

consensus of opinion that whether we consider business as a whole or individual businesses, organized religion or personal religion, there is great danger that technical business ability will become wise in its own

conceit, unless it is subjected to, or accompanied by, a critical sense of human and spiritual values which religion should do its part to provide in the world of human affairs.

### Further Notes on Discussion of January 27th Meeting Addresses

**D**R. HENRY PRATT FAIRCHILD, Professor of Sociology, New York University, expressed surprise that such a group should spend so much time in discussion of "future depressions." He thinks it time that we ceased to assume that we must go through these cycles of depression decade after decade and generation after generation. If we were willing to face the facts he believes that we could find ways and means of reorganizing our social and economic structure so that depressions would not be necessary.

He quoted Sir Norman Angell as stating that we all complacently assume that what amounts to anarchy will work in international affairs, when we know it will not work in local and national affairs. Co-operation among its constituent parts is necessary in the running of the United States and yet a large part of the world assumes that no organic relationship is necessary in running world affairs.

Professor Fairchild is convinced that a complete overhauling and reconstruction of our elementary economics is necessary. For the last 150 years we have been dominated by a peculiarly inverted economic philosophy. We have thought that the one important thing was production and have forgotten that its sole purpose is consumption. We have been trained for generations to think of ourselves as producers instead of consumers and it has affected our whole philosophy of life. We have got to realize that the old economic system was built on assumptions. We must be realistic and start with the human being, find out where he gets his practical power of consumption and relate that to the economic system as it exists. Professor Fairchild believes it all boils down to a question of ownership,

both of products and of producing units. We must devise a logical, consistent system of ownership that takes into account the human being as a consuming unit and recognizes the fact that production has no use except as an instrument that makes consumption possible.

**M**R. DANIEL M. BATES, President, Bates Incorporated, Philadelphia, put himself in the place of the average business man in his reaction to the suggestions of the evening. He agreed with the two Professors Fairchild in their statements that consumption is now the important thing, and suggested an emphasis on the selfish return to the business man of sharing profits in the form of higher wages which will increase consumption.

**M**R. JOHN J. HADER said that three words, "purpose," "organization" and "emotion" had come to his mind in the course of the discussion. The first and last are very closely allied. We must have a socially valid purpose with emotional dynamics behind it to create an intellectual as well as a social organization. Those who have studied the Russian situation agree that the Marxian formula gives a cohesive power to one-man thought in social organization. Instead of this cohesive power we have here chaos and disintegration. The formulation of a socially valid purpose must be followed by social organization.

## Public Administration

### A Field in Urgent Need of Scientific Management.

#### Introduction

By LUTHER GULICK

Director, Institute of Public Administration, New York City; Eton Professor of Municipal Science and Administration, Columbia University

**T**HE direction of the government of the City of New York, of the State of New York, or of the federal government is a much more difficult task than the direction of the United States Steel Corporation, the American Telephone and Telegraph Company or the General Electric Company. I cite these governments and these business enterprises merely as illustrations. Because of this fact, scientific management is at the same time more difficult of application and more necessary in the field of public administration than in private industry.

By scientific management, I mean the rational determination of purpose and the intelligent organization and utilization of man-power, technology and things to accomplish that end.

Viewed in this light, it is vastly more difficult to apply scientific management in government than it is in industry. These difficulties arise (1) because in government we have what is popularly known as "politics," a system of management under which production and service are incidental interests of those in control, whose main objectives are jobs, commissions, the sale of special privileges and the maintenance of an outside vote-gathering organization; (2) because in government we have democracy, which even under the best conditions is control by the many; (3) because the environment of government and the scope of operation of each unit are more complex than are those of any industry; (4) because the doctrine of state sovereignty and home rule in local affairs makes large-scale production and standardization virtually impossible in the field of government; and (5) because of the teleological enigma of government. By definition, scientific management requires the determination in advance of the purpose to be accomplished. If you are manufacturing rails, motors, or shoes this is not a difficult affair. It is a vastly different problem when you are dealing through a single enterprise with streets, water supply, sewers, police and fire protection, education,

recreation, the regulation of utilities, the control of individual action in large spheres of conduct, the planning of cities, taxation, the manipulation of economic forces, and the thousand and one other things which government does or controls. In all of these fields, before action is taken the end in view must be defined and this must be done through democratic channels, not through the easy methods of dictatorship or narrow control.

It is because of all these difficulties that scientific management in public affairs is of supreme necessity. The very fact that government enterprises are larger in man-power and more complex in function than private industries makes scientific management the more essential. Moreover, every governmental unit is a monopoly. It, therefore, is heir to all of the diseases of monopoly. Inefficiency and bad management when reflected in bad service do not automatically terminate the life of the unit. There is no corrective competition in its structure.

Since scientific management is so vitally needed, though so difficult to achieve in public affairs, it is appropriate that we should devote this session of the meeting to a discussion of scientific management in public administration. The topic will be brought before us by Admiral T. T. Craven, the Chief Co-ordinator of the Federal Co-ordinating Service, who is speaking to us on the subject of "Co-ordination in Public Administration."

The discussion will be by representatives from the field of public administration and from the field of private administration. I shall endeavor to call on the different types alternately.

#### Co-ordination in Public Administration<sup>1</sup>

By ADMIRAL T. T. CRAVEN

Chief Co-ordinator, Federal Co-ordinating Service, Washington

**I**T IS my desire in speaking on this subject, first to indicate the reasons prompting the establishment of the Federal Co-ordinating Service, then to give an outline of the mechanism of the service and the results accomplished by it, and finally to express views

<sup>1</sup>Paper presented before a meeting of the Taylor Society, New York, December 4, 1931. Discussion of the paper was arranged by the Institute of Public Administration.