

From that point the work of planning begins. It is vested in a State Planning Commission which is responsible for the co-ordinated five-year plan, a specific one-year plan and working orders for a quarter year. The actual conduct of Russian production is vested in a number of executive agencies. The Supreme Economic Council has under its supervision all industries producing for other industries, rather than for consumers; the Commissariat of Trade has under its supervision those industries producing for consumers, the work of distributing their products, and it has a monopoly of foreign trade. There are also Commissariats of Agriculture, Transportation, and so on. All of these agencies are also engaged in planning. The State Planning Commission is the co-ordinating agency only.

Planning in Russia is not superimposed from above but comes up from the bottom. Each individual establishment presents its plans for a given period covering expected production for that period, and the amount of material, labor, equipment, etc., required. In other words it makes a preliminary requisition for everything it is going to need to produce a given product in a given period of time. The period is one year. These individual plans pass up through the industry to the Supreme Economic Council where they are revised and co-ordinated. When they reach the State Planning Commission, they give a picture of two things: what industry can do and what it is going to need. Parallel to this you have the requisitions of the local co-operative stores based on budgetary studies of what the consumer is going to need. The total of these gives you the final element in the picture of industry's requirements.

Obviously the preliminary plans will not all fit together. It is the work of the State Planning Commission and other agencies to co-ordinate them. One plant is told that it must produce more, and another that it must use less material. They are also told how to do these things. It is discovered that some of the requisitions are for goods which cannot be produced in Russia. If they are to be imported, an exportable surplus must be provided to pay for these imports. After a reconciliation has been worked out, the revised plans are passed back to the individual organizations for their judgment on the practicability of the plans, and finally you have approval and execution.

If you could combine this balancing of consumer

needs with the man power, machine equipment and natural resources of either a United States or a Russia and the detailed operating efficiency of the United States, you would have an economic mechanism surpassing anything ever dreamed of.

Of course a plan is not a reality. One of the amusing things in Russia is the way in which their thinking in terms of planning has tended to make them confuse plan and reality. A Russian said to me, "Our actual production in 1932 is so and so."

Translating planning into reality involves control. I find many sound American business men who rather admire the idea of balanced production. Their thinking is somewhat vague with reference to the sort of implementing of the plan that may be necessary. I do not pretend to know how far it is necessary to control producers in order to make a plan effective. In Russia, however, there is control over price, over wages and over foreign trade. The reason for price control may be visualized from the cotton industry, for example. It is one thing to try to execute plans based on a twenty-cent market price; it is quite another when the price is apt to be anywhere from nine to nineteen cents. The Russians find it necessary also to assume rigid control over foreign trade. They admit only such products as they want to see come into the country. When a series of nations goes in for this sort of thing, there will be great difficulties. At that time Mr. Bliven's statements about international planning will undoubtedly take on a great deal more reality for the layman than they possess today. In the meantime this control is quite effective and is vital to the execution of Russian plans.

The guiding principle in Russia is finally to attain maximum production, an ever-increasing real income and a rising standard of living for everyone. In this country the concept seems to be to limit production to that which can be absorbed at a profit in a market made up of existing incomes. It does not necessarily follow that these two principles are antithetical, but it seems to me that the evolution of the American ideal toward limitation of output is likely to lead to a static condition. A concept of planning as mere limitation of output would in a comparatively few years relegate the United States from its present enviable position as the richest nation in the world to one less favorable. What we need is stability in a dynamic situation, a moving equilibrium.

Paul U. Kellogg.<sup>1</sup> Dr. Person contrasts the co-operative integration which animates the internal ordering of our more progressive American industries with the reliance on individual self-interest and intuition which continues to characterize the arena of economic life and through which those industries must function. He makes his plea for nation-wide planning. I should like to make that contrast closer in; the contrast of the co-operative integration of our industries and the individual self-interest and intuition which enthral the surrounding community and neighborhood life from which they draw their working people. And I should like to do this against the experience of our American industrial districts in the midst of the financial depression. If the industrial neighborhoods of America were to do to the industrial establishments of America as they were done by this winter, we should have a Coxe's army of business men marching on Washington for relief.

I remember talking till midnight with an industrial leader in Cincinnati during last winter's business recession. The flattening out of the mass production industries of the Middlewest had crippled the operations of all those establishments which supply parts or machinery to the big plants. He was conscious of the distress among the families of discharged employes, but spoke also of another anguish, that of the executive like himself who saw his working force go to pieces. He had fitted men and skills and aptitudes into a scheme of production, had concerted health and morale and efficiency. Now it was slipping through his fingers and it would take months if not years to mobilize its like again and get back the old verve. His sensitiveness to what was happening was a decided advance over that of managements whose concern was merely for their physical plants. In truth we would not think very highly of a manager who after a shut-down should start up with his roofs caved in, his wiring unstrung, his lathes and punches rusted and his raw materials damaged. And yet the counterpart of this deterioration is what we seem to look forward to as the normal course when it comes to the household establishments of our industrial centers.

By gathering evidence when industry was in full swing, by singling out families dislodged through

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no fault of their own, by drawing them from all sorts of occupations and a wide range of industries, the Committee on Unemployment of the National Federation of Settlements has made an original and clarifying contribution to straight seeing on the subject. No such body of concrete cases, lifted from the industrial life of America the country over, has hitherto been available. Clinch Calkins has handled the settlement findings in her book with the ironic title "Some Folks Won't Work" (Harcourt, Brace) from which an open-minded employer will learn more of what unemployment does to families than he has got out of twenty-five years of hiring and firing.

The chairman of the committee, Miss Helen Hall of University House, Philadelphia, in bringing out 150 of the original stories as a source book: "Case Studies of Unemployment" (University of Pennsylvania Press), epitomizes the handicaps with which wage earners' families confront life when the man at length finds re-employment—not in all cases, she points out, but in such numbers among the 150 households whose experience was analyzed, that the trend is unmistakable. They confront it "... with savings used up, with debts to friends and stores, with homes lost or with furniture and clothing and other equipments for living sadly in arrears; with health impaired, spirits broken and earning power depleted."

If we were to take a leaf out of the modest proposal of Dean Swift and organize a Society for Wasting Labor Power and Gutting the Wage-Earning Market, it would promote exactly our present-day policies of irregular employment and would set its cap for an occasional cyclical depression. I should like to see the Taylor Society undertake a first-hand investigation and appraisal of what in bad times our employment policies exact of a representative industrial neighborhood; of how far even in good times we make the most of the potential labor power of such a neighborhood.

Those who, last winter, pinned their faith to the presumption that here in the United States we were dealing with a local and temporary situation, due to the collapse of stock market speculation in the fall of 1929, had to recast their reckonings. The industrial recession antedated that. Gradually the American public has become conscious that, ten years after the Peace, unemployment has become a world-wide problem. This splayed out