one rest day in five but the plant never closes because these rest days are staggered. Every worker must be a member of a union for his own and the industry's good. These unions are jointly responsible with management for efficient production. Compulsory insurance takes care of accident, sickness, unemployment and vacation requirements. The health of children is taken care of by the State, which likewise supervises that of all the workers. They are in a position to work out an ideal situation as regards the health and well-being of the workers. To take the place of money incentives for increased output, very clever use has been made of various competitive methods which do not involve pay increases. Honorable mention and prizes are given periodically for efficient performance and groups are pitted against each other for the distinction of leading in their particular industry. While their ideals are opposed to the competitive system they do not hesitate to make use of non-monetary features of that system.

Another feature which might frighten some of us here is that they welcome and invite criticism of the management of their plants by the workers. Any such criticisms are posted where all may see them.

Russia has endeavored to free herself from custom and to use the most modern methods by which she hopes to challenge all the world. I am not here to say whether or not she will succeed, but I do say that it behooves all of us to watch this experiment. She has conceived a remarkable plan the results of which are already astonishing, whether or not the completed plan is achieved in the scheduled time.

In my opinion nothing is so fatal to industrial progress as the attitude of scorn toward those who have not had our experience. Sometimes that very experience gets us into a rut. Russia has endeavored to avoid the rut. While some of her ideas are very strange to us they are a challenge which we cannot afford to ignore.

Bruce Bliven.⁴ Let me say at once that I propose this evening to be wild and incautious. I am not a scientific research person who has to weigh every statement. Mine is the job of the journalist who shuttles back and forth between the general public

⁴An Editor, *The New Republic*, New York, N. Y.

and those who know something, and I feel I am at least qualified to speak for the general public!

People are, I believe, divided by temperament into five classes. There are the reactionaries who would like to go back from the place we have reached; there are the conservatives who would like to stop where we are; there are the mild progressives who would like to go a little way ahead; there are others more progressive who would like to go a long way, and finally there are the visionaries or Utopians. I hope to talk as a representative of class four. I should like to project the present lines as far into the future as we can reasonably see, and no farther. I am not going to sketch any pretty picture of a Utopia, though what I say may not be closely co-ordinated with the present moment. Some of you will say I am in class five and some of you will think me back in class one.

A great deal is being said today in criticism of machine technology. But there is nothing wrong with the machine or with the ideas of mass production, speed, standardization, duplication and elimination of effort. The wrongness is in us, in the people who use the machines; if we could learn to use them correctly, our troubles would cease. I assume this to be axiomatic in this group, but it is not quite so axiomatic to some others.

Machine technology is suffering from sabotage, not on the part of workers but of business owners and politicians. Probably this is largely unconscious and inadvertent; they do not wish to hamper the machine but they have not learned how to work it. As I see it, therefore, it is our problem to teach the capitalists and politicians how to work machine technology without sabotage.

I am wondering if you have any idea of the impact of Russian ideas on the American mind today. As one who shuttles back and forth between public opinion and experts like yourselves I can report an extraordinary development of interest in the whole Russian experiment. Those who thought that communism as practiced in Russia would have no effect on the rest of the world have shown themselves to be mistaken. I think there is more interest in this country today than ever in the Russian experiment, and unless it is a complete failure the United States is challenged as it never has been challenged before in its fundamental concepts.

Those who read about or come into contact with

our millions of unemployed and at the same time read about Russia's lack of unemployment are bound to have a different attitude toward our civilization from that of two years ago when we were prosperous and Russia was reported as starving and wretched. They are still hungry in Russia, but what food they have is being divided among all. It is much easier to starve when everyone is starving than to starve in the midst of plenty.

At this point I find myself about to say something on the subject of the evening. You will have gathered that I am in general sympathy with the idea of an intelligently planned scheme for the production and distribution of goods with a minimum of difficulty. I would go on to say that I do not believe that any scheme of this sort can be successful in one country alone. I do not see how you can plan the economy of any one of the great producing nations successfully unless you also plan on a world-wide scale. Here, then, are some of the things that seem to me fundamental in such a planned economy.

In the first place I think that population growth must be subjected to deliberate control. We practically have that in the Western World today. The Archbishop of Canterbury simply recorded a fact when he said that the birth rate of the Western World had been cut in half and would so remain. You probably all know that Western Europe and the United States have passed the peak of population growth, and are faced with a dwindling population. The fact that the birth rate is still somewhat larger than the death rate is really immaterial. I also think the migration of peoples must be put under world-wide social control. We cannot longer have the people of one part of the world moving to another part, either as an army or as individuals. Such movements upset too drastically the social economy of the area which is left and the one which is occupied, to be tolerated in a sensible, planned civilization.

In the second place, the production and distribution of goods must be accomplished under conditions which will serve the best interests of society as a whole. I do not pretend to say what those conditions are, but we cannot permit the production and distribution of wealth in a manner which hampers and mars the welfare, prosperity and happiness of society as a whole.

In the third place, I should say that particular